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TECHNOLOGY LAW UPDATE

A report of the latest Federal Circuit updates brought to you by Preston Gates.

Campbell Plastics Eng'g & Mfg., Inc. v. Brownlee

No. 03-1512 (Fed. Cir. Nov. 10, 2004)

“[A government contractor must] ‘disclose each subject invention to the Federal agency within a reasonable time after it becomes known to contractor [and] the Federal Government may receive title to any subject invention not disclosed to it within such time.’”

On November 10, 2004, the Federal Circuit affirmed the decision of the Armed Services Board of Contract Appeals upholding the contracting officer’s determination that Campbell forfeited title to U.S. Patent No. 5,895,537 by failing to comply with the invention disclosure requirement (FAR 52.227-11) of Campbell’s government contract to produce aircrew protective mask components. The Federal Circuit stated:

The language of the Patent Rights Reports clause and the incorporated FARs is clear and unambiguous. It affords the government the opportunity to take title to any invention by the contractor that is or may be patentable and was conceived or first actually reduced to practice in the performance of work under the contract if the contractor fails to disclose on a DD Form 882 the technical aspects of the invention, the inventor and the contract under which the invention was developed, within two months of disclosing the invention to contractor personnel responsible for patent matters. This plain-meaning interpretation of the contract is buttressed by the policy considerations behind the Bayh-Dole Act. While Congress clearly intended “to promote the commercialization and public availability of inventions made in the United States by United States industry and labor,” and “to encourage maximum participation of small business firms in federally supported research and development efforts,” it also provided the government with certain aforementioned rights to the inventions and sought to ensure the safeguard of those rights by requiring government contractors to disclose subject inventions. A single, written report containing the information required by FAR 52.227-11(c)(1) effectively provides such a safeguard. . . .

Campbell Plastics [contends] that it continually disclosed all features of the invention throughout the contractual period. While it is at least debatable whether the various progress reports and drawings Campbell Plastics submitted to the Army together convey a clear understanding of the nature, purpose and operation of the invention as well as the invention’s physical, chemical, biological or electrical characteristics, we think the contract requirement of a single, easily identified form on which to disclose inventions is sound and needs to be strictly enforced. [The contract] demands a single form for disclosure, which enables the contracting officials to direct the inventive aspects of the contract performance to the correct personnel in the agency for a determination of whether the government has an interest in the disclosed invention, and for the government to determine how best to protect its interest. Sound policy is promoted by the rule of strict compliance with the method of disclosure demanded by the contract.

Because Campbell Plastics’s piecemeal submissions do not adequately disclose the subject invention under the parties’ contract, the government may take title to the invention pursuant to FAR 52.227-11(d). The arguments Campbell Plastics advances in an attempt to avoid application of that subsection are unavailing. Campbell Plastics argues that the subsection refers only to the timing of the disclosure, and not to the substance of the disclosure itself. Under Campbell Plastics’s interpretation, however, it could disclose anything under the sun in any form whatsoever and still avoid forfeiture, so long as it does so within two months of disclosing the subject invention to its personnel responsible for patent matters. [W]hatever information the government had regarding the invention, it did not get it from Campbell Plastics in the form of a proper invention disclosure.