to retain title.[53] Thus, title is not automatically vested in the contractor pursuant to the Act.

First, the contractor must disclose each subject invention to the federal agency providing the funding within a reasonable time once it becomes aware of the invention.[54] Failure to disclose promptly provides the government with adequate means to forfeit the award of title to a contractor.[55]

The contractor also must make a written election to the federal agency within two years of disclosure.[56] This election should maintain that the contractor will agree to file a patent application prior to any statutory bar date and further file corresponding patent applications in other countries where it wishes to retain title.[57]

2. Contractor Failure to Elect Title

§ 202(d) of the Act states that "[i]f a contractor does not elect to retain title... the Federal agency may consider and after consultation with the contractor grant requests for retention of the rights by the inventor subject to the provisions of this Act."[58] The language of this provision implies two important concepts: that a subject invention is still subject to the other requirements of Bayh-Dole even if the contractor does not elect to take title, and that the inventor may not automatically retain rights over the government to an invention he created.[59] The Supreme Court

53 *See id.* at 267. It is notable that the exceptions do not automatically preclude a contractor from making an election or even having it granted; they are merely optional bases for the federal agency to refuse to give title to the contractor. *See* 35 U.S.C. § 202(a). However, if no exceptions exist, the government cannot otherwise preclude a contractor from making an election of title *See* 35 U.S.C. § 202(b) (2009).

54 *See* 35 U.S.C. § 202(c)(1)(2009); *See* Nash and Rawicz, *supra* note 36, at 267.

55 *See* Campbell Plastics Eng. v. Brownlee, 389 F.3d 1243, 1250 (Fed. Cir. 2004).

56 *See 35 U.S.C.* § 202(c)(2) (2009). The statute notes that the period for election may be shortened if publication, sale or public use has initiated a statutory bar period under 35 U.S.C. § 102.

57 *See* 35 U.S.C. § 202(c)(3) (2009). The government may receive title to subject inventions in the U.S. or any other country in which the contract has not filed a patent application on the subject invention within a reasonable time.

58 35 U.S.C. § 202(d) (2009).

59 However, the language of the statute does not prevent patent rights clauses from providing the contractor with revocable licenses in subject inventions. *See* Nash and Rawicz, *supra* note 36 , at 317. Therefore, the government not only may not be able to exercise full title because of the rights of the inventor, but it must also license certain rights to the contractor.

recently dealt with the latter issue, and this will be discussed in Chapters V, *infra*.[60]

C. Government Rights

1. Non-Exclusive License

The funding federal agency gains, at a minimum, a nonexclusive license to practice for or on behalf of the United States and subject invention throughout the world.[61] This provision has been criticized by some as being too narrow in international scope, and by others as too broad with respect to available uses.[62] Additionally, the license refers to the subject invention itself and not to the rights in patents covering such inventions.[63] Thus, a government license on a patentable product that was derived from a federally funded invention may not cover the use of all claims, and in effect may make full use of the patentable product impossible.

2. March-in Rights

One of the most contentious provisions of Bayh-Dole is the allowance for a government agency to "march in" and perform actions on an invention if the action is necessary because of any one of four enumerated situations. The funding agency can, under explicit circumstances, require the contractor to grant licenses or even to grant the licenses itself.[64] The effect of the march-in provision is to ensure that the government still has the ability to ensure an invention is achieving the policy

60 The Supreme Court noted in *Stanford v. Roche* that this (or any other) provision of Bayh-Dole does not reorder the "well-established" hierarchy of patent rights: absent an assignment of his rights, the title to the invention is initially vested in the inventor himself. *See* Stanford, *supra* note 10.

61 *See* 35 U.S.C. § 202(c)(4) (2009). The license is further irrevocable, nonexclusive, and paid up. *See* Nash and Rawicz, *supra* note 36, at 310.

62 *See* Nash and Rawicz, *supra* note 36, at 311. "Some argue that this license is too broad in that it applies to all federal agencies for all uses and not just for the funding agency's use; others view this license as too narrow, as this license should be available to international health organizations... so that developing countries may be able to obtain the drugs at acceptable costs.".

63 *See id.* at 313.

64 The most relevant of these circumstances are the lack of the contractor taking steps to achieve practical application of the subject invention and to alleviate health or safety needs. *See* 35 U.S.C. § 203 (2009); *See* Nash and Rawicz, *supra* note 36, at 330.