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Statutory Basis for Making Licenses to Federally-Funded Patented Inventions Available to International Organizations and Developing Countries

Under existing law, NIH has the ability to ensure that licenses to patents on the medical technologies it has funded are available to international organizations and foreign governments. Pursuant to 35 USC Sec 202 (c) (4) of the Bayh-Dole Act (for public grants leading to patented inventions) or under 37 CFR 404.7 (for government owned inventions), the US Government has an irrevocable, royalty-free right to practice and have the subject invention practiced on its behalf and on behalf of any foreign government or international organization pursuant to any existing or future treaty or agreement with the United States.

35 USC Sec 202 (c) (4) of the Bayh-Dole Act:

With respect to any invention in which the contractor elects rights, the Federal agency shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States any subject invention throughout the world: Provided, That the funding agreement may provide for such additional rights, including the right to assign or have assigned foreign patent rights in the subject invention, as are determined by the agency as necessary for meeting the obligations of the United States under any treaty, international agreement, arrangement of cooperation, memorandum of understanding, or similar arrangement, including military agreement relating to weapons development and production.

37 CFR 404.7 (a) (2) (i):

The license shall be subject to the irrevocable, royalty-free right of the Government of the United States to practice or have practiced the invention on behalf of the United States and on behalf of any foreign government or international organization pursuant to any existing or future treaty or agreement with the United States.

Robert Weissman's Testimony to the Senate Judiciary Committee:

Under Bayh-Dole, the federal government not only has a paid up license to use sponsored inventions on its own behalf, it has the ability to issue licenses to international organizations or foreign governments to use those inventions.¹

NIH Office of the Director; In the Case of NORVIR® Manufactured by ABBOTT LABORATORIES, INC.:

In giving contractors the right to elect title to inventions made with Federal funding, the Act also includes various safeguards on the public investment in the research. For example, the Federal agency retains a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States any subject invention throughout the world. See 35 U.S.C. § 202(c)(4).²

¹ <http://www.essentialaction.org/access/uploads/SenJudiciaryTestimony.10242007.pdf>, p.11

² *ibid.*, p.49