

ALERTS

Some Processes Condensed For Patents Under Bayh-Dole Rule Changes

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Several important updates to the regulations in the Bayh-Dole Act went into effect on May 14. These changes will be important for recipients of federal funding, as well as licensees of federally funded technology. The final rule revision was [published in the Federal Register](#).

The changes mean that universities, colleges and other federally funded institutions may need to revisit their decision-making and patent timelines, as many deadlines have been shortened. Major changes are summarized below.

1. Modifying timelines for patent preparation and prosecution.

Decisions to discontinue patent prosecution must now be communicated to the funding agency 60 days prior to the statutory deadline (an increase from the prior 30-day notice period). See Section 401.14(f)(3).

In addition, the deadline imposed by Bayh-Dole to convert a provisional patent application is now 10 months in order to give the funding agency 60 days' notice prior to the Patent Office deadline. In essence, decisions on conversions of a provisional patent application will need to occur two months earlier. A one-year extension of time for compliance can be granted, but this extension does not extend the Patent Office deadline. See Section 401.14(c)(3).

2. Implementing written employee agreements.

Written agreements are now required with employees, with the exception of nontechnical employees. Important considerations for written agreements are an assignment of invention to the employer, an obligation to report inventions, and an obligation to execute papers for patent applications. See Section 401.14(f)(2).

3. Complying with reporting deadlines.

With the implementation of the new rule, there is no time limit in which the government can obtain title of a federally funded invention based on noncompliance with the required deadlines. Prior to the rule change, the government only had 60 days to take action after it learned of the failure. Importantly, this change applies to deadlines for both disclosure and for election of title. See Section 401.14(d)(1).

4. Requesting exceptions when existing grants or contracts are amended.

Funding agreements executed after May 14, 2018, are subject to the new

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rule. However, if an existing agreement is modified on or after May 14, 2018, the funding agency can elect to make the modified agreement subject to the new rule. Notably, prior to the modification of the existing agreement, it may be possible to negotiate for an exception to the funding agency's election if this situation arises.

For more information, please contact the Barnes & Thornburg attorney with whom you work or Eric Williams at 317- 231-6410 or eric.williams@btlaw.com.

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