

# Intellectual Property (IP) and Data Rights

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# What is Intellectual Property?

Intellectual property (IP) refers to creations or expressions of the human mind. Examples of these creations or expressions are inventions, discoveries, information, artistic works, literary works, software, designs, and symbols.

- IP is intangible; contrast to properties like your home or car
- IP has commercial value, just like tangible property, and is an asset.
- IP may receive the legal protection that any other type of property may receive to protect it from unauthorized use. There are four ways to protect different types of IP: patents, trademarks, copyright, and trade secret
- The types of IP for today's discussion are inventions and data.

# Why does the government need access to IP created under contracts?

- It may be the deliverable under a contract
  - Data and reports from a study
  - Software made
- Access ensures that the federal investment that supported the making of the IP is fully available for government use after contract is completed
  - Government use includes making IP publicly available as needed to promote the full use of the results of federal investment

# IP Before, During, After the Contract

## Background IP

- IP made outside of the contract work, including IP made before the contract work
- After the contract, the background IP still belongs to the original owner

## IP made in performing the contract

- The IP type and data type matters
- Government need matters
- Ownership and access determined by FAR clauses

## IP access and use after the contract is performed

- For inventions, contractor grants government access through royalty-free license to use for government purposes
- For data, contractor grants government access through royalty free license to use for government purposes, including public distribution.
- All specifics are determined by FAR clauses in the contract

# Rights in Data Clauses in Plain Language

## **IMPORTANT NOTICE**

The following slides contain plain language versions of the FAR clauses. These plain language versions are not meant to be substitutes for the actual FAR clauses included in U.S. Government contracts.

# Inventions and Patent Rights

- FAR 52.227-11 Patent Rights- Ownership by the Contractor
  - For an invention made during the performance of work under this contract, the Contractor may decide to retain ownership.
  - If the Contractor retains ownership of an invention, the Contractor is required to give the Govt. a nonexclusive, nontransferable, irrevocable, paid-up license to practice, or have practiced for or on its behalf, the invention throughout the world.
  - Also, the Contractor must report the invention and carry out specific requirements described in detail in this clause. Requirements include timely reporting, granting of the Govt. license, and demonstration of continued protection through the patent system and development of the invention.
  - Invention means an invention or discovery that is patentable under Title 35 of the U.S. Code.

# Data and Software

## FAR 52.227-14 Rights in Data – General

- This clause is the standard “data rights” clause –used for most circumstances
- Contractor MUST get Contracting Officer permission to assert copyright for anything other than scientific and technical publications based on or containing data made under the contract.
- Govt. has unlimited rights including distribution/use of software/data produced in performance of the contract, IF no assertion of copyright
- IF a copyright is allowed, Contractor is must grant to the Government, and others acting on its behalf, a paid-up, nonexclusive, irrevocable, worldwide license in such copyrighted data
- Contractor may use data including software first produced under the contract as they wish.
- Unless Contractor has prior permission from the Govt., Contractor must not incorporate data that is made outside of the contracted data deliverable (“Data not first produced in the performance of this contract”).
- Note: Government or Govt. means Government Contracting Officer

# Data and Software

## FAR 52.227-14 Rights in Data – General – ALTERNATES

- Alternate I- Substitute the definition for “Limited rights data” in paragraph (a) to mean data, other than computer software, developed at private expense that embody trade secrets or are commercial or financial and confidential or privileged.
- Alternate II- add a clause related to marking of limited rights data included in deliverables
- Alternate III- add a clause related to marking of restricted computer software included in deliverables
- **Alternate IV- most commonly added for research and development; permits Contractor to assert copyright**
- Alternate V- permit CO to inspect Contractor facilities for up to 3 years after acceptance of deliverable to verify Contractor assertion of withheld limit rights data or restricted computer software



# Data and Software

## FAR 52.227-14 Rights in Data – General – ALTERNATE IV

- permits Contractor to assert copyright in any data first produced in performing the contract.
- Contractor provides the applicable copyright notice of 17 U.S.C. 401 or 402, with an acknowledgment of Government sponsorship (including contract number), to the data when delivered to the Government, as well as when the data are published or deposited for registration as a published work in the U.S. Copyright Office.
- For data other than computer software, the Contractor grants free use license to the Govt or those working on its behalf to use, publicly display, reproduce, prepare derivative works, and distribute publicly.
- For computer software, the Contractor grants free license to the Govt or those working on its behalf to use, display, reproduce, and prepare derivative works, but not distribute.

# Data and Software

## FAR 52.227-17 Rights in Data – Special Works

- Contractor will assign copyright to the Govt. when directed to do so by the Contracting Officer
- Contractor may NOT use data including software first produced under the contract for its own purposes.
- Typically, not used in conjunction with 52.227-14.

# Data and Software

## Other FAR clauses that may apply

- FAR 52.227-15 Representation of Limited Rights Data and Restricted Computer Software
  - Unless Contractor has prior permission from the Govt., Contractor must not incorporate data that is made outside of the contracted data deliverable (“Data not first produced in the performance of this contract”).
- FAR 52.227-16 Additional Data Requirements
  - At any time during contract performance or within a period of 3 years after acceptance of all items to be delivered under this contract, Govt. may order any data first produced or specifically used in the performance of this contract. Contractor will be compensated for work needed to format, reproduce, and deliver data.



# Conclusion

- Important to understand the Government contract requirements.
- Need to make sure there is clarity in determining background IP needed to perform the contract, whether background IP can be use in performing the contract work, and anticipated IP to be made from the work.
- FAR clauses used should reflect the expectations.

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Thank you!

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