

# Protecting Your Intellectual Property in Federal Contracts

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# Background

- IP rights allocation in federal contracting governed by FAR/DFARS
- IP rights allocation depends (somewhat) on the type of IP
  - Patentable technology
  - Technical data/computer software
  - Copyrighted material



# Patentable Technology

- Rights allocation (generally)
  - Contractor retains ownership
  - Government may get a license



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# 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 require contractor to license to 3<sup>rd</sup> parties (“march-in rights”)
    - Only when contractor elects to not retain title, fails to pursue patent protection, etc.



# 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 (cont.)

- 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

- 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 (cont.)

- 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 (cont.)

- Unlimited rights
  - In essence, the government can do anything including license to a 3<sup>rd</sup> 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 (cont.)

- 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



# Copyrighted 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



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# Copyrighted Material (cont.)

- 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



# Copyrighted Material (cont.)

- 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



# Copyrighted Material (cont.)

- Practical steps for maximizing your protection/  
limiting government rights
  - READ YOUR CONTRACT
  - Keep records of how and when material is developed



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# Summary



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# Summary

- Generally, rights in IP default to the contractor
- Generally, government gets a license



# Summary

- Are there ways to limit what rights the government gets?
  - YES
    - READ YOUR CONTRACT
    - Plan ahead – limit what is delivered to the government
    - Use private funding
    - Document funding and development timeline
    - Negotiate alternate rights (at your own risk)



# QUESTIONS



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