



Season 5: Episode 8 – Privacy, Patents, Bonds and Taxes

- **Part 224 – Protection of Privacy and Freedom of Information**
- **Part 227 – Patents, Data, and Copyrights**
- **Part 228 – Bonds and Insurance**
- **Part 229 - Taxes**

Co-Host – Lou Chiarella

- Senior Counsel, Crowell & Moring LLP
- Adjunct Professor at the George Washington University Law School, Government Procurement Law Program.
- Deputy Assistant General Counsel in the Procurement Law Division, Office of the General Counsel, U.S. Government Accountability Office (GAO) (2001-2022).
- Army Judge Advocate (1988-2018), culminating with his assignment as Chief Counsel for the Army Futures Command Task Force, which resulted in the Army's largest acquisition-related reorganization in 50 years.



Co-Host – Dave Drabkin

Independent consultant with 41-plus years of federal government contracting experience in both the public and private sector.

Chairman of The Advisory Panel on Streamlining and Codifying Acquisition Regulations (Section 809 Panel), <https://discover.dtic.mil/section-809-panel/>



The President of the United States appointed Dave to the Service Acquisition Reform Act (SARA) and the Multiple Award Schedule (MAS) Panels.

DoD Program Manager for Federal Acquisition Streamlining Act (FASA) Implementation.

Dave has worked for the DoD, the General Services Administration (GSA) and the Homeland Security and Government Affairs Committee (HSGAC) of the U.S. Senate. He has also worked for Northrop Grumman Corporation and Dixon Hughes Goodman, LLP.

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Co-Host – Scott Felder

Scott knows a thing or two about IP in Government Contracting

Scott is a Partner at the Wiley Law firm, where he splits his time between the IP and GovCon practice groups.

Scott was a former Army Judge Advocate, and routinely taught classes on Government Contracting and Intellectual Property.

Scott likes baseball, especially the St. Louis Cardinals



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Welcome and Rules of Engagement

- Class will begin promptly at 1300.
- Class will end at 1440.
- Please use the Q&A panel to ask your questions
 - If we don't answer the questions today, we'll get back to you.

How to Receive Credits

- To get credit for the class you must collect the passwords provided during the class.
- You must respond to the email from PCI with the passwords to get credit.

Today's Topics: Privacy, Patents, Bonds, Taxes

- Part 224 – Protection of Privacy and Freedom of Information
- Part 227 – Patents, Data, and Copyrights
- Part 228 – Bonds and Insurance
- Part 229 - Taxes

What's in the Documents Folder Today?

- Section 813 Panel Report – <http://www.ndia.org/-/media/Sites/NDIA/Policy/Documents/Final%20Section%20813%20Report>
- DoD RFI IP Evaluation and Valuation Methods and Techniques, <https://www.govinfo.gov/content/pkg/FR-2021-07-01/pdf/2021-14004.pdf>

Section 813 Panel

- Discuss the findings of Section 813 Panel Report
- Discuss DoD RFI Related to IP Evaluation and Valuation Methods and Techniques

Polling Question 1

1. How much experience do you have with FOIA?
 - a. I work with FOIA requests frequently
 - b. I've handled some FOIA requests
 - c. I understand what FOIA is
 - d. That's a funny way to spell "foyer"

224 – Protection of Privacy and Freedom of Information

- Protection of Individual Privacy is important in the government contracting process
- DoD has its own unique Privacy Program – 2 DoD issuances
- Freedom of Information Act 2 DoD Issuances
 - DoDD 5400.7, DoD Freedom of Information Act Program
 - DoD 5400.7-R, DoD Freedom of Information Act Program

Polling Question 2

2. How much experience do you have with IP/data rights?

- a. This is my primary area of work
- b. I'm comfortable with these topics
- c. I have a basic understanding of these issues
- d. I wouldn't know a data right if it bit me on the nose

Polling Question 3

3. It is Government policy NOT to pay charges (e.g., patent royalties) for which of the following?

- a. Patents in which the Government holds a royalty-free license
- b. Patents held by defense contractors
- c. Data which is in the public domain
- d. Both A and C

227 – Patents, Data, and Copyright

This Part includes:

- Patent Rights Under Government Contracts
- Rights in Data and Copyrights
- Foreign License and Technical Assistance Agreements
- Infringement Claims, License and Assignments
- Rights in Technical Data
- Rights in Computer Software and Computer Software Documentation

227.3 – Patent Rights Under Government Contracts

- 2 unique DFARS Clauses
 - 252.227-7038 – Patent Rights
 - 252.227-7039 – Patents-Reporting of Subject Inventions
- Use DD Form 882 – Report of Inventions and Subcontracts to subcontractor inventions under the contract

227.6 – Foreign License and Technical Assistance Agreements

- Used to develop foreign sources of supply for national security or IAW the Military Assistance Program
 - Foreign licensing agreement
 - technical assistance agreement
 - May include: data, know-how, trained personnel, instructions and guidance, includes jigs, dies, fixtures, manufacturing aids, information, rights or licenses
- Payments include lump sum, per item payments, exchange of data and patent rights capital stock
- No double payment for rights the US already holds
- Agreement with domestic sources specify rights in data, patents, etc.
- No subcontract charges for rights help by Gov't
- Comply w/ ITAR
- Price shall account for
 - cost of providing data, personnel, manufacturing aids samples, spare parts and the like
 - Government's contribution
 - Gov't's rights

227.674 Supply contracts between the Government and a foreign government or concern

- Contracts w/ second source KO shall obtain detailed statement of royalties, license fees and compensation paid primary source for rights
- KO shall not accept or allow charges for rights the Government owns a royalty free license, for data the Government possesses, uses or the right to disclose to others
- Any technical assistance that the government paid the primary source

227.675 Foreign license and technical assistance agreements between a domestic concern and a foreign government or concern

- ITAR request by DoS – submit comments to the Assistant Secretary of Defense(International Security Affairs)
- Review agreements for compliance with Sections 124.07 – 124.10 of ITAR
- When purchases from the second source is anticipated comply with DFARS 227.675-2(b)

227.676 Foreign Patent Interchange Agreements

- Patent interchange agreements between the United States and foreign governments provide
 - For the use of patent rights, compensation, free licenses, and the establishment of committees to review and make recommendations on these matters
- The agreements also may exempt the United States from royalty and other payments. The contracting officer shall ensure that royalty payments are consistent with patent interchange agreements.
- Assistance with patent rights and royalty payments in the United States European Command (USEUCOM) area of responsibility is available from HQ USEUCOM, ATTN: ECLA, Unit 30400, Box 1000, APO AE 09128; Telephone: DSN 430-8001/7263, Commercial 49-0711-680-8001/7263; Telefax: 49-0711-680-5732.

227.70 – Infringement Claims, Licenses and Assignments

- When a claim is made all necessary steps should be taken to resolve the claims prior to suit being filed.
- Foreign Assistance Act of 1961, 22 U.S.C. 2356 and the Invention Secrecy Act, 35 U.S.C. 181-188; 10 U.S.C. 2386 apply to infringement claims
- There is specific guidance on filing patent infringement claims – follow it in order to avoid losing your rights
- Notifying a prime of copyright infringement isn't enough to satisfy notifying the government, must notify the designated DoD activity
- Specific requirements where multiple DoD activities participate in the infringement
- Claimants are to be notified of denial with reasonable rationale for denying claim
- Where there are indemnification agreements, must coordinate with indemnifying contractor.
- Specific clauses for patent releases, license agreements and assignments

227.7000 – Infringement Claims, Licenses, and Assignments

- 227-7010 - Assignments
 - The clause at 252.227-7011 is a sample of what may be used in contracts to assign patent rights to the Government
 - Assignments should be signed by the contractor in the presence of a notary
- 227-7011 Procurement of rights in inventions, patents and copyrights
 - Buy rights under patents, patent applications and copyrights where you can get a fair price
- 227-7013 – Recordation
 - Forward through appropriate channels rights to the Commissioner of Patents and Trademarks for recording all Government interests in patents or application for patents.

Polling Question 4

4. Who is generally responsible for challenging asserted restrictions on technical data?

- a. The contractor
- b. The head of the contracting agency
- c. The contracting officer
- d. The Court of Federal Claims

227.71 – Rights in Technical Data

- Focus is on a license to use the data
- Determination of rights
- Definitional considerations
- Types of licenses

Type of License	Funding Source
Type of License	Funding Source
Unlimited	Government Funded
Limited	Contractor Funded
Government Purpose	Mixed Funding
Specially Negotiated License Rights	Not < Limited/Restricted Rights

227.72 – Computer Software and Computer Software Documentation

- Focus is on a license to use the software and software documentation
- Determination of rights
- Definitional considerations
- Types of licenses

Type of License	Funding Source
Type of License	Funding Source
Unlimited	Government Funded
Restricted	Contractor Funded
Government Purpose	Mixed Funding
Specially Negotiated License Rights	Not < Limited/Restricted Rights

- Doctrine of Segregability
- The Clause: 252.227-7014

Module 1 Developed at private expense <u>Completion date:</u> June 1, 2020	Module 2 Developed at private expense <u>Completion date:</u> July 1, 2020
Module 3 Developed with mixed funding <u>Completion date:</u> August 1, 2020	Module 4 Developed entirely at Government expense <u>Completion date:</u> September 1, 2020

Categories of DFARS License Rights (*for Non-Commercial TD and CS*)

Category of Rights	Is Disclosure Permitted OUTSIDE of the Gov't?
Unlimited Rights (UR)	Yes
Government Purpose Rights (GPR)	Disclosure permitted for Gov't Purposes (including competitive procurement) w/ NDA. GPR converts to UR license after 5 years.
Limited Rights (only applies to TD)	Disclosure permitted for covered Gov't support contractors under NDA, to other contractors (under NDA) only for emergency repair/overhaul, or to foreign Gov't (under NDA) only for evaluation/informational purposes
Restricted Rights (only applies to CS)	Disclosure permitted to covered Government Support Contractors under an NDA, to service contractors under NDA (only for diagnosing and correcting errors, merging computer programs, and response to urgent tactical situations), to other contractors under NDA (only for emergency repair/overhaul).
Specially Negotiated License Rights	This category refers to licenses negotiated by mutual agreement between the Gov't and the Contractor.

Marking Data and Software

- Importance of Markings
- A Starting Point
- Steps to Mark
- Marking Requirements
- Unauthorized Markings

Identification and Assertion of Restrictions on the Government's Use, Release, or Disclosure of Technical Data or Computer Software			
The Offeror asserts for itself, or the persons identified below, that the Government's rights to use, release, or disclose the following technical data or computer software should be restricted:			
Technical Data or Computer Software to be Furnished With Restrictions*	Basis for Assertion**	Asserted Rights Category***	Name of Person Asserting Restrictions****
(LIST)*****	(LIST)	(LIST)	(LIST)
<p>*For technical data (other than computer software documentation) pertaining to items, components, or processes developed at private expense, identify both the deliverable technical data and each such items, component, or process. For computer software or computer software documentation identify the software or documentation.</p> <p>**Generally, development at private expense, either exclusively or partially, is the only basis for asserting restrictions. For technical data, other than computer software documentation, development refers to development of the item, component, or process to which the data pertain. The Government's rights in computer software documentation generally may not be restricted. For computer software, development refers to the software. Indicate whether development was accomplished exclusively or partially at private expense. If development was not accomplished at private expense, or for computer software documentation, enter the specific basis for asserting restrictions.</p> <p>***Enter asserted rights category (e.g., government purpose license rights from a prior contract, rights in SBIR data generated under another contract, limited, restricted, or government purpose rights under this or a prior contract, or specially negotiated licenses).</p> <p>****Corporation, individual, or other person, as appropriate.</p> <p>*****Enter "none" when all data or software will be submitted without restrictions.</p>			
Date			

Subcontracting

- Flowdowns
- Hub & spoke
- Prior USG payment for subcontractor data or software
- Leverage – both ways

Commercial Items

- FAR Part 12
- Advantages
- Practical limitations
- Commercial Item clauses (and approaches)

228 – Bonds & Insurance

- 228.1 – Performance & Payment Bonds – Construction
- 228.3 – Insurance
 - Risk pooling arrangements
 - Group insurance plans under cost reimbursement contracts
- Clauses
 - Reimbursement for War Hazard Losses
 - Ground & Flight Risk
 - Capture & Detention
 - Mishap Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles

229 – Taxes

- 229.1 – DoD support for tax problems:
 - Fuel excises taxes
 - Guidance for contractors on litigating particular taxes
 - Tax relief agreements
- 229.170 Reporting of foreign taxation on U.S. assistance programs

See you all again on September 13th . . .

Same Bat Time . . .

Same Bat Channel . . .

THANKS!!!!!!

