

# FL-100B

## INTELLECTUAL PROPERTY CLAUSES

for

1. Construction Subcontracts;
2. “Non-Standard” Item Supply Subcontracts; and
3. Non-R&D Service Subcontracts where technical data **are** expected to be first produced or specified as deliverables

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#### 1. RIGHTS IN DATA - GENERAL

(a) *Definitions.*

- (1) “Computer databases,” as used in this clause, means a collection of data in a form capable of, and for the purpose of, being stored in, processed, and operated on by a computer. The term does not include computer software.
- (2) “Computer software,” as used in this clause, means:
  - (i) computer programs which are data comprising 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) data comprising source code listings, design details, algorithms, processes, flow charts, formulae, and related material that would enable the computer program to be produced, created, or compiled. The term does not include computer data bases.
- (3) “Data,” as used in this clause, means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data and computer software. For the purposes of this clause, the term does not include data incidental to the administration of this subcontract, such as financial, administrative cost and pricing, or management information.
- (4) “Form, fit, and function data,” as used in this clause, means data relating to items, components, or processes that are sufficient to enable physical and functional interchangeability, as well as data identifying source, size, configuration, mating and attachment characteristics, functional characteristics, and performance requirements; except that for computer software it means data identifying source, functional characteristics, and performance requirements but specifically excludes the source code, algorithm, process, formulae, and flow charts of the software.
- (5) “Limited rights data,” as used in this clause, means data, other than computer software, developed at private expense that embody trade secrets or are commercial or financial and confidential or privileged.

- (6) "Restricted computer software," as used in this clause, means computer software developed at private expense and that is a trade secret; is commercial or financial and is confidential or privileged; or is published copyrighted computer software, including minor modifications of any such computer software.
  - (7) "Restricted rights," as used in this clause, means the rights of the Government in restricted computer software, as set forth in a Restricted Rights Notice if included in this clause, or as otherwise may be provided in a collateral agreement incorporated in and made part of this contract, including minor modifications of such computer software.
  - (8) "Technical data," as used in this clause, means recorded data, regardless of form or characteristic, that are of a scientific or technical nature. Technical data does not include computer software, but does include manuals and instructional materials and technical data formatted as a computer data base.
  - (9) "Unlimited rights," as used in this clause, means the rights of the Government to use, disclose, reproduce, prepare derivative works, distribute copies to the public, including by electronic means, and perform publicly and display publicly, in any manner, including by electronic means, and for any purpose whatsoever, and to have or permit others to do so.
- (b) *Allocation of Rights.*
- (1) Except as provided in paragraph (c) below regarding copyright, the Government shall have unlimited rights in:
    - (i) Data first produced in the performance of this subcontract;
    - (ii) Form, fit, and function data delivered under this subcontract;
    - (iii) Data delivered under this subcontract (except for restricted computer software) that constitute manuals or instructional and training material for installation, operation, or routine maintenance and repair items, components, or processes delivered or furnished for use under this subcontract; and
    - (iv) All other data delivered under this subcontract unless provided otherwise for limited rights data or restricted computer software in accordance with paragraph (g) below.
  - (2) The Subcontractor shall have the right to:
    - (i) Use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the Subcontractor in the performance of this subcontract (except Restricted Data in category C-24, 10 C.F.R. Part 725, in which DOE has reserved the right to receive reasonable compensation for the use of its inventions and discoveries, including related data and technology), unless provided otherwise in paragraph (d) below;
    - (ii) Protect from unauthorized disclosure and use those data which are limited rights data or restricted computer software to the extent provided in paragraph (g) below;
    - (iii) Substantiate use of, add or correct limited rights, restricted rights, or copyright notices and to take other appropriate action, in accordance with paragraphs (e) and (f) below; and
    - (iv) Establish claim to copyright subsisting in data first produced in the performance of this subcontract to the extent provided in subparagraph (c)(1) below.
- (c) *Copyright.*
- (1) Data first produced in the performance of this subcontract. Unless provided otherwise in subparagraph (d) below, the Subcontractor may establish, without prior approval of the DOE via URA, claim to copyright subsisting in scientific and technical articles based on or containing data first produced in the performance of this subcontract and published in academic, technical or professional journals, symposia proceedings or similar works. The prior, express written permission of DOE via URA is required to establish claim to copyright subsisting in all other data first produced in the performance of this subcontract. When claim to copyright is made, the Subcontractor shall affix the applicable copyright notice of 17 U.S.C. 401 or 402 and acknowledgement of Government sponsorship (including subcontract number DE-AC02-76CH03000) to the data when such data are 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 Subcontractor grants to the Government, and others acting on its behalf, a paid-up, nonexclusive, irrevocable, worldwide license in such copyrighted data to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government. For computer software, the Subcontractor grants to the Government and others acting in its behalf, a paid-up, nonexclusive, irrevocable, worldwide license in such copyrighted computer software to reproduce, prepare derivative works, and perform publicly and display publicly, by or on behalf of the Government.

- (2) Data not first produced in the performance of this subcontract. The Subcontractor shall not, without prior written permission of the DOE via URA, incorporate in data delivered under this subcontract any data not first produced in the performance of this subcontract and which contains the copyright notice of 17 U.S.C. 401 and 402, unless the Subcontractor identifies such data and grants to the Government, or acquires on its behalf, a license of the same scope as set forth in subparagraph (1) above; provided, however, that if such data are computer software, the Government shall acquire a copyright license if included in this subcontract or as otherwise may be provided in a collateral agreement incorporated in or made part of this subcontract.
  - (3) Removal of copyright notices. The Government agrees not to remove any copyright notices placed on data pursuant to this paragraph (c), and to include such notices on all reproductions of the data.
- (d) *Release, Publication and Use of Data.*
- (1) The Subcontractor shall have the right to use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the Subcontractor in the performance of this subcontract, except to the extent such data may be subject to the Federal export control or national security laws or regulations, or unless otherwise provided below in this paragraph or expressly set forth in this subcontract.
  - (2) The Subcontractor agrees that to the extent it receives or is given access to data necessary for the performance of this subcontract which contain restrictive markings, the Subcontractor shall treat the data in accordance with such markings unless otherwise specifically authorized in writing by the DOE via URA.
  - (3) The Subcontractor agrees not to assert copyright in computer software first produced in the performance of this subcontract without prior written permission of the DOE and URA. When such permission is granted, the DOE through URA shall specify appropriate terms, conditions, and submission requirements to assure utilization, dissemination, and commercialization of the data. The Subcontractor, when requested, shall promptly deliver to DOE through URA a duly executed and approved instrument fully confirmatory of all rights to which the Government is entitled.
- (e) *Unauthorized Marking of Data.*
- (1) Notwithstanding any other provisions of this subcontract concerning inspection or acceptance, if any data delivered under this subcontract are marked with restrictive notices and use of such is not authorized by this clause, or if such data bears any other restrictive or limiting markings not authorized by this subcontract, URA may at any time either return the data to the Subcontractor, or cancel or ignore the markings. However, the following procedures shall apply prior to canceling or ignoring the markings.
    - (i) URA shall make written inquiry to the Subcontractor affording the Subcontractor 30 days from receipt of the inquiry to provide written justification to substantiate the propriety of the markings;
    - (ii) If the Subcontractor fails to respond or fails to provide written justification to substantiate the propriety of the markings within the 30-day period (or a longer time not exceeding 90 days approved in writing by URA for good cause shown), URA shall have the right to cancel or ignore the markings at any time after said period and the data will no longer be made subject to any disclosure prohibitions.
    - (iii) If the Subcontractor provides written justification to substantiate the propriety of the markings within the period set in subdivision (i) above, URA shall consider such written justification and determine whether or not the markings are to be canceled or ignored. If URA determines that the markings are authorized, the Subcontractor shall be so notified in writing. If URA determines that the markings are not authorized, URA shall furnish the Subcontractor a written determination, which determination shall become the final agency decision regarding the appropriateness of the markings unless the Subcontractor files suit in a court of competent jurisdiction within 90 days of receipt of the URA's decision. URA shall continue to abide by the markings under this subdivision (iii) until final resolution of the matter either by the URA's determination becoming final (in which instance URA shall thereafter

have the right to cancel or ignore the markings at any time and the data will no longer be made subject to any disclosure prohibitions), or by final disposition of the matter by court decision if suit is filed.

- (2) Except to the extent that an action occurs as the result of final disposition of the matter by a court of competent jurisdiction, the Subcontractor is not precluded by this paragraph (e) from bringing a claim, as applicable, that may arise as the result of the Government removing or ignoring authorized markings on data delivered under this subcontract.

(f) *Omitted or Incorrect Markings.*

- (1) Data delivered to URA without either the limited rights or restricted rights notice as authorized by paragraph (g) below, or the copyright notice required by paragraph (c) above, shall be deemed to have been furnished with unlimited rights, and URA assumes no liability for disclosure, use, or reproduction of such data. However, to the extent the data has otherwise not been disclosed without restriction, the Subcontractor may request, within 6 months (or a longer time approved by URA for good cause shown) after delivery of such data, permission to have notices placed on qualifying data at the Subcontractor's expense, and URA may agree to do so if the Subcontractor:

- (i) Identifies the data to which the omitted notice is to be applied;
- (ii) Demonstrates that the omission of the notice was inadvertent;
- (iii) Establishes that the use of the proposed notice is authorized; and
- (iv) Acknowledges that neither URA nor the Government has any liability with respect to the disclosure, use, or reproduction of any such data made prior to the addition of the notice or resulting from the omission of the notice.

- (2) The DOE, through URA, may also:

- (i) permit correction at the Subcontractor's expense of incorrect notices if the Subcontractor identifies the data on which correction of the notice is to be made, and demonstrates that the correct notice is authorized, or
- (ii) correct any incorrect notices.

(g) *Protection of Limited Rights Data and Restricted Computer Software.*

- (1) When data other than that listed in subparagraphs (b)(1)(i), (ii), and (iii) above are specified to be delivered under this subcontract and qualify as either limited rights data or restricted computer software, if the Subcontractor desires to continue protection of such data, the Subcontractor shall withhold such data and not furnish them under this subcontract. As a condition to this withholding, the Subcontractor shall identify the data being withheld and furnish form, fit, and function data in lieu thereof. Limited rights data that are formatted as a computer data base for delivery is to be treated as limited rights data and not restricted computer software.

- (h) *Subcontracting.* The Subcontractor has the responsibility to obtain from its lower-tier Subcontractors all data and rights therein necessary to fulfill the Subcontractor's obligations under this subcontract. If a lower-tier Subcontractor refuses to accept terms affording such rights, the Subcontractor shall promptly bring such refusal to the attention of the DOE via URA and not proceed with subcontract award without further authorization.

- (i) *Relationship to Patents.* Nothing contained in this clause shall imply a license to the Government or URA under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government.

- (j) The Subcontractor agrees, except as may be otherwise specified in this subcontract for specific data items listed as not subject to this paragraph, that the DOE or URA or an authorized representative may, up to three years after acceptance of all items to be delivered under this subcontract, inspect at the Subcontractor's facility any data withheld pursuant to paragraph (g)(1) above, for purposes of verifying the Subcontractor's assertion pertaining to the limited rights or restricted rights status of the data or for evaluating work performance. Where the Subcontractor whose data are to be inspected demonstrates to the DOE or URA that there would be a possible conflict of interest if the inspection were made by a particular representative, the DOE or URA as the case may be shall designate an alternate inspector.

- (k) *Subcontractor Licensing.* Except as may be otherwise specified in this subcontract as data not subject to this paragraph, the Subcontractor agrees that upon written application by DOE or URA, it will grant to the Government, URA and responsible third parties, for purposes of practicing a subject of this subcontract, a nonexclusive license in any limited rights data or restricted computer software on terms and conditions reasonable under the circumstances including appropriate provisions for confidentiality; provided, however, the Subcontractor shall not be obligated to license any such data if the Subcontractor demonstrates to the satisfaction of the Secretary of Energy through URA:
- (1) such data are not essential to the manufacture or practice of hardware designed or fabricated, or processes developed, under this subcontract;
  - (2) such data, in the form of results obtained by their use, are being supplied by the Subcontractor or its licensees in sufficient quantity and at reasonable prices to satisfy market needs, or the Subcontractor or its licensees have take effective steps or within a reasonable time are expected to take effective steps to so supply such data in the form of results obtained by their use; or
  - (3) such data, in the form of results obtained by their use, can be furnished by another firm skilled in the art of manufacturing items or performing processes of the same general type and character necessary to achieve the subcontract results.

## **2. ADDITIONAL DATA REQUIREMENT (48 C.F.R. 52.227-16)**

*Note: This clause does not apply to the subcontract if the subcontract is for the conduct of basic or applied research, as set out elsewhere in this subcontract, to be performed solely by a college or university, and the estimated cost is not in excess of \$500,000.*

- (a) In addition to the data (as defined in the clause at 52.227-14, Rights in Data-General clause or other equivalent included in this subcontract) specified elsewhere in this subcontract to be delivered, the DOE or URA may, at any time during subcontract performance or within a period of 3 years after acceptance of all items to be delivered under this subcontract, order any data first produced or specifically used in the performance of this subcontract.
- (b) The Rights in Data-General clause or other equivalent included in this subcontract is applicable to all data ordered under this Additional Data Requirements clause. Nothing contained in this clause shall require the Subcontractor to deliver any data the withholding of which is authorized by the Rights in Data-General or other equivalent clause of this subcontract, or data which are specifically identified in this subcontract as not subject to this clause.
- (c) When data are to be delivered under this clause, the Subcontractor will be compensated for converting the data into the prescribed form, for reproduction, and for delivery.
- (d) The DOE may release the Subcontractor from the requirements of this clause for specifically identified data items at any time during the 3-year period set forth in paragraph (a) of this clause.

## **3. AUTHORIZATION AND CONSENT (48 C.F.R. 52.227-1)**

- (a) The Government authorizes and consents to all use and manufacture, in performing this subcontract or any lower-tier sub-subcontract, of any invention described in and covered by a United States patent (1) embodied in the structure or composition of any article the delivery of which is accepted by the Government or Fermilab under this subcontract or (2) used in machinery, tools, or methods whose use necessarily results from compliance by the Subcontractor or any lower-tier sub-subcontractor with (i) specifications or written provisions forming a part of this subcontract or (ii) specific written instructions given by Fermilab or the Department Contracting Officer directing the manner of performance. The entire liability to the Government for infringement of a patent of the United States shall be determined solely by the provisions of the indemnity clause, if any, included in this subcontract or any lower-tier sub-subcontract hereunder, and the Government assumes liability for all other infringement to the extent of the authorization and consent hereinabove granted.
- (b) The Subcontractor agrees to include, and require inclusion of, this clause, suitably modified to identify the parties, in all lower-tier sub-subcontracts for supplies or services (including construction, architect-engineer services, and materials, supplies, models, samples, and design or testing services expected to exceed the simplified acquisition threshold at Federal Acquisition Regulation (FAR) 2.101); however, omission of this clause from any lower-tier sub-subcontract, including those at or below the simplified acquisition threshold, does not affect this authorization and consent.

**4. PATENT INDEMNITY (48 C.F.R. 52.227-3)**

- (a) The Subcontractor shall indemnify Fermilab, the Government, and their officers, agents, and employees against liability, including costs, for infringement of any United States patent (except a patent issued upon an application that is now or may hereafter be withheld from issue pursuant to a Secrecy Order under 35 U.S.C. 181) arising out of the manufacture or delivery of supplies, the performance of services, or the construction, alteration, modification, or repair of real property (hereinafter referred to as "construction work") under this subcontract, or out of the use or disposal by or for the account of the Government or Fermilab of such supplies or construction work.
- (b) This indemnity shall not apply unless the Subcontractor shall have been informed as soon as practicable by the Government or Fermilab of the suit or action alleging such infringement and shall have been given such opportunity as is afforded by applicable laws, rules, or regulations to participate in its defense. Further, this indemnity shall not apply to (1) an infringement resulting from compliance with specific written instructions of Fermilab or the Department Contracting Officer directing a change in the supplies to be delivered or in the materials or equipment to be used, or directing a manner of performance of the subcontract not normally used by the Subcontractor, (2) an infringement resulting from addition to or change in supplies or components furnished or construction work performed that was made subsequent to delivery or performance, or (3) a claimed infringement that is unreasonably settled without the consent of the Subcontractor, unless required by final decree of a court of competent jurisdiction.

**5. NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (48 C.F.R. 52.227-2)**

- (a) The Subcontractor shall report to the Department Contracting Officer through Fermilab promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this subcontract of which the Subcontractor has knowledge.
- (b) In the event of any claim or suit against Fermilab or the Government on account of any patent or copyright infringement arising out of the performance of this subcontract or out of the use of any supplies furnished or work or services performed under this subcontract, the Subcontractor shall furnish to Fermilab or the Government, when requested by Fermilab or the Department Contracting Officer, all evidence and information in possession of the Subcontractor pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Government except where the Subcontractor has agreed to indemnify the Government or Fermilab.
- (c) The Subcontractor agrees to include, and require inclusion of, this clause in all lower-tier sub-subcontracts for supplies or services (including construction and architect-engineer sub-subcontracts and those for material, supplies, models, samples, or design or testing services) expected to exceed the simplified acquisition threshold at FAR 2.101.

**6. REFUND OF ROYALTIES (48 C.F.R. 952.227-9)**

- (a) This clause applies only if the subcontract price includes certain amounts for royalties payable by the Subcontractor or lower-tier sub-subcontractors or both.
- (b) The term "royalties" as used in this clause refers to any costs or charges in the nature of royalties, license fees, patent or license amortization costs, or the like, for the use of or for rights in patents and patent applications in connection with performing this subcontract or any lower-tier subcontract hereunder. The term also includes any costs or charges associated with the access to, use of, or other right pertaining to data that is represented to be proprietary and is related to the performance of this contract or the copying of such data or data that is copyrighted.
- (c) The Subcontractor shall furnish to Fermilab or the DOE Contracting Officer, before final payment under this subcontract, a statement of royalties paid or required to be paid in connection with performing this subcontract and lower-tier subcontracts hereunder together with the reasons.
- (d) The Subcontractor will be compensated for royalties reported under paragraph (c) of this clause, only to the extent that such royalties were included in the subcontract price and are determined by Fermilab or the DOE Contracting Officer to be properly chargeable to the Government and allocable to the subcontract. To the extent that any royalties that are included in the subcontract price are not, in fact, paid by the Subcontractor or are determined by

Fermilab or the DOE Contracting Officer not to be properly chargeable to the Government and allocable to the subcontract, the subcontract price shall be reduced. Repayment or credit to Fermilab or the Government shall be made as Fermilab or the DOE Contracting Officer directs. The approval by Fermilab or DOE of any individual payments or royalties shall not prevent the Government from contesting at any time the enforceability, validity, scope of, or title to, any patent or the proprietary nature of data pursuant to which a royalty or other payment is to be or has been made.

- (e) If, at any time within 3 years after final payment under this subcontract, the Subcontractor for any reason is relieved in whole or in part from the payment of the royalties included in the final subcontract price as adjusted pursuant to paragraph (d) of this clause, the Subcontractor shall promptly notify Fermilab or the DOE Contracting Officer of that fact and shall reimburse Fermilab or the Government in a corresponding amount.
- (f) The substance of this clause, including this paragraph (f), shall be included in any sub-subcontract in which the amount of royalties reported during negotiation of the sub-subcontract exceeds \$250.