

# **SBIR-STTR Intellectual Property Rights**



**July 28-29, 2010  
Office of General Counsel  
Missile Defense Agency**



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# Agenda

- **Intellectual Property**
- **Patents & Inventions**
- **Data Rights**
- **Disclaimer**

# Intellectual Property



- **Legal protection for Original Creations**
- **Protect Intellectual Capital & Commercial Value**
- **Various Techniques**
  - **Patent**
  - **Trademark**
  - **Copyright**
  - **Trade Secret**
  - **Unfair Competition**



# Patents & Inventions

- **Protect embodiments of new and useful ideas (utility patents), designs, and plants**
- **Constitution, Federal Statutes (35 USC), and Regulations**
- **Contract – Disclose an invention to obtain exclusive rights**
- **Invention – New and useful Process, Machine, Article of Manufacture, or Composition of Matter; or New and useful improvement thereof**
  - **Novel (One year grace period for US v. Foreign)**
  - **Useful**
  - **Not Obvious (to Person of Ordinary Skill in that Technology)**
  - **Adequately Disclosed**



# Patents & Inventions

- **Patent Term – 20 years from earliest filing claimed (must pay periodic maintenance fees; can be extended in unusual circumstances)**
- **Inventor v. Owner**
  - **Conception of the invention (or part of it)**
  - **Transfer of Patent Rights, i.e., Assignment**
- **First to Invent v. First to File**
  - **U.S. is First to Invent (with diligent reduction to practice)**
  - **Rest of World is First to File**
- **Exclusive Rights to Exclude others from Practicing Claimed Invention generally within U.S. Territory**



# Patents & Inventions

## Special Rules for Subject Inventions (Bayh-Dole Act & FAR 52.227-11)

- **Subject Invention – Invention conceived or first actually reduced to practice by contractor in performing a Government contract**
- **Contractor may retain title**
- **If Contractor retains title, Federal Government has world-wide irrevocable license to use on its behalf**
- **If Federal Government takes title, Contractor has world-wide revocable license (forfeit if fail to disclose subject invention to Contracting Officer within time limit)**



## Patents & Inventions

### **For Subject Inventions, Contractor must:**

- **Identify publications, offers for sale, and public use (Novel - One year statutory bar v. Foreign; Use NDAs)**
- **Instruct Employees to Report Subject Inventions**
- **Require Employees to Assign Inventions to Contractor (by written agreement)**
- **Include following statement in Patent Application**

“This invention was made with Government support under [contract number] awarded by [agency name]. The Government has certain rights in the invention”
- **Notify Contracting Officer of decision not to: 1) file or prosecute patent application, 2) pay maintenance fee, or 3) defend reexamination, no less than 30 days before due**



# Patents & Inventions

## Small Business Timeline (FAR 52.227-11)

- **Contractor discloses invention to Contracting Officer (CO) within 2 months after Inventor discloses or 6 months after Contractor aware**
- **Contractor elects to retain title within 2 years of disclosure to CO, but no later than 60 days prior to any statutory bar for filing**
- **Contractor files U.S. patent (provisional or nonprovisional) within 1 year after election of title or prior to any statutory bar for filing**
- **Contractor files U.S. nonprovisional patent (if applies) and in additional countries within 10 months (or 6 months for secrecy order cases)**
- **Annual and Final Invention Report**



# Patents & Inventions

## Timeline Consequences

- **If Contractor fails to timely disclose or elect to retain title to subject invention, Government may, by written request, obtain title**
- **If Contractor fails to timely file patent application for subject invention, Government may, by written request, obtain title (unless Contractor files prior to written request)**



# Patents & Inventions

## Subcontractors

- **Contractor will include substance of FAR 52.227-11 if small business or non-profit organization will perform experimental or research work**
- **Subcontractor shall retain all rights as if Contractor**
- **Contractor shall not obtain rights in Subcontractor's inventions as consideration for awarding subcontract**



# Patents & Inventions

## Miscellaneous

- **Preference for U.S. Industry: Contractor will not grant Exclusive rights to use or sell subject invention unless licensee agrees to manufacture substantially in U.S. (waiver possible)**
- **March-In Rights: Government may require Contractor to license subject invention if Contractor has not achieved practical use or satisfied health, safety or public use requirements [never used]**
- **Nonprofits: Government approval required for Assignment by Nonprofit Organization except where Assignee primarily manages Inventions**

# Data Rights



- **Data**
  - Recorded information in any form or media
  - Includes Technical Data and Computer Software
- **Government Contract Data Rights**
  - Contractor normally owns the data (except for underlying data in a database)
  - Government has Unlimited, Government Purpose, Limited/Restricted or Specifically Negotiated rights



# Data Rights

## **SBIR Data Rights (DFARS 252.227-7018)**

- **If properly marked, protected for 4/5 years (FAR/DFARS) after project completion (except for emergency, evaluation, and consent; NDAs generally required for release to support contractors)**
- **Extensions for Follow-on SBIR (Phase II, III or III FO work)**
- **Agency cannot condition Phase III award on giving up of SBIR data rights (separate agreement after award okay)**
- **The Government will enter follow-on contracts, to the extent practicable, with the SBIR developer.**



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# Summary

- **Intellectual Property**
- **Patents & Inventions**
- **Data Rights**

