

## Protecting your intellectual property, Vol. 1: Patents

In government contracting, intellectual property generally falls into three categories: patents, technical data and computer software. In this column, we address some of the more frequently asked questions about government-contract principles applicable to patents. In the next column, we turn our focus to technical data and computer software.

### 1. How does the government acquire rights in patents?

Generally speaking, the government's rights in patents are a function of its contracts with the inventor.

Therefore, read the solicitation before executing the contract to determine not only whether and how patent rights will be allocated but whether that allocation is appropriate.

### 2. Does the government acquire patent rights under all of its contracts?

No. The regulations provide for the incorporation of patent clauses in contracts for experimental, development or research work. If you are contracting for a standard commercial item, such clauses would be inappropriate and should not be accepted.

Therefore, carefully review any solicitation, and your own proposal, to ensure they do not incorrectly describe the work in a way that would justify the unnecessary inclusion of a patent-rights clause. Reject a patent clause if it is not

appropriate to the work to be done.

### 3. In what inventions does the government acquire patent rights under its standard contract clauses?

The clauses apply to "subject inventions."

A "subject invention" is any discovery that "is or may be patentable" and is "conceived or first actually reduced to practice in the performance of work" under the contract.

Therefore, do not assume the government will not acquire rights merely because you choose not to seek patent protection. If the invention "is or may be patentable," it can qualify as a "subject invention."

Additionally, do not take comfort in a pending patent application as somehow cutting off the government's rights. It is meaningless under the clauses. If the invention either is conceived or is first actually reduced to practice under the contract, it is a "subject invention."

### 4. Can the government acquire rights in inventions not conceived or first reduced to practice "under" the contract?

Yes, if the invention bears a "close and umbilical relationship" to the contract work.

Therefore, do not assume that extra-contractual work is beyond the reach of the government. Be particularly conscious of, and avoid, the use of common personnel and shared information on parallel, private research and development activities.

### 5. Does the government acquire rights in background patents?

In general, no. The Department of Energy, however, retains that right, based on unique legislation.

Therefore, be alert for potential infringements of your background patents masquerading as a licensed use of your

patented product improvements.

### 6. Does the government customarily acquire title to patents?

Ordinarily, it does not. In most cases, you will have the right to elect to take title. There are exceptions to this rule, including contracts with NASA and DOE.

Therefore, carefully challenge as necessary any solicitation that does not accord you the right to elect to take title. Seek waivers from DOE and NASA, as appropriate.

### 7. If I take title, what rights does the government acquire?

The government will obtain a "non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world."

Therefore, your rights will not prevent others from practicing your patent for the benefit of the United States. The only way to prevent that is by avoiding any allocation of rights to the government.

### 8. May I sue if someone infringes my patent in performing a government contract?

Yes. You can sue the government, but only for monetary relief and only in the U.S. Court of Federal Claims.

Therefore, do not expect to enjoin the use of your patent by someone else under a government contract.



### Government Contracting

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