

Protecting and Enforcing IP Rights in Government Contracts: What You Don't Know Will Hurt You

Strategies for Preserving IP Rights:
Copyrights and Trade Secrets

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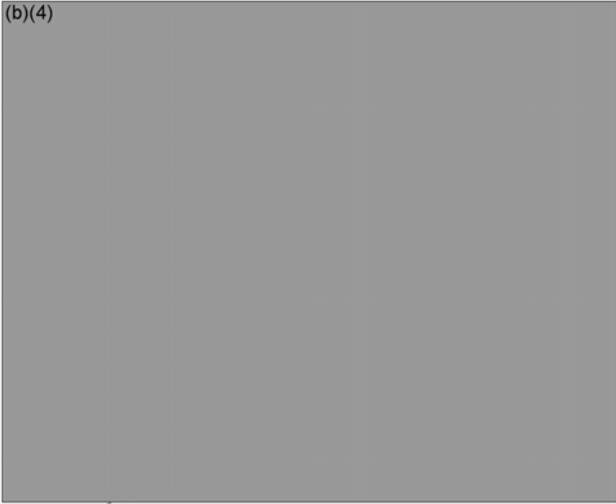
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A. Copyrights & Trade Secrets: Non-
software (Cont.) 5

- In Govt Contracts: combine © and TS license rights jointly referred to as "rights in technical data" or "computer software rights"
 - Technical data: any recorded information of a scientific or technical nature
 - drawings, reports, blueprints, etc.
 - Computer software:
 - computer programs (e.g., object code or executable code)
 - Source code – human readable ... key for modification
 - Computer databases???
 - Software Documentation???
 - "Databases" – FAR vs. DFARS ... but in the end it's all the same

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Why Does IP Seem So Hard?

(Example: the DoD model...)

- Traditionally: DoD-unique, and DoD-funded
 - Always get all the data, and all the rights, all the time
- 1990's Acq Reform: use commercial & non-developmental
 - Never get the data (or only the fluff), and "no" rights as the rule
- Today: reality is a that it's a MIX of both
 - DoD adaptation to commercial/NDI
 - Integration of comm/NDI into DoD systems

Why Does IP Seem So Hard? (Cont.)

- The Essence of IP: any information that has value
 - Best known: patents, copyrights, trade secrets, trademarks ...
- Legally Protected (but limited) "monopoly" power
 - The bridge between cool technology and \$\$\$\$\$
- The IP business model:
 - Return on Investment (ROI) ... PLUS Profits Galore
 - Selling/Licensing must preserve your exclusive rights
 - Cost-spreading/sharing from wide customer base
- The Government procurement business model: 3 Key elements
 - competition
 - competition
 - competition

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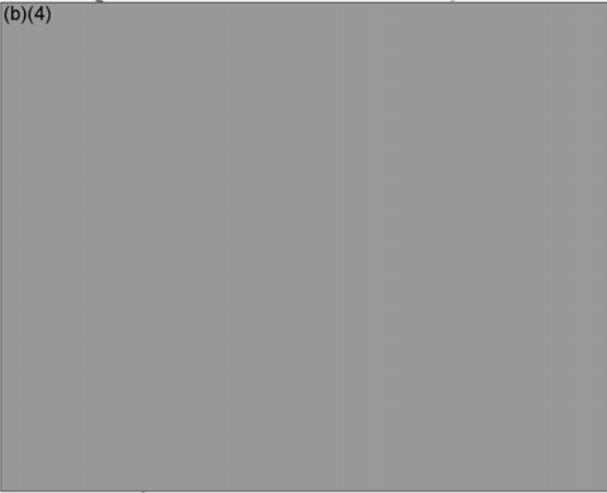
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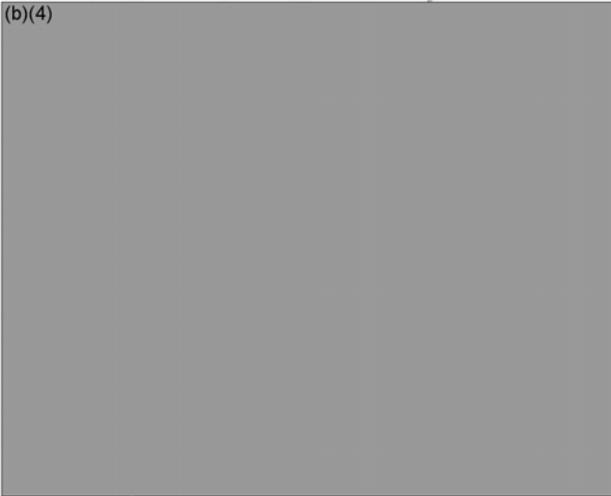
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i. **Standard Contract Background - DoD's "IP Guide"** 17

USD(AT&L) Guidebook:

Navigating Through Commercial Waters: Issues and Solutions When Negotiating Intellectual Property With Commercial Companies

(Ver 1.1, 15 Oct 2001)

See <http://www.acq.osd.mil/dpap/specificpolicy/intelprop.pdf>

The cover of the guidebook features a black and white photograph of a man in a suit, looking down at a document. The title "Navigating Through Commercial Waters" is overlaid on the image. At the top, it says "DoD's Intellectual Property Guidebook". At the bottom, it says "OCTOBER 15, 2001".

FY 2007 National Defense Authorization Act (NDAA) 18

§ 802 – Additional requirements relating to technical data rights

(a) Acquisition planning for major weapons systems

(b) Presumptions regarding development of major systems

§ 802(a) – Tech Data in Acq Strategies for Sustainment 19

- (a) Additional Requirements Relating to Technical Data Rights- Section 2320 of title 10, United States Code, is amended by adding at the end the following new subsection:
 - (e) The Secretary of Defense shall require program managers for major weapon systems and subsystems of major weapon systems to assess the long-term technical data needs of such systems and subsystems and establish corresponding acquisition strategies that provide for technical data rights needed to sustain such systems and subsystems over their life cycle. Such strategies may include the development of maintenance capabilities within the Department of Defense or competition for contracts for sustainment of such systems or subsystems. Assessments and corresponding acquisition strategies developed under this section with respect to a weapon system or subsystem shall—
 - (1) be developed before issuance of a contract solicitation for the weapon system or subsystem;
 - (2) address the merits of including a priced contract option for the future delivery of technical data that were not acquired upon initial contract award;
 - (3) address the potential for changes in the sustainment plan over the life cycle of the weapon system or subsystem; and
 - (4) apply to weapon systems and subsystems that are to be supported by performance-based logistics arrangements as well as to weapons systems and subsystems that are to be supported by other sustainment approaches.

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Section 802(a) of FY07 NDAA

- **THOU SHALT --**
 - assess the long-term technical data needs for your systems

and

- establish acquisition strategies to get that data you need for life cycle sustainment

- This includes –
 - In-house capabilities

and

- Out-house capabilities – competitive, that is

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Section 802(a) of FY07 NDAA

- Assessments and corresponding acquisition strategies ... shall—
 - '(1) be developed before issuance of a contract solicitation for the weapon system or subsystem;
 - '(2) address the merits of including a priced contract option for the future delivery of technical data ...not acquired upon initial contract award;
 - '(3) address the potential for changes in the sustainment plan over the life cycle of the weapon system or subsystem; and
 - '(4) apply to weapon systems and subsystems that are to be supported by performance-based logistics arrangements as well as ... by other sustainment approaches.'

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§ 802(b) – Presumptions Regarding Development Funding

- (b) Modification of Presumption of Development Exclusively at Private Expense- Section 2321(f) of title 10, United States Code, is amended—
 - (1) by striking 'Expense for Commercial Items Contracts- In' and inserting 'Expense- (1) Except as provided in paragraph (2), in'; and
 - (2) by adding at the end the following new paragraph:
 - '(2) In the case of a challenge to a use or release restriction that is asserted with respect to technical data of a contractor or subcontractor (whether or not under a contract for commercial items) for a major system or a subsystem or component thereof on the basis that the major system, subsystem or component was developed exclusively at private expense, the challenge to the use or release restriction shall be sustained unless information provided by the contractor or subcontractor demonstrates that the item was developed exclusively at private expense.'

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§ 802(c) – Regulatory Implementation

- (c) Regulations-

Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall revise regulations under section 2320 of title 10, United States Code, to implement subsection (e) of such section (as added by this section), including incorporating policy changes developed under such subsection into Department of Defense Directive 5000.1 and Department of Defense Instruction 5000.2.

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§ 802 - DoD Implementation

- DODI 5000.02 (12/08/08) -- Encl. 12, ¶ 9
- DFARS 2006-D055, *Additional requirements relating to technical data rights* → amended (added) DFARS 207.106(s-70); 227.7103-1(f); 227.7203-1(e).
- DFARS 2007-D003, *Modification of presumption of development exclusively at private expense*; not yet published
- USD(AT&L) Memo, Data Management and Technical Data Rights, 19 July 2007

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DoDI 5000.02 – Encl. 12, Systems Engineering

9. DATA MANAGEMENT AND TECHNICAL DATA RIGHTS

a. Program Managers for ACAT I and II programs, regardless of planned sustainment approach, shall assess the long-term technical data needs of their systems and reflect that assessment in a Data Management Strategy (DMS). The DMS shall

- (1) Be integrated with other life-cycle sustainment planning and included in the Acquisition Strategy.
- (2) Assess the data required to design, manufacture, and sustain the system, as well as to support re-competition for production, sustainment, or upgrades, and
- (3) Address the merits of including a priced contract option for the future delivery of technical data and intellectual property rights not acquired upon initial contract award and shall consider the contractor's responsibility to verify any assertion of restricted use and release of data.

b. The DMS shall be approved in the context of the Acquisition Strategy prior to issuing a contract solicitation.

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Data and Software Basics

- Policy: Acquire only the MINIMUM
 - Deliverables ... AND
 - License Rights ...
... necessary to meet DoD needs!!!
- Commercial – only the "usual" commercial ...
 - Deliverables ← except for OMIT, FFF, or mods ...
 - License rights ← except as otherwise mutually agreed
- Specify the deliverables (priced [option] CLINS)
 - NO help from clauses → must be generated for EACH K

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Data & Software basics

- Govt can not require Contractors to relinquish certain minimum rights ...
- Early Identification & Assertion of Restrictions
 - Standard DFARS clause for NONcommercial
 - MUST supplement for commercial!!!!
- Definitions are CRITICAL ... do NOT underestimate
- Specialized "validation" process
- Subcontracting issues ... same rules ... ~almost privy

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Data Deliverable vs. Data Rights

- **Govt MUST specify Delivery Requirements**
 - NO delivery requirements in the clauses
 - Well *Deferred Ordering* is nice (DFARS 252.227-7027)
- Specify three aspects for each deliverable (See "Navigating....")
 - Content (e.g., level of detail or nature of information)
 - Critical: distinguish human-readable source code from machine-readable object/executable code
 - Recording/storage format (e.g., image files vs. word processing format)
 - Delivery/storage medium (e.g., CD-ROM, or on-line access).
- Defined by
 - Specification: CDRLs and DIDs
 - Performance-based: data/software necessary for ...

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License Rights in TD & CS

- "Hybrid" license – covers specific activities
 - Use; modify; reproduce; perform; display; release or disclose; and ... access? (Ok, this one is a new entry)
- Rights Determined in THREE primary ways
 - By negotiation – mutual agreement
 - By "default": funding for development; type of deliverable; commercial technology?; data vs. software
 - Commercial Software: use VENDOR's license as baseline
- Doctrine of Segregability (a.k.a. "divide & conquer"):
 - Rights determined at the "lowest practical segregable level"

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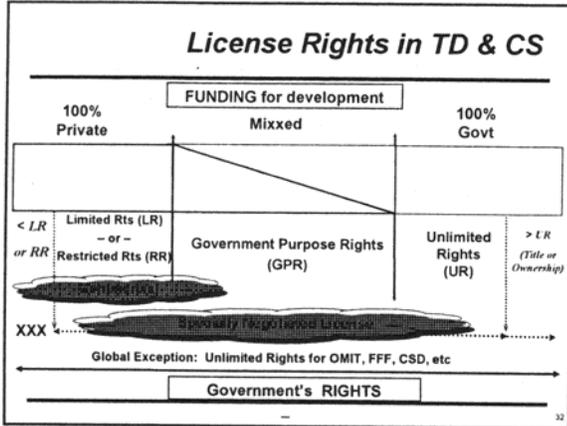
License Rights in TD & CS

Default by Funding: More funding → more rights

- 100% Govt Funded → Unlimited Rights (UR)
- Mixed Govt-Private → Govt Purpose Rts (GPR)
- 100% Private → Limited Rights (LR) (for all TD)
Restricted Rights (RR) (for CS)
 - Note: Commercial TD -LR → Presumption of ... Private Expense
- BUT – Doctrine of Segregability!!!

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Negotiating for IP and Beyond

- Both license rights and deliverables are negotiable!
- Policy: minimum to meet Govt needs
 - But don't forget Govt also "needs" reasonable Return on Investments
 - There is no "free money" in the private model - investors expect return!
- Interest-based negotiations (IBN) techniques
 - Position: your default rights (= also serves as objective criteria and starting point)
 - Interest: negotiate up or down to balance parties needs/interests
 - Figure out how this makes sense ... for them
- For Govt: more is not necessarily better - ya get what ya pay for ... and ya pay for what you get!
 - Govt Purpose Rights is usually more than sufficient
- The X-Purpose License Model (based on DoD's "Govt Purpose Rights")
 - How about ... AgencyPR? CommandPR? ProgramPR? DepotMainPR?

i. Standard Contract

- Types of rights
 - Limited Rights
 - Government Purpose Rights (DoD)
 - SBIR Rights
 - Unlimited Rights
 - Specially Negotiated License Rights (DoD)

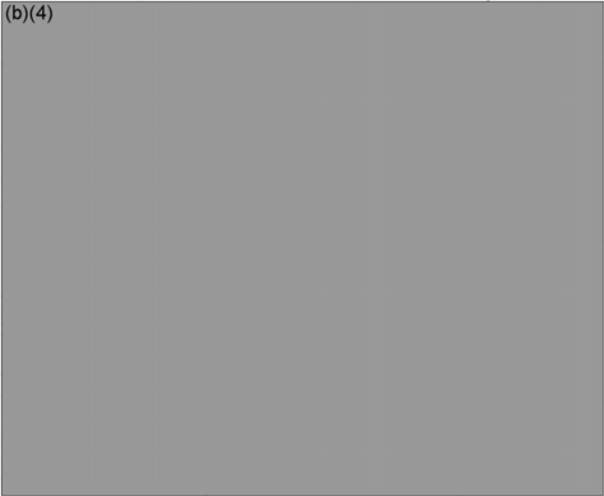
i. Standard Contract

DFARS - Rights in NONcommercial TD & CS (See the DoD IP Guide -- Navigating ...)

Category	Definition	Criteria for acquisition, Right to Category	When the contract is awarded	When the contract is placed in the Government's possession
Limited Rights (LR)	... (text)	... (text)	... (text)	... (text)
Government Purpose Rights (GPR)	... (text)	... (text)	... (text)	... (text)
Unlimited Rights (UR)	... (text)	... (text)	... (text)	... (text)
Specialty Negotiated License Rights (SNLR)	... (text)	... (text)	... (text)	... (text)

(Note: The table content is partially obscured and difficult to read due to image quality. The structure is based on the visible headers and categories.)

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i. Standard Contract (Cont.)
-- SBIR Data Rights (Cont.)

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- Applies to all Phases – I, II, and III
 - DFARS 252.227-7018
- Applies to ~All~ TD and CS that is developed under the contract
 - ... except for certain types → Unlimited Rights due to type
- Government "in-house" use
 - Includes support service contractors
- 5-year Protection Period (i.e., SBIR Data Rights)
 - Can be extended IAW the SBA Policy Directive
 - Unlimited Rights afterward...
- NOT required to include in the pre-award list
 - ... unless SBIR data developed under previous contract

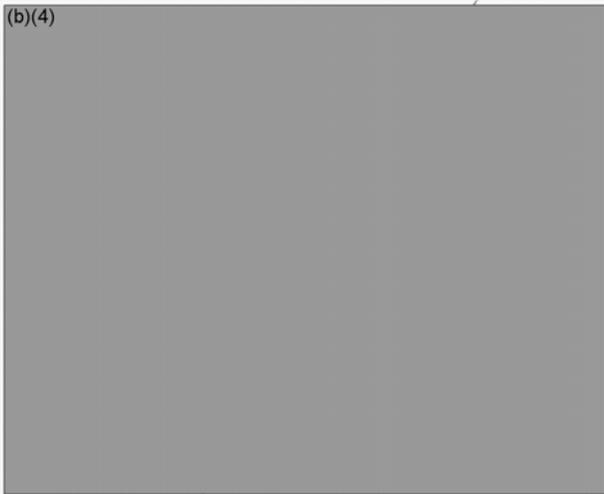
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i. Standard Contract (Cont.)

- Negotiating Special Licenses
 - First – are you sure? Perhaps modify the deliverables?
 - Policy: minimum to meet Govt needs
 - But don't forget Govt also wants return on investments
 - Interest-based negotiations (IBN) techniques
 - Government RARELY needs full Unlimited Rights UR
 - Govt Purpose Rights is usually sufficient
 - Government Purpose Rights as a Model
 - How about ... DoDPR? NavyPR? AFPR?





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i. Standard Contract (Cont.) – Commercial Technologies

a. Generally

- Statutory Coverage: does it cover commercial TD?
- FAR 12.211
 - "Except as provided by agency specific statutes, the Government shall acquire only the technical data and the rights in that data customarily provided to the public with a commercial item or process. The contracting officer shall presume that data delivered under a contract for commercial items was developed exclusively at private expense. When a contract for commercial items requires the delivery of technical data, the contracting officer shall include appropriate provisions and clauses delineating the rights in the technical data in addenda to the solicitation and contract (see Part 27 of agency FAR supplements)."
- DFARS 212.211
 - "The DoD policy for acquiring technical data for commercial items is at 227.7102."

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i. Standard Contract (Cont.) – Commercial Technologies

b. The FAR Implementation

- No special coverage at FAR 27.4?



i. Standard Contract
DFARS - Rights in Commercial TD & CS
 (See the IP Guide - Navigating Through Commercial Waters...)

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*Table 2-1 Rights in Commercial Computer Software (CS) and Technical Data (TD) Covering Commercial Items**

Rights Category ¹	Applies to TD or CS?	Criteria for Applying Rights Category	Permitted Uses within Government	Permitted Uses outside Government
Minimum Rights (MR)	TD only	Any TD of commercial type, of certain categories of commercial items ²	Unlimited use	Unlimited use
DFARS (DFARS) TD Rights	TD only	Default rights category for all TD covering commercial items and those applying to CS under block	Unlimited use except for certain restrictions	Only for emergency repair (limited)
Standard Commerce License	CS only	Default rights category for all commercial CS	Unlimited use	Unlimited use
DFARS (DFARS) CS License (DFARS CS License)	Both TD and CS	Mutual agreement of the parties, should be used when not the standard of the CS, TD, or both parties' terms	Unlimited use	Unlimited use

Notes:

* **Table 2-1 Rights in Commercial Computer Software (CS) and Technical Data (TD) Covering Commercial Items** is a table that summarizes the rights in commercial items (CMI) that are covered by the DFARS. The table is organized into four columns: Rights Category, Applies to TD or CS?, Criteria for Applying Rights Category, Permitted Uses within Government, and Permitted Uses outside Government. The table is divided into four rows: Minimum Rights (MR), DFARS (DFARS) TD Rights, Standard Commerce License, and DFARS (DFARS) CS License (DFARS CS License).

1. Rights Category: The rights category is determined by the type of commercial item (CMI) and the type of rights that are being preserved. The rights categories are: Minimum Rights (MR), DFARS (DFARS) TD Rights, Standard Commerce License, and DFARS (DFARS) CS License (DFARS CS License).

2. Criteria for Applying Rights Category: The criteria for applying a rights category are: (a) Minimum Rights (MR) applies to any TD of commercial type, of certain categories of commercial items; (b) DFARS (DFARS) TD Rights applies to all TD covering commercial items and those applying to CS under block; (c) Standard Commerce License applies to all commercial CS; and (d) DFARS (DFARS) CS License (DFARS CS License) applies to both TD and CS when mutual agreement of the parties is reached.

3. Permitted Uses within Government: The permitted uses within the government are: (a) Minimum Rights (MR) allows for unlimited use; (b) DFARS (DFARS) TD Rights allows for unlimited use except for certain restrictions; (c) Standard Commerce License allows for unlimited use; and (d) DFARS (DFARS) CS License (DFARS CS License) allows for unlimited use.

4. Permitted Uses outside Government: The permitted uses outside the government are: (a) Minimum Rights (MR) allows for unlimited use; (b) DFARS (DFARS) TD Rights allows for only emergency repair (limited); (c) Standard Commerce License allows for unlimited use; and (d) DFARS (DFARS) CS License (DFARS CS License) allows for unlimited use.



i. **Standard Contract Data Clauses** 58

Four main categories of clauses (obligations)

1. Identification and Assertion of Restrictions
2. Primary allocation of rights
3. Validation/Challenge of restrictions (markings)
4. The Supporting Cast

i. **Standard Contract Key clauses - Early ID & Assertion of Restrictions** 59

(Mandatory) Listings of TD/CS to be delivered with restrictions

- FAR 52.227-15 Representation of LR Data or RR Computer Software
- DFARS 252.227-XXXX
 - -7017 Identification of NONCOMMERCIAL TD & CS to be delivered with restrictions
 - ALWAYS!!! - Required to say "None" if all unlimited
 - -7028 Listing of TD/CS previously delivered to Govt
 - Only if < LR, and "same or substantially identical..."
- Incorporated by reference Section K of the RFP
- List required as part of the Contractor's proposal - and must be incorporated into the K AS AN ATTACHMENT

i. Standard Contract
Key clauses – Primary Rights Allocation 60

- DoD Primary Rights-allocation clauses – DFARS 252.227-xxxx

	TD	CS
Non-Commercial*	-7013	-7014
Commercial	-7015	[attachment!!]

*And non-SBIR
 #In most acquisitions, use both the noncommercial and the commercial clauses ... you are likely to get a mix of both types of technology
 #Commercial CS attachment will be either the contractor's standard commercial license or a SPECIALLY NEGOTIATED LICENSE
 #-ALL "standard commercial licenses" violate federal procurement law (indemnification, disputes, choice of law, etc.) – consult your attorney!!!

i. Standard Contract
Key Clauses - Validation/Challenge of Restrictions (Markings) 61

- Civilian: built into the FAR 52.227-14 clause
- DoD: Key clauses and references
 - Nonconforming legends: ¶ (h) of the -7013 & -7014 clauses
 - Formal validation/challenge: -7019 and -7037
- Nonconforming Legends
 - Marking is not one of the permitted forms, content
 - Give Kor 60 days to correct ... or we will do it (check the list!)
- Unjustified Legends – marking does not accurately characterize the Gov't license (Note: based on 10 USC 2321)
 - Check the list!!!! (pre-award from -7017; post-award -7013(e) or -7014(e))
 - Prechallenge request for info
 - Formal challenge by Contracting Officer's final decision
 - Handled like a claim under the disputes clause

i. Standard Contract
Key Clauses - Validation/Challenge of Restrictions (Markings) (Cont.) 62

- Non-Commercial Tech Data and Software
- In DoD: Only 5 legends are permitted – generally indicates the scope of the Government's license
 - Copyright Notice from 17 USC 401 or 402
 - "Government Purpose Rights" – both Tech Data and
 - "Special License Rights" – both Tech Data and Software
 - "Limited Rights" – only for Tech Data (incl. software documentation)
 - "Restricted Rights" -- only for Computer Software
- OK, there are a couple more
 - "SBIR Data Rights"
 - Pre-existing markings
- All other legends are "nonconforming"

i. Standard Contract
Key Clauses - Validation/Challenge of Restrictions (Markings) (Cont.) 63

- Commercial Technologies
 - Tech Data:** A restrictive legend is required under 252.227-7015(d) but ... no specific format
 - Computer Software:** no clause, and no specific requirement for a legend – follow standard commercial practices
- No specific legends provided for proprietary information other than data/software (e.g., non-technical info such as financial, commercial, or business information)

i. Standard Contract
Key Clauses -- The Supporting Cast 64

Rights in TD & CS DFARS 252.227-XXXX (cont'd)

- -7016 Rights in Bid & Proposal info
- -7025 Contractor's use of Govt furnished info with restrictive markings
- -7027 Deferred ordering (optional)
 - May be resisted by the contractors
 - You can remove it IFF you have clearly specified ALL of the deliverables that you will need: Establish priced OPTIONS if you're not sure
- -7030 Withholding of payment
- -7039 Reporting of Subject Inventions (only if using the PR clause FAR 52.227-11 for small biz, nonprofits, educational)

i. Standard Contract
Key elements not covered by the standard clauses 65

- Delivery Requirements
 - NO delivery requirements in the clauses. However ...
 - FAR 52.227-16, Additional data requirements
 - DFARS 252.227-7027 Deferred Ordering
 - Three key aspects for each deliverable requirement
 - Content (e.g., level of detail or nature of information)
 - Critical: distinguish the human-readable source code from machine-readable object/executable code
 - Recording/storage format (e.g., image files versus word processing format)
 - Delivery/storage medium (e.g., paper, CD-ROM, or on-line access).
- Attachments – assertions of rights or special licenses:
 - Assertion of Restriction (from clause category 1)
 - Specially negotiated licenses, or copies of "standard" commercial license agreements (with supplements as needed)

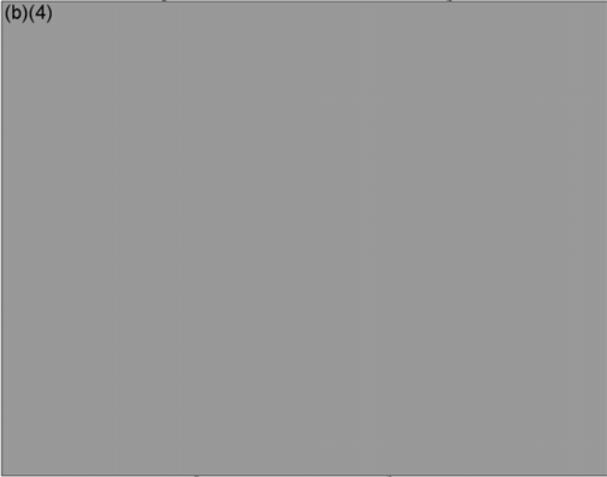
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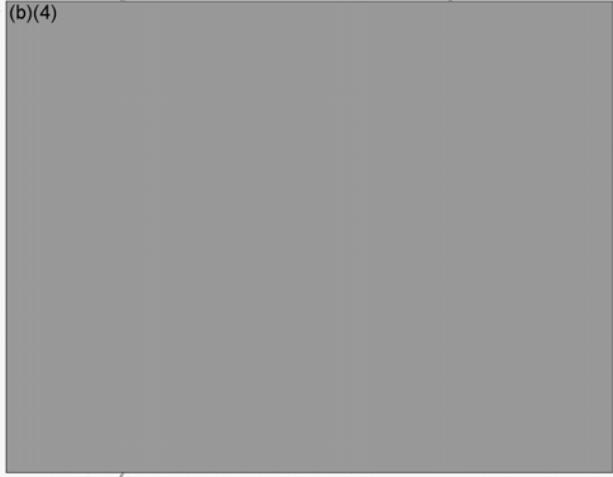
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Sorry, mistake —
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releasable — created
previously by R. Gray
employment,
RAG





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1. Financing as Affects Rights

- Same as technical data

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2. Pre-Contract Submissions

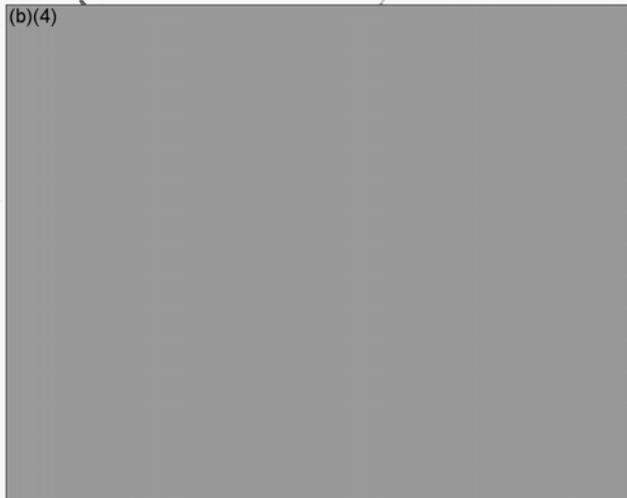
- Same as technical data



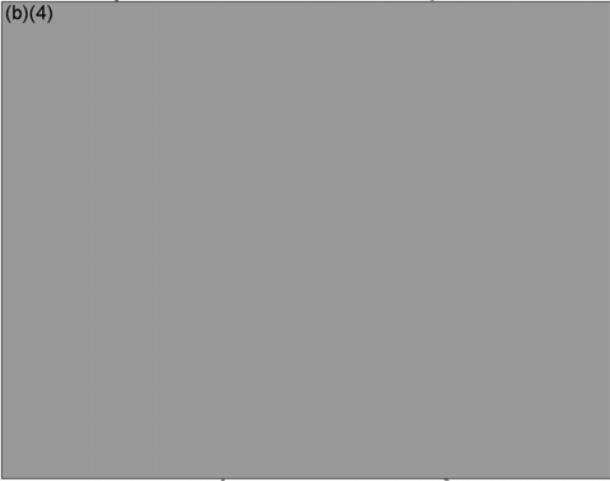
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i. Standard Contract -- software

- Computer Software – or “computer program” in the DFARS is also an operational end-item
 - It causes a computer to do something
 - Not just information related to an end-item
- Source Code vs. Object/executable code
 - Source Code: human-readable, for programming
 - Object/executable Code: machine-readable, causes computer to perform ops



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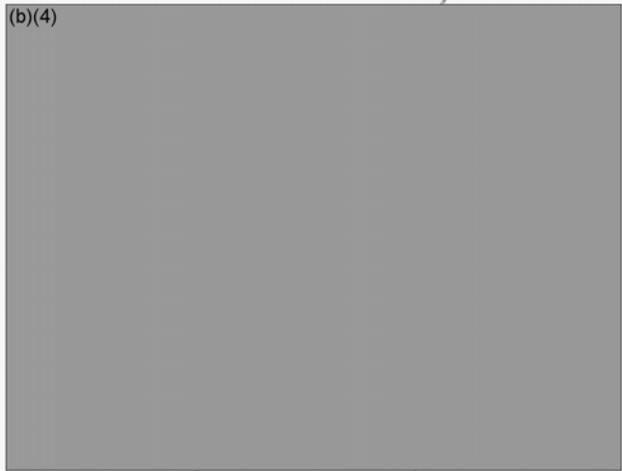
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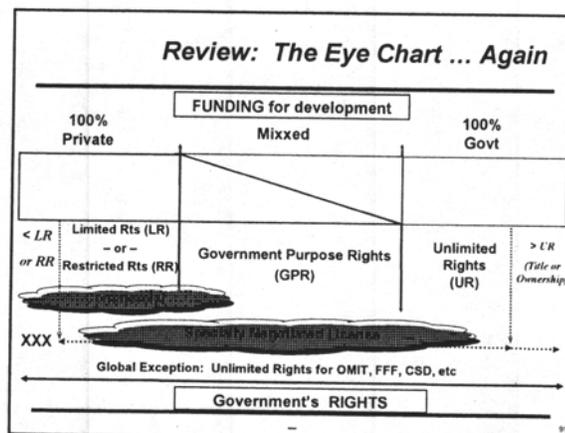
ii. & iii. CRADA & Other Transactions

CRADA & Other Transactions essentially same

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Review: Key Aspects of TD & CS

- "Hybrid" license – covers specific activities
 - Use; modify; reproduce; perform; display; release or disclose; and ... access? (Ok, this one is a new entry)
- Rights Determined in THREE primary ways
 - By negotiation – mutual agreement
 - By "default": funding for development; type of deliverable; commercial technology?; data vs. software
 - Commercial Software: use VENDOR's license as baseline
- Doctrine of Segregability (a.k.a. "divide & conquer"):
 - Rights determined at the "lowest practical segregable level"



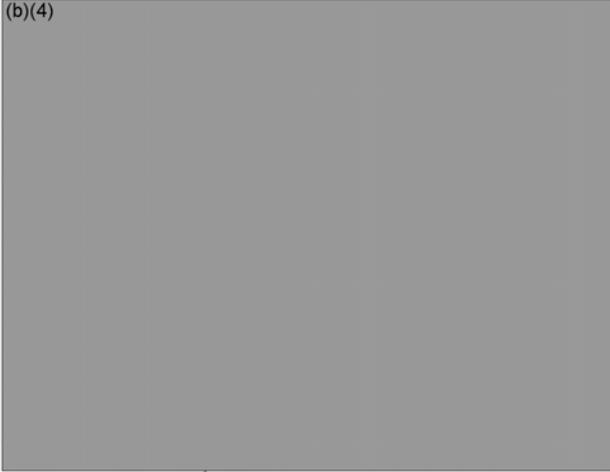
92

Review: Negotiating for IP and Beyond

- **Both license rights and deliverables are negotiable!**
- **Policy:** minimum to meet Govt needs
 - But don't forget Govt also "needs" reasonable Return on Investments
 - There is no "free money" in the private model - investors expect return!!
- **Interest-based negotiations (IBN) techniques**
 - **Position:** your default rights (- also serves as objective criteria and starting point)
 - **Interest:** negotiate up or down to balance parties needs/interests
 - Figure out how this makes sense ... for them
- **For Govt:** more is not necessarily better - *ya get what ya pay for ... and ya pay for what you get!*
 - Govt Purpose Rights is usually more than sufficient
- **The X-Purpose License Model (based on DoD's "Govt Purpose Rights")**
 - How about ... AgencyPR? CommandPR? ProgramPR? DepotMaintPR?



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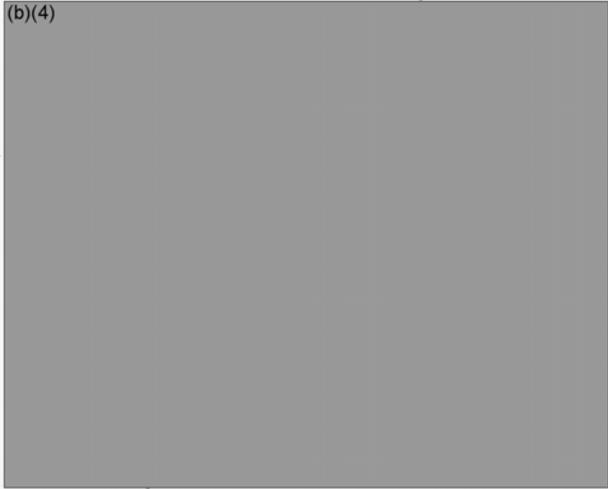
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D. Preservation Techniques 99
Data/Software: 4 Keys to Success

- **START EARLY!** -- Identify and Resolve IP Issues
 - Listing requirement for any/all deliverables < UR
 - Include anticipated commercial technologies (no sandbagging!)
- **Ensure Contract addresses Issues Outside Clauses**
 - Deliverables (content, format, medium)
 - Commercial Software!
 - Proprietary other than TD/CS
- **Focus on Specially Negotiated License**
 - "Interest Based" Negotiations
 - Please, please offer something other than Limited Rights or Restricted Rights -
- **Markings, Markings, Markings!!!!!!**

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D. Preservation Techniques (Cont.) 104
2. *Markings and Restrictive Legends*

- The "conspicuous" req't
 - However -- cover page, inside cover, header/footer, storage media or transmittal docs
 - ESPECIALLY tricky with electronic documents
 - Divide up a single document into smaller components
 - Internet as a source ... check those copyright notices!
- Ensure Markings are MEANINGFUL
 - "Easy" when it's a defined/regulated mark
 - Harder -- commercial/industry practices
 - Multiple markings -- most restrictive governs
 - Procedural requirements for release!!!!
 - Example: DFARS Standard Use & Non-Disclosure Agreement

D. Preservation Techniques (Cont.) 105
2. *Markings and Restrictive Legends (Cont.)*

Common Ambiguities

- "Company Proprietary"
 - Often used as generic "trade secret" mark
 - Any restrictions on use within the Govt?
 - What about our Support Contractors?
 - What about subcontractors ... working for Company?
 - Possible solution: ADD information specifying contract/license
- "© Company 2003" perhaps with "All rights reserved"
- Unmarked?
 - Unlimited Rights -- Noncommercial data/software, and arguably commercial tech data
 - This does NOT necessarily mean "public release"
 - If it's a Technical Document -- it SHOULD have a Distribution Statement!!!
 - No markings required for COPYRIGHT protection
 - Markings are a CORE element for Trade Secrets, but not an absolute requirement

D. Preservation Techniques (Cont.) 106
3. *Don't forget to verify the attachments*

- Listings of restricted data/software required by--
 - DFARS 252.227-7017 and updated post-award by -7013(e) or -7014(e)
 - DFARS 252.227-7028
 - Special contract requirement for list of commercial TD or CS, or other proprietary info
- License agreements
 - "Standard" Commercial Computer Software License (a.k.a. "shrink-wrap" or "click-wrap" license)
 - CAREFUL! What happens to provisions that are "inconsistent with federal procurement law"?
 - Specially negotiated licenses (under 7013(b)(4); 7014(b)(4); 7015(c), or for commercial software pursuant to 227.7202-3)

(b)(4)