

DEPARTMENT OF THE NAVY  
Office of the Secretary  
Washington, DC 20350-1000

SECNAVINST 5870.3C  
OCNR: OOCIP  
25 February 1988

**SECNAV INSTRUCTION 5870.3C**

**From: Secretary of the Navy**  
**To: All Ships and Stations**

**Sub: INVENTIONS MADE BY DEPARTMENT OF THE NAVY PERSONNEL**

1. **Purpose.** To state the Department of the Navy (DON) policy for the implementation of Executive Orders 10096 and 10930 and 15 United States Code 3710d. This is a complete revision of SECNAVINST 5870.3B and should be read in its entirety.
2. **Cancellation.** SECNAVINST 5870.3B and ONR 5870-2.
3. **Executive Orders 10096 and 10930.** Executive Order 10096 established a uniform patent policy with respect to inventions made by any Government employee. The Government may, under certain conditions, obtain the entire right, title and interest to an invention made by its employee. Provision is made for the retention of certain rights by the employee under other conditions. Determination by a Government agency that the Government has, or is to take less than the entire right, title, and interest to an invention is subject to approval by the Commissioner of Patents and Trademarks (Commissioner) under authority delegated under Executive Order 10930.
4. **Title 15 United States Code 3710d.** This statute provides that if an agency which has the right of ownership to an invention under the Federal Technology Transfer Act of 1986, Public Law 99-502, does not intend to file for a patent application or otherwise promote commercialization of the invention, the agency shall allow the inventor, if the inventor is a Government employee or former employee who made the invention during the course of employment with the Government, to retain title to the invention. A nonexclusive, nontransferable, irrevocable, paid-up license is reserved by the Government.
5. **Implementing Regulations.** Regulations under Executive Order 10096 issued by the Commissioner (Title 37, Parts 100 and 101, Code of Federal Regulations) set forth the responsibilities of Government agencies. Agency

responsibilities, among others, include the determination of invention, the determination of rights in inventions, the determination of whether patent protection will be sought in the United States and foreign countries, and the furnishing of certain reports. Each Government agency is required to effectuate the order, including the issuance of necessary regulations which shall not be inconsistent with regulations issued by the Commissioner.

6. **Department Responsibilities.** In carrying out these agency responsibilities for the DON, the Chief of Naval Research (CNR) is responsible for and, through authorized representatives, will discharge the following functions:

- a. Determine whether the results of research, development, or other activity within the DON constitute invention within the purview of Executive Order 10096.

- b. Determine, subject to review by the Commissioner, the rights of the inventor and of the Government, respectively, *in* and *to* any invention made by a Department of the Navy employee .

- c. Determine, subject to certain exceptions noted hereinafter, whether protection by patent, statutory invention registration (SIR), or publication will be sought in the United States and foreign countries by the DON for such inventions.

- d. Furnish the Commissioner with required reports on the determination of rights.

7. **Conditions for Assignment.** The DON may require assignment of title to inventions made by employees of the DON and to any patents that may be issued on such inventions if any of the following conditions are present:

- a. If the invention was made during working hours.

- b. If the invention was made with a Government contribution of facilities, equipment, materials, funds, or information, or with the time or services of other Government employees on official duty.

- c. If the invention bears a direct relation to or was made in consequence of the official duties of the inventor.

**8. When Assignment is Required.** When any of the conditions set forth in paragraph 7 are present, the domestic rights and, at the CNR's discretion, the foreign rights in and to the invention, shall belong to the Government unless:

- a. The conditions are equitably insufficient to justify assignment thereof by the employee to the Government.
- b. The Government has insufficient interest in the invention to require assignment thereof by the employee.

If it should be found that assignment is not required under (a) or (b) of this paragraph, the employee nevertheless shall be required to grant to the Government a nonexclusive, irrevocable, royalty-free license in the invention and under any patents which may issue thereon, with power to grant licenses for all governmental purpose. When none of the conditions set forth in paragraph 7 are present, the entire right, title, and interest in and to the invention shall be left in the employee, subject to law.

**9. Presumptions.** Executive Order 10096 requires certain presumptions dependent on whether or not the employee is employed or assigned:

- a. To invent or improve or perfect any art, machine, manufacture, design, or composition of matter.
- b. To conduct or perform research, development work, or both.
- c. To supervise, direct, coordinate, or review Government-financed or conducted research, development work or both.
- d. To act in a liaison capacity among governmental or nongovernmental agencies or individuals engaged in such research or development work.

**10. Presumption that Assignment is Required.** If an employee is within any of the classes set forth in paragraph 9, a presumption arises that the Government is entitled to an assignment of the invention and any patents which may issue thereon. The employee may, however, rebut this presumption by establishing the absence of all of the conditions of paragraph 7, in which event the entire right, title, and interest in and to the invention shall be left in the employee, subject

to law. If the employee is unable to establish the absence of all of the conditions of paragraph 7, he or she may nevertheless establish that the conditions which are present are insufficient equitably to justify a requirement that assignment be made to the Government, in which event the Government will be entitled to a non-exclusive, irrevocable, royalty-free license in the invention and any patent which may issue thereon with power to grant licenses for all governmental purposes.

**11. Presumption that License is Required.** If an employee is not within any of the classes defined in paragraph 9, a presumption arises that the Government is entitled to a non-exclusive, irrevocable, royalty-free license in the invention and any patents which may issue thereon with power to grant licenses for all governmental purposes. Either the Government or the employee may, however, rebut this presumption. If the Government establishes that the presence of the conditions of paragraph 7 are sufficient equitably to require an assignment to the Government rather than a license, such assignment shall be required. If the employee establishes the absence of all of the conditions of paragraph 7, no license will be required and the entire right, title, and interest in and to the invention shall be left in the employee, subject to law.

**12. Review of Agency Determination.** In the event that the CNR determines, under paragraph 8, that the domestic rights in and to an invention will be left with an employee with or without a license in favor of the Government, a statement of this determination must be submitted to the Commissioner for review.

The decision of the Commissioner respecting the matter shall be final, subject to the right of the employee or the CNR to submit to the Commissioner within 30 days (or such longer period as the Commissioner may, for good cause, fix in any case) after receiving notice of such decision, a petition for the reconsideration of the decision. A copy of the petition must also be filed by the employee with the CNR within the prescribed period.

**13. Appeals.** Any employee of the DON who is aggrieved by a determination of the CNR under paragraph 8 may obtain a review of the determination by filing, within 30 days (or such longer period as the Commissioner may, for good cause, fix in any case) after receiving notice of such determination, a written appeal, in duplicate, with the Commissioner. The Commissioner will forward one copy of the appeal to the CNR.

**14. Appeal Information.** In the event of the filing of an appeal, the CNR, subject to considerations of national security, shall furnish the Commissioner, in writing, promptly upon filing of the appeal, the information required by 37 C.F.R. 100.7(b). The decision of the Commissioner upon any appeal taken under paragraph 13 shall be final unless a request for reconsideration or modification of the decision is filed within 30 days (or within such time as set by the Commissioner).

**15. Right to Private Counsel.** Attorneys of the DON represent the Government in proceedings under this instruction. Any employee of the DON has a right to private counsel at the employee's own expense in connection with any determination of the Government's rights to an invention made by the employee.

**16. Foreign Rights.** Whenever an assignment of the domestic rights is required, an option for the Government to acquire the foreign rights in and to the invention shall be obtained from the employee.

**17. Invention Protection.** The CNR, through authorized representatives, upon determining that an invention was made under the conditions specified in paragraph 7, shall determine whether protection, by patent, SIR, or publication will be sought in the United States by the DON for such invention. If it is determined that an invention was made under the conditions specified in paragraph 7 and the Government has the right of ownership to the invention but the Navy does not intend to file an application or patent or otherwise to promote commercialization of such invention, the inventor will be allowed to retain title to the invention (subject to the reservation by the Government of a non-exclusive, nontransferable, irrevocable, paid-up license to practice the invention or have the

invention practiced throughout the world by or on behalf of the Government). The employee will be advised of the right to retain title and the employee's right to retain title to the invention will be conditioned upon the employee timely filing a patent application in cases where the Navy has or may have need to practice the invention. In cases under paragraph 8, when it is determined that the domestic rights in and to the invention are to be left with the employee, action by the DON looking toward patent protection shall be contingent upon the consent of the inventor to grant a royalty-free license to the Government. A signed waiver of the employee's (or former employee's) right to retain title to the invention will be secured before SIR or publication protection is obtained.

**18. Dispute as to Rights.** A controversy over the respective rights of the Government and of the inventor in an invention shall not delay the taking of any action seeking patent protection. When there is a dispute as to whether the Government is to obtain an assignment of the domestic rights in and to the invention or only a license thereunder, the CNR, through authorized representatives, will determine whether patent protection will be sought in the United States pending the Commissioner's decision on the dispute. If an application for patent should be filed, license rights specified in 37 C.F.R. 100.6(b)(2) will be obtained, but this shall be without prejudice to acquiring an assignment of the domestic rights in and to the invention specified in 37 C.F.R. 100.6(b)(1) should the Commissioner so decide.

**19. Rights in the Employee.** When the CNR has determined to leave the domestic rights in and to an invention with an employee subject to a license in favor of the Government, and the employee acquiesces in this determination, then the CNR will, upon the filing of an application for patent and pending review of the determination by the Commissioner, take such license rights as are specified in 37 C.F.R. 100.6(b)(2) without prejudice to the subsequent acquisition by the Government of the domestic rights in and to the invention specified in 37 C.F.R. 100.6(b)(1) should the Commissioner so decide.

**SECNAVINST 5870.3C**  
**25 February 1988**

**20. Disclosure of Inventions and Submission of Patent Rights Questionnaire.** In order that the DON can comply with the rules and regulations issued as Title 37, Parts 100 and 101, Code of Federal Regulations, all employees shall submit to their local Navy Office of Counsel a disclosure of each invention made by them while an employee of the Navy and information regarding the making of the invention. NAVONR 5870/35, Record and Disclosure of Invention, should be used for reporting inventions. NAVONR 5870/3, Patent Rights Questionnaire, should be used to submit the information on the making of the invention.

**21. Employee Defined.** The term "employee" as used herein means any officer or employee, civilian or military, of the Department of the Navy, including any part-time consultant or part-time employee, except as may otherwise be provided in special circumstances with the approval of the Commissioner.

**22. Invention Defined.** The term "invention" as used herein means any art, machine, manufacture, design, process, or composition of matter, or any new and useful improvement thereof, or any variety of plant, which is or may be patentable under the patent laws of the United States.

**a.** The reporting requirement contained in paragraph 20 of this instruction is exempt from reports control by OPNAVINST 5214.7.

**b.** NAVONR 5870/35, Record and Disclosure of Invention, and NAVONR 5870/3, Patent Rights Questionnaire, are stocked and distributed by the Office of the Chief of Naval Research (Code Oocca), 800 North Quincy Street, Arlington, VA 22217-5000.

H. LAWRENCE GARRETT, III  
Acting Secretary of the Navy

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