

**INTELLECTUAL PROPERTY (GOODS)**

a. Definitions:

- Intellectual Property (“IP”). IP means inventions, discoveries and improvements, know-how, works of authorship, technical data, drawings, specifications, process information, reports and documented information; and computer software. IP includes all worldwide common law and statutory rights to the foregoing, including but not limited to, patents, industrial designs, trade secrets, copyrights, mask work registrations, and the like.
- Background IP. Background IP means all IP owned or developed by Seller prior to the effective date or outside the scope of this Contract.
- Foreground IP. Foreground IP means IP conceived, developed or first reduced to practice by, for or with Seller either alone or with others in the performance of this Contracts.
- b. Seller-Owned IP. Seller shall retain ownership of all its Background IP and of any Foreground IP not assigned to Buyer pursuant to paragraph e. below (collectively, the “Seller-Owned IP”). With regard to Seller-Owned IP that is other than Proprietary Information and materials, Seller grants to Buyer an irrevocable, nonexclusive, sublicensable, perpetual, paid-up, royalty-free, worldwide license (i) to use, reproduce, distribute, modify, and prepare derivative works of such Seller-Owned IP and (ii) to use, make, have made, offer for sale, sell, distribute and import products and services that incorporate or embody such Seller-Owned IP, in each case solely as necessary for the purpose of exploiting Buyer’s rights in the Goods and/or the Foreground IP assigned to Buyer hereunder, or as otherwise permitted under this Contract. Seller grants to Buyer such license rights for any purpose in the event Buyer cancels all or part of this Contract for Seller default in accordance with the “Cancellation for Default” Article of this Contract or in the event Buyer, in its own judgment, must provide Seller with design, manufacturing, or on-site support substantially in excess of what is required of Buyer under this Contract in order for Seller to comply with this Contract.
- c. Agreements. Seller shall obtain agreements with its employees and independent contractors to enable the grant of rights to which Buyer is entitled under this Article.
- d. Third Party IP. To the extent Seller incorporates third-party IP into any contract deliverable, Seller shall obtain for Buyer at least the license rights granted in paragraph b of this Article in such third-party IP, at no additional cost to Buyer and hereby grants such rights to Buyer.
- e. Foreground IP. The following subparagraphs of this paragraph e shall not apply to: (i) commercial off-the-shelf Goods except to the extent such Goods are modified or redesigned pursuant to this Contract; or (ii) any Goods to the extent their development was funded by the U.S. Government.

  - i. All Foreground IP shall be the exclusive property of Buyer. To the extent Foreground IP consists of works of authorship that qualify as a “work made for hire” as defined under U.S. copyright law, such works shall be deemed to be “works made for hire” with the copyrights automatically vesting in Buyer. For all other Foreground IP, Seller hereby irrevocably transfers, conveys, and assigns all right, title and interest in such Foreground IP for no additional charge. Seller shall protect Foreground IP that is Proprietary Information and Materials as required by this Contract and shall mark documents or portions of documents containing Foreground IP as “Boeing Proprietary” information or as otherwise directed by Buyer in writing.
  - ii. Seller will, within two (2) months after conception or first actual reduction to practice of any invention and prior to Contract completion, disclose in writing to Buyer all inventions, whether or not patentable, in sufficient technical detail to clearly convey

the invention to one skilled in the art to which the invention pertains. Seller shall promptly execute all written instruments, and assist as Buyer reasonably directs in order to file, acquire, prosecute, maintain, enforce and assign Buyer's Foreground IP rights. Seller hereby irrevocably appoints Buyer and any of Buyer's officers and agents as Seller's attorney in fact to act on Seller's behalf and instead of Seller, with the same legal force and effect as if executed by Seller, with respect to executing any such written instruments.

- iii. Buyer-Owned IP. Buyer shall retain ownership of all Buyer IP provided hereunder and of any Foreground IP assigned to Buyer pursuant to paragraph e. above (collectively, the "Buyer-Owned IP"). Buyer grants to Seller a non-exclusive, royalty-free right during the term of this Contract to use, reproduce, modify, practice and prepare derivative works of any Buyer-Owned IP solely as necessary for Seller to perform its obligations under this Contract or otherwise permitted under this Contract, Seller shall not, without Buyer's prior written consent, use Buyer-Owned IP or any derivative works of any of the Buyer-Owned IP in any manner not authorized under this Contract, including, but not limited to, developing, manufacturing, obtaining a certification to manufacture, offering for sale or selling any product, equipment, or service which utilizes or is enabled by Buyer-Owned IP.