



Section 9 : GOVERNMENT CONTRACT REQUIREMENTS

CLAUSE 90D (11/9/99)

MDA972-99-9-0003

UNMANNED COMBAT AIR VEHICLE PROGRAM

GOVERNMENT CONTRACT REQUIREMENTS

(a) The following contract clauses are incorporated herein and apply to all purchase contracts unless otherwise indicated.

1. PATENT RIGHTS

A. Definitions

1. 'Invention' means any invention or discovery that is or may be patentable or otherwise protectable under Title 35 of the United States Code.

2. 'Made' when used in relation to any invention means the conception or first actual reduction to practice of such invention.

3. 'Practical application' means to manufacture, in the case of a composition of product; to practice, in the case of a process or method, or to operate, in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is capable of being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

B. Allocation of Principal Rights

Unless the Seller shall have notified the Buyer (in accordance with subparagraph C.2 below) that the Seller does not intend to retain title, the Seller shall retain the entire right, title, and interest throughout the world to each subject invention consistent with the provisions of this Article and 35 U.S.C. 203. With respect to any subject invention in which the Seller retains title, the Government shall have a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced on behalf of the United States the subject invention throughout the world. Notwithstanding the above, the Seller may elect to provide full or partial rights that it has retained to the Buyer or other parties.

C. Invention Disclosure, Election of Title, and Filing of Patent Application

1. The Seller shall disclose each subject invention to the Buyer within four (4) months after the inventor discloses it in writing to his company personnel responsible for patent matters. The disclosure to Buyer shall be in the form of a written report and shall identify the contract under which the invention was made and the identity of the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological, or electrical characteristics of the invention. The disclosure shall also identify any publication, sale, or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure.

2. If the Seller determines that it does not intend to retain title to any such invention, the Seller shall notify the Buyer, in writing, within eight (8) months of disclosure to the Buyer. However, in any case where publication, sale, or public use has initiated the one (1) year statutory period wherein valid patent protection can still be obtained in the United States, the period for such notice may be shortened by the Buyer to a date that is no more than sixty (60) calendar days prior to the end of the statutory period.

3. The Seller shall file its initial patent application on a subject invention to which it elects to retain title within one (1) year after election of title or, if earlier, prior to the end of the statutory period wherein valid patent protection can be obtained in the United States after a publication, or sale, or public use. The Seller may elect to file patent applications in additional countries (including the European Patent Office and the Patent Cooperation Treaty) within either twelve (12) months of the corresponding initial patent application or six (6) months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications, where such filing has been prohibited by a Secrecy Order.

4. Requests for extension of the time for disclosure election, and filing under Article VIII, subparagraph C, may, at the discretion of the Buyer, and after considering the position of the Seller, be granted.

D. Conditions When the Government May Obtain Title

Upon written request from the Buyer or the Government, the Seller shall convey title to any subject invention to ARPA under any of the following conditions:

1. If the Seller fails to disclose or elects not to retain title to the subject invention within the times specified in paragraph C of this Article; provided, that the Buyer or the Government may only request title within sixty (60) calendar days after learning of the failure of the Seller to disclose or elect within the specified times.
2. In those countries in which the Seller fails to file patent applications within the times specified in paragraph C of this Article; provided, that if the Seller has filed a patent application in a country after the times specified in paragraph C of this Article, but prior to its receipt of the written request by the Buyer or the Government, the Seller shall continue to retain title in that country; or
3. In any country in which the Seller decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceedings on, a patent on a subject invention.

E. Minimum Rights to the Seller and Protection of the Seller's Right to File

1. The Seller shall retain a non-exclusive, royalty-free license throughout the world in each subject invention to which the Government obtains title in accordance with paragraph D above, except if the Seller fails to disclose the invention within the times specified in paragraph C of this Article. The Seller license extends to the domestic subsidiaries and affiliates, if any, of the Seller within the corporate structure of which the Seller is a party and includes the right to grant licenses of the same scope to the extent that the Seller was legally obligated to do so at the time the Contract was awarded. The license is transferable only within the approval of the Government, except when transferred to the successor of that part of the business to which the invention pertains. Government approval for license transfer shall not be unreasonably withheld.
2. The Seller license may be revoked or modified by the Government to the extent necessary to achieve expeditious practical application of subject invention pursuant to an application for an exclusive license submitted consistent with appropriate provisions at 37 CFR Part 404, provided that such revocation or modification shall not take place less than three (3) years after the end of the term of the Contract. This license shall not be revoked in that field of use or the geographical areas in which the Seller has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of the Government to the extent the Seller, its licensees, or the subsidiaries or affiliates have failed to achieve practical application in that foreign country.

3. Before revocation or modification of the license, the Government shall furnish the Seller a written notice of its intention to revoke or modify the license, and the Seller shall be allowed thirty (30) calendar days (or such other time as may be authorized for good cause shown) after the notice to show cause why the license should not be revoked or modified.

F. Action to Protect the Government's Interest

1. The Seller agrees to execute or to have executed and promptly deliver to the Buyer all instruments necessary to (i) establish or confirm the rights the Government has throughout the world in those subject inventions to which the Seller elects to retain title, and (ii) convey title to the Government when requested under paragraph D of this Article and to enable the Government to obtain patent protection throughout the world in that subject invention.

2. The Seller agrees to require, by written agreement, that employees of the Seller, other than clerical and nontechnical employees, agree to disclose promptly in writing, to personnel identified as responsible for the administration of patent matters and in a format acceptable to the Seller, each subject invention made under this Contract in order that the Seller can comply with the disclosure provisions of paragraph C of this Article. The Seller shall instruct employees, through employee agreements or other suitable educational programs, on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

3. The Seller shall notify the Buyer of any decisions not to continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceedings on a patent, in any country, not less than thirty (30) calendar days before the expiration of the response period required by the relevant patent office.

4. The Seller shall include, within the specification of any United States patent application and any patent issuing thereon covering a subject invention, the following statement: "This invention was made with Government support under Agreement No. MDA972-99-9-0003. The Government has certain rights in the invention." [R/Orig.]

G. Lower Tier Agreements

1. The Seller shall include this Article, suitably modified, to identify the Parties, in all subcontracts or lower tier agreements, regardless of tier, for experimental, developmental, or research work.

2. In the case of a lower tier agreement with a vendor, at any tier, the Buyer, the Government, the vendor, and the Seller agree that the mutual obligations of the parties created by this Article flow down to the vendor and constitute an agreement between the vendor and the Government with respect to the matters covered by this Article.

H. Reporting on Utilization of Subject Inventions

The Seller agrees to submit to the Buyer during the term of the Contract, periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization of a subject invention or on efforts at obtaining such utilization that are being made by the Seller or licensees or assignees of the inventor. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the Seller's subcontractor(s), and such other data and information as the agency may reasonably specify. The Seller also agrees to provide additional reports as may be requested by ARPA in connection with any march-in proceedings undertaken by the Government in accordance with paragraph J of this Article. Consistent with 35 U.S.C. 202(c)(5), the Buyer and the Government agree that such information shall not be disclosed to persons outside the Government without permission of the Seller.

I. Preference for American Industry

Notwithstanding any other provision of this clause, the Seller agrees that it shall not grant to any person the exclusive right to use or sell any subject invention in the United States or Canada unless such person agrees that any product embodying the subject invention or produced through the use of the subject invention shall be manufactured substantially in the United States or Canada. However, in individual cases, the requirements for such an agreement may be waived by the Government upon a showing by the Seller that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that, under the circumstances, domestic manufacture is not commercially feasible.

J. March-In Rights

The Seller agrees that, with respect to any subject invention in which it has retained title, the Government has the right to require the Seller, an assignee, or exclusive licensee of a subject invention to grant a non-exclusive license to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the Seller, assignee, or exclusive licensee refuses such a request, the Government has the right to grant such a license itself if the Government determines that:

1. Such action is necessary because the Seller or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention, but no less than three (3) years from the end of the Contract term;
2. Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the Seller, assignee, or their licensees;
3. Such action is necessary to meet requirements for public use and such requirements are not reasonably satisfied by the Seller, assignee, or licensees; or
4. Such action is necessary because the agreement required by paragraph (1) of this Article has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of such Agreement.

2. FOREIGN ACCESS TO TECHNOLOGY

This Article shall remain in effect during the term of the Contract and for three (3) years thereafter.

A. Definition

'Foreign Firm or Institution' means a firm or institution organized or existing under the laws of a country other than the United States, its territories, or possessions. The term includes, for purposes of this Contract, any agency or instrumentality of a foreign government; and firms, institutions or business organizations that are owned or substantially controlled by foreign governments, firms, institutions, or individuals.

'Know-How' means all information including, but not limited to discoveries, formulas, materials, inventions, processes, ideas, approaches, concepts, techniques, methods, software, programs, documentation, procedures, firmware, hardware, technical data, specifications, devices, apparatus and machines.

'Technology' means discoveries, innovations, know-how and inventions, whether patentable or not, including computer software, recognized under U.S. law as intellectual creations to which rights of ownership accrue, including, but not limited to, patents, trade secrets, maskworks, and copyrights developed under this Contract.

B. General

The Parties agree that research findings and technology developments in integrated optoelectronic module technology may constitute a significant enhancement to the national defense, and to the economic vitality of the United States. Accordingly, access to important technology developments under this Contract by Foreign Firms or Institutions must be carefully controlled. The controls contemplated in this Article are in addition to, and are not intended to change or supersede, the provisions of the International Traffic in Arms Regulation (22 CFR pt. 121 et seq.), the DOD Industrial Security Regulation (DOD 5220.22-R) and the Department of Commerce Export Regulation (15 CFR pt. 770 et seq.).

C. Restrictions on Sale or Transfer of Technology to Foreign Firms or Institutions.

1. In order to promote the national security interests of the United States and to effectuate the policies that underlie the regulations cited above, the procedures stated in subparagraphs C.2, C.3, and C.4 below shall apply to any transfer of Technology. For purposes of this paragraph, a transfer includes a sale of the company, and sales or licensing of Technology. Transfers do not include:

- a. sales of products or components, or
- b. licenses of software or documentation related to sales of products or components, or
- c. transfer to foreign subsidiaries of the Seller for purposes related to this Agreement, or
- d. transfer which provides access to Technology to a Foreign Firm or Institution which is an approved source of supply or source for the conduct of research under this Contract provided that such transfer shall be limited to that necessary to allow the firm or institution to perform its approved role under this Contract.

2. The Seller shall provide timely notice to the Buyer or the Government of any proposed transfers from the Seller of Technology developed under this Contract to Foreign Firms or institutions. If the Government determines that the transfer may have adverse consequences to the national security interests of the United States, the Seller, its vendors, and the Government shall jointly endeavor to find alternatives to the proposed transfer which obviate or mitigate potential adverse consequences of the transfer but which provide substantially equivalent benefits to the Seller.

3. In any event, the Seller shall provide written notice to the Buyer and the Government of any proposed transfer to a foreign firm or institution at least sixty (60) calendar days prior to the proposed date of transfer. Such notice shall cite this Article and shall state specifically what is to be transferred and the general terms of the transfer. Within thirty (30) calendar days of receipt of the Seller's written notification, the Government shall advise the Seller whether it consents to the proposed transfer. In cases where the Government does not concur or sixty (60) calendar days after receipt and the Government provides no decision, the Seller and Buyer must coordinate to obtain a decision from the Government. No transfer shall take place until a decision is rendered.

4. In the event the transfer of Technology to Foreign Firms or Institutions which is NOT approved by DARPA, BOEING shall (a) refund to DARPA funds paid for the development of the Technology and (b) the Government shall have a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced on behalf of the United States the Technology throughout the world for Government and any and all other purposes, particularly to effectuate the intent of this Agreement. Upon request of the Government, the Consortium shall provide written confirmation of such licenses.

D. Lower Tier Agreements. Seller shall include this Article, suitably modified, to identify the Parties, in all subcontracts or lower tier agreements, regardless of tier, for experimental, developmental, or research work.

3. DATA

A. Definitions

1. 'Unlimited Rights', as used in this Article means the rights of the Government to use, modify, reproduce, perform, display, release or disclose Data, in whole or in part, in any manner and for any purpose whatsoever, and to have or authorize others to do so.

2. 'Government Purpose Rights', as used in this article, means rights to use, duplicate, or disclose Data, in whole or in part and in any manner, for Government purposes only, and to have or permit others to do so for Government purposes only.

3. 'Limited Rights', means the rights to use, modify, reproduce, release, perform, display or disclose Data, in whole or in part, within the Government. The Government may not, without the written permission of the party asserting limited rights, release or disclose the technical Data outside the Government, use the Data to be used by another party, except that the Government may reproduce, release or disclose such Data or authorize the use or reproduction of the Data by persons outside the Government if reproduction, release, disclosure or use is-

(i) Necessary for emergency repair and overhaul; or

(ii) A release or disclosure of Data (other than detailed manufacturing or process Data) to, or use of such Data by, a foreign government that is in the interest of the Government and is required for evaluation or informational purposes;

(iii) Subject to a prohibition on the further reproduction, release, disclosure or use of Data and the contractor or subcontractor asserting the restriction is notified of such reproduction, release, disclosure or use.

4. 'Data', as used in this article, means recorded information, regardless of form or method of recording, which includes but is not limited to, technical data, software, trade secrets and mask works. The term does not include financial, administrative, cost, pricing, affordability, design and manufacturing processes and/or tools, or management information and does not include subject inventions included under the "Patent Rights" clause hereof.

B. Allocation of Principal Rights

1. Seller agrees to retain and maintain in good condition until five (5) years after completion or termination of this Contract, all Data necessary to achieve practical application. In the event of exercise of the Government's March-in-Rights as set forth under the "Patent Rights" clause or subparagraph B.3 of this article, Seller agrees, upon written request from the Buyer or the Government, to deliver at no additional cost to the Government, all Data necessary to achieve practical application within sixty (60) calendar days from the date of the written request. The Government shall retain Government Purpose Rights, as defined in paragraph A above, to this delivered Data.

2. Seller agrees that, with respect to Data necessary to achieve practical application, the Buyer or DARPA has the right to require Seller to deliver all such Data to DARPA in accordance with its reasonable directions if DARPA determines that:

(a) Such action is necessary because Seller or assignee has not taken effective steps, consistent with the intent of this Contract, to achieve practical application of the technology developed during the performance of this Agreement.

(b) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by Seller, assignee or their licensees; or

(c) Such action is necessary to meet requirements for public use and such requirements are not reasonably satisfied by Seller, assignee or licensees.

3. The Government shall be granted Unlimited Rights to all Data developed exclusively with Government funds under this Contract.

4. With respect to all Data developed in the performance of this Contract, the Government shall be granted Government Purpose Rights, except for Data pertaining to the following subjects:

a. Signature reduction technology

b. That set of COTS C++ libraries used for developing advanced real-time applications and known under the ASI Inc. trade name as Intelligent Component Libraries™.

c. Fault tolerant flight control associated with the RESTORE Program:

1) Multi-Layer Neural Network Software

2) Computational Air Data Algorithms and Software

The Government shall be granted Limited Rights in the Data listed in (a) - (c). The Seller will use reasonable efforts to flow down the provisions of this Article to its Suppliers. Any exceptions to the provisions of this Article taken by the Seller's Suppliers may only be approved pursuant to a mutually agreed to modification to this Article.

C. Marking of Data

1. Pursuant to paragraph B above, any Data delivered under this Contract with Unlimited Rights shall be marked with the following legend:

Use, duplication or disclosure is subject to the restrictions as stated in

Purchase Contract _____ between the Seller and Boeing.

2. Pursuant to paragraph B above, any Data delivered under this Contract with other than Unlimited Rights shall be marked with the following legend to be marked prominently on drawings and the title or first page of multi-page documents:

SELLER PROPRIETARY

Copyright Ó 199X or 200X (year in which work is created) The _____ Company

Unpublished Work. All Rights Reserved.

Use, duplication or disclosure is subject to the restrictions as stated in

Purchase Contract _____ between _____ and Boeing.

Subsequent pages of multi-page documents delivered with other than Unlimited Rights shall be marked as follows:

SELLER PROPRIETARY - See Title page for details.

D. Lower Tier Agreements

Seller shall include this Article, suitably modified to identify the Parties, in all subcontracts or lower tier agreements, regardless of tier, for experimental, developmental or research work."

4. INSURANCE

Seller shall maintain the types of insurance listed in FAR 28.307-2(a), (b), and (c) with the minimum amounts of liability indicated, or commercial equivalent.

5. FLIGHT RISK

The Government's liability for risk of loss or damage to the air vehicles and mission control station during the flight and performance testing at NASA Dryden Flight Test Center, will be subject to the provisions of DFARS clause 252.228-7002, Aircraft Flight Risks (Sep 96). With respect to paragraph (e) of this clause, the Seller will be bound by the operating procedures in effect at NASA Dryden Test Center during performance of this agreement.

6. COST ACCOUNTING STANDARDS

If clause 383 or 384 is incorporated in this contract, the FAR designation for the "Administration of Cost Accounting Standards" clause is hereby changed from FAR 52.230-5 (AUG 1992) to FAR 52.230-6 (APR 1996) and the dates of the "Cost Accounting Standards" and "Disclosure and Consistency of Cost Standards " clauses are hereby changed from AUG 1992 to APR 1998.

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