

Intellectual Property Rules in Government Contracts Legal Update: Know Your Technical Data and Patent Rights

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John E. McCarthy, Jr.

202.624.2579

jmccarthy@crowell.com

Jonathan M. Baker

202.624.2641

jbaker@crowell.com

Joelle Sires

213.443.5579

jsires@crowell.com

Ali Hossein Khan Tehrani*

202.624.2797

ahosseini@crowell.com

*Not admitted in the District of
Columbia



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Agenda

- Rights in technical data & computer software
- Distinction between commercial & non-commercial items
- Developments & Trends
- Patent rights
- Questions



Government Intellectual Property Rights

- ❖ Two general categories of government IP issues:
 - Rights in Technical Data and Computer Software
 - Patent Rights



Rights in Technical Data and Computer Software

- ❖ Background & Definitions
- ❖ Rights Allocation Scheme
- ❖ How Do You Determine What the USG Gets?
- ❖ Traps for the Unwary
- ❖ Other Considerations
- ❖ Summary



Rights in Technical Data and Computer Software

Background

- ❖ Different Rules for
 - Civilian Agencies (FAR) v. DOD (DFARS)
 - Technical Data v. Computer Software
 - Commercial Items v. Non-Commercial Items
- ❖ Analogous to, but different from, copyright and trade secret protection



Rights in Technical Data and Computer Software

Definitions

- ❖ Technical Data
 - Recorded information only
 - Does not apply to the item or component itself
 - Does not include financial, cost, pricing, management, or contract administration data
 - Includes data bases and computer software documentation



Rights in Technical Data and Computer Software

Definitions

- ❖ Computer Software (FAR 52.227-14)
 - “Computer programs that comprise a series of instructions, rules, routines, or statements, regardless of the media in which recorded, that allow or cause a computer to perform a specific operation or series of operations;” and
 - “Recorded information comprising source code listings, design details, algorithms, processes, flow charts, formulas, and related material that would enable the computer program to be produced, created, or compiled.”
 - Excludes data bases and computer software documentation
 - DFARS (252.227-7013) essentially the same



Rights Allocation Scheme

- ❖ Contractor gets title!!!!
- ❖ Government gets a license
- ❖ Three general categories of government license rights in technical data and computer software
 - Unlimited rights
 - Limited rights (technical data)/Restricted rights (computer software)
 - Government purpose rights



Unlimited Rights

- ❖ USG has the right to do whatever it wants with the data/software
 - E.g., Right to publish in the New York Times
- ❖ USG can grant third parties rights as well
 - No rights automatically granted to third parties
 - But see L3 Comm. Westwood Corp. v. Robichaux



Limited Rights – Technical Data

- ❖ May be reproduced or used by the USG
- ❖ May not be disclosed outside the USG or used for manufacture
- ❖ FAR Exception (FAR 52.227-14, Alt. II)
 - Other permitted uses may be listed in the contract
- ❖ DFARS Exceptions (DFARS 252.227-7013(a)(14))
 - Emergency repair
 - To USG support contractor
 - To foreign government if in the interest of the U.S.
 - Subject to certain restrictions and contractor notification



Restricted Rights Software

- ❖ USG may:
 - Use a computer program with one computer at one time
 - May not be accessed, at one time, by more than one terminal or CPU
 - May not be time shared
 - Transfer to another USG agency computer
 - Make copies for safekeeping (archive), backup, or modification purposes
 - Modify computer software
 - Permit service contractors to use computer software to diagnose/correct deficiencies, or to modify to respond to urgent tactical situations
 - Disclose to contractors for emergency repair and overhaul

- ❖ DFARS 252.227-7014(a)(15)



Government Purpose Rights

- ❖ Right to use within the USG without restriction, and
- ❖ Right to authorize others to use for any USG purpose
 - Primarily for reprocurement purposes



Rights Allocation: A Tale of Two Types of Agencies...

- ❖ Contrast between DOD and civilian agencies
 - DOD – what the USG paid for (DFARS)
 - Civilian Agencies – first produced in performance of contract (FAR)



Determining When the USG Gets Unlimited Rights in Technical Data

- ❖ DFARS
 - Developed exclusively with Government funds

- ❖ FAR
 - First produced in the performance of a government contract
 - Irrespective of funding

- ❖ Other specific categories delivered under the contract, for example
 - Form, fit and function data
 - Manuals or instructional and training materials for installation, operation, or routine maintenance or repair



Determining When the USG Gets Unlimited Rights in Computer Software

- ❖ DFARS: USG gets unlimited rights in:
 - Computer software developed exclusively with USG funds
 - Computer software documentation required to be delivered under this contract
 - Corrections or changes to computer software or computer software documentation furnished to the Contractor by the USG
 - Computer software when limitations expire (e.g., government purpose rights)
 - DFARS 252.227-7014(b)(1)
- ❖ FAR
 - First produced in the performance of a government contract
 - Irrespective of funding



Determining When the USG Gets Limited Rights in Technical Data

- ❖ DFARS 252.227-7013(b)(3)
 - Developed at private expense
 - 252.227-7013(b)(3)

- ❖ FAR
 - Not developed in the performance of a contract; and
 - Developed at private expense
 - FAR 52.227-14(a)



Rights in Technical Data & Computer Software

Government Purpose Rights – DFARS

- ❖ Government Purpose Rights is generally a DFARS concept
- ❖ Developed with mixed funding
 - Some government
 - Some private/indirect
- ❖ Item, component, or process developed with mixed funding
- ❖ Technical data developed with mixed funding where contract does not require the development, manufacture, construction, or production of items, components, or processes



Private Expense Determination

- ❖ Developed exclusively at private expense
 - “was accomplished entirely with costs charged to indirect cost pools, costs not allocated to a government contract, or any combination thereof” DFARS 252.227-7013(a)(8)
- ❖ Developed exclusively at U.S. Government expense
 - Direct contract charges
- ❖ Segregability
 - Private expense determinations should be made at the lowest practicable level
 - If you cannot segregate, then → mixed funding/Government Purpose Rights
- ❖ For fixed price contracts, if costs exceed fixed price, additional costs not considered for rights allocation



Rights in Technical Data & Computer Software

DFARS Private Expense Determination, Generally

Exclusively USG Expense

Unlimited Rights

Mixed USG/Private Expense

Government Purpose Rights

Exclusively Private Expense

Limited or Restricted Rights



When Is An Item, Component, or Process “Developed”?

- ❖ An item, component, or process exists and is workable
- ❖ The item or component must have been constructed or the process practiced
- ❖ Workability is generally established when the item, component, or process has been analyzed or tested sufficiently to demonstrate to reasonable people skilled in the applicable art that there is a high probability that it will operate as intended
 - It need not be actually reduced to practice
- ❖ DFARS 252.227-7013(a)(7)



When Is Software “Developed”?

- ❖ Computer program (e.g, object code)
 - Successfully operated in a computer and tested
 - To demonstrate to reasonable persons skilled in the art
 - Program can reasonably be expected to perform its intended purpose
- ❖ Computer software (e.g., source code)
 - No operation required
 - Only “tested or analyzed”
- ❖ Computer software documentation
 - Written in any medium
- ❖ DFARS 252.227-7014(a)(7)



Examples of “Developed”

- ❖ Applied Devices Corp., B-187902, 77-1 CPD ¶ 362
 - Breadboard of a radar set deemed to be developed
 - Subsequent government funds to convert to a manufactured item did not give government unlimited rights
- ❖ Dowty Decoto, Inc. v. Dep’t. of the Navy, 883 F.2d 774 (9th Cir. 1989)
 - Aircraft “repeatable holdback bars” achieved workability prior to government funded improvements improved performance



Traps for the Unwary

- ❖ Marking Requirements (Notice)
- ❖ Maintaining Records
- ❖ Special Data Rights Clauses



Notice/Marking

- ❖ Must provide notice and mark data exactly as required or risk a grant of unlimited rights to the government
 - Unlabeled data is unlimited rights data
- ❖ Bright line rule
- ❖ Proposal must include table identifying what data/software is being provided with other than unlimited rights



Marking Requirements

- ❖ Noncommercial Computer Software
- ❖ Contractor may only assert restrictions on the Government's rights to use, modify, reproduce, release, perform, display, or disclose computer software by marking the deliverable software or documentation subject to restriction
- ❖ Exception:
 - Instructions that interfere with or delay operation of computer software in order to display markings must not be inserted in software that “will or might be used in combat or situations that simulate combat conditions”
- ❖ DFARS 252.227-7014



Validation of Marking Requirements

- ❖ Government may require contractors to provide data to justify restrictive markings
 - Failure to respond may provide a basis for questioning restrictions
 - May result in government unilaterally modifying an asserted mark
- ❖ DFARS 227.7103-13; FAR 52.227-14(e)



Government Challenge Procedures

- ❖ The USG challenge must
 - Be in writing
 - Provide basis for the challenge
- ❖ The Contractor is required to respond within 60 days providing justification for the marking
- ❖ The Contracting Officer may
 - Extend the time for a response
 - Request additional supporting documentation
- ❖ The Contracting Officer must issue a final decision
- ❖ USG will honor the asserted restriction during any appeal of that final decision
- ❖ USG deals directly with subcontractors/suppliers in challenging such restrictions
- ❖ DFARS 227.7103-13; FAR 52.227-14(e)



Practical Pointers for Contractors

- ❖ Mark the data/software you are delivering to the USG
 - Mark when data/software is created
 - When in doubt -- mark
- ❖ Use the required FAR/DFARS labels
 - Do not get creative
- ❖ Have a gate keeper for communications with the USG
 - Avoid direct Contractor engineer to USG engineer electronic or paper correspondence



Maintaining Records

- ❖ Contractors need to maintain an accounting system to track what is:
 - Developed in the performance of a contract
 - Developed exclusively at private expense

- ❖ DFARS 252.227-7019(b)

“The Contractor shall maintain records sufficient to justify the validity of any markings that assert restrictions on the Government's rights to use, modify, reproduce, perform, display, release, or disclose computer software delivered or required to be delivered under this contract and shall be prepared to furnish to the Contracting Officer a written justification for such restrictive markings in response to a request for information”



Practical Pointers for Contractors

- ❖ Upfront planning required
- ❖ Define scope of each development effort, whether in-house or under contract
- ❖ For in-house development work, make sure there is no USG requirement covering the same work
- ❖ For each development contract, make sure there is no ongoing in-house development project addressing the same scope of work
- ❖ Design modifications – must use the same analysis



Practical Pointers for Contractors

- ❖ Track the development effort from a technical standpoint to make sure that it stays consistent with the original charter
 - If the technical team wants to deviate, the upfront analysis must be repeated
- ❖ Maintain separate charge accounts for each new development effort (both privately funded and Government-funded) and charge time and expenses accordingly
- ❖ Maintain traceability between the charge accounts and the technical documentation
 - Put charge codes on technical data/software when created
- ❖ Retain the development records (technical and accounting)
 - Exclude from document destruction policies
- ❖ Maintain accurate configuration management controls



Practical Pointers for Contractors

- ❖ Use private funds for the core development effort where possible
- ❖ Records should include tracking of:
 - Contract requirements
 - Internal research and development requirements
 - Technical development achievements and associated timelines
 - Who paid for what
- ❖ Carefully plan modifications of:
 - Limited rights items, components or processes and associated technical data
 - Restricted rights software
- ❖ Data rights determination made at the lowest readily segregable unit



Problem Clauses

- ❖ Rights in Data – Special Works (FAR 52.227-17)
 - Grants the government unlimited rights in
 - All data delivered under the contract
 - All data produced in the performance of the contract
 - Limits contractors' use of data to performance of the contract absent express Government authorization
 - Restricts right to copyright assertion



Problem Clauses

Reach-Back Clauses

- ❖ Generally contractors may control USG rights by limiting the data that is delivered to the USG
- ❖ Reach-back clauses allow the government to require delivery of data produced or used in the performance of the contract
 - DFARS 252.227-7026, Deferred delivery clause (2 years; only pre-designated tech data and computer software)
 - DFARS 252.227-7027, Deferred ordering clause (3 years; any tech data or computer software generated in the performance)
 - FAR 52.227-16, Additional Data Requirements (3 years; “any data first produced or specifically used in the performance of th[e] contract”)



Problem Clauses

- ❖ Agency-Specific Clauses
 - Agencies occasionally include agency-specific clauses which further limit contractor's rights in technical data and computer software

17. Proprietary Information

All data received, processed, evaluated, loaded, and/or created as a result of this delivery order shall remain the sole property of the Government unless specific exception is granted by the contracting officer.



Practical Pointers for Contractors

- ❖ Review IP clauses before submitting proposal or signing contract/task order/modification
- ❖ Consider taking exception to the “problem” clauses
 - Ask the USG to delete them
 - Caution: In a competition, taking exception may make your proposal non-compliant



Other Considerations

- ❖ License Rights versus Delivery
- ❖ Specifically Negotiated Rights
- ❖ Subcontractor Rights
- ❖ Commercial items/commercial computer software
- ❖ Developments
 - NDAA for FY2012
 - Open System Architecture
- ❖ Trends



License Rights vs. Delivery

- ❖ License ≠ Right to Require Delivery
- ❖ Delivery governed by contract requirements
 - Negotiate delivery requirements carefully (e.g., source code)
- ❖ Carefully control delivery of technical data and computer software
 - Deliver only what is required
- ❖ Can get additional compensation for additional delivery requirements
- ❖ Beware of reach back clauses



Specifically Negotiated Rights

- ❖ Government is not tied to Standard DFARS Rights Allocation
- ❖ May negotiated rights other than “standard” rights
- ❖ But at minimum: limited/restricted rights
- ❖ Must include license agreement as part of the contract
- ❖ E.g., DFARS 252.227-7013(b)(4)



Subcontractor Rights

- ❖ Subcontractors entitled to the same protections as prime contractors
- ❖ May negotiate directly with the government
- ❖ DFARS preclude prime contractors from making the relinquishment of data rights a condition to the award of a subcontract. DFARS 227.7103-15(d)



Practical Pointers for Subcontractors

- ❖ You do not have to accept prime contractor IP provisions
- ❖ Prime contract not entitled to rights in subcontractor technical or computer software absent separate consideration for the rights
 - Rights flow from the sub (regardless of the tier) to the Government
- ❖ If there is a dispute with the prime, go to the CO



Commercial vs. Non-commercial

- ❖ Contractors generally want their products to be deemed commercial items
- ❖ Why:
 - FAR/DFARS requirements may be waived
 - Standard commercial license often applies



Commercial Item Definition

- ❖ Multiple ways to qualify as a “commercial item” – FAR 2.101
- ❖ Most common definition:
 - Any item, other than real property
 - of a type customarily used by general public for nongovernmental purposes, AND
 - sold, leased, or licensed to the general public OR offered for sale, lease, or license



DFARS - Commercial Computer Software

- ❖ Commercial computer software means software developed or regularly used for nongovernmental purposes which—
 - (i) Has been sold, leased, or licensed to the public;
 - (ii) Has been offered for sale, lease, or license to the public;
 - (iii) Has not been offered, sold, leased, or licensed to the public but will be available for commercial sale, lease, or license in time to satisfy the delivery requirements of this contract; or
 - (iv) Satisfies a criterion expressed in paragraph (a)(1) (i), (ii), or (iii) of this clause and would require only minor modification to meet the requirements of this contract.
- ❖ DFARS 252.227-7014(a)(1)



Rights in Commercial Items

- ❖ Compliance with the FAR and DFARS requirements may be excused
 - Including the labeling requirements
- ❖ Governments Rights
 - Generally, the rights set forth in the standard commercial license
 - Some limited right to negotiation
- ❖ If possible, avoid use of the FAR/DFARS “Commercial Item” clauses
 - FAR 52.227-19 Commercial Computer Software License
 - DFARS 252.227-7015 Technical Data – Commercial Items



Rights in Commercial Items

- ❖ Commercial Computer Software
- ❖ Government acquires rights under license customarily provided to the public
- ❖ Contractor not required to provide USG information not generally provided to the public
- ❖ USG gets only the rights stated in the license
- ❖ If USG needs additional rights – must negotiate
- ❖ FAR 12.212; DFARS 227.7202



Practical Pointers for Contractors

- ❖ Identify Commercial Items
 - If possible get Government concurrence
- ❖ Have a standard commercial license for technical data and computer software
- ❖ Use the commercial license
 - Must be slightly tailored for US Government
 - Choice of law
 - Disputes
 - Indemnification
- ❖ If possible, avoid use of the FAR/DFARS data rights clauses



Developments

- ❖ NDAA for FY 2012 revised authorizing statute, 10 U.S.C. 2320
 - Authorizes USG to require delivery of data if:
 - Needed for purpose of reprocurement, sustainment, modification (including through competitive means), or upgrade of a major system or subsystem, or noncommercial item or process, AND
 - The technical data
 - pertains to an item or process developed at least in part with Federal funds, OR
 - is necessary for the segregation of any item or process from, or the reintegration of that item or process (or equivalent item or process) with, other items or processes



Developments

- ❖ NDAA for FY 2012 revised authorizing statute, 10 U.S.C. 2320 (cont'd)
 - Authorizes release/disclosure of technical data outside the U.S. Government if necessary for the segregation from, or reintegration of the item or process (or equivalent) with other items or processes



Open System Architecture

- ❖ DoD Open System Architecture Guidebook
 - To be used by DoD PMs incorporating Open Systems Architecture principles in acquisitions
 - Designed to supplement FAR, DFARS, and other applicable policy & guidance
 - Contains suggested language for RFP sections C, H, L, and M and Award Fee Plans
 - Acknowledges that USG can evaluate data rights in its best value determination



Trends in Government Approach to Technical Data & Computer Software

- ❖ Increased emphasis in acquiring rights in technical data & computer software
 - Specific emphasis in DoD
 - Often rights in data is evaluation factor
- ❖ Commercial licenses under increased scrutiny
 - New regulation regarding indemnification provisions
 - Traditional concerns (disputes, choice of law, etc.)
 - New concerns
 - CO authority
 - No click wrap licenses
 - No website license
 - Attach all licenses to contract
 - Termination
 - Control of infringement actions
 - Adequacy of rights grants: Default to FAR 52.227-19, Commercial Computer Software License
- ❖ More challenges to data rights markings



Data Rights Summary

- ❖ Complex set of rules – not intuitive
- ❖ Numerous traps for the unwary
- ❖ Need to actively manage data rights (contractors & U.S. Government)
- ❖ When in doubt, ask questions before:
 - Submitting a proposal
 - Executing the contract
 - Delivering the data/software



Patent Rights

Patent Rights

- ❖ Background & Definitions
- ❖ Allocation of Rights to Subject Inventions
- ❖ Procedural Requirements for Perfecting Title
- ❖ Patent Infringement Remedies Against the Government
- ❖ Questions



Background

- ❖ Patent Rights Versus Data Rights
 - Rights in Technical Data and Computer Software
 - Right to the embodiment of the idea
 - Disclosure not required
 - Patent rights
 - Right to the invention
 - Disclosure required
 - Patent rights are negative rights that permit a patentee to exclude others from making or having made, using, selling or offering to sell, importing or having imported an article that infringes the patent. See 35 U.S.C. § 271.



Definitions

- ❖ “Invention” (FAR 27.301)
 - “any invention or discovery that is or may be patentable or otherwise protectable under [the Patent laws] or any novel variety of plant that is or may be protectable under the Plant Variety Protection Act”
 - Patentability is determined under 35 U.S.C. § 101, *et seq.*, requiring patentable subject matter, novelty, non-obviousness, utility, and an enabling disclosure.



Definitions

- ❖ “Subject Invention” (FAR 27.301)
 - ❖ any invention of the contractor *conceived or first actually reduced to practice* in the performance of work under a Government contract
- ❖ “Conception”
 - ❖ the mental act of realization by the inventor of a complete and operative means to produce a result. *Hybritech, Inc. v. Monoclonal Antibodies, Inc.*, 805 F.2d 1367 (Fed. Cir. 1986).
- ❖ “Actual Reduction to Practice”
 - ❖ Requires actual production or construction of an embodiment of the subject invention, operable to function for its intended purpose. *Rutgers v. U.S.*, 41 Fed. Cl. 764 (1988).



FAR Allocation of Rights to Subject Inventions

- ❖ The Issues:
 - Who gets the title to subject inventions?
 - What rights does the other party get?
- ❖ Allocation of rights defined by the applicable patent rights clause



FAR Allocation of Rights to Subject Inventions

- ❖ Contractor's Right to Elect to Retain Title (Most Agencies)
 - Contractor may elect to retain title to subject inventions.
FAR 52.227-11(b)(1); DFARS 252.227-7038(b)(1).
 - If Contractor does not elect to retain title, Government gets the title and contractor only gets a non-exclusive license.
FAR 52.227-11(b)(2); DFARS 252.227-7038(b)(1).
- ❖ *See also* FAR 27.302(b)



FAR Allocation of Rights to Subject Inventions

- ❖ Narrow Exceptions to Contractor's Right to Elect to Retain Title
 - Foreign companies
 - Exceptional circumstances in furtherance of policy objectives
 - National security
 - Contracts for government owned R&D or production facilities

- ❖ FAR 27.302(b)(1)-(4)



FAR Allocation of Rights to Subject Inventions

- ❖ Government License Rights when Contractor Retains Title
 - Minimum: Nonexclusive, nontransferable, irrevocable, paid-up license to practice, or have practiced for, or on behalf of, the U.S. Government throughout the world
 - May have additional rights to sublicense to any foreign government or international organization to effectuate treaties or international agreements



FAR Allocation of Rights to Subject Inventions

- ❖ Government's Right to Retain Title
 - Government has right to receive title if:
 - Contractor has failed to disclose in a timely manner
 - Contractor has not elected to retain rights
 - Contractor has failed to pursue filing and prosecuting a patent



FAR Allocation of Rights to Subject Inventions

- ❖ Government March-in Rights
 - Where contractor acquires title, government can require contractor to license, or the government may license to others itself:
 - If contractor has failed to take adequate steps for practical application
 - To alleviate health or safety concerns
 - To meet requirements for public use
 - To meet domestic production preference

- ❖ FAR 27.302(f)



FAR Allocation of Rights to Subject Inventions

- ❖ Minimum License Rights to Contractor if Government Takes Title
 - Revocable, nonexclusive, royalty-free license
 - Extends to domestic subsidiaries and affiliates
 - Includes right to sublicense
 - Transferable only with CO approval
 - May be revoked or modified by the government to achieve expeditious practical application



Procedural Requirements to Retain Title

- ❖ Proper Assignment of Rights and Title
 - Contractor needs to have a proper assignment from inventor
 - Mere promise to assign is insufficient. *Board of Trustees of Leland Stanford Junior Univ. v. Roche Molecular Sys., Inc.*, 131 S.Ct. 2188 (2011).
- ❖ FAR Requirements
 - Disclosure of the subject invention in writing
 - Election to retain title
 - Filing patent application(s)



Procedural Requirements to Retain Title

- ❖ Disclosure in writing – depends on the contract's specific terms
 - FAR 52.227-11(c): Within 2 months of written disclosure to contractor personnel responsible for patent matters
 - FAR 52.227-13(e) / DFARS 252.227-7038(c): Within 2 months of written disclosure to contractor personnel responsible for patent matters OR within 6 months after contractor first becomes aware that subject invention has been made, whichever is earlier
 - Form of Disclosure described in FAR 52.227-11(c)
- ❖ Implications of Failure to Disclose
 - Forfeiture of *all* rights to the subject invention.
 - Government has full right to take the title within 60 days & contractor receives no license. FAR 52.227-11(d)(1)(i).
 - Potential infringement liability



Procedural Requirements to Retain Title

- ❖ Election to Retain Title
 - In writing
 - Within 2 years of disclosure (FAR)
 - Within 8 months of disclosure (DFARS)
 - May obtain extension of time
 - Must identify countries in which contractor will retain title

- ❖ Failure to Make the Election to Retain Title
 - Government has 60 days from learning of failure to take title. FAR 52.227-11 (b)(2), (d)(1).
 - But contractor still retains non-exclusive license, unlike in a failure to disclose situation. See FAR 52.227-11 (b)(2).



Procedural Requirements to Retain Title

- ❖ Patent Application/Prosecution
 - Contractor has to file a patent application directed to the subject invention within 1 year after election. FAR 27.302(d), 52.227-11(c)
 - Contractor must also prosecute the patent application diligently to issuance
 - Failure to file / prosecute the patent application: Government takes the title



Patent Infringement Remedies Against the Government

“Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, *the owner’s remedy shall be by action against the United States in the United States Court of Federal Claims for the recovery of his reasonable and entire compensation for such use and manufacture.*”

28 U.S.C. § 1498

❖ The statute also applies where: production of the article was outside of the U.S. and then imported under Government contract. *Zoltek Corp. v. United States*, 672 F.3d 1309, 1326 (Fed. Cir. 2012).



Patent Infringement Remedies Against the Government

- ❖ No injunctions, treble damages, court costs, or attorney fees
- ❖ Government may continue usage of the invention
- ❖ Government only liable for “reasonable and entire compensation,” *i.e.*, a reasonable licensing fee set by the court



Patent Infringement Remedies Against the Government

- ❖ Generally contractors protected from infringement claims if use authorized by the Government
 - FAR 52.227-1 (a), Authorization and Consent
 - *Carrier Corp. v. United States*, 534 F.2d 244, 247 (Ct. Cl. 1976).
- ❖ Express authorization by Government not always required to protect contractors from infringement claims
 - Authorization may be implied, e.g., the contract requires the contractor to use the infringing method



Patent Usage On a Government Contract

- ❖ Indemnification
 - The Government can require that the contractor indemnify it for infringement (FAR 52.227-3)
 - This clause is generally included in contracts for commercial items but excluded from research and development contracts



QUESTIONS ?

- To ask a question, please press *1 on your touchtone phone.
- If you are using a speaker phone, please lift the receiver and then press *1.
- If you would like to withdraw your question, press *1.



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John E. McCarthy, Jr.

202.624.2579

jmccarthy@crowell.com

Jonathan M. Baker

202.624.2641

jbaker@crowell.com

Joelle Sires

213.443.5579

jsires@crowell.com

Ali Hossein Khan Tehrani*

202.624.2797

ahosseini@crowell.com

*Not admitted in the District of
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