Schedule 6 (Intellectual Property Rights)

***[Guidance: Part A of this Schedule should be used (and Part B should be deleted and marked as “Not Used”) where ICT Services do not form any part of the Deliverables. This set of clauses does not cover COTS/non-COTS Software and IPRs.***

***Part B of this Schedule should be used (and Part A should be deleted and marked as “Not Used”) where ICT Services form any part of the Deliverables. This set of clauses covers COTS/non-COTS Software and IPRs, and was previously included in Schedule 28 (ICT Services), and should be used when you are otherwise using optional Schedule 28.***

***Once the Buyer chooses either Part A or Part B, it will need to decide which drafting options will apply for any IPR developed under this Contract. There are 5 options – see below for these. Once complete, the Buyer should only have one set of IPR clauses]***

[Part A: Intellectual Property Rights (no ICT Services) 1](#_Toc188452351)

[Option 1 2](#_Toc188452352)

[Option 2 9](#_Toc188452353)

[Option 3 16](#_Toc188452354)

[Option 4 23](#_Toc188452355)

[Option 5 30](#_Toc188452356)

[Part B: Intellectual Property Rights (ICT Services) 34](#_Toc188452357)

[Option 1 36](#_Toc188452358)

[Option 2 45](#_Toc188452359)

[Option 3 55](#_Toc188452360)

[Option 4 65](#_Toc188452361)

[Option 5 75](#_Toc188452362)

# Part A: Intellectual Property Rights (no ICT Services)

**[Part A: Intellectual Property Rights – No ICT Services]**

***[Guidance: this Part A of the Schedule on Intellectual Property Rights (IPRs) should be amended depending on how the Buyer needs to arrange ownership and licensing of all New IPR created for or pursuant to the contract. There are 5 suggested options available.***

* ***Option 1: Buyer owns all New IPR with limited Supplier rights to all New IPR in order to deliver this Contract;***
* ***Option 2: Buyer ownership of all New IPR with non-exclusive Supplier rights;***
* ***Option 3: Supplier ownership of all New IPR with Buyer rights for the current contract only;***
* ***Option 4: Supplier ownership of New IPR with Buyer rights for the current contract and broader public sector functions; and***
* ***Option 5: Options 2, 3, or 4, plus Buyer rights to royalties***

***Once the Buyer has chosen an Option (or Options, if the Buyer is using Option 5 as a ‘bolt on’ to Options 2, 3, or 4), the Buyer should delete the unused options.***

***Option 1 should be considered for use in situations where the Buyer should retain ownership of any New IPR. In this situation, the Buyer will not look to publish the New IPR under Open Licence.***

***Option 2 should be considered for use in situations where the Buyer should retain ownership of any New IPR but where the Supplier should be able to use any New IPR developed, subject to Buyer approval. In this situation, the Buyer will not look to publish the New IPR under Open Licence.***

***Option 3 should be considered for use where (a) there is no clear benefit in the Buyer owning the New IPR, or (b) where any New IPR created cannot easily be separated from the Supplier Existing IPR (e.g. Software As A Service (SAAS)), but where a licence is only needed for the current contracted Deliverable and the IPR in question will not be needed for other services.***

***Option 4 is similar to Option 3, except it should be used where the licence to the Buyer for the IPR in question should extend to cover other contracts and services, which may include contracts and services not yet awarded, and broader public sector functions.***

***Option 5 should be considered if a Buyer has invested significant resource or funding in the development of the project and intends to seek a return on that investment. Includes a right for the Buyer to request ownership of unexploited IPR after 3 years (except when used with Option 2).***

***Please refer to the Mid-Tier Guidance document for further detail on how these options are intended to operate.***

***When publishing as open licence, Buyers should be mindful that the terms of any input licence (that is the open source licence for any open source IP which has been used to create the New IPR) aligns with the ‘output licence’ (that is, the licence under which the Buyer will publish the New IPR as open licence).***

***Carefully check cross-references as these may need to be updated when unused clauses are deleted]***

***[Guidance: For Option 1 - Buyer owns all New IPR with limited Supplier rights to New IPR in order to deliver this Contract, please include the following drafting:]***

Option 1

1. General Provisions and Ownership of IPR
   1. Any New IPR created under this Contract is owned by the Buyer.
   2. Each Party keeps ownership of its own Existing IPR.
   3. Where either Party acquires, by operation of law, ownership of Intellectual Property Rights that is inconsistent with Paragraphs 1.1 and 1.2, it must assign in writing the Intellectual Property Rights concerned to the other Party on the other Party’s request (whenever made).
   4. Neither Party has the right to use the other Party’s IPR, including any use of the other Party’s names, logos or trademarks, except as expressly granted elsewhere under this Contract or otherwise agreed in writing.
   5. Except as expressly granted elsewhere under this Contract, neither Party acquires any right, title or interest in or to the IPR owned by the other Party or any third party.
   6. Unless otherwise agreed in writing, the Supplier and the Buyer will record any New IPR in the table at Annex 1 to this Schedule and keep this updated throughout the Contract Period.
   7. If the Supplier becomes aware at any time, including after the earlier of the End Date or date of termination, that, in respect of any Deliverable, the Buyer has not received the licences to Supplier Existing IPRs or Third Party IPRs required by Paragraphs 2 and 4, the Supplier must, within 10 Working Days notify the Buyer:
      1. the specific Intellectual Property Rights the Buyer has not received licences to; and
      2. the Deliverables affected.
   8. For the avoidance of doubt:
      1. except as provided for in Paragraphs 2.3.2(b)(iii)(A) or 4.1.2(b) and (c), the expiry or termination of this Contract does not of itself terminate the licences granted to the Buyer under Paragraphs 2 and 4;
      2. the award of this Contract or the ordering of any Deliverables does not constitute an authorisation by the Crown under:
         1. sections 55 and 56 of the Patents Act 1977;
         2. section 12 of the Registered Designs Act 1949; or
         3. sections 240 to 243 of the Copyright, Designs and Patents Act 1988.
2. Licences in respect of Supplier Existing IPR
   1. The Supplier grants the Buyer a Supplier Existing IPR Licence on the terms set out in Paragraph 2.3 in respect of each Deliverable where:
      1. the Supplier Existing IPR is embedded in the Deliverable;
      2. the Supplier Existing IPR is necessary for the Buyer to use the Deliverable for its intended purpose; or
      3. the Deliverable is a customisation or adaptation of Supplier Existing IPR.
   2. The categories of Supplier Existing IPR described in Paragraph 2.1 are mutually exclusive.
   3. The Supplier Existing IPR Licence granted by the Supplier to the Buyer is a non-exclusive, perpetual, royalty-free, irrevocable, transferable, sub-licensable, worldwide licence that:
      1. in the case of Supplier Existing IPR embedded in a Deliverable:
         1. has no restriction on the identity of any transferee or sub-licensee;
         2. allows the Buyer and any transferee or sub-licensee to use, copy and adapt the Supplier Existing IPR for any of the purposes set out in Paragraph 2.4; and
         3. is subject to the restriction that no sub-licence granted to the Supplier Existing IPR shall purport to provide the sub-licensee with any wider rights than those granted to the Buyer under this Paragraph;
      2. in the case of Supplier Existing IPR that is necessary for the Buyer to use the Deliverable for its intended purpose or has been customised or adapted to provide the Deliverable:
         1. allows the Buyer and any transferee or sublicensee to use and copy, but not adapt, disassemble or reverse engineer the relevant Supplier Existing IPRs for any of the purposes set out in Paragraph 2.4;
         2. is transferrable to only:
            1. a Crown Body;
            2. any body (including any private sector body) that performs or carries out any of the functions or activities that the Buyer had previously performed or carried out; or
            3. a person or organisation that is not a direct competitor of the Supplier and that transferee either:

enters into a direct arrangement with the Supplier in the form set out in Annex 2; or

enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;

* + - 1. is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier) where the Replacement Supplier either:
         1. enters into a direct arrangement with the Supplier in the form set out in Annex 2; or
         2. enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*; and
      2. is subject to the restriction that no sub-licence granted to the Supplier Existing IPR shall purport to provide the sub-licensee with any wider rights than those granted to the Buyer under this Paragraph.
  1. For the purposes of Paragraph 2.3, the relevant purposes are
     1. to allow the Buyer or any End User to receive and use the Deliverables;
     2. to allow the Buyer to commercially exploit (including by publication under Open Licence) the New IPR and New IPR Items; and
     3. for any purpose relating to the exercise of the Buyer’s (or, if the Buyer is a Public Sector Body, any other Public Sector Body’s) business or function.

1. Licences granted by the Buyer
   1. The Buyer grants the Supplier a licence to the New IPR and Buyer Existing IPR that:
      1. is non-exclusive, royalty-free and non-transferable;
      2. is sub-licensable to any Sub-contractor where:
         1. the Sub-contractor enters into a confidentiality undertaking with the Supplier on the same terms as set out in Clause 19 *(What you must keep confidential)*; and
         2. the sub-licence does not purport to provide the sub-licensee with any wider rights than those granted to the Supplier under this Paragraph;
      3. allows the Supplier and any sub-licensee to use, copy and adapt any Buyer Existing IPR and New IPR for the purpose of fulfilling its obligations under this Contract; and
      4. terminates at the end of the Contract Period or the end of any Termination Assistance Period, whichever is the later.
   2. When the licence granted under Paragraph 3.1 terminates, the Supplier must, and must ensure that each Sub-contractor granted a sub-licence under Paragraph 3.1.2:
      1. immediately cease all use of the Buyer Existing IPR and New IPR (including the Government Data within which the Buyer Existing IPR or New IPR may subsist);
      2. either:
         1. at the discretion of the Buyer, return or destroy documents and other tangible materials that contain any of the Buyer Existing IPR, New IPR and the Government Data; or
         2. if the Buyer has not made an election within six months of the termination of the licence, destroy the documents and other tangible materials that contain any of the Buyer Existing IPR, the New IPR and the Government Data (as the case may be); and
      3. ensure, so far as reasonably practicable, that any Buyer Existing IPR, New IPR and Government Data held in electronic, digital or other machine-readable form ceases to be readily accessible from any computer, word processor, voicemail system or any other device of the Supplier.
2. Licences in respect of Third Party IPR
   1. The Supplier shall not use in the delivery of the Deliverables any Third Party IPR unless:
      1. Approval is granted by the Buyer; and
      2. one of the following conditions is met:
         1. the owner or an authorised licensor of the relevant Third Party IPR has granted a direct Third Party IPR Licence on the terms set out in Paragraph 4.1.3;
         2. if the Supplier cannot, after commercially reasonable endeavours, obtain for the Buyer a Third Party IPR licence as set out in Paragraph 4.1.2(a), all the following conditions are met:
            1. the Supplier has notified the Buyer in writing giving details of:

what licence terms can be obtained from the relevant third party; and

whether there are providers which the Supplier could seek to use and the licence terms obtainable from those third parties;

* + - * 1. the Buyer has agreed to accept the licence terms of one of those third parties; and
        2. the owner and authorised licensor of the Third Party IPR has granted a direct licence of the Third Party IPR to the Buyer on those terms; or
      1. the Buyer has provided authorisation to the use of the Third Party IPR in writing, with reference to the acts authorised and the specific IPR involved.
    1. The Third Party IPR licence referred to in Paragraph 4.1 is the licence set out in Paragraph 2.3 as if:
       1. the term Third Party IPR were substituted for the term Supplier Existing IPR; and
       2. the term third party were substituted for the term Supplier,

in each place they occur.

1. Open Licence Publication

***[Guidance: This Paragraph should be included where the Buyer intends to publish the*** ***New IPR as Open Licence under the Government’s standard Open Licence. This might be applicable where there is a public interest in collaborating with the private sector and making the New IPR freely available to other suppliers and wider users. This Paragraph will not be appropriate where the Buyer is permitted to and intends to exploit the*** ***and New IPR itself on a commercial basis, as it will undermine such commercial exploitation.]***

* 1. Subject to Paragraph 5.5, the Supplier agrees that the Buyer may at its sole discretion publish under Open Licence all or part of the New IPR Items.
  2. The Supplier warrants that:
     1. the New IPR Items are suitable for release under Open Licence;
     2. in developing the New IPR is has used reasonable endeavours to ensure that:
        1. the publication by the Buyer will not:
           1. allow a third party to use them in any way that could reasonably be foreseen to compromise the operation or security of the New IPRs;
           2. cause any harm or damage to any party using them; or
           3. breach the rights of any third party;
        2. they do not contain any material which would bring the Buyer into disrepute if published.
  3. The Supplier must not include in the New IPR provided for publication by Open Licence any Supplier Existing IPRs unless the Supplier consents to:
     1. their publication by the Buyer under Open Licence; and
     2. their subsequent licence and treatment as Open Licence under the terms of the licence chosen by the Buyer.
  4. The Supplier must supply any or all New IPR Items in a format (whether it is provided in any other format or not) suitable for publication under an Open Licence (the **Open Licence Publication Material**) within thirty (30) Working Days of written request from the Buyer (**Buyer Open Licence Request**).
  5. The Supplier may within fifteen (15) Working Days of Buyer Open Licence Request under Paragraph 5.4 request in writing that the Buyer excludes all or part of:
     1. the New IPR Items; or
     2. Supplier Existing IPR or Third Party IPR that would otherwise be included in the Open Licence Publication Material supplied to the Buyer pursuant to Paragraph 5.4,

from Open Licence publication.

* 1. The Supplier’s request under Paragraph 5.5 must include the Supplier’s assessment of the impact the Buyer’s agreeing to the request would have on its ability to publish other New IPR Items under an Open Licence.
  2. Any decision to Approve any such request from the Supplier under Paragraph 5.5 shall be at the Buyer’s sole discretion, not to be unreasonably withheld or delayed, or made subject to unreasonable conditions.

1. Patents
   1. Where a patent owned by the Supplier is infringed by the use of the New IPR by the Buyer or any Replacement Supplier, the Supplier hereby grants to the Buyer and the Replacement Supplier a non-exclusive, irrevocable, royalty-free, worldwide patent licence to use the infringing methods, materials or software.

***[Guidance: For Option 2 - Buyer owns all New IPR with non-exclusive Supplier rights, please include the following drafting:]***

Option 2

1. General Provisions and Ownership of IPR
   1. Any New IPR created under this Contract is owned by the Buyer.
   2. Each Party keeps ownership of its own Existing IPR.
   3. Where either Party acquires, by operation of law, ownership of Intellectual Property Rights that is inconsistent with Paragraphs 7.1 and 7.2, it must assign in writing the Intellectual Property Rights concerned to the other Party on the other Party’s request (whenever made).
   4. Neither Party has the right to use the other Party’s IPR, including any use of the other Party’s names, logos or trademarks, except as expressly granted elsewhere under this Contract or otherwise agreed in writing.
   5. Except as expressly granted elsewhere under this Contract, neither Party acquires any right, title or interest in or to the IPR owned by the other Party or any third party.
   6. Unless otherwise agreed in writing, the Supplier and the Buyer will record any New IPR in the table at Annex 1 to this Schedule and keep this updated throughout the Contract Period.
   7. If the Supplier becomes aware at any time, including after the earlier of the End Date or date of termination, that, in respect of any Deliverable, the Buyer has not received the licences to Supplier Existing IPRs or Third Party IPRs required by Paragraphs 8 and 12, the Supplier must, within 10 Working Days notify the Buyer:
      1. the specific Intellectual Property Rights the Buyer has not received licences to; and
      2. the Deliverables affected.
   8. For the avoidance of doubt:
      1. except as provided for in Paragraphs 8.3.2(b)(iii)(A) or 12.1.2(b) and 12.1.2(c), the expiry or termination of this Contract does not of itself terminate the licences granted to the Buyer under Paragraphs 8 and 12;
      2. the award of this Contract or the ordering of any Deliverables does not constitute an authorisation by the Crown under:
         1. Sections 55 and 56 of the Patents Act 1977;
         2. section 12 of the Registered Designs Act 1949; or
         3. sections 240 to 243 of the Copyright, Designs and Patents Act 1988.
2. Licences in respect of Supplier Existing IPR
   1. The Supplier grants the Buyer a Supplier Existing IPR Licence on the terms set out in Paragraph 8.3 in respect of each Deliverable where:
      1. the Supplier Existing IPR is embedded in the Deliverable;
      2. the Supplier Existing IPR is necessary for the Buyer to use the Deliverable for any of the purposes set out in Paragraph 8.4; or
      3. the Deliverable is a customisation or adaptation of Supplier Existing IPR.
   2. The categories of Supplier Existing IPR described in Paragraph 8.1 are mutually exclusive.
   3. The Supplier Existing IPR Licence granted by the Supplier to the Buyer is a non-exclusive, perpetual, royalty-free, irrevocable, transferable, sub-licensable, worldwide licence that:
      1. in the case of Supplier Existing IPR embedded in a Deliverable:
         1. has no restriction on the identity of any transferee or sub-licensee;
         2. allows the Buyer and any transferee or sub-licensee to use, copy and adapt the Supplier Existing IPR for any of the purposes set out in Paragraph 8.4; and
         3. is subject to the restriction that no sub-licence granted to the Supplier Existing IPR shall purport to provide the sub-licensee with any wider rights than those granted to the Buyer under this Paragraph;
      2. in the case of Supplier Existing IPR that is necessary for the Buyer to use the Deliverable for its intended purpose or has been customised or adapted to provide the Deliverable:
         1. allows the Buyer and any transferee or sublicensee to use and copy, but not adapt, disassemble or reverse engineer the relevant Supplier Existing IPRs for any of the purposes set out in Paragraph 8.4;
         2. is transferrable to only:
            1. a Crown Body;
            2. any body (including any private sector body) that performs or carries out any of the functions or activities that the Buyer had previously performed or carried out; or
            3. a person or organisation that is not a direct competitor of the Supplier and that transferee either:

enters into a direct arrangement with the Supplier in the form set out in Annex 2; or

enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;

* + - 1. is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier) where the Replacement Supplier either:
         1. enters into a direct arrangement with the Supplier in the form set out in Annex 2; or
         2. enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*; and
      2. is subject to the restriction that no sub-licence granted to the Supplier Existing IPR shall purport to provide the sub-licensee with any wider rights than those granted to the Buyer under this Paragraph.
  1. For the purposes of Paragraph 8.3, the relevant purposes are:
     1. to allow the Buyer or any End User to receive and use the Deliverables;
     2. to allow the Buyer to commercially exploit the New IPR and New IPR Items; and
     3. for any purpose relating to the exercise of the Buyer’s (or, if the Buyer is a Public Sector Body, any other Public Sector Body’s) business or function.

1. Licences granted by the Buyer
   1. The Buyer grants the Supplier a licence to the New IPR and Buyer Existing IPR that either:
      1. where terms are agreed by the Buyer and Supplier under Paragraph 10, is on those terms; or
      2. where terms are not agreed by the Buyer and Supplier under Paragraph 10:
         1. is non-exclusive, royalty-free and non-transferable;
         2. is sub-licensable to any Sub-contractor where:
            1. the Sub-contractor enters into a confidentiality undertaking with the Supplier on the same terms as set out in Clause 19 *(What you must keep confidential)*; and
            2. the sub-licence does not purport to provide the sub-licensee with any wider rights than those granted to the Supplier under this Paragraph; and
         3. allows the Supplier and any sub-licensee to use, copy and adapt any Buyer Existing IPR for the purpose of fulfilling its obligations under this Contract; and
         4. terminates at the end of the Contract Period or the end of any Termination Assistance Period, whichever is the later.
   2. When the licence granted under Paragraph 9.1 terminates, the Supplier must, and must ensure that each Sub-contractor granted a sub-licence under Paragraph 9.1.2:
      1. immediately cease all use of the Buyer Existing IPR and New IPR (including the Government Data within which the Buyer Existing IPR or New IPR may subsist);
      2. either:
         1. at the discretion of the Buyer, return or destroy documents and other tangible materials that contain any of the Buyer Existing IPR, New IPR and the Government Data; or
         2. if the Buyer has not made an election within six months of the termination of the licence, destroy the documents and other tangible materials that contain any of the Buyer Existing IPR, the New IPR and the Government Data (as the case may be); and
      3. ensure, so far as reasonably practicable, that any Buyer Existing IPR, New IPR and Government Data held in electronic, digital or other machine-readable form ceases to be readily accessible from any computer, word processor, voicemail system or any other device of the Supplier.
2. Buyer approval for Supplier to exploit New IPR and Buyer Existing IPR
   1. Before using, copying or adapting any New IPR for any purpose other than fulfilling its obligations under this Contract, the Supplier must seek the approval of the Buyer in accordance with the provisions of this Paragraph.
   2. The Buyer may terminate any licence it grants under this Paragraph by notice in writing with immediate effect where the Supplier breaches any condition in that licence.

***[Guidance: Where Option 5 is used, replace Paragraphs 10.3, 10.4 and 10.5 with the Paragraphs in Option 5.]***

* 1. The Supplier must provide a proposal setting out:
     1. the purpose for which it proposes to use the New IPR;
     2. the activities the Supplier proposes to undertake with or in respect of the New IPR;
     3. any licence the Supplier requests in respect of Buyer Existing IPR; and
     4. such further information as the Buyer may reasonably require to properly consider the proposal.
  2. The Buyer may only refuse the Supplier’s proposal where it considers that if the Supplier were to implement the proposal it would harm:
     1. the Buyer’s reputation; or
     2. the Buyer’s interests.
  3. Where the Buyer has not:
     1. approved or declined proposal; or
     2. required further information,

within 20 Working Days of the later of:

* + 1. the date the proposal was first provided to the Buyer; or
    2. the date on which further information was provided to the Buyer,

then the proposal is, for the purposes of this Contract, approved.

1. Provision of information on New IPR
   1. The Buyer may, at any time, require the Supplier to provide information on:
      1. the purposes, other than for the purposes of this Contract, for which the Supplier uses New IPR; and
      2. the activities the Supplier undertakes, other than under this Contract, with or in respect of the New IPR.
   2. The Supplier must provide the information required by the Buyer:
      1. within twenty (20) Working Days of the date of the requirement; and
      2. in the form and with the content specified by the Buyer.
2. Licences in respect of Third-party IPR
   1. The Supplier shall not use in the delivery of the Deliverables any Third Party IPR unless:
      1. Approval is granted by the Buyer; and
      2. one of the following conditions is met:
         1. the owner or an authorised licensor of the relevant Third Party IPR has granted a direct Third Party IPR Licence on the terms set out in Paragraph 12.2;
         2. if the Supplier cannot, after commercially reasonable endeavours, obtain for the Buyer a Third Party IPR licence as set out in Paragraph (a), all the following conditions are met:
            1. the Supplier has notified the Buyer in writing giving details of:

what licence terms can be obtained from the relevant third party; and

whether there are providers which the Supplier could seek to use and the licence terms obtainable from those third parties;

* + - * 1. the Buyer has agreed to accept the licence terms of one of those third parties; and
        2. the owner and authorised licensor of the Third Party IPR has granted a direct licence of the Third Party IPR to the Buyer on those terms; or
      1. the Buyer has provided authorisation to the use of the Third Party IPR in writing, with reference to the acts authorised and the specific IPR involved.
  1. The Third Party IPR licence referred to in Paragraph 12.1 is the licence set out in Paragraph 8.3 as if:
     1. the term Third Party IPR were substituted for the term Supplier Existing IPR; and
     2. the term third party were substituted for the term Supplier,

in each place they occur.

1. Patents
   1. Where a patent owned by the Supplier is infringed by the use of the New IPR by the Buyer or any Replacement Supplier, the Supplier hereby grants to the Buyer and the Replacement Supplier a non-exclusive, irrevocable, royalty-free, worldwide patent licence to use the infringing methods, materials or software.

Option 3

***[Guidance: For Option 3 - Supplier ownership of all New IPR with Buyer rights for the current contract only, please include the following drafting:]***

1. General Provisions and Ownership of IPR
   1. Any New IPR created under this Contract is owned by the Supplier.
   2. Each Party keeps ownership of its own Existing IPR.
   3. Where either Party acquires, by operation of law, ownership of Intellectual Property Rights that is inconsistent with Paragraphs 21.1 and 21.2, it must assign in writing the Intellectual Property Rights concerned to the other Party on the other Party’s request (whenever made).
   4. Neither Party has the right to use the other Party’s IPR, including any use of the other Party’s names, logos or trademarks, except as expressly granted elsewhere under this Contract or otherwise agreed in writing.
   5. Except as expressly granted elsewhere under this Contract, neither Party acquires any right, title or interest in or to the IPR owned by the other Party or any third party.
   6. Unless otherwise agreed in writing, the Supplier and the Buyer will record any New IPR in the table at Annex 1 to this Schedule and keep this updated throughout the Contract Period.
   7. If the Supplier becomes aware at any time, including after the earlier of the End Date or date of termination, that, in respect of any Deliverable, the Buyer has not received the licences to Supplier Existing IPRs or Third Party IPRs required by Paragraphs 22 and 26, the Supplier must, within 10 Working Days notify the Buyer:
      1. the specific Intellectual Property Rights the Buyer has not received licences to; and
      2. the Deliverables affected.
   8. For the avoidance of doubt:
      1. except as provided for in Paragraphs 22.2.2(b)(iii)(A) or 26.1.2(b) and 26.1.2(c), the expiry or termination of this Contract does not of itself terminate the licences granted to the Buyer under Paragraphs 22 and 26;
      2. the award of this Contract or the ordering of any Deliverables does not constitute an authorisation by the Crown under:
         1. Sections 55 and 56 of the Patents Act 1977;
         2. section 12 of the Registered Designs Act 1949; or
         3. sections 240 to 243 of the Copyright, Designs and Patents Act 1988.
2. Licences in respect of New IPR and Supplier Existing IPR
   1. The Supplier grants the Buyer a Supplier New and Existing IPR Licence on the terms set out in Paragraph 22.2.
   2. The Supplier New and Existing IPR Licence granted by the Supplier to the Buyer is a non-exclusive, perpetual, royalty-free, irrevocable, transferable, sub-licensable, worldwide licence that:
      1. in the case of New IPR and Supplier Existing IPR embedded in a Deliverable:
         1. allows the Buyer, any transferee or any sublicensee to use, copy and adapt, the New IPR and Supplier Existing IPR;
         2. has no restriction on the identity of any transferee or sublicensee;
      2. in the case of New IPR and Supplier Existing IPR is necessary for the Buyer or any End User to use the Deliverable and:
         1. allows the Buyer, any transferee or any sublicensee to use and copy but not disassemble or reverse engineer adapt the relevant New IPR and Supplier Existing IPR;
         2. is transferrable to only:
            1. a Crown Body;
            2. any body (including any private sector body) that performs or carries out any of the functions or activities that the Buyer had previously performed or carried out; or
            3. a person or organisation that is not a direct competitor of the Supplier and that transferee either:

enters into a direct arrangement with the Supplier in the form set out in Annex 2; or

enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;

* + - 1. is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier), where the Replacement Supplier:
         1. enters into a direct arrangement with the Supplier in the form set out in Annex 2; or
         2. enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;
    1. in the case of New IPR that is used to provide the Deliverable:
       1. allows the Buyer, any transferee and any sublicensee to use and copy, but not adapt, disassemble or reverse engineer the relevant New IPR and Supplier Existing IPRs to the extent necessary for the Buyer, transferee or sublicensee to receive or use the Deliverable;
       2. has no restriction on the identity of any transferee or sublicensee.
    2. in the case of Supplier Existing IPR where the Deliverable is a is a customisation or adaptation of Supplier Existing IPR:
       1. allows the Buyer, any transferee and any sublicensee to use, copy, but not adapt, disassemble or reverse engineer the relevant Supplier Existing IPRs to the extent necessary for the Buyer, transferee or sublicensee to receive or use the Deliverable;
       2. is transferrable to only:
          1. a Crown Body;
          2. any body (including any private sector body) that performs or carries out any of the functions or activities that the Buyer had previously performed or carried out; or
          3. a person or organisation that is not a direct competitor of the Supplier and that transferee either:

enters into a direct arrangement with the Supplier in the form set out in Annex 2; or

enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;

* + - 1. is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier), where the Replacement Supplier:
         1. enters into a direct arrangement with the Supplier in the form set out in Annex 2; or
         2. enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*.
  1. The Supplier New and Existing IPR Licence provided for under Paragraph 22.2 is subject to the restriction that no transfer or sublicence of the Supplier New IPR and Supplier Existing IPR shall purport to grant to the transferee or sub-licensee (as applicable) any wider rights than those granted to the Buyer under this Paragraph.
  2. Where the legal status of the Buyer changes, such that it ceases to be a Crown Body:
     1. the Supplier New and Existing IPR Licence is unaffected; and
     2. any successor body of the Buyer that is a Crown Body shall have the benefit of the Supplier New and Existing IPR Licence.
  3. The termination or expiry of this Contract does not terminate the Supplier New and Existing IPR Licence.

1. Buyer approval for Supplier to exploit Buyer Existing IPR
   1. Before using, copying or adapting any Buyer Existing IPR for any purpose other than fulfilling its obligations under this Contract, the Supplier must seek the approval of the Buyer in accordance with the provisions of this Paragraph.
   2. The Buyer may terminate any licence it grants under this Paragraph by notice in writing with immediate effect where the Supplier breaches any condition in the licence.

***[Guidance: Where Option 5 is used, replace Paragraphs 23.3, 23.4, 23.5 with the Paragraphs in Option 5.]***

* 1. The Supplier must provide a proposal setting out:
     1. the purpose for which it proposes to use the Buyer Existing IPR;
     2. the activities the Supplier proposes to undertake with or in respect of the Buyer Existing IPR;
     3. any licence the Supplier requests in respect of Buyer Existing IPR; and
     4. such further information as the Buyer may reasonably require to properly consider the proposal.
  2. The Buyer may only refuse the Supplier’s proposal where it considers that if the Supplier were to implement the proposal it would harm:
     1. the Buyer’s reputation; or
     2. the Buyer’s interests.
  3. Where the Buyer has not:
     1. approved or declined the proposal; or
     2. required further information,

within 20 Working Days of the later of:

* + 1. the date the proposal was first provided to the Buyer; or
    2. the date on which further information was provided to the Buyer,

then the proposal is, for the purposes of this Contract, approved.

1. Licences granted by the Buyer
   1. Subject to Paragraph 23, the Buyer grants the Supplier a licence to the Buyer Existing IPR that is perpetual, non-exclusive, royalty-free and non-transferable;
      1. is sub-licensable to any Sub-contractor where:
         1. the Sub-contractor enters into a confidentiality undertaking with the Supplier on the same terms as set out in Clause 19 *(What you must keep confidential)*; and
         2. the sub-licence does not purport to provide the sub-licensee with any wider rights than those granted to the Supplier under this Paragraph;
      2. allows the Supplier and any sub-licensee to use, copy and adapt any Buyer Existing IPR for the purpose of:
         1. fulfilling its obligations under this Contract; and
         2. commercially exploit the New IPR.
2. Provision of information on New IPR
   * 1. The Buyer may, at any time, require the Supplier to provide information on:
     2. the purposes, other than for the purposes of this Contract, for which the Supplier uses New IPR; and
     3. the activities the Supplier undertakes, other than under this Contract, with or in respect of the New IPR.
   1. The Supplier must provide the information required by the Buyer:
      1. within twenty (20) Working Days of the date of the requirement; and
      2. in the form and with the content specified by the Buyer.
3. Licences in respect of Third-party IPR
   1. The Supplier shall not use in the delivery of the Deliverables any Third Party IPR unless:
      1. Approval is granted by the Buyer; and
      2. one of the following conditions is met:
         1. the owner or an authorised licensor of the relevant Third Party IPR has granted a direct Third Party IPR Licence on the terms set out in Paragraph 22.2;
         2. if the Supplier cannot, after commercially reasonable endeavours, obtain for the Buyer a Third Party IPR Licence as set out in Paragraph (a), all the following conditions are met:
            1. the Supplier has notified the Buyer in writing giving details of:

what licence terms can be obtained from the relevant third party; and

whether there are providers which the Supplier could seek to use and the licence terms obtainable from those third parties;

* + - * 1. the Buyer has agreed to accept the licence terms of one of those third parties; and
        2. the owner and authorised licensor of the Third Party IPR has granted a direct licence of the Third Party IPR to the Buyer on those terms; or
      1. the Buyer has provided authorisation to the use of the Third Party IPR in writing, with reference to the acts authorised and the specific IPR involved.
  1. The Third Party IPR licence referred to in Paragraph 26.1 is the licence set out in Paragraph 22.2 as if:
     1. the term Third Party IPR were substituted for the term New IPR or Supplier Existing IPR; and
     2. the term third party were substituted for the term Supplier,

in each place they occur.

1. Patents
   1. Where a patent owned by the Supplier is infringed by the use of the New IPR by the Buyer or any Replacement Supplier, the Supplier hereby grants to the Buyer and the Replacement Supplier a non-exclusive, irrevocable, royalty-free, worldwide patent licence to use the infringing methods, materials or software.

***[Guidance: For Option 4 - Supplier ownership of all IPR with Buyer rights for the current contract and broader public sector functions, please include the following drafting:]***

Option 4

1. General Provisions and Ownership of IPR
   1. Any New IPR created under this Contract is owned by the Supplier.
   2. Each Party keeps ownership of its own Existing IPR.
   3. Where either Party acquires, by operation of law, ownership of Intellectual Property Rights that is inconsistent with Paragraphs 31.1 and 31.2, it must assign in writing the Intellectual Property Rights concerned to the other Party on the other Party’s request (whenever made).
   4. Neither Party has the right to use the other Party’s IPR, including any use of the other Party’s names, logos or trademarks, except as expressly granted elsewhere under this Contract or otherwise agreed in writing.
   5. Except as expressly granted elsewhere under this Contract, neither Party acquires any right, title or interest in or to the IPR owned by the other Party or any third party.
   6. Unless otherwise agreed in writing, the Supplier and the Buyer will record any New IPR in the table at Annex 1 to this Schedule and keep this updated throughout the Contract Period.
   7. If the Supplier becomes aware at any time, including after the earlier of the End Date or date of termination, that, in respect of any Deliverable, the Buyer has not received the licences to Supplier Existing IPRs or Third Party IPRs required by Paragraphs 32 and 36, the Supplier must, within 10 Working Days notify the Buyer:
      1. the specific Intellectual Property Rights the Buyer has not received licences to; and
      2. the Deliverables affected.
   8. For the avoidance of doubt:
      1. except as provided for in Paragraphs 32.2.2(b)(iii)(A) or 36.1.2(b) and 36.1.2(c), the expiry or termination of this Contract does not of itself terminate the licences granted to the Buyer under Paragraphs 32 and 36;
      2. the award of this Contract or the ordering of any Deliverables does not constitute an authorisation by the Crown under:
         1. Sections 55 and 56 of the Patents Act 1977;
         2. section 12 of the Registered Designs Act 1949; or
         3. sections 240 to 243 of the Copyright, Designs and Patents Act 1988.
2. Licences in respect of New IPR and Supplier Existing IPR
   1. The Supplier grants the Buyer a Supplier New and Existing IPR Licence on the terms set out in Paragraph 32.2.
   2. The Supplier New and Existing IPR Licence granted by the Supplier to the Buyer is a non-exclusive, perpetual, royalty-free, irrevocable, transferable, sub-licensable, worldwide licence that:
      1. in the case of New IPR and Supplier Existing IPR embedded in a Deliverable:
         1. allows the Buyer, any transferee or any sublicensee to use, copy and adapt the New IPR and Supplier Existing IPR;
         2. has no restriction on the identity of any transferee or sublicensee;
      2. in the case of New IPR and Supplier Existing IPR is necessary for the Buyer or any End User to use the Deliverable and:
         1. allows the Buyer, any transferee or any sublicensee to use, copy but not adapt, disassemble or reverse engineer the New IPR and Supplier Existing IPR;
         2. is transferrable to only:
            1. a Crown Body;
            2. any body (including any private sector body) that performs or carries out any of the functions or activities that the Buyer had previously performed or carried out; or
            3. a person or organisation that is not a direct competitor of the Supplier and that transferee either:

enters into a direct arrangement with the Supplier in the form set out in Annex 2; or

enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;

* + - 1. is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier), where the Replacement Supplier:
         1. enters into a direct arrangement with the Supplier in the form set out in Annex 2; or
         2. enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;
    1. in the case of New IPR that is used to provide the Deliverable:
       1. allows the Buyer, any transferee and any sublicensee to use and copy, but not adapt, disassemble or reverse engineer the relevant New IPR and Supplier Existing IPRs to the extent necessary for the Buyer, transferee or sublicensee to receive or use the Deliverable;
       2. has no restriction on the identity of any transferee or sublicensee.
    2. in the case of Supplier Existing IPR where the Deliverable is a is a customisation or adaptation of Supplier Existing IPR:
       1. allows the Buyer, any transferee and any sublicensee to use, copy, but not adapt, disassemble or reverse engineer the relevant Supplier Existing IPRs to the extent necessary for the Buyer, transferee or sublicensee to receive or use the Deliverable;
       2. is transferrable to only:
          1. a Crown Body;
          2. any body (including any private sector body) that performs or carries out any of the functions or activities that the Buyer had previously performed or carried out; or
          3. a person or organisation that is not a direct competitor of the Supplier and that transferee either:

enters into a direct arrangement with the Supplier in the form set out in Annex 2; or

enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;

* + - 1. is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier), where the Replacement Supplier:
         1. enters into a direct arrangement with the Supplier in the form set out in Annex 2; or
         2. enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*.
  1. The Supplier New and Existing IPR Licence provided for under Paragraph 32.2 is subject to the restriction that no transfer or sublicence of the Supplier New and Existing IPR shall purport to grant to the transferee or sub-licensee (as applicable) any wider rights than those granted to the Buyer under this Paragraph.
  2. Where the legal status of the Buyer changes, such that it ceases to be a Crown Body:
     1. the Supplier New and Existing IPR Licence is unaffected; and
     2. any successor body of the Buyer that is a Crown Body shall have the benefit of the Supplier New and Existing IPR Licence.
  3. The expiry or earlier termination of this Contract does not terminate any Supplier New and Existing IPR Licence.

1. Buyer approval for Supplier to exploit Buyer Existing IPR
   1. Before using, copying or adapting any Buyer Existing IPR for any purpose other than fulfilling its obligations under this Contract, the Supplier must seek the approval of the Buyer in accordance with the provisions of this Paragraph.
   2. The Buyer may terminate any licence it grants under this Paragraph by notice in writing with immediate effect where the Supplier breaches any condition in the licence.

***[Guidance: Where Option 5 is used, replace Paragraphs 33.3, 33.4 and 33.5 with the Paragraphs in Option 5.]***

* 1. The Supplier must provide a proposal setting out:
     1. the purpose for which it proposes to use the Buyer Existing IPR;
     2. the activities the Supplier proposes to undertake with or in respect of the Buyer Existing IPR;
     3. any licence the Supplier requests in respect of Buyer Existing IPR; and
     4. such further information as the Buyer may reasonably require to properly consider the proposal.
  2. The Buyer may only refuse the Supplier’s proposal where it considers that if the Supplier were to implement the proposal it would harm:
     1. the Buyer’s reputation; or
     2. the Buyer’s interests.
  3. Where the Buyer has not:
     1. approved or declined the proposal; or
     2. required further information,

within twenty (20) Working Days of the later of:

* + 1. the date the proposal was first provided to the Buyer; or
    2. the date on which further information was provided to the Buyer,

then the proposal is, for the purposes of this Contract, approved.

1. Licences granted by the Buyer
   1. Subject to Paragraph 33, the Buyer grants the Supplier a licence to the Buyer Existing IPR that:
      1. is perpetual, non-exclusive, royalty-free and non-transferable;
      2. is sub-licensable to any Sub-contractor where:
         1. the Sub-contractor enters into a confidentiality undertaking with the Supplier on the same terms as set out in Clause 19 *(What you must keep confidential)*; and
         2. the sub-licence does not purport to provide the sub-licensee with any wider rights than those granted to the Supplier under this Paragraph;
      3. allows the Supplier and any sub-licensee to use, copy and adapt any Buyer Existing IPR for the purpose of:
         1. fulfilling its obligations under this Contract;
         2. commercially exploiting the New IPR.
2. Provision of information on New IPR
   1. The Buyer may, at any time, require the Supplier to provide information on:
      1. the purposes, other than for the purposes of this Contract, for which the Supplier uses New IPR; and
      2. the activities the Supplier undertakes, other than under this Contract, with or in respect of the New IPR.
   2. The Supplier must provide the information required by the Buyer:
      1. Within twenty (20) Working Days of the date of the requirement; and
      2. in the form and with the content specified by the Buyer.
3. Licences in respect of Third-party IPR
   1. The Supplier shall not use in the delivery of the Deliverables any Third Party IPR unless:
      1. Approval is granted by the Buyer; and
      2. one of the following conditions is met:
         1. the owner or an authorised licensor of the relevant Third Party IPR has granted a direct Third Party IPR Licence on the terms set out in Paragraph 32.2;
         2. if the Supplier cannot, after commercially reasonable endeavours, obtain for the Buyer a Third Party IPR Licence as set out in Paragraph (a), all the following conditions are met:
            1. the Supplier has notified the Buyer in writing giving details of:

what licence terms can be obtained from the relevant third party; and

whether there are providers which the Supplier could seek to use and the licence terms obtainable from those third parties;

* + - * 1. the Buyer has agreed to accept the licence terms of one of those third parties; and
        2. the owner and authorised licensor of the Third Party IPR has granted a direct licence of the Third Party IPR to the Buyer on those terms; or
      1. the Buyer has provided authorisation to the use of the Third Party IPR in writing, with reference to the acts authorised and the specific IPR involved.
  1. The Third Party IPR licence referred to in Paragraph 36.1 is the licence set out in Paragraph 32.2 as if:
     1. the term Third Party IPR were substituted for the term New IPR or Supplier Existing IPR; and
     2. the term third party were substituted for the term Supplier,

in each place they occur.

1. Patents
   1. Where a patent owned by the Supplier is infringed by the use of the New IPR by the Buyer or any Replacement Supplier, the Supplier hereby grants to the Buyer and the Replacement Supplier a non-exclusive, irrevocable, royalty-free, worldwide patent licence to use the infringing methods, materials or software.

***[Guidance: For Option 5 - Options 2, 3, or 4, plus Buyer rights to royalties, please use the appropriate drafting taken from either Options 2, 3 or 4, tailored as appropriate for your agreement, and include the following additional drafting:]***

Option 5

1. Royalties
   1. The Supplier must provide a detailed proposal setting out:
      1. the purpose for which it proposes to use the New IPR and the Buyer Existing IPR;
      2. the activities the Supplier proposes to undertake with or in respect of the New IPR and the Buyer Existing IPR;
      3. its proposed business plan, including:
         1. the goods, services or software to be offered by the Supplier that use or incorporate the New IPR and the Buyer Existing IPR;
         2. the relationship between the New IPR and the Buyer Existing IPR, and any Supplier Existing IPR or Third Party IPR to be incorporated into, or used to provide, those goods, services or software;
         3. the target markets for those goods, services or software;
         4. the estimated level of orders;
         5. its marketing strategy;
         6. details of the estimated costs, prices, revenues and profits;
         7. the proposed financial benefit to the Buyer;
      4. the impact of the proposal on the Services the Supplier provides under this Contract;
      5. an analysis of the likely terms, including financial terms, on which the Supplier would be able to obtain access to intellectual property equivalent to the New IPR were it to enter into an arm’s length commercial relationship with a third-party;
      6. the terms on which the Supplier proposes to licence the Buyer Existing IPR from the Buyer;
      7. any proposed Variations to this Contract; and
      8. any additional agreement the Supplier proposes that it and the Buyer enter into;
      9. any other information the Buyer requires to properly assess the Supplier’s proposed; and
      10. any other information required by the Buyer.
   2. Where the proposed financial benefit to the Buyer under Paragraph 41.1.3(g) is, in whole or part, a reduction in the Charges under this Contract, the Supplier must set out how it proposes to apply the revenues and profits received to the Charges payable by the Buyer and other End Users.
   3. Where the Supplier’s proposal provides for the development of new goods, services or software and those goods, services or software are subsequently purchased by the Buyer (by whatever means), the terms of that purchase must:
      1. provide for the licencing of the New IPR to the Buyer on the same terms as in this Contract; and
      2. include a price that reflects the Charges.
   4. The Supplier acknowledges that:
      1. the Buyer may refuse, or require changes to, the Supplier’s proposal in its sole discretion and for any reason; and
      2. in considering the Supplier’s proposal, the Buyer must comply with Law relating to:
         1. public procurement; and
         2. subsidy control.
   5. Where the Buyer agrees to the Supplier’s proposal, with or without changes, that proposal will not have effect until both Parties have executed:
      1. any additional agreement to give effect to the proposal; and
      2. any consequential Variation to this Contract.
   6. Any agreement between the Buyer and the Supplier entered into under Paragraph 41.5 must include provisions to the following effect:
      1. the calculation of royalties is based on the following formula:

R = NSV x RR x P

where:

R is the royalty payable on an individual item subject to the agreement;

NSV is the net sales value of the item, that is the price for which the Supplier sold the item to a third party after the deduction of normal trade discounts and excluding VAT or any other tax or duty based directly on the price of the item and payable by the purchaser;

RR is [**insert the royalty payable on the item, expressed as a percentage**]; and

P is the proportion that the New IPR bears to the whole of the item, expressed as a percentage, subject to the following:

* + - 1. the proportion that the New IPR bears to the item as a whole is an estimation of the effort required to develop the New IPR compared to the item as a whole;
      2. P is 100% where, either:
         1. where the proportion of the New IPR to the item as a whole is 80% or greater; or
         2. it would not be practicable to create or produce the item without the New IPR.
    1. all royalties are paid quarterly on the basis of the total sales of the item in that quarter;
    2. each payment of royalties must be accompanied by a detailed statement showing:
       1. the number of items sold in that quarter;
       2. their net sales value; and
       3. the royalties due to the Buyer;
    3. the Supplier must keep true and accurate records and books of account containing all information and data necessary for the calculation of royalties, including, for the avoidance of doubt, the calculation of the net sales value and the estimation of P in the formula in Paragraph 41.6.1;
    4. the Supplier must make such books and records available for inspection by the Buyer, or the Buyer’s representative, whether physically or virtually, at any reasonable time specified by the Buyer.

***[Guidance: If using Option 2, please delete the following drafting, as the Supplier does not own the New IPR under that option]:***

1. Clawback
   1. If, within three (3) years of its creation, the Supplier:
      1. is not commercially exploiting any New IPR;
      2. where the Supplier is not commercially exploiting any New IPR, is not, to the satisfaction of the Buyer, using its best endeavours to do so,

then, on written request from the Buyer:

* + - 1. the Supplier must promptly assign to the Buyer the New IPR or any specified New IPR Items; and
      2. the licence to Buyer Existing IPR granted under Paragraph 34.1.3(b) terminates either:
         1. on the date specified in the notice; or
         2. where no date is specified in the notice, on the date the notice is received by the Supplier.
  1. Each Party shall bear its own costs of preparing and executing any such assignment.

# Part B: Intellectual Property Rights (ICT Services)

**[Part B: Intellectual Property Rights – ICT Services]**

***[Guidance: This Part B of the Schedule on Intellectual Property Rights (IPRs) should be amended depending on how the Buyer needs to arrange ownership and licensing of all New IPR and Specially Written Software (‘foreground IPR’) created for or pursuant to the contract. There are 5 suggested options available.***

* ***Option 1: Buyer owns all foreground IPR with limited Supplier rights to all foreground IPR in order to deliver this Contract;***
* ***Option 2: Buyer ownership of all foreground IPR with non-exclusive Supplier rights;***
* ***Option 3: Supplier ownership of all foreground IPR with Buyer rights for the current contract only;***
* ***Option 4: Supplier ownership of foreground IPR with Buyer rights for the current contract and broader public sector functions; and***
* ***Option 5: Options 2, 3, or 4, plus Buyer rights to royalties***

***Once the Buyer has chosen an Option (or Options, if it is using Option 5 as a ‘bolt on’ to Options 2, 3, or 4), the Buyer should delete the unused options.***

***Option 1 should be considered for use in situations where the Buyer should retain ownership of any foreground IPR. In this situation, the Buyer will not look to publish the foreground IPR under Open Licence.***

***Option 2 should be considered for use in situations where the Buyer should retain ownership of any foreground IPR but where the Supplier should be able to use any foreground IPR developed, subject to Buyer approval. In this situation, the Buyer will not look to publish the foreground IPR under Open Licence.***

***Option 3 should be considered for use where (a) there is no clear benefit in the Buyer owning the foreground IPR, or (b) where any foreground IPR created cannot easily be separated from the Supplier Existing IPR (e.g. Software As A Service (SAAS)), but where a licence is only needed for the current contracted Deliverable and the IPR in question will not be needed for other services.***

***Option 4 is similar to Option 3, except it should be used where the licence to the Buyer for the IPR in question should extend to cover other contracts and services, which may include contracts and services not yet awarded, and broader public sector functions.***

***Option 5 should be considered if a Buyer has invested significant resource or funding in the development of the project and intends to seek a return on that investment. Includes a right for the Buyer to request ownership of unexploited IPR after 3 years (except when used with Option 2).***

***Please refer to the Mid-Tier Guidance document for further detail on how these options are intended to operate.***

***When publishing as open licence, Buyers should be mindful that the terms of any input licence (that is the open source licence for any open source IP which has been used to create the foreground IPR) aligns with the ‘output licence’ (that is, the licence under which the Buyer will publish the foreground IPR as open licence).***

***Carefully check cross-references as these may need to be updated when unused clauses are deleted]***

***[Guidance: For Option 1 - Buyer owns all New IPR and Specially Written Software, with limited Supplier rights to all New IPR and Specially Written Software in order to deliver this Contract, please include the following drafting:]***

Option 1

1. Intellectual Property Rights – General Provisions
   1. Each Party keeps ownership of its own Existing IPR.
   2. Where either Party acquires, by operation of law, ownership of Intellectual Property Rights that is inconsistent with the requirements of this 0 Schedule 6 (Intellectual Property Rights), it must assign in writing the Intellectual Property Rights concerned to the other Party on the other Party’s request (whenever made).
   3. Neither Party has the right to use the other Party’s IPR, including any use of the other Party’s names, logos or trademarks, except as expressly granted elsewhere under this Contract or otherwise agreed in writing.
   4. Except as expressly granted elsewhere under this Contract, neither Party acquires any right, title or interest in or to the IPR owned by the other Party or any third party.
   5. If the Supplier becomes aware at any time, including after the earlier of the End Date or date of termination, that, in respect of any Deliverable, the Buyer has not received the licences to Supplier Existing IPRs or Third Party IPRs required by Paragraphs 3 and 4, the Supplier must, within 10 Working Days notify the Buyer:
      1. the specific Intellectual Property Rights the Buyer has not received licences to; and
      2. the Deliverables affected.
   6. For the avoidance of doubt:
      1. except as provided for in Paragraphs 4.3.4(b)(i) or 3.1.6(b) and 3.1.4, the expiry or termination of this Contract does not of itself terminate the licences granted to the Buyer under Paragraphs 3 and 4;
      2. the award of this Contract or the ordering of any Deliverables does not constitute an authorisation by the Crown under:
         1. Sections 55 and 56 of the Patents Act 1977;
         2. section 12 of the Registered Designs Act 1949; or
         3. sections 240 to 243 of the Copyright, Designs and Patents Act 1988.
2. Ownership and delivery of IPR created under this Contract
   1. Any New IPR and Specially Written Software is owned by the Buyer, including:
      1. the Documentation, Source Code and the Object Code of the Specially Written Software and any software elements of the New IPR; and
      2. all build instructions, test instructions, test scripts, test data, operating instructions and other documents and tools necessary for maintaining and supporting the Specially Written Software and the New IPR,

(together, the Software Supporting Materials).

* 1. The Supplier must deliver to the Buyer:
     1. the Specially Written Software;
     2. any software elements of the New IPR;
     3. relevant Documentation; and
     4. all related Software Supporting Materials,

within seven (7) days of:

* + 1. either:
       1. initial release or deployment; or
       2. if a relevant Milestone has been identified in an Implementation Plan, Achievement of that Milestone; and
    2. each subsequent release or deployment of the Specially Written Software and any software elements of the New IPR.
  1. Where the Supplier delivers materials to the Buyer under Paragraph 2.2, it must do so in a format specified by the Buyer. Where the Buyer specifies the material is to be delivered on media, the Buyer becomes the owner of the media containing the material on delivery.
  2. Unless otherwise agreed in writing, the Supplier and the Buyer will record any Specially Written Software and New IPR in the table at Annex 1 to this Schedule and keep this updated throughout the Contract Period.

1. Use of Supplier Existing IPRs and Third Party IPRs
   1. The Supplier must not:
      1. embed Supplier Existing IPRs or Third Party IPRs in a Deliverable;
      2. provide any Deliverable that requires Supplier Existing IPRs or Third Party IPRs to use that Deliverable for any of the purposes set out in Paragraph 4.4; or
      3. provide any Deliverable that is a customisation or adaptation of those Supplier Existing IPRs or Third Party IPRs,

unless one or more of the following conditions apply:

* + 1. for any Supplier Existing IPRs or Third Party IPRs that are not COTS Software, the Buyer provides Approval after receiving full details of the Supplier Existing IPRs or Third Party IPRs and their relationship to the Deliverables;
    2. in the case of Supplier Existing IPRs or Third Party IPRs that are, in each case, COTS Software all the following conditions are met:
       1. the Supplier has provided the Buyer with the applicable terms for the Supplier Existing IPRs or Third Party IPRs that are, in each case, COTS Software (which must be at a price and on terms no less favourable than those standard commercial terms on which such software is usually made commercially available); and
       2. the Buyer has not (in its absolute discretion) rejected those licence terms within ten (10) Working Days of the date on which they were provided to the Buyer;
    3. in the case of Third Party IPRs that are not COTS Software, the Buyer provides approval under Paragraph 3.1.4 and one of the following conditions is met:
       1. the owner or an authorised licensor of the relevant Third Party IPR has granted a direct Third Party IPR Licence on the terms set out in Paragraph 4.3, as if:
          1. the term Third Party IPRs were substituted for the term Supplier Existing IPR; and
          2. the term “third party” were substituted for the term Supplier,

in each place they occur; or

* + - 1. if the Supplier cannot, after commercially reasonable endeavours, obtain for the Buyer a Third Party IPR licence as set out in Paragraph (a), all the following conditions are met:
         1. the Supplier has notified the Buyer in writing giving details of:

what licence terms can be obtained from the relevant third party; and

whether there are providers which the Supplier could seek to use and the licence terms obtainable from those third parties;

* + - * 1. the Buyer Approves the licence terms of one of those third parties; and
        2. the owner and authorised licensor of the Third Party IPR has granted a direct licence of the Third Party IPR to the Buyer on those terms.
  1. Where the Buyer has not rejected Supplier Existing IPRs or Third Party IPRs that are, in each case, COTS Software, the Supplier must notify the Buyer within five (5) Working Days of becoming aware that any of that COTS Software will in the next thirty-six (36) months no longer be:
     1. maintained or supported by the developer; or
     2. made commercially available.

1. Licences in respect of Supplier Existing IPR that is not COTS Software
   1. Subject to the Buyer approving the use of Supplier Existing IPR under Paragraph 3, the Supplier grants the Buyer a Supplier Existing IPR Licence on the terms set out in Paragraph 4.3 in respect of each Deliverable where:
      1. the Supplier Existing IPR that is not COTS Software is embedded in the Deliverable;
      2. the Supplier Existing IPR that is not COTS Software is necessary for the Buyer to use the Deliverable for any of the purposes set out in Paragraph 4.4; or
      3. the Deliverable is a customisation or adaptation of Supplier Existing IPR that is not COTS Software.
   2. The categories of Supplier Existing IPR that is not COTS Software set out in Paragraph 4.1 are mutually exclusive.
   3. The Supplier Existing IPR Licence granted by the Supplier to the Buyer is a non-exclusive, perpetual, royalty-free, irrevocable, transferable, sub-licensable, worldwide licence that:
      * 1. in the case of Supplier Existing IPR that is not COTS Software embedded in a Deliverable:
           1. has no restriction on the identity of any transferee or sub-licensee;
           2. is sub-licensable for any of the purposes set out in Paragraph 4.4;
           3. allows the Buyer and any transferee or sub-licensee to use, copy and adapt the Supplier Existing IPR that is not COTS Software for any of the purposes set out in Paragraph 4.4; and
      1. in the case of Supplier Exiting IPR that is not COTS Software that is necessary for the Buyer to use the Deliverable for its intended purpose or has been customised or adapted to provide the Deliverable:
         1. allows the Buyer and any transferee or sublicensee to use and copy, but not adapt, disassemble or reverse engineer the relevant Supplier Existing IPRs that is not COTS Software for any of the purposes set out in Paragraph 4.4;
         2. is transferrable to only:
            1. a Crown Body;
            2. any body (including any private sector body) that performs or carries out any of the functions or activities that the Buyer had previously performed or carried out; or
            3. a person or organisation that is not a direct competitor of the Supplier and that transferee either:

enters into a direct arrangement with the Supplier in the form set out in Annex 2; or

enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*; and

* + - 1. is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier) where the Replacement Supplier either:
         1. enters into a direct arrangement with the Supplier in the form set out in Annex 2; or
         2. enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;
    1. includes a perpetual, royalty-free, non-exclusive licence to use, copy and adapt any Know-How, trade secrets or Confidential Information of the Supplier contained within any Deliverables; and
    2. is subject to the restrictions that:
       1. no sub-licence granted to the Supplier Existing IPR that is not COTS Software shall purport to provide the sub-licensee with any wider rights than those granted to the Buyer under this Paragraph;
       2. any transferee or sublicensee of the Supplier Existing IPR Licence must either:
          1. enter into a direct arrangement with the Supplier in the form set out in Annex 2; or
          2. enter into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*.
  1. For the purposes of Paragraphs 4.1 and 4.3, the relevant purposes are:
     1. to allow the Buyer or any End User to receive and use the Deliverables;
     2. to commercially exploit (including by publication under Open Licence) the New IPR, Specially Written Software and New IPR Items; and
     3. for any purpose relating to the exercise of the Buyer’s (or, if the Buyer is a Public Sector Body, any other Public Sector Body’s) business or function.

1. Licences granted by the Buyer
   1. The Buyer grants the Supplier a licence to the New IPR, Specially Written Software and Buyer Existing IPR that:
      1. is non-exclusive, royalty-free and non-transferable;
      2. is sub-licensable to any Sub-contractor where
         1. the Sub-contractor enters into a confidentiality undertaking with the Supplier on the same terms as set out in Clause 19 *(What you must keep confidential)*; and
         2. the sub-licence does not purport to provide the sub-licensee with any wider rights than those granted to the Supplier under this Paragraph;
      3. allows the Supplier and any sub-licensee to use, copy and adapt any Buyer Existing IPR, New IPR and Specially Written Software for the purpose of fulfilling its obligations under this Contract; and
      4. terminates at the end of the Contract Period or the end of any Termination Assistance Period, whichever is the later.
   2. When the licence granted under Paragraph 5.1 terminates, the Supplier must, and must ensure that each Sub-contractor granted a sub-licence under Paragraph 5.1.2:
      1. immediately cease all use of the Buyer Existing IPR, New IPR and Specially Written Software (including the Government Data within which the Buyer Existing IPR or New IPR may subsist);
      2. either:
         1. at the discretion of the Buyer, return or destroy documents and other tangible materials that contain any of the Buyer Existing IPR, New IPR, Specially Written Software and the Government Data; or
         2. if the Buyer has not made an election within six months of the termination of the licence, destroy the documents and other tangible materials that contain any of the Buyer Existing IPR, the New IPR, Specially Written Software and the Government Data (as the case may be); and
      3. ensure, so far as reasonably practicable, that any Buyer Existing IPR, New IPR, Specially Written Software and Government Data held in electronic, digital or other machine-readable form ceases to be readily accessible from any computer, word processor, voicemail system or any other device of the Supplier.
2. Open Licence Publication
   1. Subject to Paragraph 6.6, the Supplier agrees that the Buyer may at its sole discretion publish under Open Licence all or part of the New IPR Items, including the:
      1. Specially Written Software;
      2. the software parts of the New IPR Items; and
      3. the Software Supporting Materials.
   2. The Supplier must create all Specially Written Software, software elements of New IPR and Software Supporting Materials in a format (whether it is provided in any other format or not):
      1. suitable for publication by the Buyer as Open Licence; and
      2. based on open standards (where applicable).
   3. The Supplier warrants that in developing the Specially Written Software, the software elements of the New IPR Items and the Software Supporting Materials it has used reasonable endeavours to ensure that:
      1. publication by the Buyer will not:
         1. allow a third party to use them in any way that could reasonably be foreseen to compromise the operation or security of the Specially Written Software, New IPRs, the Buyer System or the Supplier System;
         2. cause any harm or damage to any party using them; or
         3. breach the rights of any third party; and
      2. they do not contain:
         1. any Malicious Software; or
         2. any material which would bring the Buyer into disrepute if published.
   4. The Supplier must not include in the Specially Written Software, the software parts of the New IPR Items and the Software Supporting Materials provided for publication by Open Licence any Supplier Existing IPRs unless the Supplier consents to:
      1. their publication by the Buyer under Open Licence; and
      2. their subsequent licence and treatment as Open Licence under the terms of the licence chosen by the Buyer.
   5. The Supplier must supply any or all the Specially Written Software, the software elements of the New IPR Items and the Software Supporting Materials in a format suitable for publication under an Open Licence (the **Open Licence Publication Material**) within 30 Working Days of written request from the Buyer (**Buyer Open Licence Request**).
   6. The Supplier may within ten (10) Working Days of a Buyer Open Licence Request under Paragraph 6.5 request in writing that the Buyer excludes all or part of:
      1. the Specially Written Software, the software elements of the New IPR Items and the Software Supporting Materials; or
      2. Supplier Existing IPR or Third Party IPR that would otherwise be included in the Open Licence Publication Material supplied to the Buyer pursuant to Paragraph 6.4,

from Open Licence publication.

* 1. The Supplier’s request under Paragraph 6.6 must include the Supplier’s assessment of the impact the Buyer’s agreeing to the request would have on its ability to publish other the Specially Written Software, the software elements of the New IPR Items and the Software Supporting Materials Items under an Open Licence.
  2. Any decision to Approve any such request from the Supplier under Paragraph 6.6 shall be at the Buyer’s sole discretion, not to be unreasonably withheld or delayed, or made subject to unreasonable conditions.

1. Patents
   1. Where a patent owned by the Supplier is infringed by the use of the Specially Written Software or New IPR by the Buyer or any Replacement Supplier, the Supplier hereby grants to the Buyer and the Replacement Supplier a non-exclusive, irrevocable, royalty-free, worldwide patent licence to use the infringing methods, materials or software.

***[Guidance: For Option 2 - Buyer owns all New IPR and Specially Written Software with non-exclusive Supplier rights, please include the following drafting:]***

Option 2

1. Intellectual Property Rights – General Provisions
   1. Each Party keeps ownership of its own Existing IPR.
   2. Where either Party acquires, by operation of law, ownership of Intellectual Property Rights that is inconsistent with the requirements of this 0 Schedule 6 (Intellectual Property Rights), it must assign in writing the Intellectual Property Rights concerned to the other Party on the other Party’s request (whenever made).
   3. Neither Party has the right to use the other Party’s IPR, including any use of the other Party’s names, logos or trademarks, except as expressly granted elsewhere under this Contract or otherwise agreed in writing.
   4. Except as expressly granted elsewhere under this Contract, neither Party acquires any right, title or interest in or to the IPR owned by the other Party or any third party.
   5. If the Supplier becomes aware at any time, including after the earlier of the End Date or date of termination, that, in respect of any Deliverable, the Buyer has not received the licences to Supplier Existing IPRs or Third Party IPRs required by Paragraphs 10 and 11, the Supplier must, within ten (10) Working Days notify the Buyer:
      1. the specific Intellectual Property Rights the Buyer has not received licences to; and
      2. the Deliverables affected.
   6. For the avoidance of doubt:
      1. except as provided for in Paragraphs 11.3.3(b)(i) or 10.1.6(b) and 10.1.4, the expiry or termination of this Contract does not of itself terminate the licences granted to the Buyer under Paragraphs 10 and 11;
      2. the award of this Contract or the ordering of any Deliverables does not constitute an authorisation by the Crown under:
         1. Sections 55 and 56 of the Patents Act 1977;
         2. section 12 of the Registered Designs Act 1949; or
         3. sections 240 to 243 of the Copyright, Designs and Patents Act 1988.
2. Ownership and delivery of IPR created under this Contract
   1. Any New IPR and Specially Written Software is owned by the Buyer, including:
      1. the Documentation, Source Code and the Object Code of the Specially Written Software and any software elements of the New IPR; and
      2. all build instructions, test instructions, test scripts, test data, operating instructions and other documents and tools necessary for maintaining and supporting the Specially Written Software and the New IPR,

(together, the Software Supporting Materials).

* 1. The Supplier must deliver to the Buyer:
     1. the Specially Written Software;
     2. any software elements of the New IPR;
     3. relevant Documentation; and
     4. all related Software Supporting Materials,

within seven days of:

* + 1. either:
       1. initial release or deployment; or
       2. if a relevant Milestone has been identified in an Implementation Plan, Achievement of that Milestone; and
    2. each subsequent release or deployment of the Specially Written Software and any software elements of the New IPR.
  1. Where the Supplier delivers materials to the Buyer under Paragraph 9.2, it must do so in a format specified by the Buyer. Where the Buyer specifies the material is to be delivered on media, the Buyer becomes the owner of the media containing the material on delivery.
  2. Unless otherwise agreed in writing, the Supplier and the Buyer will record any Specially Written Software and New IPR in the table at Annex 1 to this Schedule and keep this updated throughout the Contract Period.

1. Use of Supplier Existing IPRs and Third Party IPRs
   1. The Supplier must not:
      1. embed Supplier Existing IPRs or Third Party IPRs in a Deliverable;
      2. provide any Deliverable that requires Supplier Existing IPRs or Third Party IPRs to use that Deliverable for any of the purposes set out in Paragraph 11.4; or
      3. provide any Deliverable that is a customisation or adaptation of those Supplier Existing IPRs or Third Party IPRs,

unless one or more of the following conditions apply:

* + 1. for any Supplier Existing IPRs or Third Party IPRs that are not COTS Software, the Buyer provides Approval after receiving full details of the Supplier Existing IPRs or Third Party IPRs and their relationship to the Deliverables;
    2. in the case of Supplier Existing IPRs or Third Party IPRs that are, in each case, COTS Software all the following conditions are met:
       1. the Supplier has provided the Buyer with the applicable terms for the Supplier Existing IPRs or Third Party IPRs that are, in each case, COTS Software (which must be at a price and on terms no less favourable than those standard commercial terms on which such software is usually made commercially available); and
       2. the Buyer has not (in its absolute discretion) rejected those licence terms within ten (10) Working Days of the date on which they were provided to the Buyer;
    3. in the case of Third Party IPRs that are not COTS Software, the Buyer provides approval under Paragraph 10.1.4 and one of the following conditions is met:
       1. the owner or an authorised licensor of the relevant Third Party IPR has granted a direct Third Party IPR Licence on the terms set out in Paragraph 11.3, as if:
          1. the term Third Party IPRs were substituted for the term Supplier Existing IPR; and
          2. the term “third party” were substituted for the term Supplier,

in each place they occur; or

* + - 1. if the Supplier cannot, after commercially reasonable endeavours, obtain for the Buyer a Third Party IPR licence as set out in Paragraph (a), all the following conditions are met:
         1. the Supplier has notified the Buyer in writing giving details of:

what licence terms can be obtained from the relevant third party; and

whether there are providers which the Supplier could seek to use and the licence terms obtainable from those third parties;

* + - * 1. the Buyer Approves the licence terms of one of those third parties; and
        2. the owner and authorised licensor of the Third Party IPR has granted a direct licence of the Third Party IPR to the Buyer on those terms.
  1. Where the Buyer has not rejected Supplier Existing IPRs or Third Party IPRs that are, in each case, COTS Software, the Supplier must notify the Buyer within 5 Working Days of becoming aware that any of that COTS Software will in the next thirty-six (36) months no longer be:
     1. maintained or supported by the developer; or
     2. made commercially available.

1. Licences in respect of Supplier Existing IPR that is not COTS Software
   1. Subject to the Buyer approving the use of Supplier Existing IPR under Paragraph 10, the Supplier grants the Buyer a Supplier Existing IPR Licence on the terms set out in Paragraph 11.3 in respect of each Deliverable where:
      1. the Supplier Existing IPR that is not COTS Software is embedded in the Deliverable;
      2. the Supplier Existing IPR that is not COTS Software is necessary for the Buyer to use the Deliverable for any of the purposes set out in Paragraph 11.4; or
      3. the Deliverable is a customisation or adaptation of Supplier Existing IPR that is not COTS Software.
   2. The categories of Supplier Existing IPR that is not COTS Software set out in Paragraph 11.1 are mutually exclusive.
   3. The Supplier Existing IPR Licence granted by the Supplier to the Buyer is a non-exclusive, perpetual, royalty-free, irrevocable, transferable, sub-licensable, worldwide licence that:
      1. in the case of Supplier Existing IPR that is not COTS Software embedded in a Deliverable:
         1. has no restriction on the identity of any transferee or sub-licensee;
         2. is sub-licensable solely for any of purposes in Paragraph 11.4;
         3. allows the Buyer and any transferee or sub-licensee to use, copy and adapt the Supplier Existing IPR that is not COTS Software for any of the purposes in Paragraph 11.4; and
      2. in the case of Supplier Exiting IPR that is not COTS Software that is necessary for the Buyer to use the Deliverable for its intended purpose or has been customised or adapted to provide the Deliverable:
         1. allows the Buyer and any transferee or sublicensee to use and copy, but not adapt, disassemble or reverse engineer the relevant Supplier Existing IPRs that is not COTS Software for the purposes set out in Paragraphs 11.4;
         2. is transferrable to only:
            1. a Crown Body;
            2. any body (including any private sector body) that performs or carries out any of the functions or activities that the Buyer had previously performed or carried out; or
            3. a person or organisation that is not a direct competitor of the Supplier and that transferee either:

enters into a direct arrangement with the Supplier in the form set out in Annex 2; or

* + - * 1. enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;
      1. is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier);
      2. where the Replacement Supplier either:
         1. enters into a direct arrangement with the Supplier in the form set out in Annex 2; or
         2. enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*; and
      3. includes a perpetual, royalty-free, non-exclusive licence to use, copy and adapt any Know-How, trade secrets or Confidential Information of the Supplier contained within any Deliverables; and
    1. is subject to the restrictions that:
       1. no sub-licence granted to the Supplier Existing IPR that is not COTS Software shall purport to provide the sub-licensee with any wider rights than those granted to the Buyer under this Paragraph; and
       2. any transferee or sublicensee of the Supplier Existing IPR Licence must either:
          1. enter into a direct arrangement with the Supplier in the form set out in Annex 2; or
          2. enter into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*.
  1. For the purposes of Paragraphs 11.1 and 11.3, the relevant purposes are:
     1. to allow the Buyer or any End User to receive and use the Deliverables;
     2. to allow the Buyer to commercially exploit (including by publication under Open Licence) the Specially Written Software, the New IPR and New IPR Items; and
     3. for any purpose relating to the exercise of the Buyer’s (or, if the Buyer is a Public Sector Body, any other Public Sector Body’s) business or function.

1. Licences granted by the Buyer
   1. Subject to Paragraph 13 (in the case of New IPR and Specially Written Software), the Buyer grants the Supplier a licence to the New IPR, Specially Written Software and Buyer Existing IPR that:
      1. is non-exclusive, royalty-free and non-transferable;
      2. is sub-licensable to any Sub-contractor where
         1. the Sub-contractor enters into a confidentiality undertaking with the Supplier on the same terms as set out in Clause 19 *(What you must keep confidential)*; and
         2. the sub-licence does not purport to provide the sub-licensee with any wider rights than those granted to the Supplier under this Paragraph;
      3. in the case of Buyer Existing IPR:
         1. allows the Supplier and any sub-licensee to use, copy and adapt any Buyer Existing IPR for the purpose of:
            1. fulfilling its obligations under this Contract; and
            2. where terms are agreed by the Buyer and Supplier under Paragraph 13, commercially exploiting the New IPR and Specially Written Software; and
         2. terminates at the later of:
            1. the end of the Contract Period or the end of any Termination Assistance Period, whichever is the later; or
            2. the occurrence of any condition, or on the date, specified by the Buyer; and
      4. in the case of New IPR and Specially Written Software is:
         1. where terms are agreed by the Buyer and Supplier under Paragraph 13, on those terms; or
         2. where terms are not agreed by the Buyer and Supplier under Paragraph 13, on the same terms as Buyer Existing IPR under Paragraph 12.1.3.
   2. When the licence granted under Paragraph 12.1 terminates, the Supplier must, and must ensure that each Sub-contractor granted a sub-licence under Paragraph 12.1.2:
      1. immediately cease all use of the Buyer Existing IPR, New IPR or Specially Written Software (including the Government Data within which the Buyer Existing IPR, New IPR or Specially Written Software may subsist);
      2. either:
         1. at the discretion of the Buyer, return or destroy documents and other tangible materials that contain any of the Buyer Existing IPR, New IPR, Specially Written Software and the Government Data; or
         2. if the Buyer has not made an election within six months of the termination of the licence, destroy the documents and other tangible materials that contain any of the Buyer Existing IPR, the New IPR, the Specially Written Software and the Government Data (as the case may be); and
      3. ensure, so far as reasonably practicable, that any Buyer Existing IPR, New IPR, the Specially Written Software and Government Data held in electronic, digital or other machine-readable form ceases to be readily accessible from any computer, word processor, voicemail system or any other device of the Supplier.
2. Buyer approval for Supplier to exploit New IPR and Specially Written Software
   1. Before using, copying or adapting any Buyer Existing IPR, New IPR or Specially Written Software for any purpose other than fulfilling its obligations under this Contract, the Supplier must seek the approval of the Buyer in accordance with the provisions of this Paragraph.
   2. The Buyer may terminate any licence it grants under this Paragraph by notice in writing with immediate effect where the Supplier breaches any condition in that licence.

***[Guidance: Where Option 5 is used, replace Paragraphs 13.3, 13.4 and 13.5 with the Paragraphs in Option 5.]***

* 1. The Supplier must provide a detailed proposal setting out:
     1. the purpose for which it proposes to use the Buyer Existing IPR, New IPR or Specially Written Software;
     2. the activities the Supplier proposes to undertake with or in respect of the Buyer Existing IPR, New IPR or Specially Written Software;
     3. its proposed business plan, including:
        1. the goods or services to be offered by the Supplier that use or incorporate the Buyer Existing IPR, New IPR or Specially Written Software;
        2. the relationship between the Buyer Existing IPR, New IPR or Specially Written Software and any Supplier Existing IPR or Third Party IPR to be incorporated into, or used to provide, those goods or services;
        3. the target markets for those goods or services;
        4. the estimated level of orders;
        5. its marketing strategy;
        6. details of the estimated costs, prices, revenues and profits;
        7. the proposed financial benefit to the Buyer;
     4. the impact of the proposal on the Services the Supplier provides under this Contract;
     5. an analysis of the likely terms, including financial terms, on which the Supplier would be able to obtain access to intellectual property equivalent to the Buyer Existing IPR, New IPR or Specially Written Software were it to enter into an arm’s length commercial relationship with a third-party;
     6. any proposed changes to this Contract; and
     7. any additional agreement the Supplier proposes that it and the Buyer enter into;
     8. any other information the Buyer requires to properly assess the Supplier’s proposed; and
     9. any other information required by the Buyer.
  2. Where the proposed financial benefit to the Buyer under Paragraph 13.3.3(g) is, in whole or part, a reduction in the Charges under this Contract, the Supplier must set out how it proposes to apply the revenues and profits received to the Charges payable by the Buyer and other End Users.
  3. Where the Supplier’s proposal provides for the development of new goods, services or software and those goods, services or software are subsequently purchased by the Buyer (by whatever means), the terms of that purchase must:
     1. provide for the licencing of the New IPR and Specially Written Software to the Buyer on the same terms as in this Contract; and
     2. include a price that reflects the Charges.
  4. The Supplier acknowledges that:
     1. the Buyer may refuse or require changes to the Supplier’s proposal in its sole discretion and for any reason; and
     2. in considering the Supplier’s proposal, the Buyer must comply with Law relating to:
        1. public procurement; and
        2. subsidy control.
  5. Where the Buyer agrees to the Supplier’s proposal, with or without changes, the Supplier may not use, copy or adapt any Buyer Existing IPR other than for the purpose of fulfilling its obligations under this Contract:
     1. any additional agreement to give effect to the proposal;
     2. any consequential Variation to this Contract.

1. Provision of information on New IPR and Specially Written Software
   1. The Buyer may, at any time, require the Supplier to provide information on:
      1. the purposes, other than for the purposes of this Contract, for which the Supplier uses New IPR and Specially Written Software; and
      2. the activities the Supplier undertakes, other than under this Contract, with or in respect of the New IPR and Specially Written Software.
   2. The Supplier must provide the information required by the Buyer:
      1. Within twenty (20) Working Days of the date of the requirement; and
      2. in the form and with the content specified by the Buyer.
2. Patents
   1. Where a patent owned by the Supplier is infringed by the use of the Specially Written Software or New IPR by the Buyer or any Replacement Supplier, the Supplier hereby grants to the Buyer and the Replacement Supplier a non-exclusive, irrevocable, royalty-free, worldwide patent licence to use the infringing methods, materials or software.

***[Guidance: For Option 3 - Supplier ownership of all New IPR and Specially Written Software with Buyer rights for the current contract only, please include the following drafting:]***

Option 3

1. Intellectual Property Rights – General Provisions
   1. Each Party keeps ownership of its own Existing IPR.
   2. Where either Party acquires, by operation of law, ownership of Intellectual Property Rights that is inconsistent with the requirements of this 0 Schedule 6 (Intellectual Property Rights), it must assign in writing the Intellectual Property Rights concerned to the other Party on the other Party’s request (whenever made).
   3. Neither Party has the right to use the other Party’s IPR, including any use of the other Party’s names, logos or trademarks, except as expressly granted elsewhere under this Contract or otherwise agreed in writing.
   4. Except as expressly granted elsewhere under this Contract, neither Party acquires any right, title or interest in or to the IPR owned by the other Party or any third party.
   5. If the Supplier becomes aware at any time, including after the earlier of the End Date or date of termination, that, in respect of any Deliverable, the Buyer has not received the licences to Supplier Existing IPRs or Third Party IPRs required by Paragraphs 23 and 24, the Supplier must, within 10 Working Days notify the Buyer:
      1. the specific Intellectual Property Rights the Buyer has not received licences to; and
      2. the Deliverables affected.
   6. For the avoidance of doubt:
      1. except as provided for in Paragraphs 24.3.2(b)(iii)(A) or 23.1.6(b) and 23.1.4, the expiry or termination of this Contract does not of itself terminate the licences granted to the Buyer under Paragraphs 23 and 24;
      2. the award of this Contract or the ordering of any Deliverables does not constitute an authorisation by the Crown under:
         1. Sections 55 and 56 of the Patents Act 1977;
         2. section 12 of the Registered Designs Act 1949; or
         3. sections 240 to 243 of the Copyright, Designs and Patents Act 1988.
2. Ownership and delivery of IPR created under this Contract
   1. Any New IPR and Specially Written Software is owned by the Supplier, including:
      1. the Documentation, Source Code and the Object Code of the Specially Written Software and any software elements of the New IPR; and
      2. all build instructions, test instructions, test scripts, test data, operating instructions and other documents and tools necessary for maintaining and supporting the Specially Written Software and the New IPR,

(together, the Software Supporting Materials).

* 1. Unless otherwise agreed in writing, the Supplier and the Buyer will record any Specially Written Software and New IPR in the table at Annex 1 to this Schedule and keep this updated throughout this Contract Period.

1. Licence of New IPR and Specially Written Software
   1. The Supplier grants the Buyer a New IPR and Specially Written Software Licence on the terms set out in Paragraph 22.3 in respect of each Deliverable where:
      1. the New IPR or Specially Written Software is embedded in the Deliverable;
      2. the New IPR or Specially Written Software is necessary for the Buyer to use the Deliverable; or
      3. the New IPR or Specially Written Software us used to provide the Deliverable.
   2. The categories of New IPR or Specially Written Software set out in Paragraph 22.1 are mutually exclusive.
   3. The New IPR and Specially Written Software Licence granted by the Supplier to the Buyer is a non-exclusive, royalty-free, irrevocable, transferable, sub-licensable, worldwide licence that:
      1. in the case of New IPR or Specially Written Software embedded in a Deliverable or is used to provide the Deliverable:
      2. is sub-licensable;
         1. has no restriction on the identity of any transferee or sub-licensee;
         2. allows the Buyer and any transferee or sub-licensee to use, copy and adapt the New IPR or Specially Written Software for any of the purposes set out in Paragraph 22.4;
      3. in the case of New IPR or Specially Written Software that is necessary for the Buyer to receive or use the Deliverable:
         1. allows the Buyer and any transferee or sublicensee to use and copy, but not adapt, disassemble or reverse engineer the relevant New IPR or Specially Written Software for any of the purposes set out in Paragraph 22.4;
         2. is transferrable to only:
            1. a Crown Body;
            2. any body (including any private sector body) that performs or carries out any of the functions or activities that the Buyer had previously performed or carried out; or
            3. a person or organisation that is not a direct competitor of the Supplier and that transferee either:

enters into a direct arrangement with the Supplier in the form set out in Annex 2; or

enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;

* + - 1. is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier) where the Replacement Supplier either:
         1. enters into a direct arrangement with the Supplier in the form set out in Annex 2; or
      2. enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;
    1. continues in effect following the expiry or earlier termination of this Contract; and
    2. is subject to the restrictions that:
       1. each transferee or sub-licensee either:
          1. enters into a direct arrangement with the Supplier in the form set out in Annex 2; or
          2. enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*; and
       2. no sub-licence granted to the New IPR or Specially Written Software shall purport to provide the sub-licensee with any wider rights than those granted to the Buyer under this Paragraph.
  1. For the purposes of Paragraphs 22.1 and 22.3, the relevant purpose is:
     1. to allow the Buyer or any End User to receive and use the Deliverables.
  2. Where the legal status of the Buyer changes, such that it ceases to be a Crown Body:
     1. the New IPR and Specially Written Software Licence is unaffected; and
     2. any successor body of the Buyer that is a Crown Body shall have the benefit of the New IPR and Specially Written Software Licence.

1. Use of Supplier Existing IPRs and Third Party IPRs
   1. The Supplier must not:
      1. embed Supplier Existing IPRs or Third Party IPRs in a Deliverable;
      2. provide any Deliverable that requires Supplier Existing IPRs or Third Party IPRs to use that Deliverable its intended purpose; or
      3. provide any Deliverable that is a customisation or adaptation of those Supplier Existing IPRs or Third Party IPRs,

unless one or more of the following conditions apply:

* + 1. for any Supplier Existing IPRs or Third Party IPRs that are not COTS Software, the Buyer provides Approval after receiving full details of the Supplier Existing IPRs or Third Party IPRs and their relationship to the Deliverables;
    2. in the case of Supplier Existing IPRs or Third Party IPRs that are, in each case, COTS Software all the following conditions are met:
       1. the Supplier has provided the Buyer with the applicable terms for the Supplier Existing IPRs or Third Party IPRs that are, in each case, COTS Software (which must be at a price and on terms no less favourable than those standard commercial terms on which such software is usually made commercially available); and
       2. the Buyer has not (in its absolute discretion) rejected those licence terms within ten (10) Working Days of the date on which they were provided to the Buyer;
    3. in the case of Third Party IPRs that are not COTS Software, the Buyer provides approval under Paragraph 23.1.4 and one of the following conditions is met:
       1. the owner or an authorised licensor of the relevant Third Party IPR has granted a direct Third Party IPR Licence on the terms set out in Paragraph 22.3, as if:
          1. the term Third Party IPRs were substituted for the term Supplier Existing IPR; and
          2. the term “third party” were substituted for the term Supplier,

in each place they occur; or

* + - 1. if the Supplier cannot, after commercially reasonable endeavours, obtain for the Buyer a Third Party IPR licence as set out in Paragraph (a), all the following conditions are met:
         1. the Supplier has notified the Buyer in writing giving details of:

what licence terms can be obtained from the relevant third party; and

whether there are providers which the Supplier could seek to use and the licence terms obtainable from those third parties;

* + - * 1. the Buyer Approves the licence terms of one of those third parties; and
        2. the owner and authorised licensor of the Third Party IPR has granted a direct licence of the Third Party IPR to the Buyer on those terms.
  1. Where the Buyer has not rejected Supplier Existing IPRs or Third Party IPRs that are, in each case, COTS Software, the Supplier must notify the Buyer within five (5) Working Days of becoming aware that any of that COTS Software will in the next thirty-six (36) months no longer be:
     1. maintained or supported by the developer; or
     2. made commercially available.

1. Licences in respect of Supplier Existing IPR that is not COTS Software
   1. Subject to the Buyer approving the use of Supplier Existing IPR under Paragraph 23, the Supplier grants the Buyer a Supplier Existing IPR Licence on the terms set out in Paragraph 24.3 in respect of each Deliverable where:
      1. the Supplier Existing IPR that is not COTS Software is embedded in the Deliverable;
      2. the Supplier Existing IPR that is not COTS Software is necessary for the Buyer to use the Deliverable for any of the purposes set out in Paragraph 24.4; or
      3. the Deliverable is a customisation or adaptation of Supplier Existing IPR that is not COTS Software.
   2. The categories of Supplier Existing IPR that is not COTS Software set out in Paragraph 24.1 are mutually exclusive.
   3. The Supplier Existing IPR Licence granted by the Supplier to the Buyer is a non-exclusive, royalty-free, irrevocable, transferable, sub-licensable, worldwide licence that:
      1. in the case of Supplier Existing IPR that is not COTS Software embedded in a Deliverable:
         1. has no restriction on the identity of any transferee or sub-licensee;
         2. is sub-licensable for any of the purposes set out in Paragraph 24.4;
         3. allows the Buyer and any transferee or sub-licensee to use, copy and adapt the Supplier Existing IPR that is not COTS Software for any of the purposes set out in Paragraph 24.4; and
         4. is subject to the restriction that no sub-licence granted to the Supplier Existing IPR that is not COTS Software shall purport to provide the sub-licensee with any wider rights than those granted to the Buyer under this Paragraph;
      2. in the case of Supplier Exiting IPR that is not COTS Software that is necessary for the Buyer to use the Deliverable for its intended purpose or has been customised or adapted to provide the Deliverable:
         1. allows the Buyer and any transferee or sublicensee to use and copy, but not adapt, disassemble or reverse engineer the relevant Supplier Existing IPRs that is not COTS Software for any of the purposes set out in Paragraph 24.4;
         2. is transferrable to only:
            1. a Crown Body;
            2. any body (including any private sector body) that performs or carries out any of the functions or activities that the Buyer had previously performed or carried out; or
            3. a person or organisation that is not a direct competitor of the Supplier and that transferee either:

enters into a direct arrangement with the Supplier in the form set out in Annex 2; or

enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;

* + - 1. is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier) where the Replacement Supplier either:
         1. enters into a direct arrangement with the Supplier in the form set out in Annex 2; or
         2. enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;
      2. is subject to the restrictions that:
         1. no sub-licence granted to the Supplier Existing IPR that is not COTS Software shall purport to provide the sub-licensee with any wider rights than those granted to the Buyer under this Paragraph; and
         2. any sublicensee or transferee either:

enters into a direct arrangement with the Supplier in the form set out in Annex 2; or

enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*; and

* + - 1. expires at the later of:
         1. the end of this Contract Period; or
         2. the end of any Termination Assistance Period.
  1. For the purposes of Paragraphs 24.1 and 24.3, the relevant purposes are to allow the Buyer or any End User to receive and use the Deliverables.

1. Licences to COTS software
   1. The Supplier must provide the Buyer with licences to Supplier Existing IRP and Third Party IPR that is, in each case, COTS software at a price and on terms no less favourable than those standard commercial terms on which such software is usually made commercially available.
2. Licences granted by the Buyer
   1. Subject to Paragraph 27, the Buyer grants the Supplier a licence to the Buyer Existing IPR that:
      1. is non-exclusive, royalty-free and non-transferable;
      2. is sub-licensable to any Sub-contractor where
         1. the Sub-contractor enters into a confidentiality undertaking with the Supplier on the same terms as set out in Clause 19 *(What you must keep confidential)*; and
         2. the sub-licence does not purport to provide the sub-licensee with any wider rights than those granted to the Supplier under this Paragraph;
      3. allows the Supplier and any sub-licensee to use, copy and adapt any Buyer Existing IPR for the purpose of:
         1. fulfilling its obligations under this Contract; and
         2. commercially exploiting the New IPR and Specially Written Software; and
      4. unless otherwise agreed in accordance with Paragraph 27, terminates at the earlier of the End Date or date of termination of this Contract.
3. Buyer approval for Supplier to exploit Buyer Existing IPR
   1. Before using Buyer existing IPR for any purpose other than fulfilling its obligations under this Contract, the Supplier must seek the approval of the Buyer in accordance with the provisions of this Paragraph.
   2. The Buyer may terminate any licence it grants under this Paragraph by notice in writing with immediate effect where the Supplier breaches any condition in the licence.

***[Guidance: Where Option 5 is used, replace Paragraphs 27.3, 27.4 and 27.5 with the Paragraphs in Option 5.]***

* 1. The Supplier must provide a proposal setting out:
     1. the purpose for which it proposes to use the New IPR or Specially Written Software;
     2. the activities the Supplier proposes to undertake with or in respect of the New IPR or Specially Written Software;
     3. such further information as the Buyer may reasonably require to properly consider the proposal.
  2. The Buyer may only refuse the Buyer’s proposal where it considers that if the Supplier were to implement the proposal it would harm:
     1. the Buyer’s reputation; or
     2. the Buyer’s interests.
  3. Where the Buyer has not:
     1. approved or declined the proposal; or
     2. required further information,

within 20 Working Days of the later of:

* + 1. the date the proposal was first provided to the Buyer; or
    2. the date on which further information was provided to the Buyer,

then the proposal is, for the purposes of this Contract, approved.

1. Provision of information on New IPR and Specially Written Software
   1. The Buyer may, at any time, require the Supplier to provide information on:
      1. the purposes, other than for the purposes of this Contract, for which the Supplier uses New IPR and Specially Written Software; and
      2. the activities the Supplier undertakes, other than under this Contract, with or in respect of the New IPR and Specially Written Software.
   2. The Supplier must provide the information required by the Buyer:
      1. within 20 Working Days of the date of the requirement; and
      2. in the form and with the content specified by the Buyer.
2. Patents
   1. Where a patent owned by the Supplier is infringed by the use of the Specially Written Software or New IPR by the Buyer or any Replacement Supplier, the Supplier hereby grants to the Buyer and the Replacement Supplier a non-exclusive, irrevocable, royalty-free, worldwide patent licence to use the infringing methods, materials or software.

***[Guidance: For Option 4 - Supplier ownership of all Specially Written Software and New IPR with Buyer rights for the current contract and broader public sector functions, please include the following drafting:]***

Option 4

1. Intellectual Property Rights – General Provisions
   1. Each Party keeps ownership of its own Existing IPR.
   2. Where either Party acquires, by operation of law, ownership of Intellectual Property Rights that is inconsistent with the requirements of this 0 Schedule 6 (Intellectual Property Rights), it must assign in writing the Intellectual Property Rights concerned to the other Party on the other Party’s request (whenever made).
   3. Neither Party has the right to use the other Party’s IPR, including any use of the other Party’s names, logos or trademarks, except as expressly granted elsewhere under this Contract or otherwise agreed in writing.
   4. Except as expressly granted elsewhere under this Contract, neither Party acquires any right, title or interest in or to the IPR owned by the other Party or any third party.
   5. If the Supplier becomes aware at any time, including after the earlier of the End Date or date of termination, that, in respect of any Deliverable, the Buyer has not received the licences to Supplier Existing IPRs or Third Party IPRs required by Paragraphs 33 and 34, the Supplier must, within 10 Working Days notify the Buyer:
      1. the specific Intellectual Property Rights the Buyer has not received licences to; and
      2. the Deliverables affected.
   6. For the avoidance of doubt:
      1. except as provided for in Paragraphs 34.3.2(b)(iii)(A) or 33.1.6(b) and 33.1.4, the expiry or termination of this Contract does not of itself terminate the licences granted to the Buyer under Paragraphs 33 and 34;
      2. the award of this Contract or the ordering of any Deliverables does not constitute an authorisation by the Crown under:
         1. Sections 55 and 56 of the Patents Act 1977;
         2. section 12 of the Registered Designs Act 1949; or
         3. sections 240 to 243 of the Copyright, Designs and Patents Act 1988.
2. Ownership and delivery of IPR created under this Contract
   1. Any New IPR and Specially Written Software is owned by the Supplier, including:
      1. the Documentation, Source Code and the Object Code of the Specially Written Software and any software elements of the New IPR; and
      2. all build instructions, test instructions, test scripts, test data, operating instructions and other documents and tools necessary for maintaining and supporting the Specially Written Software and the New IPR,

(together, the Software Supporting Materials).

* 1. Unless otherwise agreed in writing, the Supplier and the Buyer will record any Specially Written Software and New IPR in the table at Annex 1 to this Schedule and keep this updated throughout the Contract Period.

1. Licence of New IPR and Specially Written Software
   1. the Supplier grants the Buyer a New IPR and Specially Written Software Licence on the terms set out in Paragraph 32.3 in respect of each Deliverable where:
      1. the New IPR or Specially Written Software is embedded in the Deliverable;
      2. the New IPR or Specially Written Software is necessary for the Buyer to use the Deliverable; or
      3. the New IPR or Specially Written Software us used to provide the Deliverable.
   2. The categories of New IPR or Specially Written Software set out in Paragraph 32.1 are mutually exclusive.
   3. The New IPR and Specially Written Software Licence granted by the Supplier to the Buyer is a , non-exclusive, royalty-free, irrevocable, transferable, sub-licensable, worldwide licence that:
      1. in the case of New IPR or Specially Written Software embedded in a Deliverable or is used to provide the Deliverable:
         1. is sub-licensable;
         2. has no restriction on the identity of any transferee or sub-licensee;
         3. allows the Buyer and any transferee or sub-licensee to use, copy and adapt the New IPR or Specially Written Software for any of the purposes set out in Paragraph 32.4;
      2. in the case of New IPR or Specially Written Software that is necessary for the Buyer to receive or use the Deliverable:
         1. allows the Buyer and any transferee or sublicensee to use and copy, but not adapt, disassemble or reverse engineer the relevant New IPR or Specially Written Software for any of the purposes set out in Paragraph 32.4;
         2. is transferrable to only:
            1. a Crown Body;
            2. any body (including any private sector body) that performs or carries out any of the functions or activities that the Buyer had previously performed or carried out; or
            3. a person or organisation that is not a direct competitor of the Supplier; and
         3. is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier) where the Replacement Supplier either:
            1. enters into a direct arrangement with the Supplier in the form set out in Annex 2; or
            2. enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;
      3. continues in effect following the expiry or earlier termination of this Contract; and
      4. is subject to the restrictions that:
         1. each transferee or sub-licensee either:
            1. enters into a direct arrangement with the Supplier in the form set out in Annex 2; or
            2. enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*; and
         2. no sub-licence granted to the New IPR or Specially Written Software shall purport to provide the sub-licensee with any wider rights than those granted to the Buyer under this Paragraph.
   4. For the purposes of Paragraphs 32.1 and 32.3, the relevant purposes are:
      1. to allow the Buyer or any End User to receive and use the Deliverables; and
      2. for any purpose relating to the exercise of the Buyer’s (or, if the Buyer is a Public Sector Body, any other Public Sector Body’s) business or function.
   5. Where the legal status of the Buyer changes, such that it ceases to be a Crown Body:
      1. the New IPR and Specially Written Software Licence is unaffected; and

any successor body of the Buyer that is a Crown Body shall have the benefit of the New IPR and Specially Written Software Licence.

1. Use of Supplier Existing IPRs and Third Party IPRs
   1. The Supplier must not:
      1. embed Supplier Existing IPRs or Third Party IPRs in a Deliverable;
      2. provide any Deliverable that requires Supplier Existing IPRs or Third Party IPRs to use that Deliverable its intended purpose; or
      3. provide any Deliverable that is a customisation or adaptation of those Supplier Existing IPRs or Third Party IPRs,

unless one or more of the following conditions apply:

* + 1. for any Supplier Existing IPRs or Third Party IPRs that are not COTS Software, the Buyer provides Approval after receiving full details of the Supplier Existing IPRs or Third Party IPRs and their relationship to the Deliverables;
    2. in the case of Supplier Existing IPRs or Third Party IPRs that are, in each case, COTS Software all the following conditions are met:
       1. the Supplier has provided the Buyer with the applicable terms for the Supplier Existing IPRs or Third Party IPRs that are, in each case, COTS Software (which must be at a price and on terms no less favourable than those standard commercial terms on which such software is usually made commercially available); and
       2. the Buyer has not (in its absolute discretion) rejected those licence terms within 10 Working Days of the date on which they were provided to the Buyer;
    3. in the case of Third Party IPRs that are not COTS Software, the Buyer provides approval under Paragraph 33.1.4 and one of the following conditions is met:
       1. the owner or an authorised licensor of the relevant Third Party IPR has granted a direct Third Party IPR Licence on the terms set out in Paragraph 32.3, as if:
          1. the term Third Party IPRs were substituted for the term Supplier Existing IPR; and
          2. the term “third party” were substituted for the term Supplier,

in each place they occur; or

* + - 1. if the Supplier cannot, after commercially reasonable endeavours, obtain for the Buyer a Third Party IPR licence as set out in Paragraph (a), all the following conditions are met:
         1. the Supplier has notified the Buyer in writing giving details of:

what licence terms can be obtained from the relevant third party; and

whether there are providers which the Supplier could seek to use and the licence terms obtainable from those third parties;

* + - * 1. the Buyer Approves the licence terms of one of those third parties; and
        2. the owner and authorised licensor of the Third Party IPR has granted a direct licence of the Third Party IPR to the Buyer on those terms.
  1. Where the Buyer has not rejected Supplier Existing IPRs or Third Party IPRs that are, in each case, COTS Software, the Supplier must notify the Buyer within five (5) Working Days of becoming aware that any of that COTS Software will in the next thirty-six (36) months no longer be:
     1. maintained or supported by the developer; or
     2. made commercially available.

1. Licences in respect of Supplier Existing IPR that is not COTS Software
   1. Subject to the Buyer approving the use of Supplier Existing IPR under Paragraph 33, the Supplier grants the Buyer a Supplier Existing IPR Licence on the terms set out in Paragraph 32.3 in respect of each Deliverable where:
      1. the Supplier Existing IPR that is not COTS Software is embedded in the Deliverable;
      2. the Supplier Existing IPR that is not COTS Software is necessary for the Buyer to use the Deliverable for any of the purposes set out in Paragraph 34.4; or
      3. the Deliverable is a customisation or adaptation of Supplier Existing IPR that is not COTS Software.
   2. The categories of Supplier Existing IPR that is not COTS Software set out in Paragraph 34.1 are mutually exclusive.
   3. The Supplier Existing IPR Licence granted by the Supplier to the Buyer is a non-exclusive, royalty-free, irrevocable, transferable, sub-licensable, worldwide licence that:
      1. in the case of Supplier Existing IPR that is not COTS Software embedded in a Deliverable:
         1. has no restriction on the identity of any transferee or sub-licensee;
         2. is sub-licensable for any of the purposes set out in Paragraph 34.4;
         3. allows the Buyer and any transferee or sub-licensee to use, copy and adapt the Supplier Existing IPR that is not COTS Software for any of the purposes set out in Paragraph 34.4; and
         4. is subject to the restriction that no sub-licence granted to the Supplier Existing IPR that is not COTS Software shall purport to provide the sub-licensee with any wider rights than those granted to the Buyer under this Paragraph;
      2. in the case of Supplier Exiting IPR that is not COTS Software that is necessary for the Buyer to use the Deliverable for its intended purpose or has been customised or adapted to provide the Deliverable:
         1. allows the Buyer and any transferee or sublicensee to use and copy, but not adapt, disassemble or reverse engineer the relevant Supplier Existing IPRs that is not COTS Software for any of the purposes set out in Paragraph 34.4;
         2. is transferrable to only:
            1. a Crown Body;
            2. any body (including any private sector body) that performs or carries out any of the functions or activities that the Buyer had previously performed or carried out; or
            3. a person or organisation that is not a direct competitor of the Supplier and that transferee either:

enters into a direct arrangement with the Supplier in the form set out in Annex 2; or

enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*;

* + - 1. is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier) where the Replacement Supplier either:
         1. enters into a direct arrangement with the Supplier in the form set out in Annex 2; or
         2. enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*; and
      2. is subject to the restrictions that:
         1. no sub-licence granted to the Supplier Existing IPR that is not COTS Software shall purport to provide the sub-licensee with any wider rights than those granted to the Buyer under this Paragraph; and
         2. any sublicensee or transferee either:

enters into a direct arrangement with the Supplier in the form set out in Annex 2; or

enters into a confidentiality arrangement with the Buyer in terms equivalent to those set out in set out in Clause 19 *(What you must keep confidential)*; and

* + - 1. expires at the later of:
         1. the end of the Contract Period; or
         2. the end of any Termination Assistance Period.
  1. For the purposes of Paragraphs 34.1 and 34.3, the relevant purposes are:
     1. to allow the Buyer or any End User to receive and use the Deliverables;
     2. for any purpose relating to the exercise of the Buyer’s (or, if the Buyer is a Public Sector Body, any other Public Sector Body’s) business or function.

1. Licences to COTS software
   1. The Supplier must provide the Buyer with licences to Supplier Existing IRP and Third Party IPR that is, in each case, COTS software at a price and on terms no less favourable than those standard commercial terms on which such software is usually made commercially available.
2. Licences granted by the Buyer
   1. Subject to Paragraph 37, the Buyer grants the Supplier a licence to the Buyer Existing IPR that:
      1. is non-exclusive, royalty-free and non-transferable;
      2. is sub-licensable to any Sub-contractor where
         1. the Sub-contractor enters into a confidentiality undertaking with the Supplier on the same terms as set out in Clause 19 *(What you must keep confidential)*; and
         2. the sub-licence does not purport to provide the sub-licensee with any wider rights than those granted to the Supplier under this Paragraph;
      3. allows the Supplier and any sub-licensee to use, copy and adapt any Buyer Existing IPR for the purpose of:
         1. fulfilling its obligations under this Contract; and
         2. commercially exploiting the New IPR and Specially Written Software; and
      4. unless otherwise agreed in accordance with Paragraph 37, terminates at the earlier of the End Date or date of termination of this Contract.
3. Buyer approval for Supplier to exploit Buyer Existing IPR
   1. Before using Buyer Existing IPR for any purpose other than fulfilling its obligations under this Contract, the Supplier must seek the approval of the Buyer in accordance with the provisions of this Paragraph.

***[Guidance: Where Option 5 is used, replace Paragraphs 27.3, 27.4 and 27.5 with the Paragraphs in Option 5.]***

* 1. The Supplier must provide a proposal setting out:
     1. the purpose for which it proposes to use the New IPR or Specially Written Software;
     2. the activities the Supplier proposes to undertake with or in respect of the New IPR or Specially Written Software;
     3. such further information as the Buyer may reasonably require to properly consider the proposal.
  2. The Buyer may only refuse the Buyer’s proposal where it considers that if the Supplier were to implement the proposal it would harm:
     1. the Buyer’s reputation; or
     2. the Buyer’s interests.
  3. Where the Buyer has not:
     1. approved or declined the proposal; or
     2. required further information,

within twenty (20) Working Days of the later of:

* + 1. the date the proposal was first provided to the Buyer; or
    2. the date on which further information was provided to the Buyer,

then the proposal is, for the purposes of this Contract, approved.

1. Provision of information on New IPR and Specially Written Software
   1. The Buyer may, at any time, require the Supplier to provide information on:
      1. the purposes, other than for the purposes of this Contract, for which the Supplier uses New IPR and Specially Written Software; and
      2. the activities the Supplier undertakes, other than under this Contract, with or in respect of the New IPR and Specially Written Software.
   2. The Supplier must provide the information required by the Buyer:
      1. within twenty (20) Working Days of the date of the requirement; and
      2. in the form and with the content specified by the Buyer.
2. Patents
   1. Where a patent owned by the Supplier is infringed by the use of the Specially Written Software or New IPR by the Buyer or any Replacement Supplier, the Supplier hereby grants to the Buyer and the Replacement Supplier a non-exclusive, irrevocable, royalty-free, worldwide patent licence to use the infringing methods, materials or software.
   2. [Guidance: For Option 5 - Supplier rights to all New IPR and Specially Written Software with royalties, please use the appropriate drafting taken from either Options 2, 3 or Option 4, tailored as appropriate, and include the following additional drafting]:

Option 5

1. Royalties

## The Supplier must provide a detailed proposal setting out:

* + 1. the purpose for which it proposes to use the New IPR, the Specially Written Software and the Buyer Existing IPR;
    2. the activities the Supplier proposes to undertake with or in respect of the New IPR, the Specially Written Software and the Buyer Existing IPR;
    3. its proposed business plan, including:
       1. the goods, services or software to be offered by the Supplier that use or incorporate the New IPR, the Specially Written Software and the Buyer Existing IPR;
       2. the relationship between the New IPR, the Specially Written Software and the Buyer Existing IPR, and any Supplier Existing IPR or Third Party IPR to be incorporated into, or used to provide, those goods, services or software;
       3. the target markets for those goods, services or software;
       4. the estimated level of orders;
       5. its marketing strategy;
       6. details of the estimated costs, prices, revenues and profits;
       7. the proposed financial benefit to the Buyer;
    4. the impact of the proposal on the Services the Supplier provides under this Contract;
    5. an analysis of the likely terms, including financial terms, on which the Supplier would be able to obtain access to intellectual property equivalent to the New IPR or the Specially Written Software were it to enter into an arm’s length commercial relationship with a third-party;
    6. the terms on which the Supplier proposes to licence the Buyer Existing IPR from the Buyer;
    7. any proposed Variations to this Contract; and
    8. any additional agreement the Supplier proposes that it and the Buyer enter into;
    9. any other information the Buyer requires to properly assess the Supplier’s proposed; and
    10. any other information required by the Buyer.
  1. Where the proposed financial benefit to the Buyer under Paragraph 40.1.3(g) is, in whole or part, a reduction in the Charges under this Contract, the Supplier must set out how it proposes to apply the revenues and profits received to the Charges payable by the Buyer and other End Users.
  2. Where the Supplier’s proposal provides for the development of new goods, services or software and those goods, services or software are subsequently purchased by the Buyer (by whatever means), the terms of that purchase must:
     1. provide for the licencing of the New IPR or Specially Written Software to the Buyer on the same terms as in this Contract; and
     2. include a price that reflects the Charges.
  3. The Supplier acknowledges that:
     1. the Buyer may refuse, or require changes to, the Supplier’s proposal in its sole discretion and for any reason; and
     2. in considering the Supplier’s proposal, the Buyer must comply with Law relating to:
        1. public procurement; and
        2. subsidy control.
  4. Where the Buyer agrees to the Supplier’s proposal, with or without changes, that proposal will not have effect until both Parties have executed:
     1. any additional agreement to give effect to the proposal;
     2. any consequential Variation to this Contract.
  5. Any agreement between the Buyer and the Supplier entered into under Paragraph 40.5 must include provisions to the following effect:
     1. the calculation of royalties is based on the following formula:

R = NSV x RR x P

where:

R is the royalty payable on an individual item subject to the agreement;

NSV is the net sales value of the item, that is the price for which the Supplier sold the item to a third party after the deduction of normal trade discounts and excluding VAT or any other tax or duty based directly on the price of the item and payable by the purchaser;

RR is **[insert**the royalty payable on the item, expressed as a percentage]; and

P is the proportion that the New IPR or Specially Written Software bears to the whole of the item, expressed as a percentage, subject to the following:

* + - 1. the proportion that the New IPR or Specially Written Software bears to the item as a whole is an estimation of the effort required to develop the New IPR or Specially Written Software compared to the item as a whole;
      2. P is 100% where, either:
         1. where the proportion of the New IPR or Specially Written Software to the item as a whole is 80% or greater; or
         2. it would not be practicable to create or produce the item without the New IPR or Specially Written Software.
    1. all royalties are paid quarterly on the basis of the total sales of the item in that quarter;
    2. each payment of royalties must be accompanied by a detailed statement showing:
       1. the number of items sold in that quarter;
       2. their net sales value; and
       3. the royalties due to the Buyer;
    3. the Supplier must keep true and accurate records and books of account containing all information and data necessary for the calculation of royalties, including, for the avoidance of doubt, the calculation of the net sales value and the estimation of P in the formula in Paragraph 40.6.1;
    4. the Supplier must make such books and records available for inspection by the Buyer, or the Buyer’s representative, whether physically or virtually at any reasonable time specified by the Buyer.

1. ***[Guidance: If using Option 2, please delete the following drafting, as the Supplier does not own the New IPR or Specially Written Software under that option]:***
2. Clawback
   1. If, within three years of its creation, the Supplier:
      1. is not commercially exploiting any New IPR or Specially Written Software;
      2. where the Supplier is not commercially exploiting any New IPR or Specially Written Software, is not, to the satisfaction of the Buyer, using its best endeavours to do so,

then, on written request from the Buyer:

* + - 1. the Supplier must promptly assign to the Buyer the New IPR, Specially Written Software or any specified New IPR Items or part of the New IPR or Specially Written Software; and
      2. the licence to Buyer Existing IPR granted under Paragraph 26.1.3(b) terminates either:
         1. on the date specified in the notice; or
         2. where no date is specified in the notice, on the date the notice is received by the Supplier.
  1. Each Party shall bear its own costs of preparing and executing any such assignment.

**ANNEX** **1: NEW IPR AND SPECIALLY WRITTEN SOFTWARE**

|  |  |
| --- | --- |
| **Name of New IPR** | **Details** |
|  |  |
|  |  |

|  |  |
| --- | --- |
| **Name of Specially Written Software** | **Details** |
|  |  |
|  |  |

***[Guidance: The Buyer should make clear to Suppliers that the New IPR and Specially Written Software which must be recorded in this Annex does not include all forms of IPR which may be created by the Supplier and the Supplier Staff during the completion of their obligations under this Contract. This may need to be updated throughout the life of this Contract. Only New IPR and Specially Written Software which is part of the Deliverables, or is necessary for the use of the Deliverables by the Buyer, or as part of the Buyer’s ownership of IPR (depending on which option in this Schedule is chosen) will need to be recorded here. IPR such as email communications or documents which do not form part of the Deliverables need not be recorded in this Annex.]***

**ANNEX** **2: FORM OF CONFIDENTIALITY UNDERTAKING**

CONFIDENTIALITY AGREEMENT

THIS AGREEMENT is made on [date] 20

BETWEEN:

1. [insert name] of **[insert** address] (the “Sub-licensee”); and
2. [insert name]of **[insert** address] (the “Supplier” and together with the Supplier, the “Parties”).

WHEREAS:

(A) [**insert** name of Buyer] (the “Buyer”) and the Supplier are party to a contract dated [**insert** date] (the “Contract”) for the provision by the Supplier of [**insert** brief description of services] to the Buyer.

(B) The Buyer wishes to grant a sub-licence to the Sub-licensee in respect of certain software and intellectual property rights licensed to the Buyer pursuant to this Contract (the “Sub-licence”).

(C) It is a requirement of this Contract that, before the Buyer grants such sub-licence to the Sub-licensee, the Sub-licensee execute a confidentiality agreement in favour of the Supplier in or substantially in the form of this Agreement to protect the Confidential Information of the Buyer.

IT IS AGREED as follows:

1. Interpretation
   1. In this Agreement, unless the context otherwise requires:

|  |  |
| --- | --- |
| **“Confidential Information”** | means:   * + 1. Information, including all personal data within the meaning of the Data Protection Act 2018, and however it is conveyed, provided by the Buyer to the Sub-licensee pursuant to or in connection with the Sub-licence that relates to:        1. the Supplier; or        2. the operations, business, affairs, developments, intellectual property rights, trade secrets, know-how and/or personnel of the Supplier;     2. the source code and the object code of the software sub-licensed to the Sub-licensee pursuant to the Sub-licence together with build information, relevant design and development information, technical specifications of all functionality including those not included in standard manuals (such as those that modify system performance and access levels), configuration details, test scripts, user manuals, operating manuals, process definitions and procedures, and all such other documentation supplied by the Supplier to the Buyer pursuant to or in connection with the Sub-licence;     3. other Information provided by the Buyer pursuant to this Agreement to the Sub-licensee that is clearly designated as being confidential or equivalent or that ought reasonably to be considered to be confidential which comes (or has come) to the Sub-licensee’s attention or into the Sub-licensee’s possession in connection with the Sub-licence; and     4. Information derived from any of the above,   but not including any Information that:   * + 1. was in the possession of the Sub-licensee without obligation of confidentiality prior to its disclosure by the Buyer;     2. was already generally available and in the public domain at the time of disclosure otherwise than by a breach of this Agreement or breach of a duty of confidentiality; or     3. was independently developed without access to the Information; |
| **“Information”** | means all information of whatever nature, however conveyed and in whatever form, including in writing, orally, by demonstration, electronically and in a tangible, visual or machine-readable medium (including CD-ROM, magnetic and digital form); and |
| **“Sub-licence”** | has the meaning given to that expression in recital (B) to this Agreement. |

* 1. In this Agreement:
     1. a reference to any gender includes a reference to other genders;
     2. the singular includes the plural and vice versa;
     3. the words “include” and cognate expressions shall be construed as if they were immediately followed by the words “without limitation”;
     4. references to any statutory provision include a reference to that provision as modified, replaced, amended and/or re-enacted from time to time (before or after the date of this Agreement) and any prior or subsequent subordinate legislation made under it;
     5. headings are included for ease of reference only and shall not affect the interpretation or construction of this Agreement; and
     6. references to Clauses are to clauses of this Agreement.

1. Confidentiality Obligations
   1. In consideration of the Buyer entering into the Sub-licence, the Sub-licensee shall:
      1. treat all Confidential Information as secret and confidential;
      2. have in place and maintain proper security measures and procedures to protect the confidentiality of the Confidential Information (having regard to its form and nature);
      3. not disclose or permit the disclosure of any of the Confidential Information to any other person without obtaining the prior written consent of the Supplier or except as expressly set out in this Agreement;
      4. not transfer any of the Confidential Information outside the United Kingdom;
      5. not use or exploit any of the Confidential Information for any purpose whatsoever other than as permitted under the Sub-licence;
      6. immediately notify the Supplier in writing if it suspects or becomes aware of any unauthorised access, copying, use or disclosure in any form of any of the Confidential Information; and
      7. upon the expiry or termination of the Sub-licence:
         1. destroy or return to the Supplier all documents and other tangible materials that contain any of the Confidential Information;
         2. ensure, so far as reasonably practicable, that all Confidential Information held in electronic, digital or other machine-readable form ceases to be readily accessible (other than by the information technology staff of the Sub-licensee) from any computer, word processor, voicemail system or any other device; and
         3. make no further use of any Confidential Information.
2. Permitted Disclosures
   1. The Sub-licensee may disclose Confidential Information to those of its directors, officers, employees, consultants and professional advisers who:
      1. reasonably need to receive the Confidential Information in connection with the Sub-licence; and
      2. have been informed by the Sub-licensee of the confidential nature of the Confidential Information; and
      3. have agreed to terms similar to those in this Agreement.
   2. The Sub-licensee shall be entitled to disclose Confidential Information to the extent that it is required to do so by applicable law or by order of a court or other public body that has jurisdiction over the Sub-licensee.
   3. Before making a disclosure pursuant to Clause 3.2, the Sub-licensee shall, if the circumstances permit:
      1. notify the Supplier in writing of the proposed disclosure as soon as possible (and if possible before the court or other public body orders the disclosure of the Confidential Information); and
      2. ask the court or other public body to treat the Confidential Information as confidential.
3. General
   1. The Sub-licensee acknowledges and agrees that all property, including intellectual property rights, in Confidential Information disclosed to it by the Supplier shall remain with and be vested in the Supplier.
   2. This Agreement does not include, expressly or by implication, any representations, warranties or other obligations:
      1. to grant the Sub-licensee any licence or rights other than as may be expressly stated in the Sub-licence;
      2. to require the Supplier to disclose, continue disclosing or update any Confidential Information; or
      3. as to the accuracy, efficacy, completeness, capabilities, safety or any other qualities whatsoever of any Information or materials provided pursuant to or in anticipation of the Sub-licence.
   3. The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers or remedies provided by law. No failure or delay by either Party to exercise any right, power or remedy will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same, or of some other right, power or remedy.
   4. Without prejudice to any other rights or remedies that the Supplier may have, the Sub-licensee acknowledges and agrees that damages alone may not be an adequate remedy for any breach by the Sub-licensee of any of the provisions of this Agreement. Accordingly, the Sub-licensee acknowledges that the Supplier shall be entitled to the remedies of injunction and specific performance as well as any other equitable relief for any threatened or actual breach of this Agreement and/or breach of confidence and that no proof of special damages shall be necessary for the enforcement of such remedies.
   5. The maximum liability of the Sub-licensee to the Supplier for any breach of this Agreement shall be limited to ten million pounds (£10,000,000).
   6. For the purposes of the Contracts (Rights of Third Parties) Act 1999 no one other than the Parties has the right to enforce the terms of this Agreement.
   7. Each Party shall be responsible for all costs incurred by it or on its behalf in connection with this Agreement.
   8. This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.
4. Notices
   1. Any notice to be given under this Agreement (each a “Notice”) shall be given in writing and shall be delivered by hand and shall be deemed to have been duly given at the time of delivery provided that such Notice is sent to the relevant physical address, and expressly marked for the attention of the relevant individual, set out in Clause 5.2.
   2. Any Notice:
      1. if to be given to the Supplier shall be sent to:

[Address]

Attention: [Contact name and/or position, e.g. “The Finance Director”]

* + 1. if to be given to the Sub-licensee shall be sent to:

[Name of Organisation]

[Address]

Attention: [ ]

1. Governing law
   1. This Agreement shall be governed by, and construed in accordance with, English law and any matter claim or dispute arising out of or in connection with this Agreement whether contractual or non-contractual, shall be governed by and determined in accordance with English law.
   2. Each Party hereby irrevocably submits to the exclusive jurisdiction of the English courts in respect of any claim or dispute arising out of or in connection with this Agreement.

IN WITNESS of the above this Agreement has been signed by the duly authorised representatives of the Parties on the date which appears at the head of page 1.

For and on behalf of [name of Supplier]

|  |  |
| --- | --- |
| Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Date: |
| Name: | Position: |

For and on behalf of [name of Sub-licensee]

|  |  |
| --- | --- |
| Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Date: |
| Name: | Position: |