

STATEMENT OF CONSIDERATIONS

User Facilities Class Waiver

This waiver is intended to cover public and private organizations which are using DOE facilities dedicated for research use by other Government entities and the general public. Under a typical user agreement, the user is given access to unique DOE facilities, such as equipment for producing high energy radiation, sophisticated instrumentation or a complex test facility. The research being performed is that of the user, not the Department.

These agreements do not take the form of a research contract, cooperative agreement, or grant as these terms are used in the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501) and implementing guidance by OMB and OFPP. Also, the requirements of DOE's regulations covering contracts, cooperative agreements and grants are not followed. As a result, these agreements do not fall within the definition of "funding agreement" of Public Law 96-517 and the patent policy set forth therein as applicable to small businesses and nonprofit organizations does not apply. For the same reason, the Presidential Memorandum on Government Patent Policy of February 18, 1983, which made the policies of Public Law 96-517 applicable to all other organizations to the extent permitted by law, does not apply.

Although not falling within the normal concept of R&D acquisition or assistance, these agreements nevertheless fall within the broad definition of "...contract, grant, agreement, understanding, or other arrangement, which includes research..." of Section 9 of DOE's Federal Nonnuclear Energy Research and Development Act of 1974 (Nonnuclear Act) and the concept of "...any contract, subcontract, or arrangement entered into with ... [DOE] ..., regardless of whether the contract, subcontract or arrangement involved the expenditure of funds by the ... [DOE] ..." of Section 152 of the Atomic Energy Act of 1954, as amended (Atomic Energy Act). As a result of this broad statutory language, agreements that fall outside of normal R&D acquisition and assistance policies nevertheless fall within DOE's title-taking patent policy legislation.

In June 1982, DOE granted a class waiver for the use of DOE's Government-owned, contractor-operated facilities, including user facilities, by or for others where the user or sponsor is providing full cost reimbursement for such use. That waiver provided the user or sponsor the first option to acquire title to inventions made under such agreements, including the inventions made by the operator of the DOE facilities. That waiver was not limited to user facilities and did not cover the vast majority of the entities that perform research in DOE user facilities, because those entities, mostly universities or other nonprofit organizations, do not normally provide full cost reimbursement. Arrangements for the use of such facilities are normally cost shared in that the users pay for their own personnel and equipment involved in the use of the facility. The Government, however, is not reimbursed for the time of the facility operator or the use of the equipment.

It is the purpose of this waiver to utilize the flexibility of the Atomic Energy and Nonnuclear Acts, the statutory intent of P.L. 96-517, and the guidance of the Presidential Memorandum on Government Patent Policy of 1983 in order to provide a balanced and equitable patent policy that will encourage the utilization of DOE user facilities. Public Law 96-517 provides a statutory Government patent policy allowing small business firms and nonprofit organizations, at their option, to retain title to inventions they make under funding agreements (i.e. contracts, cooperative agreements, and grants) with the Government. This class waiver would apply to inventions of the user conceived or first actually reduced to practice in the course of or under an agreement for the use of DOE user facilities. The waiver terms include the Government license, march-in rights, and other restrictions and obligations set forth in Sections 202-204 of P.L. 96-517 as implemented by applicable regulations. The waiver would apply even though there is not full cost recovery by the Government for use of its facilities. The waiver does not cover inventions of the facility operator, or apply when the user is operating under an agreement with DOE which requires a different disposition of patent rights.

The term "user facility" is a shorthand way to describe the unique, typically large, complex and sophisticated facilities, equipment, software and collection of expertise specifically designed for use by the technical community, including universities, industries, other laboratories, and other Government entities.

User facilities are of two major types:

- a. Designated User Facilities which include any major DOE facility, including associated equipment and instruments, officially designated as either a national research facility or user facility; and
- b. Other User Resources which include major scientific instrumentation, laboratories, or other facilities that DOE laboratory management believes would be of interest and benefit to DOE-supported universities and other qualified researchers. This equipment is not available in other domestic private facilities on an independent, convenient and timely basis at a reasonable charge. Designation of such resources as available to users is subject to local management decisions concerning scheduling and other applicable restraints.

For the purpose of this class waiver, user facilities will be considered those on the list attached as Appendix A. This list may be from time-to-time enlarged or diminished, as appropriate, by the Assistant General Counsel for Patents upon advice from the Director of Energy Research and other appropriate DOE officials responsible for program activities at user facilities.

DOE user facilities have been established for the purpose of supporting research in those fields of technology of primary interest to the Department, particularly those involving nuclear energy and high energy physics. These

facilities are established not only for utilization by the Department, but also for advancing research by offering these unique capabilities to the research efforts of profit and nonprofit organizations, as well as other Governmental entities. The grant of this waiver, therefore, will not only be consistent with the legislative intent of P.L. 96-517, but also will reflect the guidance provided to DOE in Section 9 of the Nonnuclear Act, as implemented by DOE regulations governing the granting of patent waivers, and in the 1983 Presidential Memorandum on Government Patent Policy.


This waiver is consistent with the objectives and considerations of DOE's waiver regulations in view of the fact that it is within DOE's programmatic purposes to encourage widespread utilization of these facilities in the support of the basic sciences. It is believed that providing exclusive rights to patentable inventions made by the sponsors of such research would best encourage such utilization. It should be emphasized that although DOE is making these facilities available, and accordingly, is underwriting a portion of the research being performed by the users, the research efforts are not those of a DOE program, but of the user which is underwriting the overall costs outside of the facility's use. DOE will not be involved in the further support of the research results, or responsible for attempting to achieve commercialization. Accordingly, if additional funding is necessary to continue the research and carry it through to commercial utilization, exclusive patent rights will normally be useful in encouraging the investment of the required capital expenditures. The waiver should, therefore, promote the commercial utilization of subject inventions and make the benefits of DOE user facilities widely available to the public in the shortest practicable time. The waiver will recognize the past, current, and future private expenditures necessary in the commercialization process, the lack of DOE commitment to further support, and the use of patent rights to encourage further private investment. For its contribution, the Government will receive a royalty-free, nonexclusive license to each invention made under these agreements, the standard march-in rights of P.L. 96-517, and the right to publish the results of the sponsored research.

To the extent that the user is supported by funding from another federal agency, the agreement with that agency will provide for the disposition of patent rights deemed necessary to satisfy the agency's statutory or regulatory requirements. In view of P.L. 96-517, and the 1983 Presidential Memorandum on Government Patent Policy, the disposition of rights will normally be identical to those of this class waiver.

Finally, in view of the fact that this waiver will mostly apply to basic research performed in facilities available to all of the scientific and technical communities, there appears to be little chance the waiver would cause an adverse effect on competition.

The availability of this class waiver shall be automatic upon a determination by the DOE activity responsible for the user facility, either directly or through delegation to the user facility management, that the user is qualified and selected to have access to the facility.

Accordingly, in view of the objectives to be attained and the factors to be considered under DOE's statutory waiver policy, all of which have been considered, it is recommended that a waiver of U.S. and foreign patent rights, to the class of users, and in the situations described above, will best serve the interests of the United States and the general public. It is therefore recommended that the waiver be granted.


James E. Denny
Assistant General Counsel
for Patents

Order for the Disposition of Patent
Rights Arising From Use of DOE Facilities

Pursuant to the authority provided in Section 152 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2182), Section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5908), and the implementing regulations promulgated thereunder for waivers of patent rights, it is in the best interests of the United States and the general public to grant a waiver of patent rights to the class represented by users of DOE user facilities. Therefore, it is ordered that a waiver of U.S. and foreign patent rights to users of DOE user facilities listed in Attachment A, as may be amended from time to time in accordance with the foregoing Statement of Considerations is hereby granted. The waiver is limited to inventions of the users which are conceived or first actually reduced to practice in the course of or under an agreement for the use of DOE user facilities, and is subject to all the limitations, terms, and conditions set forth in the foregoing Statement of Considerations. The Assistant General Counsel for Patents shall be responsible for issuing

instructions for implementation of this waiver in accordance with DOE regulations for the waiver of patent rights and, insofar as possible within statutory and regulatory authorities, OMB Circular A-124 and federal regulations implementing the Presidential Memorandum on Government Patent Policy dated February 18, 1983. This waiver shall not affect any waiver previously granted.

CONCURRENCE:

[REDACTED]

Alvin W. Trivelpiece, Director
Office of Energy Research

Date: 3/31/83

APPROVAL:

[REDACTED]

R. Tenney Johnson
General Counsel

Date: March 23, 1983