



Intellectual Property Rights And The US Government

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Purpose of This Presentation

- ▼ To Root Out And Eliminate IP FUD When Doing Business With The Federal Government.
- ▼ Will Discuss Primarily Computer Software, But Concepts Apply to Both Technical Data and Computer Software.

Perspective and Disclaimer

- ▼ Brief Is Given From A Government Legal (IP) Perspective.
- ▼ **DISCLAIMER: THE OPINIONS IN THIS PRESENTATION ARE MY PERCEPTIONS AS A GOVERNMENT PATENT ATTORNEY, AND NOT THE OFFICIAL POSITION OF THE GOVERNMENT, DOD, DON, SPAWAR, SSC Pacific OR ANY DOD ORGANIZATION.**
- ▼ Disclaimer: This Is Not Legal Advice, And An Attorney/ Client Relationship Is Not Created. See Your Counsel For Specific Advice.

Overview

- ▼ What Is The Best Way To Protect Your IP?
 - Data Rights Assertions?
 - Patents?
- ▼ What Is The Type Of Vehicle Under Which The R&D Effort Will Be Performed?
 - CRADA's
 - Contracts?
 - (Other Transaction's, Work For Private Parties, Etc.)
- ▼ Has The R&D Effort Already Commenced Using Private Funding Prior To Entering Into Business With The Government?
- ▼ Miscellaneous IP/Data Rights Issues (Cats and Dogs).

The Law

- ▼ 10 USC § 2320(e).
 - For Major (ACAT I And II) Weapon Systems Or Their Subsystems.
 - Program Managers *Shall...*
 - Assess Long-term Technical Data Needs.
 - Establish Acquisition Strategy Providing For Needed Technical Data (TD) Rights.
 - Before Solicitation.
 - Priced Options.
 - Address Changes In Sustainment Plan Over Life Cycle Of The System.
- ▼ 10 USC § 2320(e) Also Applies To Computer Software (CS).
 - 72 Fed. Reg. 51188.
 - Programs Can (And Should!) Extend To Smaller Procurements.

OTOH, DoD Data Rights Policy Is....

- ▼ DoD Policy Is To Acquire Only The TD and CS, And The Data Rights In TD/CS, Necessary To Satisfy DoD Needs (DFARS § 227.7103-1, Policy).
- ▼ Offerors Shall Not Be Required, As A Condition Of Being Responsive To A Solicitation Or As A Condition For Award, To Sell Or Otherwise Relinquish To The Government Any Rights In Technical Data Related To Items, Components, Or Processes Developed At Private Expense (Some Exceptions, e.g., FFF Data).

What are Data Rights?

- ▼ Data Rights Are a Licensed Right For The Government To Do Certain Things With TD/CS.

- ▼ Categories Of Data Rights:
 - Unlimited Rights
 - Government Purpose Rights
 - SBIR Data Rights
 - Limited Rights
 - Restricted Rights
 - Specifically Negotiated License Rights.

- ▼ Except In Rare Cases, The Contractor Always Retains Ownership And Copyright of Contractor TD/CS.

Data Rights Threshold Issues

- ▼ Is The Contract For Commercial Or Non-Commercial Items?
- ▼ What Was The Funding Source Used To Develop The Technical Data/Computer Software (TD/CS) To Be Delivered Under DoD Contracts?
- ▼ Do You Retain Funding Documentation Behind The Development of Your TD/CS To Be Delivered To The Government In Your TD/CS Under Prior Government Contracts?
- ▼ If Your Noncommercial CS Deliverable Will Include Commercial CS Modules Subject To Commercial Licenses, Will Those Licenses Be Accepted By The Federal End-User (Open Source Software)?

Allocation of Data Rights

- ▼ Identify Sources Of Funding For The Development Of Item, Component Or Process To Which TD Pertains.
- ▼ Allocation Of Data Rights Is (Almost Always) Based On Who Funded Development of The TD/CS.
- ▼ SBIR Data Rights: Government Gets SBIR Data Rights in TD/CS Generated and Delivered Under the Contract (Temporal).
- ▼ Government Gets Unlimited Rights in any TD/CS Developed and Delivered Under the Contract (Other than SBIR Contracts).

Commercial CS Issues

- ▼ DoD Policy is To Accept Commercial CS Under The Same Licensing Terms As The Public Unless The License is
 - Inconsistent With Federal Procurement Law; Or,
 - The License Terms Do Not Meet Program User Needs.
 - In Such Cases, Must Negotiate Mutually Acceptable Terms.

- ▼ Common Commercial License Legal Pitfalls.
 - Indemnification by the Government/Automatic Renewals (Anti-Deficiency).
 - Disputes and Remedies.
 - Injunctive Relief.
 - Choice of Law/Venue.
 - Terminations.

Commercial CS Issues (Continued)

▼ Common Commercial License Pitfalls (Continued).

- Operational Considerations/Time Bombs.
- Take License on Behalf of Government, Not DoD, DoN, SSC Pacific, etc.
- Transferability
- Clickwraps
- Audits
- Third Party Software
- Virtualization
- Warranties
 - Refer to § 227.7203-14, Conformity, Acceptance and Warranty of Computer Software and Computer Software Documentation
 - Consider the Factors at FAR § 46.703 in Deciding Whether to Require a Warranty.
 - Don't Gold Plate!!

Offeror Representations & Certifications

- ▼ OK, We Have the Commercial/Non-Commercial Issues Above-How to Communicate to Government?
- ▼ Data Rights Assertions '7017 List.
 - List of Non-Commercial TD/CS to be Delivered With Less than Unlimited Rights.
 - Included in Section J After Award.
- ▼ “Commercial” ‘7017 List.
 - Submitted in Response to Local H-Clause.
 - OR.....SOW/Administrative Instructions (In Addition to ‘7017 List).
 - Format is Based on ‘7017 List Format.
 - Must Include Commercial CS/TD Licenses in Proposal, For Review by Government.
 - Save Time...Submit Licenses Right Away
 - Take Advantage of DoD Enterprise Software Initiative (ESI), Particularly When Vendor Bargaining Power Is Uneven.

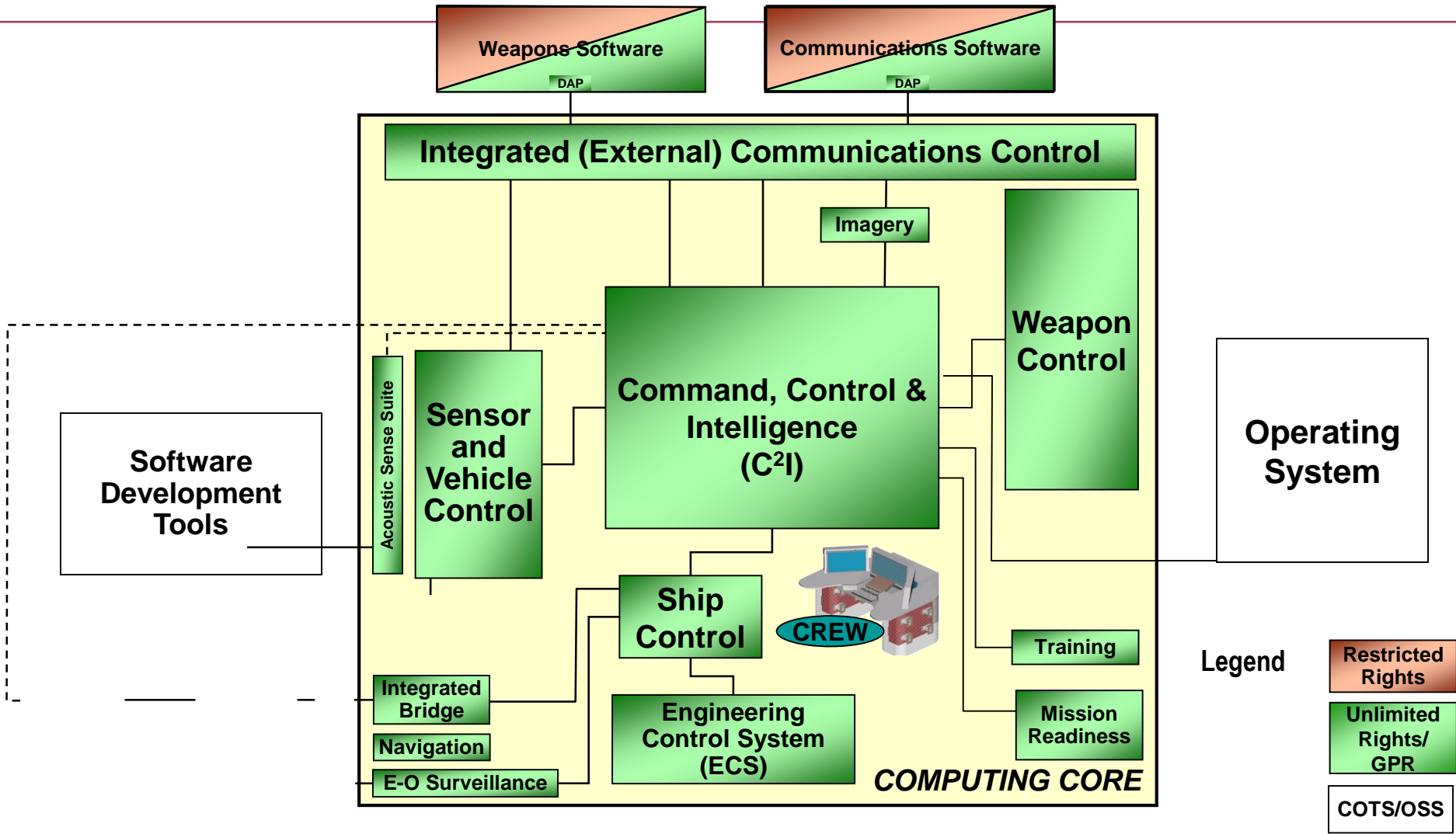
Open Source Software (OSS)

- ▼ OSS Is Computer Software That Is Available In Source Code Form, Where The Source Code Is Provided Under A License That Permits Users To Study, Change, Improve And At Times Also To Distribute The Software.
- ▼ OSS Is Treated by DoD as Commercial CS, so Licenses Must Be Reviewed Using DFARS Guidance.
- ▼ The Type of OSS License is What Can Cause Problems In a Government Procurement (Viral Licenses-“Copyleft” Requirement).
- ▼ But For OSS With Viral Licenses, There Is No Vendor to Negotiate With.

Government Evaluation of Disclosures

- ▼ Methodology is The Same For Both Commercial CS (CCS) and OSS.
- ▼ Require The Contractor To List All CCS/OSS That Is To Be Delivered, and Provide License for Each CCS/OSS Line Item.
- ▼ Review The CCS/OSS Licenses.
 - Some Are Innocuous (i.e. Attribution, Promise Not-To-Sue, etc.).
 - Some Are Not. Some OSS Licenses Are “Viral” Licenses (Licenses That Are Passed To Others Upon Modification And Distribution Of The OSS):
 - GPL, LGPL.
 - Use API’s
- ▼ Government Often Uses Stadium Charts---Particularly for Software Intensive Systems?

Software License Diagram (Stadium Chart)



Government Evaluation (Continued)

▼ Tell Us About Your Data Rights IP Posture!!! Don't Wait For Us To Ask !!!

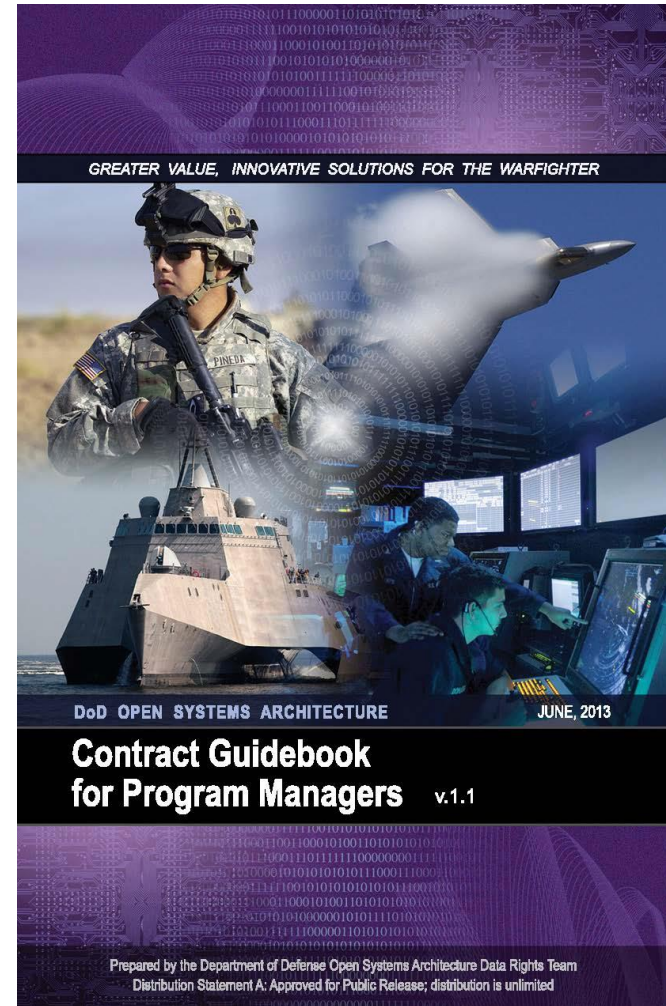
▼ You Should Also Use Stadium Charts to Help Explain if Need Be!!!!

Open Architecture (OA) Considerations

- ▼ DoD OSA Contract Guidebook.
 - Version 1.1– June 2013.
 - Builds on Naval OA Guidebook
 - <https://acc.dau.mil/OSAGuidebook>.

- ▼ Data Rights and Interfaces.
 - Sockets and API's

- ▼ Good Boilerplate Language.
- ▼ Can Help Government “Get Over” a “Poor” Vendor Data Rights/IP Posture.



Miscellaneous Issues (Cats and Dogs)

▼ Proprietary Markings.

- A Copyright Notice By Itself On Contract TD/CS Deliverables Presents No Impediment To The Government. See DFARS 252.227-7013(d), -7014(d).
- Copyright Notice: © YYYY Owner.
- However, It Must Be Limited To Owner's Name, Year, And Term "Copyright" Or Its Symbol © YYYY . Contractors Sometimes Sneak In "Nonconforming" Markings In This Notice, Such As "All Rights Reserved".

▼ Software Escrow Clause.

- Use In Contracts With "Little Guys"

▼ Non-Disclosure Agreements and Pitches to Government.

- Generally, Unless You Can Articulate A Statutory Authority, We Advise Program Managers **Not to Sign** NDA's.

Cats and Dogs (Continued)

- ▼ OTA's, WPP's and Rapid Procurement Initiatives, Etc.
 - Even More Important to Tell Us (Silent On Data Rights/IP).

- ▼ GSA Contracts/Simplified Acquisitions/Micropurchases.
 - GSA's Have a New Commercial License Addendum—Really good!!
 - Try to get on General Schedule.

- ▼ Copyrights/Trade Secrets.
 - Covered by Data Rights Issues.
 - Additive Manufacturing

- ▼ Trademarks.
 - Rare in Government Procurements.

Conclusion

- ▼ Questions?

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Non-Commercial Data Rights Categories

Rights Category	TD or CS?	Criteria for Applying Rights Category	Permitted Uses Within Government	Permitted Uses Outside Government
Unlimited Rights (UR)	TD and CS	TD that is: 1) Developed exclusively at Government expense; 2) test data; 3) form, fit and function data; 4) necessary for operation, maintenance or training; 5) corrections or changes to TD previously delivered to the Government; or, 6) otherwise publicly available.	Unlimited; no restrictions. Note: If a third party copyright is asserted in TD/CS that is delivered with UR, under DFARS 227.7203-9 the delivering contractor must grant or obtain for the Government license rights that permit the Government to reproduce, perform or display the software or documentation; distribute copies; and, through the right to modify data, prepare derivative works. If the contractor does not obtain an appropriate license for the Government, then the contractor should not incorporate the unlicensed copyrighted material into the deliverable TD/CS without the Contracting Officer's written approval.	
Government Purpose Rights (GPR)	TD and CS	Development with mixed funding.	Unlimited; no restrictions.	For "Government Purposes", including procurement ; no commercial use. Must have recipient sign a Non-Disclosure Agreement (NDA). <u>No prior notification required.</u>
Limited Rights (LR)	TD only	Development exclusively at private expense.	Unlimited; except may not be used for manufacture.	Emergency repair/overhaul; evaluation by foreign government; may also disclose subject to a prohibition on any further disclosure after notifying the asserting contractor.

Non-Commercial Data Rights Categories (Cont.)

Rights Category	TD or CS?	Criteria for Applying Rights Category	Permitted Uses Within Government	Permitted Uses Outside Government
Restricted Rights (RR)	CS only	Development exclusively at private expense.	Government may: 1) Use on one computer at a time ; 2) transfer to another Government entity (transferor must destroy all copies); 3) make minimum backup copies; and 4) modify, provided there is no release or disclosure outside Government.	Emergency repair/overhaul (w/NDA). Support contractors may use (w/NDA). May Diagnose or Correct Deficiencies
Prior Government Rights (DFARS 252.227-7028)	Both TD and CS	Whenever Government has previously acquired rights in the deliverable TD/CS.	Same as under previous contract.	
Specifically Negotiated License Rights (SNLR)	Both TD and CS	Mutual agreement of the parties; use whenever the standard categories do not meet both parties' needs.	As negotiated by the parties; however, must not be less than LR in TD and must not be less than RR in CS.	
SBIR Data Rights	Both TD and CS	Whenever TD/CS is generated under a SBIR contract, regardless of funding . SBIR Data Rights expire five years <u>after completion of the SBIR project</u> from which such TD/CS were generated. NOTE: Award of a contract that requires delivery of SBIR data is considered an extension of the SBIR project and re-starts the clock!!	As of May 2013, SBIR Data Rights = Restricted Rights for CS!!!!	Cannot release or disclose SBIR data outside of Government without prior written permission of the Small Business Concern, other than support services contractors, except: 1) as expressly permitted by the Contractor; 2) for evaluation purposes; or, 3) for emergency repair or overhaul. When disclosed outside Government, an NDA is required. (DFARS 227.7103-7).

Why Does Government Worry About IP?

▼ Sea Stories

- Don't Put the Government Over a Barrel.
- NMCI.
- SPY-3 (DDG 1000).
- NGEN.



▼ It's The Law.

- 10 USC § 2320.

▼ It's DoD Policy.

- 2007 Under Secretary of Defense (AT&L) Memorandum.
- DFARS § 207.106, 227-7103-1(f) for TD, 227-7203-1(e) for CS.