



Department of Energy

Washington, DC 20585

June 20, 2006

MEMORANDUM

SUBJECT: Procedures for Extensions of a Waiver to a Subcontract, IPI

1. This Internal Patent Instruction addresses the situation where a waiver is granted to a prime contractor and the waiver is to extend to inventions conceived or first actually reduced to practice under one or more subcontracts. This procedure represents an exception from the general policy that a DOE contractor may not use its government contract to gain rights in a subject invention arising under the contractor's subcontracts. The authority for extension of a contractor's waiver to one or more subcontracts is 10 CFR 784.11(c):

“...However, in appropriate circumstances, the waiver given to the Prime Contractor may be made applicable to the waivable inventions of any or all subcontractors such as where there are pre-existing special research and development arrangements between the prime contractor and subcontractor, or where the prime contractor and subcontractor are partners in a cooperative effort...”

The authority for the Assistant General Counsel for TT & IP to determine if the above “appropriate circumstances” exist is under a December 27, 1979 memorandum from the Deputy General Counsel for Legal Services stating:

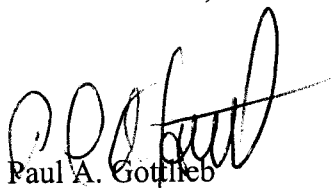
“...the authority to designate the applicability of a contractor's waiver to the inventions of a subcontractor is hereby delegated to the Assistant General Counsel for Patents...”

2. The procedure for extension of a waiver to subcontracts when the waiver has not been approved is to make the extension part of the waiver petition. Analysis in the normal statement of considerations and program concurrence takes place in the normal course of waiver



processing. The waiver petition should include what subcontractors the waiver would cover and what the petitioner thinks are its "appropriate circumstances" for the petitioned waiver extension. In addition, a letter of concurrence should be obtained from those subcontractors to be covered by the waiver extension. In the alternative a subcontractor may sign the prime contractor's waiver petition requesting a waiver extension.

3. The procedure for extension of a waiver to subcontracts when the waiver has already been approved for the prime contract starts by a request for waiver extension from the prime contractor. This request should state what subcontractors the waiver would cover and what the prime contractor urges as its "appropriate circumstances" justifying a waiver extension. Examples where waiver extensions have been made are where the subcontractor is a part of the same corporate structure, where there are preexisting special research and development arrangements between the prime contractors and subcontractor, or where the prime contractor and subcontractor are partners in a cooperative effort. A letter of concurrence should be obtained from those subcontractors to be covered by the waiver extension. Since waiver extensions will be handled on a case by case basis according to the circumstances cited by the requestor, the DOE patent professional should make sure that all relevant circumstances are forwarded to the Assistant General Counsel for TT & IP. After a decision by the Assistant General Counsel for TT & IP on the request for extension of a waiver, a letter is sent to the appropriate DOE program personnel for concurrence. Upon receipt of program concurrence, notification of the waiver extension approval (or denial) is sent to the petitioner. Original copies of program concurrence are kept at Headquarters. For an approval, the Contracting Officer is requested to modify the contract by the appropriate terms and conditions of the waiver extension. A signed copy of the modification should be sent to this office for retention. Also, the DOE reading room waiver file should be updated accordingly.



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for Technology Transfer and Intellectual Property

cc: HQ Patent Staff