



U.S. FISH AND WILDLIFE SERVICE TRANSMITTAL SHEET

PART 402 FW 1	SUBJECT Inventions and Patents Obtaining a Patent	RELEASE NUMBER 363
FOR FURTHER INFORMATION CONTACT Division of Policy & Directives Mgt		DATE January 18, 2001

EXPLANATION OF MATERIAL TRANSMITTED:

This revised chapter includes updated patent terms and award amounts, and clarifies the roles of all parties involved in obtaining a patent.

ACTING

DIRECTOR

FILING INSTRUCTIONS:

Remove:

402 FW 1, FWM 032, 07/16/92 (2 sheets)
Appendix 1, 402 FW 1, FWM 032, 07/16/92 (1 sheet)

Insert:

402 FW 1, FWM 363, 01/18/01 (3 sheets)

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Chapter 1 Obtaining a Patent

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1.1 What is the purpose of this chapter? This chapter establishes policy and prescribes procedures for obtaining a patent.

1.2 To whom does this chapter apply? This chapter applies to all Service employees, collaborators, and collectors.

1.3 What is Service policy on patents and inventions?
We will:

A. Promote commercialization of Service inventions through patenting and licensing, and through assignment of rights to employees and parties to cooperative research and development agreements.

B. Ensure appropriate protection of Government and public rights in all Service inventions. For collectors, see paragraph 1.25.

1.4 What authorities govern patents and inventions?

A. Public Law 99-502 (Federal Technology Transfer Act of 1986).

B. Public Law 98-622.

C. Title 35, United States Code.

D. Executive Order 12591, April 10, 1989 .

E. 453 DM 1. For additional policy/guidance, see the Department of the Interior's "An Aid to Understanding Patents and Procedures of the U.S. Department of the Interior." You may obtain a copy of this document from the Division of Policy and Directives Management.

1.5 What are the definitions for terms used in this chapter?

A. Collaborator. A party to an agreement with the Service. We may grant the collaborator a patent license or assignment in any invention made in whole or in part by our employee covered by the agreement.

B. Collector. A person who legally collects specimens or samples of organic material from federally owned or Service managed property.

C. Cooperative Research and Development Agreement (CRADA). An agreement between a Government laboratory and another agency or bureau, a unit of State or local government, or private parties and businesses including present and former employee inventors. Service laboratories may accept, retain, and use personnel, funds, services, and property from parties collaborating in joint research efforts. Service laboratories may provide services,

personnel, and property to collaborating parties. The Service may not provide direct funds.

D. Experimental Use. Operating the device or practicing the method for the purpose of determining whether the invention is complete or needs further improvement. Experimental use must be distinguished from the use of the invention in experimentation. If you use the invention in its completed form to accomplish its intended purpose in the course of a research program, then there is no experimental use. For example, the use of a microscope having a newly invented objective in microbiological research would not be experimental use as regards the microscope.

E. Invention. Any art, machine, manufacture, design, or composition of matter, or new improvement thereof, that is or may be patentable under the patent laws of the United States.

F. Laboratory. A facility or group of facilities owned, leased, or otherwise used by a Federal agency, a substantial purpose of which is the performance of research, development, or engineering by Federal employees. Refuges, fish technology centers, and fish hatcheries used for research and specimen collection purposes by a collector or a collaborator are considered laboratories.

G. License. Grants the recipient the right to make, use, or sell the patented invention. We may grant a license for the entire patent period or for only a portion of the patent period. The license may grant any of the rights separately or in any combination. A license may be exclusive or nonexclusive.

H. Patent. Provides a 20-year exclusive right to make, use, and sell the invention to which the patent is held. A patent is an exclusive right and allows the holder to exclude all others from making, using, or selling the invention or in any way excluding use of the invention by a subsequent patent. By failure to issue a patent license to other parties, the holder excludes all others from legally making, using, or selling the invention. An existing patent precludes issuance of a subsequent patent for the same invention.

I. Public Disclosure. Publication of a written description of an invention or the oral presentation of a description of the invention. The written description normally occurs in a scientific journal and the oral description is most typically given at a workshop, seminar, or symposium.

J. Royalty. A percentage of receipts derived from the use of a patented invention.

K. Statutory Invention Registration. The Statutory Invention Registration (SIR) allows Government agencies to protect large procurement programs from inventors who would develop and patent Federal inventions and subsequently file patent infringement lawsuits against

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Federal agencies. By obtaining an SIR, no one can obtain a patent and the invention goes into the public domain.

L. Transfer of Technology. The use by the private sector or State and local governments of federally developed technologies that further the mission of the agency or the Government as a whole, or result from such efforts.

1.6 Why should I apply for a patent? Patents provide an effective tool for the transfer and dissemination of useful technology throughout the scientific field. Your individual contribution will be recognized professionally and you may:

A. Receive a cash award if the Office of the Solicitor files your application with the Patent and Trademark Office and another cash award if the PTO grants you a patent.

B. Request a determination of your rights and, if appropriate, you may obtain title to the invention.

C. Request and obtain foreign patent rights.

D. Be the exclusive licensee of the Government-owned patent.

E. Receive a minimum of 15 percent of the royalties collected by licensing of the patent.

F. Obtain an exclusive or nonexclusive license.

1.7 What are my rights in the invention? The Departmental patent regulations (43 CFR 6, Subpart A, Employee Inventions) govern your rights and the rights of the Government in the invention.

A. The Government is entitled to the entire right, title, and interest in the invention where the invention bears a direct relation to or is made in consequence of official duties.

B. The Government is entitled to a nonexclusive, irrevocable, royalty-free license in the invention with the power to grant sublicenses for all governmental purposes when the invention does not bear a direct relation to or is not made in consequence of official duties but you conceive the invention during working hours, or build or test it with a contribution of Government facilities, equipment, materials, funds, information not available to the public, or the time or services of other Government employees on official duty. Inventions developed under CRADAs are within this category.

C. The Government is not entitled to any rights and you may retain the entire right, title, and interest in the invention when the invention is made under conditions not falling within A or B, above.

1.8 When can I disclose information about an invention? You should make every effort not to disclose

inventions through publication, speeches, handouts at seminars, newspaper articles, etc., until the Office of the Solicitor determines the Government's interests and rights in the invention. Once a publication occurs, the statutory time limit of 1 year begins to run. The Patent and Trademark Office will not grant a patent if public disclosure occurred more than 1 year prior to the initial patent application. Practical use, other than experimental use, also may constitute a bar to the filing of the patent application. If you want to publish information on an invention before the Solicitor files an application for a patent with the Patent and Trademark Office, contact the Division of Policy and Directives Management for guidance.

1.9 How do I start the patent process? You must complete a Report of Invention (Form DI-1215) to apply for a patent. Fill out the form completely and include a clear, step-by-step description of how the device works. Attach descriptive graphs, test results, drawings, and photographs. Forward the completed form and attachments to your supervisor.

1.10 What are my supervisor's responsibilities? Your supervisor must check your Report of Invention (DI-1215) to ensure that it is complete and accurate, and must write a transmittal letter to accompany your DI-1215. Address the transmittal letter to the Chief, Division of Policy and Directives Management.

1.11 What is a transmittal letter? The transmittal letter includes any additional information regarding the circumstances under which the invention was made, evidence surrounding the making of the invention, the supervisor's opinion of the Government or commercial value of the invention, and any other relevant information.

1.12 What should I do if I do not want to assign my patent rights to the Government?

A. Generally, inventions made by Government employees in the course of their official duties belong to the Government. However, if you believe you should obtain title to the invention, you may request that the Office of the Solicitor make a determination of rights. You must sign the last entry on the Report of Invention (DI-1215) and your supervisor must submit an Invention Rights Questionnaire (DI-1218).

B. If you are not satisfied with the Solicitor's determination, you may obtain a review by filing an appeal with the Commissioner of Patents and Trademarks within 30 days after receiving the notice of the Solicitor's determination. The Commissioner's decision on any appeal is final. For further details on the appeals process, see 43 CFR 6.6.

1.13 Where do I send the application? Your application must include the Report of Invention (DI-1215), the transmittal letter, the Invention Rights Questionnaire (DI-

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1218) (if applicable), and any supplemental papers (if needed). Send your application to:

Chief, Division of Policy and Directives Management
Attn: Patent Review
Fish and Wildlife Service
4401 N. Fairfax Drive, Room 222
Arlington, VA 22203

1.14 Should I maintain records of the invention? You must maintain thorough records on your invention. If someone challenges your patent application, it is important that the invention report and all related papers are in order to establish priority of the invention. Your records should show the earliest date that you conceived the idea and the date you reduced the invention to practice. For example, you may keep your notes in a permanently bound laboratory book in which you have signed each daily significant work sheet. A witness who is not a joint-inventor and who understands the invention must also date and sign the notes. Number pages consecutively and date them in permanent ink with no erasures. Cross out any errors and date and initial them. Other records may include authenticated records pertaining to the conception of the invention, operational data sheets, visitor log books, letters and other documents pertaining to disclosure to others. You do not need to submit all of this information at the time of application.

1.15 Who will review my application? Upon receiving the completed application, the Division of Policy and Directives Management will review the material to ensure that you have filled everything out properly and completely. In most cases, we will forward the application to the Patent Review Committee. The Division of Policy and Directives Management will serve as liaison between the inventor and all other parties.

1.16 Who is on the Patent Review Committee? The Patent Review Committee consists of a representative from the Division of Policy and Directives Management, the appropriate Assistant Director or Regional Director, and the Research Coordination Office.

1.17 What does the Patent Review Committee do? The Patent Review Committee reviews the application to preliminarily determine patentability and marketability of the invention.

1.18 What happens after the Patent Review Committee determines patentability and marketability? If the Patent Review Committee determines that the invention is potentially patentable and marketable and if further review is deemed necessary, the Division of Policy and Directives Management will contract with a third party outside the Service to conduct a formal patentability and marketability study. Alternatively, we may assist the Department of the

Interior/U.S. Geological Survey Enterprise Office (USGS) in working with an outside contractor. PDM or USGS will be the Service contact for the outside contractor. If the outside contractor finds that the invention is potentially patentable and marketable, PDM will send the original and two copies of the application as well as the outside study to the Office of the Solicitor. A copy of the application and a copy of the study are kept in the PDM office.

1.19 Who files my application with the Patent and Trademark Office? The Office of the Solicitor determines whether or not to forward your application to the Patent and Trademark Office.

1.20 What else may the Government do to protect its rights in the invention?

A. The Government may obtain a Statutory Invention Registration. The SIR differs from a patent in that it does not permit the holder to exclude others from making, using, or selling the invention. Like a patent, however, the SIR prevents others from patenting the invention. An SIR also gives the holder an opportunity to participate in Patent and Trademark Office interference proceedings if a subsequent inventor applies for a similar patent. Without an SIR, the inventor could respond only to the public announcement of the application.

B. The SIR is aimed at Federal agencies whose primary objectives are to protect large procurement programs from inventors developing and patenting Federal inventions and subsequently filing patent infringement lawsuits against Federal agencies. By obtaining an SIR, others cannot obtain a patent and the invention goes into the public domain. The fees and time required for preparing an SIR are the same as for a patent application.

C. We can convert an SIR to a patent within 1 year of public disclosure. If the SIR is not converted to a patent within 1 year after disclosure, the patent opportunity is lost and the invention remains in the public domain forever.

1.21 Can I file for foreign patent rights of my invention? If the Government makes an affirmative decision in writing not to file for foreign patent rights, you have the right to file for these rights. You must write a letter to the Chief, Division of Policy and Directives Management requesting that the foreign patent rights be assigned to you. Division staff will assist you in obtaining reassignment of these rights. However, keep in mind that certain activities (i.e. publication) committed before a U.S. patent application is filed may act as a bar to your obtaining or filing in many foreign countries.

1.22 Who may take advantage of a CRADA? CRADA partnerships are available to any party that is interested in taking advantage of cooperative research. A prospective CRADA partner should contact the principal researchers

involved or the Division of Policy and Directives Management. CRADA's are established without competition and the participating laboratory retains funds received. CRADAs must fall within certain criteria:

- A. Consistency with the mission of the Service.
- B. No adverse affect of the scientific integrity of the Service.
- C. Performance of the CRADA must be in the public interest of the Service.
- D. Assurance that CRADA partners are fairly selected and that others interested in the effort have an opportunity to participate.

1.23 What are the Division of Policy and Directives Management's responsibilities in the management of CRADAs? The Division will:

- A. Promote the use of CRADAs throughout the Service.
- B. Maintain complete records of any CRADA entered into between the Service and a collaborator, provided the principal laboratory or researcher involved provides the records to the Division.
- C. Assist parties desiring to enter into a CRADA with the Service, by helping them contact the appropriate researcher or laboratory.
- D. Advise personnel on CRADA issues.

1.24 What happens to inventions made while under the CRADA agreement? Under a CRADA, each party owns the inventions that are solely developed by their own employees; the parties jointly own inventions that have been made collaboratively. The Federal Technology Transfer Act allows Service laboratories to grant or agree to grant in advance to collaborators patent licenses, assignments, or options to the Service solely developed or jointly developed technologies. In addition, the CRADA agreement provides that when a collaborator solely develops an invention under a CRADA, the U.S. Government retains a Government use license.

1.25 What if a nonemployee collector invents something based on collections from bioprospecting activities on a refuge? As a permittee, a collector is bound by the language in the special use permit. The language helps protect Service resources and avoid conflicts arising from inventions created from bioprospecting and collecting activities on refuge lands. The permittee may use specimens collected under the permit, any components of any specimens (including natural organisms, enzymes, genetic materials or seeds), and research results derived from collected specimens for scientific or educational purposes only, and not for commercial purposes unless the

permittee has entered into a CRADA with the Service. The Service prohibits the sale of collected research specimens or other transfers to third parties. Breach of any of the terms of the permit will be grounds for revocation of the permit and denial of future permits. Furthermore, if the permittee sells or otherwise transfers collected specimens, any components thereof, or any products or research results developed from such specimens or their components without a CRADA, the permittee will pay the Service a royalty rate of 20 percent of gross revenue from such sales. In addition to such royalty, the Service may seek other damages and injunctive relief against the permittee.

1.26 What types of entitlements or awards could I receive for my invention?

A. Entitlements Upon Completion of the Invention. You will receive \$500 if the Solicitor files a patent application with the Patent and Trademark Office. You will receive an additional \$800 if the invention is successfully patented from the Patent and Trademark Office. In the event that a patent application has more than two inventors, the patent entitlement will be split between all inventors.

B. Presidential Award. You may receive a Presidential award if your 15 percent of royalties exceeds \$150,000 per year (see paragraph 1.27). A Presidential award is a monetary and/or non-monetary award for:

- (1) Contributing to the efficiency, economy, or other improvement of Government operation by your suggestion, invention, or other personal effort.
- (2) Achieving a significant reduction in paperwork.
- (3) Performing an exceptionally meritorious special act or service in the public interest in connection with or related to official employment.

C. Scientific Award. You may receive a cash award if your invention has made an outstanding scientific contribution that promotes the transfer of technology between the Federal Government and State or local government or the private sector. The scientific award applies only to scientific, engineering, and technical personnel, and this award does not preclude consideration of any other award recommended for you or to which you would have otherwise been entitled.

1.27 How are royalties distributed? You may receive royalties if you develop an invention that contributes to the efficiency, economy, or otherwise improves Government operations. Each year, you will be paid the first \$2,000 and thereafter at least 15 percent of the royalties or other payments for patented inventions. Payments will not exceed \$150,000 per year to any one person, unless the President approves a larger award (with the excess over \$150,000 being treated as a Presidential award). After paying

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royalties to you, if Service royalties in any fiscal year exceed 5 percent of the budget of the Service's Government-operated laboratories for that year, 75 percent of such excess must be paid to the Treasury and 25 percent may be used by the Service's Government operated laboratories, with the majority of the funds going to the laboratory where the invention occurred. The Federal Technology Transfer Act of 1986 allows laboratories to use royalties to pay for expenses of patent licenses; for education and training of laboratory personnel; to further scientific exchange among laboratories; and to reward laboratory engineering and technical personnel. Thus, a laboratory director is able to recoup the investment of laboratory time, personnel, and resources through receipt of royalties. If the invention does not occur at a laboratory, all funds received in excess of the royalties paid to the employee/inventor are paid to the Treasury. The CRADAs must provide for employee/inventor receipt of royalties.

1.28 How can the public find out about Service technology? The Division of Policy and Directives Management will inform the private sector and State and local governments about Service technology and inventions. Specific duties include:

A. Cooperating with and assisting organizations that link the research and development resources of a laboratory and the Federal Government as a whole to potential users in State and local government and private industry.

B. Providing technical assistance to State and local government officials by being the liaison with Service program offices.

C. Participating, where feasible, in regional, State, and local programs designed to facilitate or stimulate the transfer of technology for the benefit of the regional, State, or local jurisdiction where the Federal laboratory is located.

D. Assisting in the development and maintenance of the technology transfer website.