

## 27.202-1 Reporting of royalties.

(a) To determine whether royalties anticipated or actually paid under Government contracts are excessive, improper, or inconsistent with Government patent rights the *solicitation* provision at [52.227-6](#) requires prospective contractors to furnish royalty information. The *contracting officer shall* take appropriate action to reduce or eliminate excessive or improper royalties.

(b) If the response to a *solicitation* includes a charge for royalties, the *contracting officer shall*, before award of the contract, forward the information to the office having cognizance of patent matters for the *contracting activity*. The cognizant office *shall* promptly advise the *contracting officer* of appropriate action.

(c) The *contracting officer*, when considering the approval of a subcontract, *shall* require royalty information if it is required under the prime contract. The *contracting officer shall* forward the information to the office having cognizance of patent matters. However, the *contracting officer* need not delay consent while awaiting advice from the cognizant office.

(d) The *contracting officer shall* forward any royalty reports to the office having cognizance of patent matters for the *contracting activity*.

**Parent topic:** [27.202 Royalties.](#)