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Assistance Center (PTAC)

The background of the slide is a photograph of the Wisconsin State Capitol building at dusk. The building is illuminated with warm lights, and its green dome is a prominent feature. The sky is a deep blue, and trees with autumn foliage are visible in the foreground. A dark blue banner with white text is overlaid on the bottom half of the image.

ACQUISITION HOUR: INTELLECTUAL PROPERTY FOR GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

December 12, 2017



WEBINAR ETIQUETTE

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 - Use the Chat option to ask your question(s): We will read them and our guest speaker will provide an answer to the group
- Thank you!

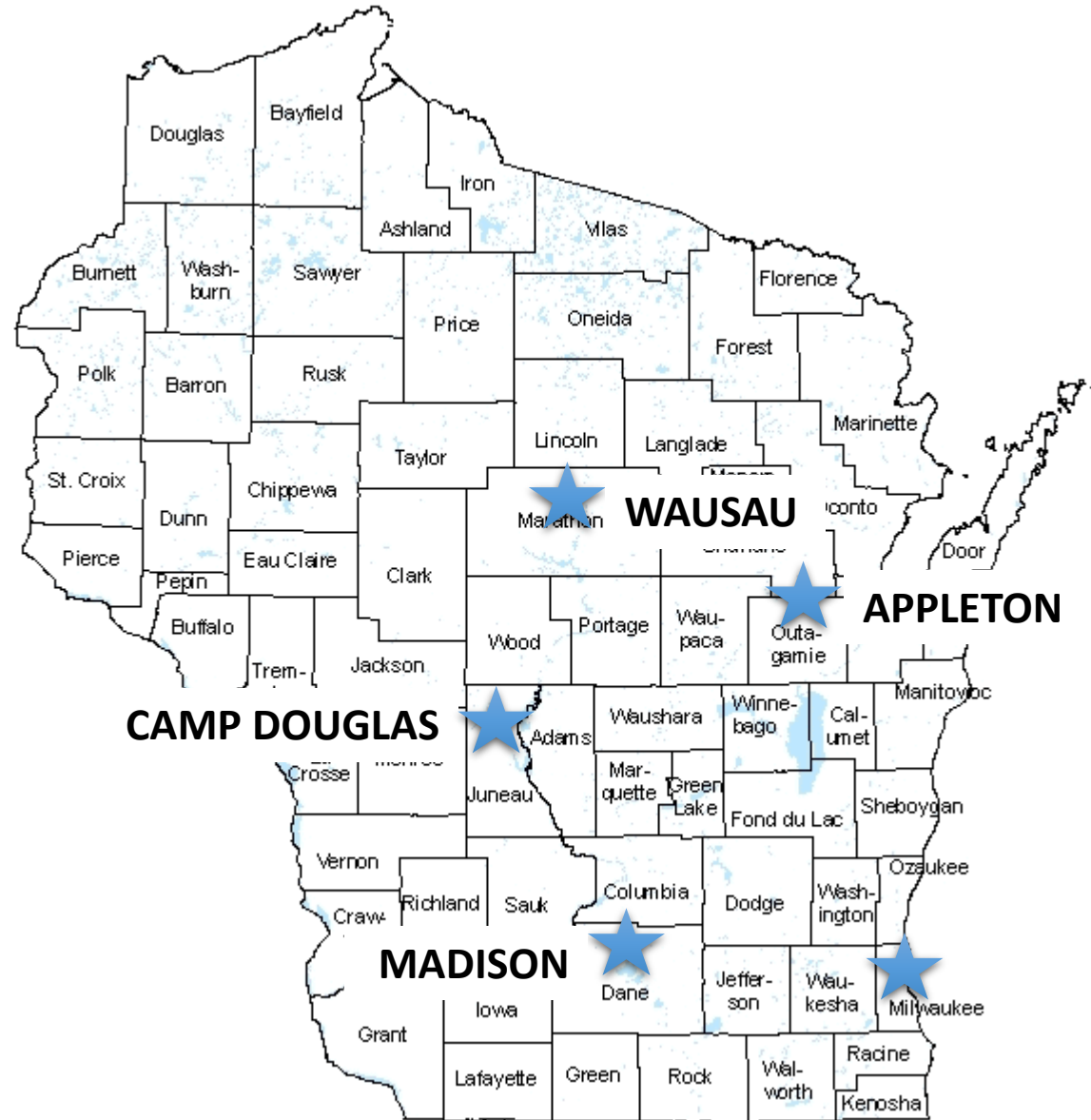
ABOUT WPI

SUPPORTING THE MISSION

Assist businesses in creating,
development and growing their sales,
revenue and jobs through Federal, state
and local government contracts.

WPI OFFICE LOCATIONS

- MILWAUKEE – *Technology Innovation Center*
- MADISON –
 - *Madison Enterprise Center*
 - *FEED Kitchens*
- CAMP DOUGLAS – *Juneau County Economic Development Corporation (JCEDC)*
- WAUSAU – *Wausau Region Chamber of Commerce*
- APPLETON – *Fox Valley Technical College*



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AUGUST 16 2017

ACQUISITION HOUR: CYBER SECURITY FOR CURRENT AND PROSPECTIVE DOD CONTRACTORS AND SUBCONTRACTORS

AUGUST 17 2017

ACQUISITION HOUR - THE END OF THE FISCAL YEAR IS HERE: WHAT IS HOT AND WHAT IS NOT

SEPTEMBER 19 2017

ACQUISITION HOUR: SELLING TO THE STATE OF WISCONSIN AND LOCAL GOVERNMENTS

SEPTEMBER 20 2017

ACQUISITION HOUR: OVERVIEW OF THE FEDERAL ACQUISITION REGULATIONS (FAR)

OCTOBER 4 2017

ACQUISITION HOUR: ESRS INDIVIDUAL SUBCONTRACTOR REPORTING (ISR) BASICS

CURRENT OPPORTUNITIES (5) [→](#)

SERVICES OFFERED BY WPI

- FREE Bid Matching Services
- Individual Counseling and Assistance
- Locating Local, State and Federal Opportunities
- Government Market Strategy Development
- Training in use of Government websites and tools
- Assistance with System for Award Management (SAM) Registration
- Assisting in Market Research Process
- Development of Market Profile
- Small Business Subcontracting Plans Development, Outreach and Reporting
- Small Group Training
- Outreach and training with Local, State and Federal agencies
- Assist with Pre and Post Award Functions
- Assistance with Agency Specific Contracting Requirements
- Assistance with Contracting Regulations and Requirements, including FAR, DFAR, CFR
- Assistance with GSA Schedule Preparation and Administration
- Assistance with Local, State and Federal Certifications, including:
 - Service Disabled & Veteran Owned Small Business, HUBZone, Woman Owned Small Business, 8(a) Business Development Program
 - State
 - Local
 - DBE
- Bid review and Submission Assistance
- Proposal review and Submission Assistance
- Capabilities Statement and Related Government Marketing Material Development
- Assistance in Locating and Developing Teaming Partners and Subcontractors
- Updated Government Market Information

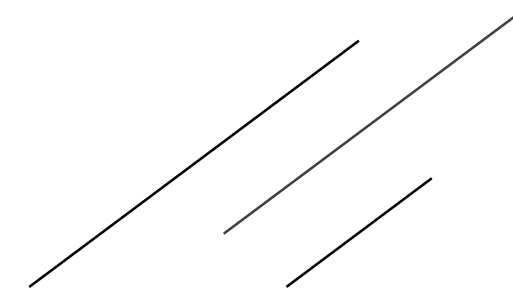


HUSCH BLACKWELL

Intellectual Property for Government Contractors and Subcontractors

Wisconsin Procurement Institute Acquisition Hour
December 12, 2017

Presented by
Laura Grebe, Husch Blackwell LLP



Overview

- What is “intellectual property” from a legal perspective?
- What is “intellectual property” from a contracting perspective?
- How are intellectual property rights allocated when contracting with the government?
- What are some intellectual property concerns when participating in SBIR/STTR programs?

Intellectual Property

- Intangible products of the human mind
 - Examples: inventions, ideas, writings, drawings, music, brand names, industrial secrets, customer lists, processes, configurations, formulas, identifying phrases, etc.
- Group of legal rights which provide protection over things people create

Intellectual Property – The Legal Perspective

- Patent – inventions
- Trademark – designators of origin
- Copyright – artistic creation
- Trade Secret – anything deriving value from being secret

Patents – United States

“Whoever invents or discovers any **new** and **useful** process, machine, manufacture, or composition of matter, or any new and useful **improvement thereof**, may obtain a patent therefore, subject to the conditions and requirements of this title.” 35 USC § 101

Patents – United States

- Utility (provisional or non-provisional)
 - Protect how something is built, how something works, and otherwise functional aspects of an invention
 - Term of 20 years from earliest filing date
- Design
 - Protect the design or non-functional aspects of an invention
 - Term of 15 years from grant
- Plant
 - Protects...plants....
 - Term of 20 years from earliest filing

Patents – United States

- Rights allocation (generally)
 - Inventors are default owners
 - Can be more than one owner
 - Each is an equal co-owner with same rights
- Rights allocation (less generally)
 - Agreements can change default ownership

Trademarks – United States

The term “trademark” includes **any word, name, symbol, or device, or any combination thereof**—(1) **used** by a person, or (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, **to identify and distinguish his or her goods**, including a unique product, from those manufactured or sold by others **and to indicate the source of the goods**, even if that source is unknown. 15 U.S. Code § 1127

Trademarks – United States

- Limitations?
 - Immoral, deceptive or scandalous marks
 - Disparaging or falsely suggests a connection with a person (without consent)
 - Identifies a place other than the true place of origin
 - Falsely suggests a connection with beliefs or national symbols or otherwise brings them into contempt or disrepute
 - Consists of or comprises the flag or coat of arms or other insignia of the United States, any state or any foreign nation
 - Includes the name or portrait of a deceased U. S. president while the widow is still alive (without consent)
 - Is confusingly similar with an existing mark
 - Is functional
 - Is merely descriptive or deceptively misdescriptive of the goods being sold under the mark

Trademark – United States

- Rights allocation (generally)
 - The user is the default owner
- Rights allocation (less generally)
 - The user is the default owner
 - Agreements may change ownership
 - Assignment agreements – but new owner needs to be the user
 - License agreements – but licensor needs to use with owner supervision

Copyrights – United States

“Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:

- (1) literary works;
- (2) musical works, including any accompanying words;
- (3) dramatic works, including any accompanying music;
- (4) pantomimes and choreographed works;
- (5) pictorial, graphic, and sculptural works;
- (6) motion pictures and other audiovisual works;
- (7) sound recordings; and
- (8) architectural works.” 17 USC § 102

Copyright – United States

- Rights allocation (generally)
 - The author is the default owner
- Rights allocation (less generally)
 - “Work made for hire”
 - Other agreements

Trade Secrets – United States

What is a trade secret?

A trade secret is a formula, pattern, physical device, idea, process, or complication of information which is not generally known or reasonably ascertainable, by which a business can obtain an economic advantage over competitors or its customers.

“Trade Secret” means information (e.g., formula, pattern, method, technique, etc.) that (i) derives independent economic value, actual or perceived, from not being generally known or readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use, and (ii) is the subject of reasonable efforts to maintain its secrecy.

Trade Secret – United States

- Rights allocation (generally)
 - A little murky, but generally an employer or, if there is no employer involved, the individual who developed the secret
- Rights allocation (less generally)
 - Employer if (1) agreement is in place, (2) the person(s) who developed the secret were hired to do so, or (3) the person(s) who developed the secret did so in the general course of employment
 - Agreements can always change ownership

Intellectual Property – The Contracting Perspective

3 main areas of IP identified by the government for purposes of contracting:

- Patentable Technology
- Technical Data/Computer Software
- Copyrightable Material

Patentable Technology

- **How do the FARs/DFARS define patentable technology?**
 - “Invention’ means any invention or discovery that is or may be patentable or otherwise protectable under title 35 of the U.S. Code, or any variety of plant that is or may be protectable under the Plant Variety Protection Act.” (FAR 27.301)
 - DFARS essentially the same

Technical Data/Computer Software

- **How do the FARs/DFARS define technical data and computer software?**
 - "'Data' means recorded information, regardless of form of the media on which it may be recorded. The term includes technical data and computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information." FAR 52.227-14
 - "'Technical data' means recorded information (regardless of the form or method of the recording) of a scientific or technical nature (including computer databases and computer software documentation). This term does not include computer software or financial, administrative, cost or pricing, or management data, or other information incidental to contract administration. The term includes recorded information of a scientific or technical nature that is included in computer databases." FAR 52.227-14

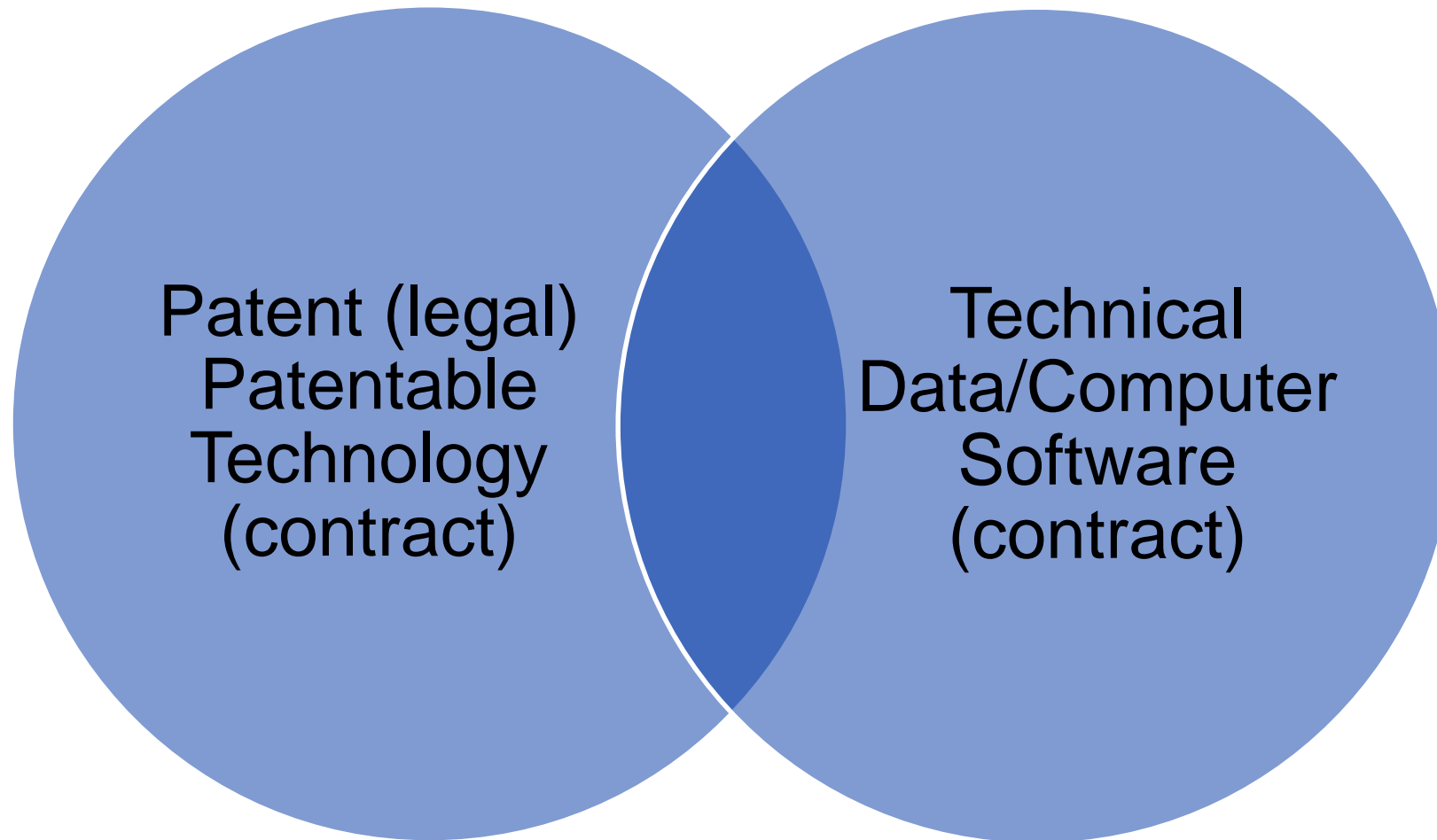
Technical Data/Computer Software

- **How do the FARs/DFARS define technical data and computer software?**
 - “‘Computer software’ (1) means (i) 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 (ii) recorded information comprising source code listing, design details, algorithms, processes, flow charts, formulas, and related material that would enable the computer program to be produced, created, or compiled. (2) Does not include computer databases or computer software documentation.”
FAR 52.227-14

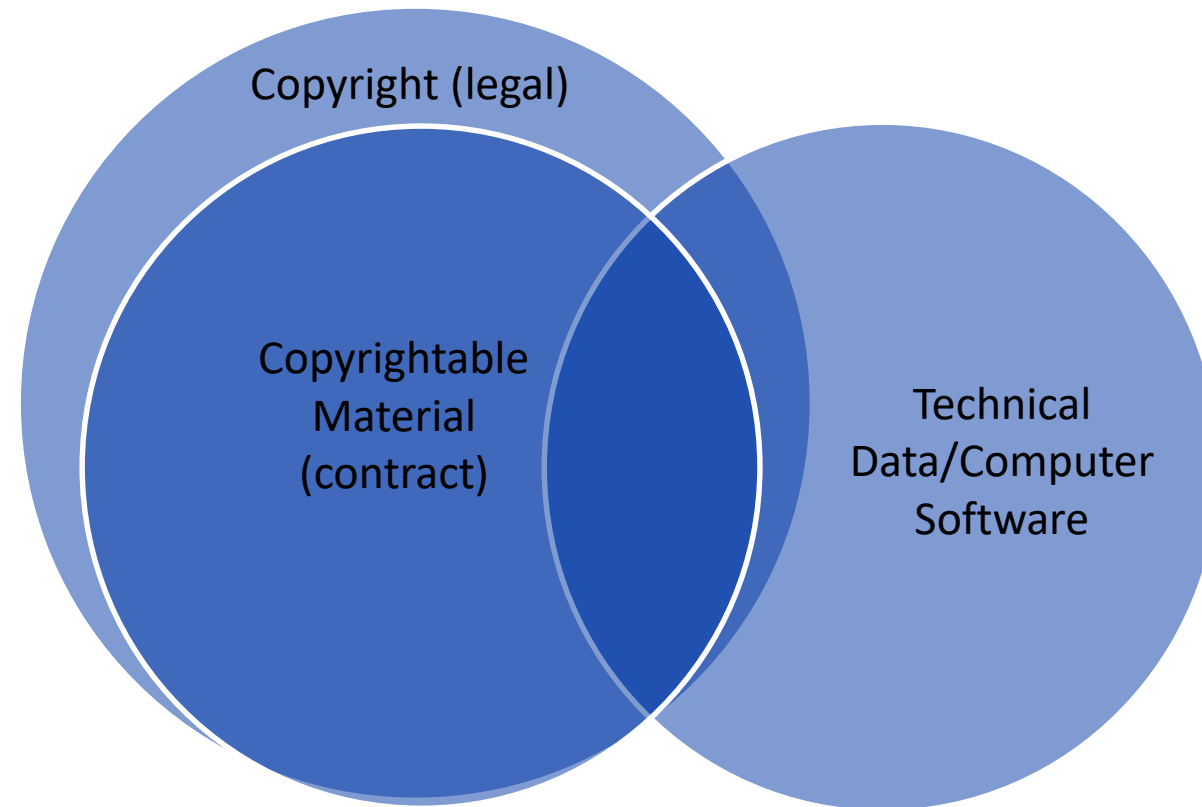
Copyrightable Material

- **How do the FARs/DFARS define copyrightable material?**
 - No true definition
 - Referred to as “Copyrighted Works”

Intellectual Property – The Contracting Perspective



Intellectual Property – The Contracting Perspective



Patentable Technology

- **Recall:**
 - “‘Invention’ means any invention or discovery that is or may be patentable or otherwise protectable under title 35 of the U.S. Code, or any variety of plant that is or may be protectable under the Plant Variety Protection Act.” (FAR 27.301)
- **Rights Allocation (Generally)**
 - Contractor retains ownership
 - Government may get a license

Patentable Technology

- **Rights Allocation (Less Generally)**
 - Government license applies to inventions *conceived or first reduced to practice in performance of the contract* (“government use rights”)
 - typically developed with federal funding
 - contract may be for the development of a certain technology/technological solution
 - Government can obtain ownership or require contractor to license to third parties (“march-in rights”)
 - only when contractor elects to not retain title, fails to pursue patent protection, etc.

Patentable Technology

- **What does a contractor have to do to keep title?**
 - Disclose invention and past/upcoming disclosures (e.g., publications, public use, sale, etc.)
 - FARS provide examples
 - Must be done within a specified time limit (circumstantial)
 - Failure to disclose may result in forfeiture of rights
 - Written notice to government of intent to maintain title
 - Must be done within specified time limit
 - File appropriate patent application (circumstantial)

Patentable Technology

- **How does the government get title?**
 - Contractor can decide not to keep title
 - Contractor doesn't follow the rules pertaining to disclosure, written notice and/or filing of application in the specified time limit
 - Government can pursue patent rights in countries not of interest to Contractor
 - Government can take over patent prosecution of Contractor decides to drop

Patentable Technology

- **Limited Situations Require Assignment to Government**
 - Foreign contractor
 - Exceptional circumstances
 - National security
 - Government-owned, contractor-operated R&D facilities

Patentable Technology

- **Be Aware of Government “March-In” Rights**

A contractor may be required to license to the government and/or permit the government to sublicense in limited situations (e.g., contractor fails to act, health/safety concerns, etc.)

Patentable Technology

- **If government gets title, what does the contractor get?**
 - Revocable, nonexclusive, royalty-free license
 - Rights to sublicense
 - Limits on transferability

Patentable Technology

- **Practical Steps for Maximizing Your Protection/Limiting Government Rights**
 - READ YOUR CONTRACT
 - Disclose invention and past/upcoming disclosures to government (e.g., publications, public use, sale, etc.)
 - Written notice to government of intent to maintain title
 - File and prosecute patent application(s)

Patentable Technology

- **Practical Steps for Maximizing Your Protection/Limiting Government Rights**
 - In performance of contract, use solutions developed before entering the contract or otherwise developed outside performance of the contract
 - Document development of inventions
 - Document funding sources

Technical Data/Computer Software

- **Recall:**
 - Technical data is recorded information of a scientific or technical nature (including computer databases and computer software documentation). Technical data is not computer software or financial, administrative, cost or pricing, or management data. FAR 52.227-14
 - Computer software refers to
 - 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 (e.g., source code listing, design details, algorithms, processes, flow charts, formulas) that enables the computer program to be produced, created, or compiles.
 - Computer software does not include computer databases or computer software documentation." FAR 52.227-14

Technical Data/Computer Software

- **How do the FARS/DFARS define technical data and computer software?**
 - Computer software documentation = user manuals, etc.
 - Computer database = collection of information capable of being stored on a computer

Technical Data/Computer Software

- **How do the FARs/DFARS define technical data and computer software?**
 - DFARS 252.227-7013 for noncommercial items
 - DFARS 252.227-7015 for commercial items
 - Definitions similar to FARs

Technical Data/Computer Software

- **Rights Allocation (Generally)**
 - Contractor retains ownership
 - Government may get a license
 - Scope of government's rights depends on
 - is the technical data/computer software “commercial” or “noncommercial”?
 - was the data/software developed with private or federal government funds?

Technical Data/Computer Software

- **Rights Allocation (Commercial Items)**
 - What is “commercial”?
 - not first produced (data) or developed (software) in performance of the contract
 - Contractor retains ownership
 - Government gets standard license rights (i.e., license rights generally granted to public) or rights as negotiated with contractor

Technical Data/Computer Software

- **Rights Allocation (Commercial Items)**
 - What is “noncommercial”?
 - first produced (data) or developed (software) in performance of the contract
 - Scope of government rights depends on level of funding
 - unlimited rights = produced/developed with 100% federal funding
 - government purpose rights = produced/developed with mixed funding
 - limited rights/restricted rights = produced/develop with 100% private funding

Technical Data/Computer Software

- **Unlimited Rights**
 - In essence, the government can do anything including license to a third party
- **Limited/Restricted Rights**
 - Essentially, government use only
 - Not disclosed outside of government
 - Contractor must mark data/software as such
- **Government purpose rights**
 - Government can use without restriction (unlimited rights)
 - Government can authorize others to use for a government purpose

Technical Data/Computer Software

- **Practical Steps for Maximizing Your Protection/Limiting Government Rights**
 - READ YOUR CONTRACT
 - Try to use commercial technical data/computer software or otherwise have the technical data/computer software identified as commercial prior to entering a contract

Technical Data/Computer Software

- **Practical Steps for Maximizing Your Protection/Limiting Government Rights**
 - Identify commercial/noncommercial items in the contract
 - Label all technical data/computer software developed with mixed funding as limited or restricted rights, as appropriate
 - Use private funding when possible
 - Document funding sources

Technical Data/Computer Software

- **Be Aware of Alternative Clauses**
 - FAR 52.227-17
 - Unlimited rights to government in data delivered and/or produced in performance of a contract
 - Contractor's use limited to performance of contract
 - Reach-back Clauses
 - Allow government to require delivery of data produced but not delivered in performance of a contract
 - Agency-specific clauses can provide further limitations

Copyrightable Material

- **Recall: no definition of “copyrightable material” in FARs/DFARS**
- **What could be copyrightable material in a government contract?**
 - Typically data and computer software
 - Articles/publications including data produced in performance of a contract
 - Other “works” can be the subject of government contracts

Copyrightable Material

- **Rights Allocation (Generally)**
 - Contractor gets rights in certain articles/ publications based on and/or containing data first produced in the performance of a contract
 - May need written consent for other works

Copyrightable Material

- **Rights Allocation (Less Generally)**
 - To keep rights, contractor must label material with copyright notice
 - Government gets license to reproduce, prepare derivative works, distribute copies to public, perform and display in public

Copyrightable Material

- **Rights Allocation (Less Generally)**
 - Contract may include “special works” clauses
 - e.g., contracts for production/compilation of data for government’s internal use or instances when limited distribution of the material is necessary
 - e.g., histories of agencies, investigatory reports, etc.
 - Government gets unlimited rights

Copyrightable Material

- **What about data *not* first produced under the contract?**
 - Contractor prohibited from incorporating such data with data first produced under the contract unless
 - Data is identified as such
 - Contractor grants the government a license of appropriate scope (varies – can be governed by FARS/DFARS or negotiated in a collateral agreement)

Copyrightable Material

- **Practical Steps for Maximizing Your Protection/Limiting Government Rights**
 - READ YOUR CONTRACT
 - Keep records of how and when material is developed

IP and the SBIR/STTR Programs

- **Third-Party Intellectual Property**
 - Do you need third-party IP?
 - License in place
 - Third party has filed a patent application
 - Have you reviewed the competition?
 - Freedom to operate established

IP and the SBIR/STTR Programs

- **Your Own Intellectual Property**
 - “Subject Invention” = Patentable Technology
 - Must disclose the invention within 2 months of discovery
 - Must elect to retain title within 2 years of disclosure (assuming no outside disclosure)
 - Must apply for a patent (and continue to pursue)
 - “SBIR/STTR Data” = Technical Data/Computer Software
 - Must be recorded, technical (not cost/pricing/etc.), and generated under SBIR/STTR funding agreement
 - Must disclose technical data to receive protection (e.g., 5 years for DOD)
 - Government can use internally during protected period and has unlimited rights thereafter

THANK YOU!



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UPCOMING TRAINING - EVENTS

ACQUISITION HOUR LIVE WEBINAR SERIES

- January 23, 2018 – **Market Research – Using the Federal Procurement Data Systems (FPDS)** – [CLICK HERE](#) for additional information – presented by Marc Violante, WPI
- January 24, 2018 – **Cyber Security for Current and Prospective DOD Contractors and Subcontractors** – [CLICK HERE](#) for additional information – presented by Marc Violante, WPI
- January 31, 2018 – **Overview of DIBBS** – [CLICK HERE](#) for additional information – presented by Jean Polka & Joe Smetak, WPI
- February 13, 2018 – **The Future of SAM.gov** – [CLICK HERE](#) for additional information – presented by Kim Garber, WPI
- February 14, 2018 – **Selling to the State of Wisconsin and Local Governments** – [CLICK HERE](#) for additional information – presented by Kate Hill, Heartland Information Research, Inc
- February 21, 2018 – **Overview of CPARS** – [CLICK HERE](#) for additional information – presented by Carol Murphy, WPI

UPCOMING EVENTS

[End of Year Federal Contractor Update](#) – January 17, 2018 –
Milwaukee, WI

[Preparing a Winning Proposal](#) – January 23, 2018 –
Milwaukee, WI

[Is a GSA Schedule Right for your Business?](#) – February 20,
2018 – Milwaukee, WI

[Developing your Marketing Materials for Government
Sales](#) – March 13, 2018 – Milwaukee, WI

UPCOMING EVENTS



MARKETPLACE 2017 – Governor’s Conference on Minority Business Development – December 13 – 14, 2017 – Milwaukee, WI



QUESTIONS?

SURVEY



CONTINUING PROFESSIONAL EDUCATION



CPE Certificate available, please contact:

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