

Clause 89. New Technology Clause (March 1972)

Subcontracts, III-Rights, IV-Waived Inventions, and V-Withholding; and the clause paragraphs are lettered consecutively throughout the sections.)

I-DEFINITIONS

(a) As used in this clause, the following terms shall have the meanings set forth below:

- (i) "Reportable item" means any invention, discovery, improvement or innovation, whether or not the same is susceptible of protection under the United States patent laws, which is made in the performance of work under this contract or in the performance of any work done upon a understanding in writing that this contract would be awarded for work made in the performance of any work which is reimbursable under any clause in this contract providing for reimbursement of costs incurred prior to the effective date of this contract;
- (ii) "Made" means conceived or first actually reduced to practice, and "making" means conceiving or first actually reducing to practice;
- (iii) "Invention" means any reportable item which, in the opinion of the Administrator, falls within a statutory class of patentable subject matter (35 U.S.C. 101, 161, and 171);
- (iv) "Person" means any individual, partnership, group, corporation, association, institution or other entity;
- (v) When this clause is included in any subcontract, "contractor" means subcontractor and "contract" means subcontract; and
- (vi) "Administrator" means the Administrator of NASA or his duly authorized representative.

II-REPORTING AND SUBCONTRACTS

(b) the contractor shall furnish to the Contracting Officer a written report concerning each reportable item promptly upon the making thereof. Such report shall include such technical detail as is necessary to identify and to describe fully the nature, purpose, operation and physical (electrical, chemical, etc.) characteristics of the reportable item.

(c) In addition to the reports required in paragraph (b) above, the contractor shall conduct frequent periodic reviews of the work performed by the contractor to assure that all reportable items have been reported to the Contracting Officer. Within one month following each annual anniversary date of this contract, until completion of the contract work, and within one month following completion of the contract work, the contractor shall furnish to the Contracting Officer a written summary of the review activities performed, including a report as required by paragraph (b) above for each reportable item not previously reported, or certifying that there are no reportable items.

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(d)(1) The contractor shall include Sections I through IV (paragraphs (a) through (q)) of this clause in each subcontract he awards under this contract where the performance of research, experimental, design, engineering, or developmental work is contemplated and shall set forth in each subcontract the identification of the prime contract and the identification and mailing address of the Contracting Officer.

(2) As to each subcontract of any tier for which the Inventions and Contributions Board makes the findings referred to in paragraph (k) of this clause, the contractor shall include in the Schedule or elsewhere in such subcontract the statement set forth in said paragraph (k).

(3) In the event of refusal by the subcontractor to accept any of the provisions of this clause other than paragraph (r), the contractor shall promptly notify the Contracting Officer of such refusal and shall not execute the subcontract in question until provisions have been approved in writing by the Contracting Officer for inclusion in said subcontract.

(4) The contractor shall furnish promptly to the Contracting Officer a statement listing each subcontract he awards under this contract of over fifty thousand dollars (\$50,000) of the type described in paragraph (d)(1) above, stating the name and address of the subcontractor, describing the work to be performed, stating the estimated cost, and giving the estimated completion date of the subcontract. Within one month following each annual anniversary date of this contract, until completion of the contract work, and within one month following completion of the contract work, the contractor shall furnish to the Contracting Officer a written report listing each such subcontract not previously reported or certifying that no such subcontracts were awarded during the reporting period.

(e) With respect to each subcontract awarded by the contractor of over fifty thousand dollars (\$50,000) of the type described in paragraph (d)(1) above, the contractor shall, within one month following completion of the work under such subcontract:

- (i) Obtain from an official having authority to execute such subcontract on behalf of the subcontractor a letter certifying compliance by the subcontractor with the paragraphs of the "New Technology" clause included in such contracts; and
- (ii) Submit a copy of such letter directly to the Contracting Officer upon receipt from the subcontractor.

III-RIGHTS

(f)(1) An invention reported under this clause shall be presumed to have been made in the manner specified in paragraph (1) or (2) of section 305(a) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457(a) (1958)) (hereinafter called "the Act").

(2) The presumption of paragraph (f)(1) above shall be conclusive unless the contractor at the time of reporting the invention submits to the Contracting Officer a written statement, containing supporting details, demonstrating that the invention was not made in the manner specified in paragraph (1) or (2) of section 305(a) of the Act.

(3) Regardless of whether the Invention and Contributions Board has considered the matter, if the Schedule of this contract does not include the statement set forth in paragraph (k) below, the contractor may, within 60 days from the date of execution of this contract, petition the Administrator for waiver of title to inventions, pursuant to 14 CFR 1245.105, or after reporting an invention, may petition for waiver of title to that invention, pursuant to 14 CFR 1245.106.

(g) Regardless of whether title to a given invention would otherwise be subject to a waiver or is the subject of a petition for waiver, the contractor may nevertheless file the statement described in paragraph (f)(2) above. The administrator will review the information furnished by the contractor in any such statement and any other available information relating to the circumstances surrounding the making of the invention and will notify the contractor whether the Administrator has determined that the invention was made in the manner specified in paragraph (1) or (2) of section 305(a) of the Act.

(h) With respect to each invention which becomes the exclusive property of the United States, the contractor shall:

(1) Inform the Contracting Officer at the earliest practicable date of any public use or sale by the contractor of the invention or of any publication by the contractor describing the invention; and

(2) Furnish, upon written request by the Contracting Officer, such full and complete technical and other information available to the contractor as is necessary for the preparation of a patent application and for prosecution of such patent application, and, in addition, shall execute or endeavor to secure execution of all lawful documents and instruments determined by the Administrator to be necessary for the preparation and prosecution of applications for Letters Patent covering the invention.

(i) Regardless of any other disposition of rights in the invention, in the case of each reported invention which is determined to have been made in the manner specified in paragraph (1) or (2) of Section 305(a) of the Act, the contractor is granted a royalty-free license to practice the invention pursuant to, and of the scope defined in, 14 CFR 1245.204(a). This license may be revoked under the conditions set forth in 14 CFR 1245.211(b)(c).

(j)(1) The Government may duplicate, use and disclose in any manner and for any purpose whatsoever, and have others do so, all reports furnished pursuant to paragraph (b), (c), and (h)(2) of this clause.

(2) Nothing contained in the "New Technology" clause shall be deemed to grant any license under any invention as to which rights of the Government are not expressly obtained pursuant to the Act, as implemented by this clause.

IV-WAIVED INVENTIONS

(k) The section IV paragraph (k) through (q) of this clause shall be applicable to this contract only if, pursuant to the NASA Patent Waiver Regulations, 14 CFR 1245.104, and 9.101-3 of the NASA Procurement Regulations, there is included in the Schedule of this contract the following statement:

The Administrator has granted the Contractor's request for waiver under 14 CFR 1245.104, and Section IV of the New Technology clause is applicable to this contract.

(1) When this section is applicable to the contract, as provided in paragraph (k) above, the title to any invention made in the performance of work under this contract is subject to a waiver granted by the Administrator pursuant to 14 CFR 1245.104 and to the conditions, reservations, and obligations contained in paragraphs (m), (n), (o), (p), and (q) below.

(m) With respect to any particular invention, the waiver referred to in paragraph (1) above is subject to the following conditions:

(1) That the contractor report the invention during the term of this contract;

(2) That the invention is determined to have been made in the manner specified in paragraph (1) or (2) of section 305(a) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457(a)) in the performance of work under this contract; and

(3) That the invention is designated at the time of reporting as being an invention upon which the contractor intends to file or has filed a United States patent application.

(n) With respect to any particular invention, the waiver referred to in paragraph (1) above is subject to the following reservations:

(1) The reservation of an irrevocable, nonexclusive, nontransferable, royalty-free license for the practice of the invention throughout the world by or on behalf of the United States or any agency thereof, state, or domestic municipal government, or any foreign government pursuant to any existing or future treaty or agreement with the United States;

(2) The reservation by the Administrator of the right to require the granting of a license to any applicant on a nonexclusive, royalty-free basis unless:

(i) The contractor, his licensee, or his assignee has brought the invention to a point of practical application within three years after a United States patent issues on the invention and makes its benefits reasonably accessible to the public; or

(ii) within three years after a United States patent issues on the invention, such patent has been made available for nonexclusive licensing to any responsible applicant, royalty-free or on the terms that are reasonable in the circumstances; or

(iii) the contractor shows cause why he should retain the full benefits of waiver for a further period of time; and

(3) The reservation by the Administrator of the right to require the granting of a license to any responsible applicant royalty-free or on terms that are reasonable in the circumstances for such practice of the invention as may be appropriate to satisfy the requirements which may be made by governmental regulations for public use of the invention, as may be necessary to fulfill health needs, or for other public purposes, if any, stipulated in the Schedule of this contract.

(o) With respect to any particular invention, the waiver referred to in paragraph (1) above is voidable at the option of the Administrator unless the contractor shall:

(1) File within eight months from the date of reporting of such an invention, an application for United States Letters Patent disclosing and claiming the invention, and include within the first paragraph of the specification of such application and any patent issuing thereon the following statement:

The invention described herein was made in the performance of work under a NASA contract and is subject to the provisions of Section 305 of the National Aeronautics and Space Act 1958, Public Law 85-568 (72 Stat. 435; 42 U.S.C. 2457).

(2) Furnish to the Administrator a copy of each patent application, domestic or foreign, filed thereon, together with an identifying serial number and filing date promptly upon receipt thereof;

(3) Execute and furnish to the Administrator instruments fully confirmatory of the rights herein reserved by the Government;

(4) In the event the contractor elects not to continue prosecution of any application filed thereon, notify the Administrator within sufficient time to allow assumption of prosecution by the Government and deliver to the Administrator such duly executed instruments as are necessary to vest in the Administrator title thereto, including an instrument of assignment to such application;

(5) Convey to the Administrator, on written request, the contractor's entire right, title and interest in any foreign country in which the contractor has not filed an application on said invention within--

(i) Nine months from the date a corresponding U. S. application is filed;

(ii) Six months from the date permission is granted to file foreign applications where such filing has been prohibited for security reasons; or

(iii) Such longer periods as may be expressly approved by the Administrator.

(6) Grant any license which the Administrator may require to be granted pursuant to paragraph (a)(2) or (3) above.

(7) Report, upon NASA's written request not more often than annually, the commercial use that is being made or is intended to be made of the invention.

(p) With respect to any particular invention, the waiver referred to in paragraph (1) above is voidable at the option of the Administrator if the patent disclosing and claiming such invention is held to have been used in violation of the antitrust laws in an unappealed or unappealable judgment or order of a court or administrative tribunal of competent jurisdiction.

(q) Before a contractor is required to grant a license under either paragraph (n)(2) or (3) above, he shall be given an opportunity to show cause before the NASA Inventions and Contributions Board why he should not be required to grant such a license.

V-WITHHOLDING

(r)(1) Except as provided in subparagraphs (3) and (4) below, if the contractor fails to comply with the provisions of this clause after receipt of a written decision of the Contracting Officer, pointing out wherein the contractor has failed to comply and setting a time limit for compliance there shall be withheld from payment, unless such failure has been corrected as from time to time amended, or fifty thousand dollars (\$50,000) whichever is less.

(2) Without regard to whether a written decision as described in subparagraph (1) above has been issued, after payment of eighty-five percent (85%) of the amount of this contract, as from time to time amended, or fifty thousand dollars (\$50,000), whichever is less, shall have been set aside, such reserve or balance to be retained until the contractor shall have complied with the provisions of this clause, as well as with such written decision or decisions as may have been issued pursuant to subparagraph (1) above and not withdrawn or successfully challenged on appeal pursuant to the "Disputes" clause.

(3) The maximum amount which may be withheld under this paragraph (r) shall not exceed five percent (5%) of the amount of this contract or fifty thousand dollars (\$50,000), whichever is less. If this contract is a no-fee contract with a contractor other than an educational institution, the amount which may be withheld shall not exceed one percent (1%) of the amount of the contract or fifty thousand dollars (\$50,000), whichever is less. No amount shall be withheld pursuant to this Section V so long as an equivalent amount is being withheld under other provisions of this contract.

The withholding provisions of subparagraphs (1) through (3) of this paragraph (r) do not apply to the provisions of paragraph (e) or Section IV of this clause, or to no-fee contracts with an educational institution.. The withholding of any amount or subsequent payment thereof to the contractor shall not be construed as a waiver of any rights accruing to the Government under this contract.