

DEPARTMENT OF ENERGY**48 CFR Parts 927, 952 and 970**

RIN 1991-AA23

Acquisition Regulation; Updating of Patent Regulations

AGENCY: Department of Energy (DOE).

ACTION: Final rule.

SUMMARY: The Department today amends the Department of Energy Acquisition Regulation (DEAR) to base the DOE patent regulations on the Federal Acquisition Regulation (FAR) patent regulations at Subpart 27.2 and the associated FAR patent clauses at 52.227 to the extent that the FAR coverage is consistent with the DOE statutory patent requirements.

EFFECTIVE DATE: April 3, 1995.

FOR FURTHER INFORMATION CONTACT:

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I. Background**A. Discussion**

The proposed rule was published on March 29, 1994, at 59 FR 14593 (1994). It was intended to amend the Department of Energy Acquisition Regulation to reflect the changes to DOE's statutory patent policy, arising out of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 *et seq.*, and the Federal Non-Nuclear Energy Research and Development Act, 42 U.S.C. 5901 *et seq.*, necessitated by the Bayh-Dole Act of 1980 and the Trademark Clarification Act of 1984. The rule is based on patent provisions at FAR 27.3 and FAR 52.227, varying to the extent necessary to fulfill DOE statutory and programmatic duties.

Six sets of comments were received. Of those one was from a private citizen, one was from a private organization, and four were from current DOE management and operating contractor organizations.

B. Disposition of Comments

Two commenters question the relationship of this rulemaking to DOE's contract reform initiative. This rulemaking, as stated in the preamble to the proposed rule is intended to update the DOE coverage of patent rights and to bring DOE's regulations on the subject more in line with the provisions of the Federal Acquisition Regulation (FAR). DOE believes this rulemaking is overdue and must be carried to completion. Any final developments of the Contract Reform Initiative that will affect patent rights will be reflected in a subsequent rulemaking.

One commenter questions the Department's ability to "issue independent technical data clauses which are deviations from those clauses published in the FAR." This rulemaking is directed to DOE's patent regulations, not its technical data regulations. The special status for DOE's patent coverage is statutory and was discussed in detail in the preamble to the proposed rule for this rulemaking. No change has been made.

The same commenter has questioned the inclusion of "demonstration" with research and development in establishing the scope of this regulation, while another has requested that the term be defined to distinguish the term from "research and development" to clarify the different rights that may accrue. As explained in the proposed rule, "research, development, and demonstration" is the statutory scope for the Department's patent policy and has been incorporated into this rulemaking. The second commenter requested a definition of "demonstration" predicated upon an assumption that different rights may accrue. This is not the case. We believe that the term "demonstration," particularly in light of its statutory basis, to be sufficiently clear. Therefore, neither change has been made.

One commenter suggests that the regulations at 927.300 and 927.302 refer to financial assistance transactions. The DEAR controls the award and administration in DOE of procurement contracts, the purposes of which are described in Public Law 95-224. It does not control the award or administration of either grants or cooperative agreements, assistance transactions, as the purposes of those terms are described in the same public law. For

the Department of Energy, the regulations governing assistance transactions are contained at 10 CFR part 600. For this reason, we have made not made the suggested change. The regulations governing patents for assistance instruments will be the subject of a separate rulemaking.

A commenter noted that at the new 927.300 the reference to the regulations that control DOE's granting of waivers of its ownership of inventions should be corrected to reflect that the location and content of those is not being affected by this rulemaking and will continue to exist at 41 CFR 9-9.1 of the old Department of Energy Procurement Regulations (DOE PR) until they are made the subject of their own rulemaking. A change has been made to the first sentence of 927.300(b). That same commenter suggests that the restatement of DOE policy concerning the granting of waivers at 927.300(b) and (c) be deleted. We believe those provisions are descriptive of the policy and yet make it clear that the controlling regulations are located elsewhere. Therefore, we have retained those provisions, modified as described above. We deleted the second sentence of 927.300(a) as unnecessary.

One commenter suggests that "Government" be substituted for "DOE" in the first sentence of 927.302(a). We have chosen to make a change using the phrase "the United States, as represented by DOE,".

The same commenter states that the statement of the authorities of the Assistant General Counsel for Technology Transfer and Intellectual Property that were contained at 9-9.109-3(d) of the DOE PR should be retained. We agree and have added them at 927.302(d).

Another commenter requests the addition of the phrase "or is unable to meet these market demands within a reasonable time" be added to the description of circumstances at 927.302(b) in which DOE would exercise its rights to require licensing of background patents to third parties on reasonable terms and conditions. The statement at 927.302(b) is merely descriptive, and, in fact, describes the substantial considerations in the Government's application for licensing of third parties. The terms of paragraph (k) of the clause at 952.227-13 control, and provide the contractor the opportunity to demonstrate to the Department's satisfaction that either the current market situation is satisfactory or can be made so in a reasonable time. We have not made a change, believing that the current sentence is descriptive. Any additional discussion would