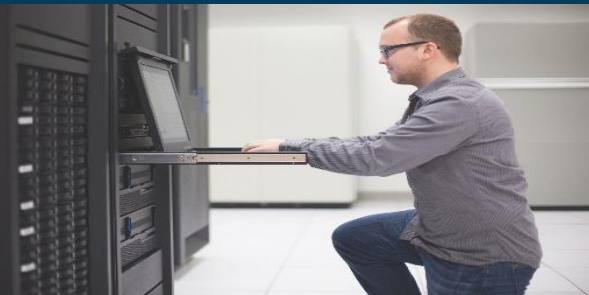
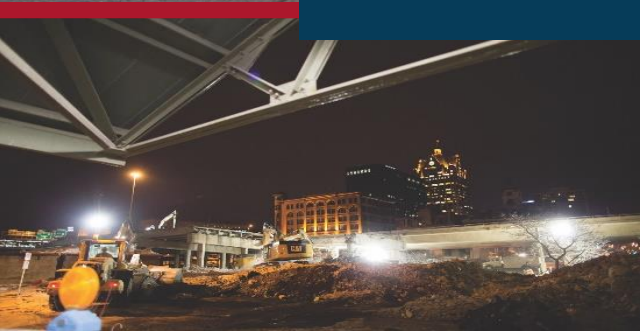


## Acquisition Hour

# Intellectual Property for Government Contractors & Subcontractors & the STTR/SBIR Stakeholder

April 6, 2021



# ABOUT WPI SUPPORTING THE MISSION

**Celebrating 34 Years of  
serving Wisconsin Business!**



# Assist businesses in creating, developing and growing their sales, revenue and jobs through Federal, State and Local Government contracts.

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**Last year WPI provided training at over 100 events and provided service to over 1,200 companies**



*WPI is a Procurement Technical Assistance Center (PTAC) funded in part by the Defense Logistics Agency (DLA), WEDC and other funding sources.*





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UPCOMING EVENTS

- WED 21** Acquisition Hour: Government Property Management for Federal Contractors and Subcontractors  
August 21 @ 12:00 pm - 1:00 pm
- THU 22** Advancing Cybersecurity in the Industry, Energy, Water Nexus – Oshkosh, WI  
August 22 @ 9:00 am - 3:00 pm  
Oshkosh WI
- THU 22** NDIA Great Lakes Chapter 10th Anniversary – Milwaukee, WI  
August 22 @ 12:30 pm - 7:30 pm  
Brookfield Wisconsin
- SEP 11** Acquisition Hour: The End of the Fiscal Year is Here – What is Hot and What is Not  
September 11 @ 12:00 pm - 1:00 pm

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CURRENT OPPORTUNITIES (1)

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Questions & answers on how to get started.

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Cyber Friday



**HUSCH BLACKWELL**

**Intellectual Property for  
Government Contractors  
and Subcontractors and the  
STTR/SBIR Stakeholder**

Wisconsin Procurement Institute Acquisition Hour  
April 6, 2021

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Presented by  
Laura Grebe | Husch Blackwell LLP

# Overview

- What is “intellectual property?”
- How are intellectual property rights allocated when contracting with the government?
- How are intellectual property right allocations different under STTR/SBIR 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

- Patent – inventions
- Trademark – designators of origin
- Copyright – artistic creations
- Trade Secret – anything which derives value from being secret

# What is a patent?

“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

# What are the types of patents?

- 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

# Who owns a patent?

- Inventors are default owners
  - Can be more than one owner
  - Each is an equal co-owner with same rights
- Agreements can change default ownership
  - Assignment agreements
  - Research agreements
  - Government contracts

# What is a trademark?

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

# What isn't a trademark?

- Limitations?
  - Immoral, deceptive or scandalous marks
  - Disparages 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

# Who owns a trademark?

- 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
  - Government contracts??
    - ...use, not ownership, is generally the issue...

# What is a copyright?

“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

# Who owns a copyright?

- The author is the default owner
- Situations/agreements may change ownership
  - “Work made for hire”
  - Assignment agreements
  - Government contracts

# 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**.

# Who owns a trade secret?

- A little murky, but 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
  - Otherwise, the individual
- Agreements can always change ownership
- Ceases to exist once the secret is leaked

# Intellectual Property in Government Contracting

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

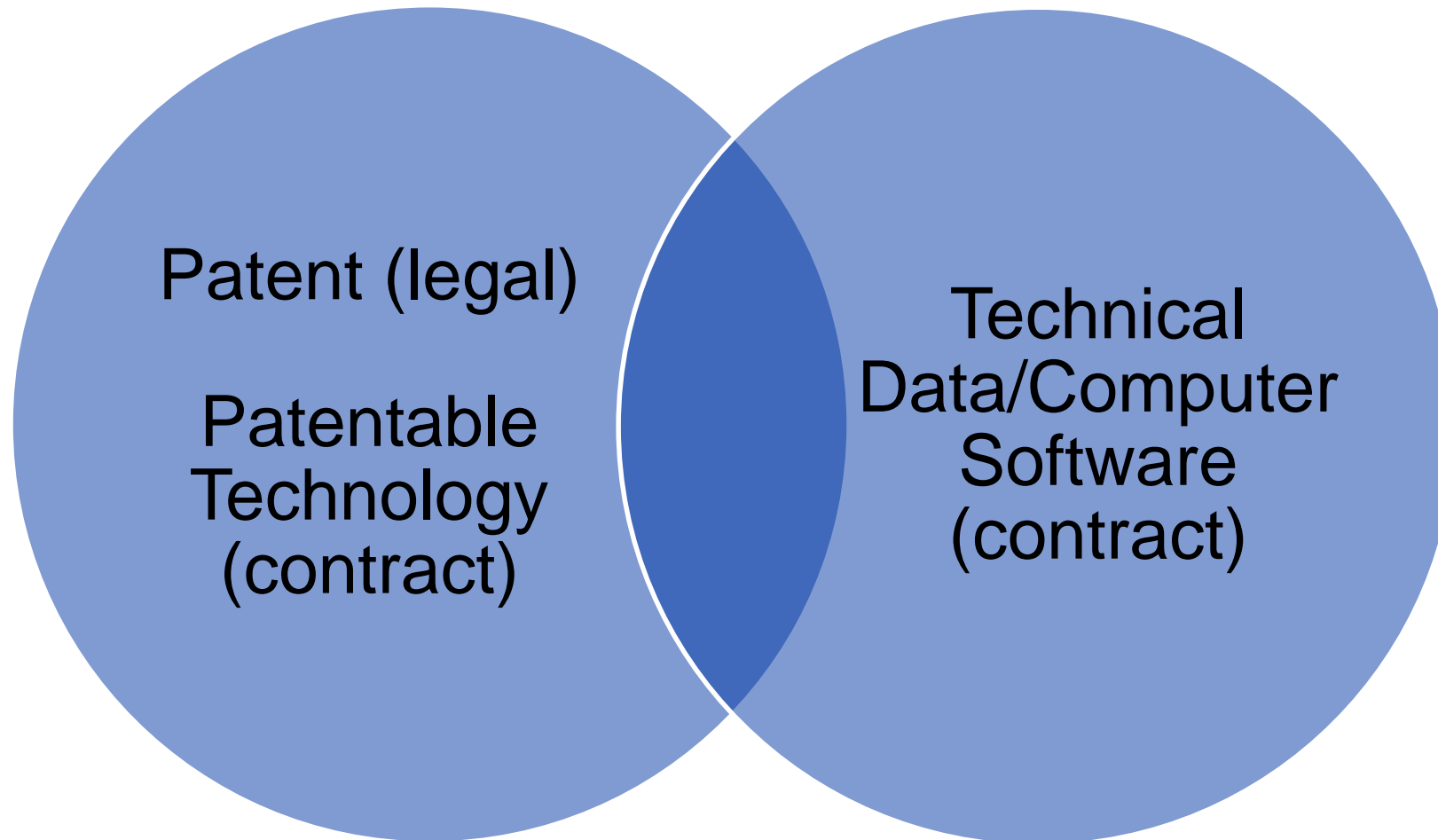
# Technical Data/Computer Software

- **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

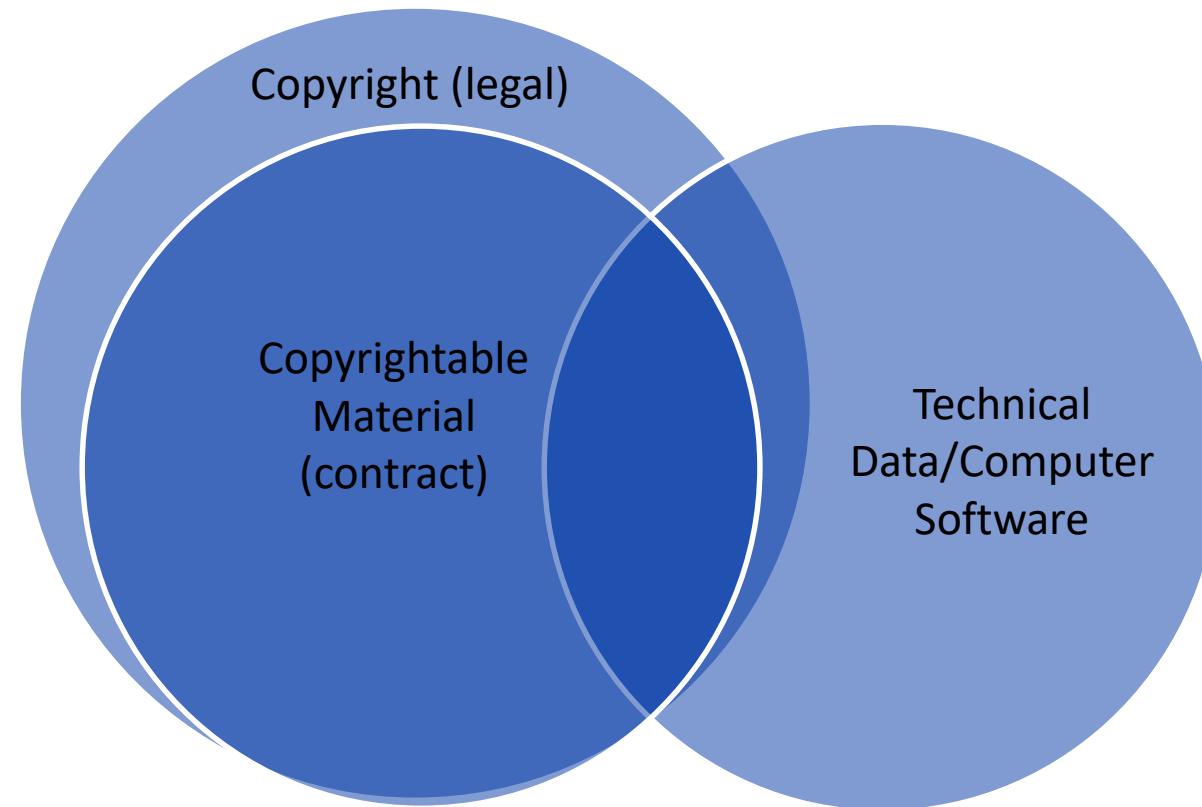
# Copyrightable Material

- **How do the FARs/DFARS define copyrightable material?**
  - No true definition
  - Referred to as “Copyrighted Works”
  - Usually discussed in the context of data and expression of data.
    - Copyrightable material made before/outside contract
    - Copyrightable material produced during performance of a contract

# Intellectual Property in Government Contracting



# Intellectual Property – The Contracting Perspective



# Patentable Technology

- **Recall:**
  - Patentable Technology = Invention that is or could be protected by US patent laws
- **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. Technical data is not computer software or financial, administrative, cost or pricing, or management data.
- Computer software refers to computer programs and recorded information that enables the computer program to be produced.
- Computer software does not include computer databases or computer software documentation.

# Technical Data/Computer Software

- **A few other definitions...**
  - 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 (Noncommercial 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

- **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

# STTR/SBIR IP Considerations

- STTR = Small Business Technology Transfer program
- SBIR = Small Business Innovation Research program

*These programs are designed to encourage small businesses/nonprofit research institutions to conduct R&D and commercialize the results.*

# STTR/SBIR Technical Data

- Technical data funded by STTR/SBIR awards is protected under STTR/SBIR programs
  - Government cannot share technical data outside of the government for 4 years (FAR 52.227-20 or 5 years (DFARS 252.27-7018))
  - Protection can extend indefinitely

# STTR/SBIR Technical Data

- STTR/SBIR rights for Technical Data are non-negotiable.
- Data must be marked in accordance with FAR 52.227-20 or DFARS 252.227-7018.
  - No deadline to mark
  - No recourse if disclosure took place prior to marking
- Pre-existing data is not protected

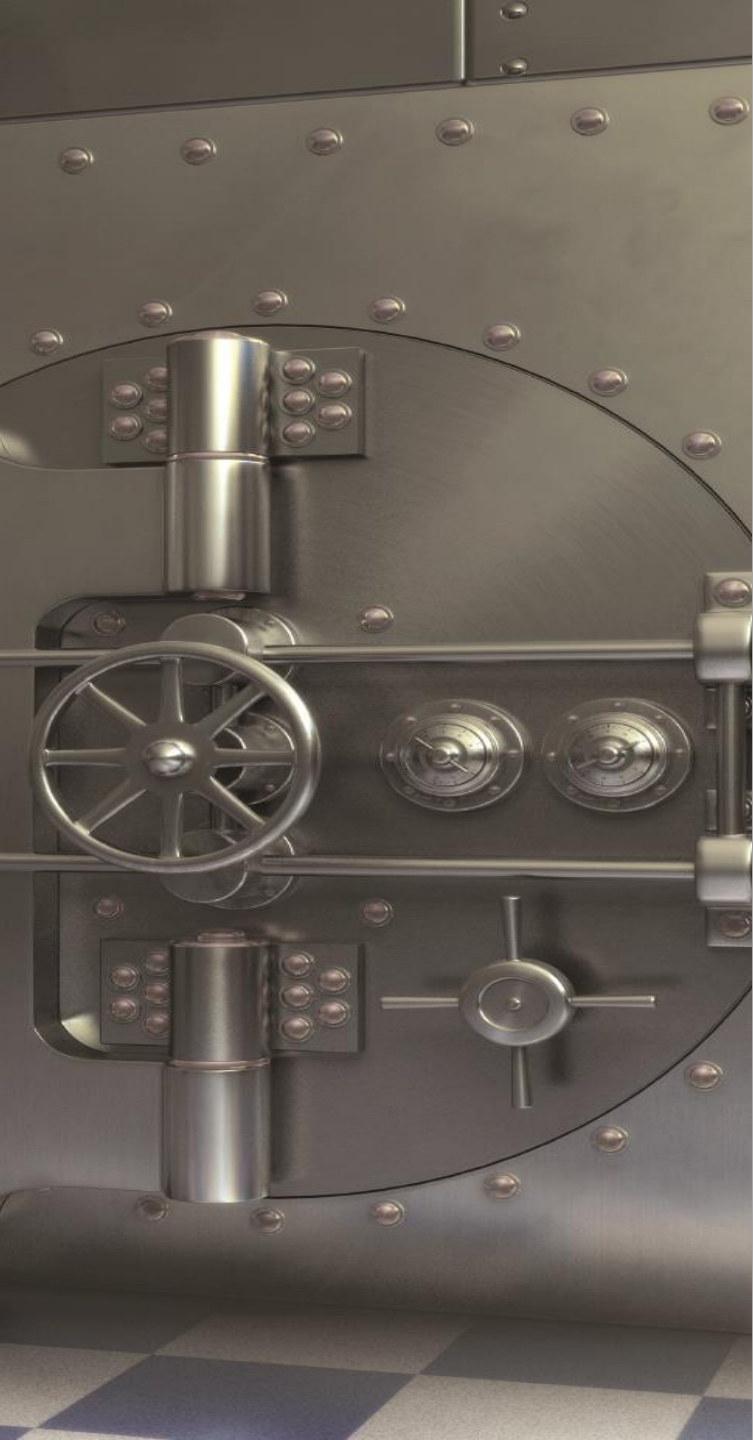
# STTR/SBIR Patentable Technology

- Patentable Technology = “Subject Invention”
  - 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)

# STTR/SBIR

## Other IP Considerations

- Third-Party IP
  - Do you need third-party IP?
  - Have you reviewed the competition?
- Third-Party Ownership Rights
  - Contracts with R&D partners
- Agency Pushback (Phase III)
  - Keep very good records



THANK YOU!



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**HUSCH BLACKWELL**

# UPCOMING TRAINING - EVENTS

# CYBER FRIDAY LIVE WEBINAR SERIES

**April 16, 2021** Your Cyber Plan Cannot Be Static – Here’s Why!

**April 30, 2021** Testing and Strengthening Your Cyber-Defenses Using Exercises

**May 14, 2021** Corporate Acquisition, Insider threats, or Strategic Investments  
– All Threats to Consider

**May 28, 2021** The Cybersecurity Plan Looks Great

**June 11, 2021** Blockchain

Register at: <https://www.wispro.org/faqs/what-is-wpis-current-cyber-friday-webinar-schedule/>

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# ACQUISITION HOUR LIVE WEBINAR SERIES

▪ April 6, 2021

**Acquisition Hour: Intellectual Property for Government Contractors & Subcontractors & the STTR/SBIR Stakeholder**

[CLICK HERE](#) for additional information

Presented by Laura Grebe, Husch Blackwell

▪ April 20, 2021

**Acquisition Hour: Introduction to Certifications Available to Minority Owned Businesses**

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Tondra Davis, Wisconsin Department of Administration; Madalena Maestri, Wisconsin Department of Transportation; Benjamin Blanc, Wisconsin Procurement Institute

▪ April 6, 2021

**Acquisition Hour: Introduction to Certifications Available to Woman Owned Businesses**

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Shane Mahaffy, U.S. Small Business Administration and Tondra Davis, State of Wisconsin Department of Administration

▪ April 21, 2021

**Acquisition Hour: Learning about the Surety Bond Guarantee from the U.S. SBA**

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Presented by Tamara Murray, U.S. Small Business Administration

▪ April 13, 2021

**Acquisition Hour: Veterans' Small Business Certifications – Federal and State**

[CLICK HERE](#) for additional information

Shane Mahaffy, U.S. Small Business Administration and Tondra Davis, State of Wisconsin Department of Administration

# 2021 FAR Up Close Series

<b>February 10, 2021</b>	Overview of the FAR
<b>February 17, 2021</b>	FAR Regulations and Clauses on Subcontracting
<b>March 3, 2021</b>	FAR Regulations and Clauses in Commercial Items
<b>March 10, 2021</b>	FAR and DFARS Regulations and Clauses in Manufacturing Contracts
<b>March 17, 2021</b>	FAR Regulations and Clauses in Federal Service Contracts
<b>April 7, 2021</b>	FAR Clauses in Federal Construction Services
<b>April 14, 2021</b>	FAR Regulations for Procurement of Architect Engineer Services

# CYBERSECURITY – UPDATE – DECEMBER 2020

- CMMC -
  - Implementation continues
  - Pathfinder contracts to be announced soon – article, Dec 1, 2020
    - CMMC requirements will be included
  - Full implementation expected by Oct 2025
- New clauses and requirements –
  - DFARS 252.204-7019
  - DFARS 252.204-7020 – applies to contracts subject to 252.204-7012
    - With few exceptions, these requirements apply to all Primes and Subcontractors
    - Consistent with philosophy shift of self-attest to verifiable
    - Three levels – Base – self-performed , Medium & High - DCMA

# 252.204-7020 – BASIC ASSESSMENT

- Requires
  - System Security Plan(SSP)
  - Plan of Action – with dates for outstanding items
  - Basic Assessment
- Six elements uploaded to Supplier Performance Risk System (SPRS)
  1. System Security Plan name (if more than one system is involved)
  2. Brief description of Plan Architecture
  3. CAGE code associated with SSP
  4. Date Assessment performed
  5. Summary Score
  6. Date a score of 110 to be achieved

# CURRENT CYBER REQUIREMENTS

- FAR 52.204-21 – Federal Contract Information
- DFARS 252.204-7012
- Requirements cited in solicitation/contract

Need assistance – please contact Marc Violante from WPI at [marcv@wispro.org](mailto:marcv@wispro.org) or 920-456-9990

# CONTINUING PROFESSIONAL EDUCATION



CPE Certificate available, please contact:

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