1. (Intellectual Property Rights)

[Part A: Intellectual Property Rights (no ICT Services) 1](#_Toc141429150)

[Option 1 1](#_Toc141429151)

[1. General Provisions and Ownership of IPR 1](#_Toc141429152)

[2. Licences in respect of Supplier Existing IPR 2](#_Toc141429153)

[3. Licences granted by the Buyer 4](#_Toc141429154)

[4. Licences in respect of Third-party IPR 5](#_Toc141429155)

[5. Open Licence Publication 6](#_Toc141429156)

[6. Patents 7](#_Toc141429157)

[Option 2 8](#_Toc141429158)

[11. General Provisions and Ownership of IPR 8](#_Toc141429159)

[12. Licences in respect of Supplier Existing IPR 9](#_Toc141429160)

[13. Licences granted by the Buyer 11](#_Toc141429161)

[14. Buyer approval for Supplier to exploit New IPR and Buyer Existing IPR 12](#_Toc141429162)

[15. Provision of information on New IPR 13](#_Toc141429166)

[16. Licences in respect of Third-party IPR 13](#_Toc141429167)

[17. Patents 14](#_Toc141429168)

[Option 3 15](#_Toc141429169)

[21. General Provisions and Ownership of IPR 15](#_Toc141429170)

[22. Licences in respect of New IPR and Supplier Existing IPR 16](#_Toc141429171)

[23. Buyer approval for Supplier to exploit Buyer Existing IPR 18](#_Toc141429172)

[24. Licences granted by the Buyer 19](#_Toc141429176)

[25. Provision of information on New IPR 20](#_Toc141429177)

[26. Licences in respect of Third-party IPR 20](#_Toc141429178)

[27. Patents 21](#_Toc141429179)

[Option 4 22](#_Toc141429180)

[31. General Provisions and Ownership of IPR 22](#_Toc141429181)

[32. Licences in respect of New IPR and Supplier Existing IPR 23](#_Toc141429182)

[33. Buyer approval for Supplier to exploit Buyer Existing IPR 25](#_Toc141429183)

[34. Licences granted by the Buyer 26](#_Toc141429187)

[35. Provision of information on New IPR 27](#_Toc141429188)

[36. Licences in respect of Third-party IPR 27](#_Toc141429199)

[37. Patents 28](#_Toc141429200)

[Option 5 29](#_Toc141429201)

[41. Royalties 29](#_Toc141429202)

[42. Clawback 32](#_Toc141429203)

[Part B: Intellectual Property Rights (ICT Services) 33](#_Toc141429204)

[Option 1 35](#_Toc141429205)

[1. Intellectual Property Rights – General Provisions 35](#_Toc141429206)

[2. Ownership and delivery of IPR created under this Contract 36](#_Toc141429207)

[3. Use of Supplier Existing IPRs and Third Party IPRs 37](#_Toc141429208)

[4. Licences in respect of Supplier Existing IPR that is not COTS Software 38](#_Toc141429209)

[5. Licences granted by the Buyer 40](#_Toc141429210)

[6. Open Licence Publication 41](#_Toc141429211)

[7. Patents 43](#_Toc141429212)

[Option 2 44](#_Toc141429213)

[10. Intellectual Property Rights – General Provisions 44](#_Toc141429214)

[11. Ownership and delivery of IPR created under this Contract 45](#_Toc141429215)

[12. Use of Supplier Existing IPRs and Third Party IPRs 46](#_Toc141429216)

[13. Licences in respect of Supplier Existing IPR that is not COTS Software 47](#_Toc141429217)

[14. Licences granted by the Buyer 49](#_Toc141429218)

[15. Buyer approval for Supplier to exploit New IPR 51](#_Toc141429219)

[16. Provision of information on New IPR 53](#_Toc141429220)

[17. Patents 53](#_Toc141429221)

[Option 3 54](#_Toc141429222)

[20. Intellectual Property Rights – General Provisions 54](#_Toc141429223)

[21. Ownership and delivery of IPR created under this Contract 55](#_Toc141429224)

[22. Licence of New IPR and Specially Written Software 55](#_Toc141429225)

[23. Use of Supplier Existing IPRs and Third Party IPRs 57](#_Toc141429226)

[24. Licences in respect of Supplier Existing IPR that is not COTS Software 59](#_Toc141429227)

[25. Licences to COTS software 61](#_Toc141429228)

[26. Licences granted by the Buyer 61](#_Toc141429229)

[27. Buyer approval for Supplier to exploit Buyer Existing IPR 62](#_Toc141429230)

[28. Provision of information on New IPR 62](#_Toc141429234)

[29. Patents 63](#_Toc141429245)

[Option 4 64](#_Toc141429246)

[30. Intellectual Property Rights – General Provisions 64](#_Toc141429247)

[31. Ownership and delivery of IPR created under this Contract 65](#_Toc141429248)

[32. Licence of New IPR and Specially Written Software 65](#_Toc141429249)

[33. Use of Supplier Existing IPRs and Third Party IPRs 67](#_Toc141429250)

[34. Licences in respect of Supplier Existing IPR that is not COTS Software 69](#_Toc141429251)

[35. Licences to COTS software 71](#_Toc141429252)

[36. Licences granted by the Buyer 71](#_Toc141429253)

[37. Buyer approval for Supplier to exploit Buyer Existing IPR 72](#_Toc141429254)

[38. Provision of information on New IPR 72](#_Toc141429258)

[39. Patents 73](#_Toc141429269)

[Option 5 74](#_Toc141429270)

[40. Royalties 74](#_Toc141429271)

[41. Clawback 77](#_Toc141429272)

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

Option 1 – Not Used

# ~~General Provisions and Ownership of IPR~~

## ~~Any New IPR created under this Contract is owned by the Buyer.~~

## ~~Each Party keeps ownership of its own Existing IPR.~~

## ~~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).~~

## ~~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.~~

## ~~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.~~

## ~~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.~~

## ~~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:~~

### ~~the specific Intellectual Property Rights the Buyer has not received licences to; and~~

### ~~the Deliverables affected.~~

## ~~For the avoidance of doubt:~~

### ~~except as provided for in Paragraphs 2.3.2.2(c)(1) or 4.1.2.2 and 4.1.2.3, the expiry or termination of this Contract does not of itself terminate the licences granted to the Buyer under Paragraphs 2 and 4;~~

### ~~the award of this Contract or the ordering of any Deliverables does not constitute an authorisation by the Crown under:~~

#### ~~sections 55 and 56 of the Patents Act 1977;~~

#### ~~section 12 of the Registered Designs Act 1949; or~~

#### ~~sections 240 to 243 of the Copyright, Designs and Patents Act 1988.~~

# ~~Licences in respect of Supplier Existing IPR~~

## ~~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:~~

### ~~the Supplier Existing IPR is embedded in the Deliverable;~~

### ~~the Supplier Existing IPR is necessary for the Buyer to use the Deliverable for its intended purpose; or~~

### ~~the Deliverable is a customisation or adaptation of Supplier Existing IPR.~~

## ~~The categories of Supplier Existing IPR described in Paragraph 2.1 are mutually exclusive.~~

## ~~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:~~

### ~~in the case of Supplier Existing IPR embedded in a Deliverable:~~

#### ~~has no restriction on the identity of any transferee or sub-licensee;~~

#### ~~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~~

#### ~~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;~~

### ~~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:~~

#### ~~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;~~

#### ~~is transferrable to only:~~

##### ~~a Crown Body;~~

##### ~~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~~

##### ~~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);~~

#### ~~is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier) where the Replacement Supplier 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~~

#### ~~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.~~

## ~~For the purposes of Paragraph 2.3, the relevant purposes are:~~

### ~~to allow the Buyer or any End User to receive and use the Deliverables;~~

### ~~to allow the Buyer to commercially exploit (including by publication under Open Licence) the New IPR and New IPR Items; and~~

### ~~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.~~

# ~~Licences granted by the Buyer~~

## ~~The Buyer grants the Supplier a licence to the New IPR and Buyer Existing IPR that:~~

### ~~is non-exclusive, royalty-free and non-transferable;~~

### ~~is sub-licensable to any Sub-contractor where:~~

#### ~~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~~

#### ~~the sub-licence does not purport to provide the sub-licensee with any wider rights than those granted to the Supplier under this Paragraph;~~

### ~~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~~

### ~~terminates at the end of the Contract Period or the end of any Termination Assistance Period, whichever is the later.~~

## ~~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:~~

### ~~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);~~

### ~~either:~~

#### ~~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~~

#### ~~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~~

### ~~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.~~

# ~~Licences in respect of Third-party IPR~~

## ~~The Supplier shall not use in the delivery of the Deliverables any Third Party IPR unless:~~

### ~~Approval is granted by the Buyer; and~~

### ~~one of the following conditions is met:~~

#### ~~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 4.2;~~

#### ~~if the Supplier cannot, after commercially reasonable endeavours, obtain for the Buyer a Third Party IPR licence as set out in Paragraph 4.1.2.1, all the following conditions are met:~~

##### ~~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;~~

##### ~~the Buyer has agreed to accept the licence terms of one of those third parties; and~~

##### ~~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~~

#### ~~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.~~

## ~~The Third Party IPR licence referred to in Paragraph 4.1 is the licence set out in Paragraph 2.3 as if:~~

### ~~the term Third Party IPR were substituted for the term Supplier Existing IPR; and~~

### ~~the term third party were substituted for the term Supplier,~~

~~in each place they occur.~~

# Open Licence Publication

## ~~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.~~

## ~~The Supplier warrants that:~~

### ~~the New IPR Items are suitable for release under Open Licence;~~

### ~~in developing the New IPR is has used reasonable endeavours to ensure that:~~

#### ~~the publication by the Buyer will not:~~

##### ~~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;~~

##### ~~cause any harm or damage to any party using them; or~~

##### ~~breach the rights of any third party;~~

#### ~~they do not contain any material which would bring the Buyer into disrepute if published.~~

## ~~The Supplier must not include in the New IPR provided for publication by Open Licence any Supplier Existing IPRs unless the Supplier consents to:~~

### ~~their publication by the Buyer under Open Licence; and~~

### ~~their subsequent licence and treatment as Open Licence under the terms of the licence chosen by the Buyer.~~

## ~~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~~**~~).~~

## ~~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:~~

### ~~the New IPR Items; or~~

### ~~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,~~

* 1. ~~from Open Licence publication.~~

## ~~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.~~

## ~~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.~~

# ~~Patents~~

## ~~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 2 – Not Used

# ~~General Provisions and Ownership of IPR~~

## ~~Any New IPR created under this Contract is owned by the Buyer.~~

## ~~Each Party keeps ownership of its own Existing IPR.~~

## ~~Where either Party acquires, by operation of law, ownership of Intellectual Property Rights that is inconsistent with Paragraphs 11.1 and 11.2, it must assign in writing the Intellectual Property Rights concerned to the other Party on the other Party’s request (whenever made).~~

## ~~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.~~

## ~~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.~~

## ~~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.~~

## ~~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 12 and 16, the Supplier must, within 10 Working Days notify the Buyer:~~

### ~~the specific Intellectual Property Rights the Buyer has not received licences to; and~~

### ~~the Deliverables affected.~~

## ~~For the avoidance of doubt:~~

### ~~except as provided for in Paragraphs 12.3.2.2(c)(1) or 16.1.2.2 and 16.1.2.3, the expiry or termination of this Contract does not of itself terminate the licences granted to the Buyer under Paragraphs 12 and 16;~~

### ~~the award of this Contract or the ordering of any Deliverables does not constitute an authorisation by the Crown under:~~

#### ~~Sections 55 and 56 of the Patents Act 1977;~~

#### ~~section 12 of the Registered Designs Act 1949; or~~

#### ~~sections 240 to 243 of the Copyright, Designs and Patents Act 1988.~~

# ~~Licences in respect of Supplier Existing IPR~~

## ~~The Supplier grants the Buyer a Supplier Existing IPR Licence on the terms set out in Paragraph 12.3 in respect of each Deliverable where:~~

### ~~the Supplier Existing IPR is embedded in the Deliverable;~~

### ~~the Supplier Existing IPR is necessary for the Buyer to use the Deliverable for any of the purposes set out in Paragraph 12.4; or~~

### ~~the Deliverable is a customisation or adaptation of Supplier Existing IPR.~~

## ~~The categories of Supplier Existing IPR described in Paragraph 12.1 are mutually exclusive.~~

## ~~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:~~

### ~~in the case of Supplier Existing IPR embedded in a Deliverable:~~

#### ~~has no restriction on the identity of any transferee or sub-licensee;~~

#### ~~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 12.4; and~~

#### ~~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;~~

### ~~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:~~

#### ~~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 12.4;~~

#### ~~is transferrable to only:~~

##### ~~a Crown Body;~~

##### ~~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~~

##### ~~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);~~

#### ~~is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier) where the Replacement Supplier 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~~

#### ~~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.~~

## ~~For the purposes of Paragraph 12.3, the relevant purposes are:~~

### ~~to allow the Buyer or any End User to receive and use the Deliverables;~~

### ~~to allow the Buyer to commercially exploit the New IPR and New IPR Items; and~~

### ~~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.~~

# ~~Licences granted by the Buyer~~

## ~~The Buyer grants the Supplier a licence to the New IPR and Buyer Existing IPR that either:~~

### ~~where terms are agreed by the Buyer and Supplier under Paragraph 14, is on those terms; or~~

### ~~where terms are not agreed by the Buyer and Supplier under Paragraph 14:~~

#### ~~is non-exclusive, royalty-free and non-transferable;~~

#### ~~is sub-licensable to any Sub-contractor where:~~

##### ~~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~~

##### ~~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~~

#### ~~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~~

#### ~~terminates at the end of the Contract Period or the end of any Termination Assistance Period, whichever is the later.~~

## ~~When the licence granted under Paragraph 13.1 terminates, the Supplier must, and must ensure that each Sub-contractor granted a sub-licence under Paragraph 13.1.2:~~

### ~~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);~~

### ~~either:~~

#### ~~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~~

#### ~~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~~

### ~~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.~~

# ~~Buyer approval for Supplier to exploit New IPR and Buyer Existing IPR~~

## ~~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.~~

## ~~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.~~

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

### ~~the purpose for which it proposes to use the New IPR;~~

### ~~the activities the Supplier proposes to undertake with or in respect of the New IPR;~~

### ~~any licence the Supplier requests in respect of Buyer Existing IPR; and~~

### ~~such further information as the Buyer may reasonably require to properly consider the proposal.~~

## ~~The Buyer may only refuse the Supplier’s proposal where it considers that if the Supplier were to implement the proposal it would harm:~~

### ~~the Buyer’s reputation; or~~

### ~~the Buyer’s interests.~~

## ~~Where the Buyer has not:~~

### ~~approved or declined proposal; or~~

### ~~required further information,~~

~~within 20 Working Days of the later of:~~

### ~~the date the proposal was first provided to the Buyer; or~~

### ~~the date on which further information was provided to the Buyer,~~

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

# ~~Provision of information on New IPR~~

## ~~The Buyer may, at any time, require the Supplier to provide information on:~~

### ~~the purposes, other than for the purposes of this Contract, for which the Supplier uses New IPR; and~~

### ~~the activities the Supplier undertakes, other than under this Contract, with or in respect of the New IPR.~~

## ~~The Supplier must provide the information required by the Buyer:~~

### ~~within twenty (20) Working Days of the date of the requirement; and~~

### ~~in the form and with the content specified by the Buyer.~~

# ~~Licences in respect of Third-party IPR~~

## ~~The Supplier shall not use in the delivery of the Deliverables any Third Party IPR unless:~~

### ~~Approval is granted by the Buyer; and~~

### ~~one of the following conditions is met:~~

#### ~~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 16.2;~~

#### ~~if the Supplier cannot, after commercially reasonable endeavours, obtain for the Buyer a Third Party IPR licence as set out in Paragraph 16.1.2.1, all the following conditions are met:~~

##### ~~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;~~

##### ~~the Buyer has agreed to accept the licence terms of one of those third parties; and~~

##### ~~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~~

#### ~~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.~~

## ~~The Third Party IPR licence referred to in Paragraph 16.1 is the licence set out in Paragraph 12.3 as if:~~

### ~~the term Third Party IPR were substituted for the term Supplier Existing IPR; and~~

### ~~the term third party were substituted for the term Supplier,~~

~~in each place they occur.~~

# ~~Patents~~

## ~~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

# General Provisions and Ownership of IPR

## Any New IPR created under this Contract is owned by the Supplier.

## Each Party keeps ownership of its own Existing IPR.

## 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).

## 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.

## 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.

## 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.

## 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:

### the specific Intellectual Property Rights the Buyer has not received licences to; and

### the Deliverables affected.

## For the avoidance of doubt:

### except as provided for in Paragraphs 22.2.2.2(c)(1) or 26.1.2.2 and 26.1.2.3, the expiry or termination of this Contract does not of itself terminate the licences granted to the Buyer under Paragraphs 22 and 26;

### the award of this Contract or the ordering of any Deliverables does not constitute an authorisation by the Crown under:

#### Sections 55 and 56 of the Patents Act 1977;

#### section 12 of the Registered Designs Act 1949; or

#### sections 240 to 243 of the Copyright, Designs and Patents Act 1988.

# Licences in respect of New IPR and Supplier Existing IPR

## The Supplier grants the Buyer a Supplier New and Existing IPR Licence on the terms set out in Paragraph 22.2.

## 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:

### in the case of New IPR and Supplier Existing IPR embedded in a Deliverable:

#### allows the Buyer, any transferee or any sublicensee to use, copy and adapt, the New IPR and Supplier Existing IPR;

#### has no restriction on the identity of any transferee or sublicensee;

### in the case of New IPR and Supplier Existing IPR is necessary for the Buyer or any End User to use the Deliverable and:

#### 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;

#### is transferrable to only:

##### a Crown Body;

##### 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

##### 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);

#### is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier), where the Replacement Supplier:

##### 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);

### in the case of New IPR that is used to provide the Deliverable:

#### 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;

#### has no restriction on the identity of any transferee or sublicensee.

### in the case of Supplier Existing IPR where the Deliverable is a is a customisation or adaptation of Supplier Existing IPR:

#### 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;

#### is transferrable to only:

##### a Crown Body;

##### 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

##### 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);

#### is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier), where the Replacement Supplier:

##### 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).

## 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.

## Where the legal status of the Buyer changes, such that it ceases to be a Crown Body:

### the Supplier New and Existing IPR Licence is unaffected; and

### any successor body of the Buyer that is a Crown Body shall have the benefit of the Supplier New and Existing IPR Licence.

## The termination or expiry of this Contract does not terminate the Supplier New and Existing IPR Licence.

# Buyer approval for Supplier to exploit Buyer Existing IPR

## 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.

## 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.

## The Supplier must provide a proposal setting out:

### the purpose for which it proposes to use the Buyer Existing IPR;

### the activities the Supplier proposes to undertake with or in respect of the Buyer Existing IPR;

### any licence the Supplier requests in respect of Buyer Existing IPR; and

### such further information as the Buyer may reasonably require to properly consider the proposal.

## The Buyer may only refuse the Supplier’s proposal where it considers that if the Supplier were to implement the proposal it would harm:

### the Buyer’s reputation; or

### the Buyer’s interests.

## Where the Buyer has not:

### approved or declined the proposal; or

### required further information,

* 1. within 20 Working Days of the later of:

### the date the proposal was first provided to the Buyer; or

### the date on which further information was provided to the Buyer,

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

# Licences granted by the Buyer

## 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;

### is sub-licensable to any Sub-contractor where:

#### 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

#### the sub-licence does not purport to provide the sub-licensee with any wider rights than those granted to the Supplier under this Paragraph;

### 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

#### commercially exploit the New IPR.

# Provision of information on New IPR

## The Buyer may, at any time, require the Supplier to provide information on:

### the purposes, other than for the purposes of this Contract, for which the Supplier uses New IPR; and

### the activities the Supplier undertakes, other than under this Contract, with or in respect of the New IPR.

## The Supplier must provide the information required by the Buyer:

### within twenty (20) Working Days of the date of the requirement; and

### in the form and with the content specified by the Buyer.

# Licences in respect of Third-party IPR

## The Supplier shall not use in the delivery of the Deliverables any Third Party IPR unless:

### Approval is granted by the Buyer; and

### one of the following conditions is met:

#### 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;

#### if the Supplier cannot, after commercially reasonable endeavours, obtain for the Buyer a Third Party IPR Licence as set out in Paragraph 26.1.2.1, all the following conditions are met:

##### 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;

##### the Buyer has agreed to accept the licence terms of one of those third parties; and

##### 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

#### 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.

## The Third Party IPR licence referred to in Paragraph 26.1 is the licence set out in Paragraph 22.2 as if:

### the term Third Party IPR were substituted for the term New IPR or Supplier Existing IPR; and

### the term third party were substituted for the term Supplier,

in each place they occur.

# Patents

## 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 4 – Not used

# ~~General Provisions and Ownership of IPR~~

## ~~Any New IPR created under this Contract is owned by the Supplier.~~

## ~~Each Party keeps ownership of its own Existing IPR.~~

## ~~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).~~

## ~~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.~~

## ~~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.~~

## ~~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.~~

## ~~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:~~

### ~~the specific Intellectual Property Rights the Buyer has not received licences to; and~~

### ~~the Deliverables affected.~~

## ~~For the avoidance of doubt:~~

### ~~except as provided for in Paragraphs 32.2.2.2(c)(1) or 36.1.2.2 and 36.1.2.3, the expiry or termination of this Contract does not of itself terminate the licences granted to the Buyer under Paragraphs 32 and 36;~~

### ~~the award of this Contract or the ordering of any Deliverables does not constitute an authorisation by the Crown under:~~

#### ~~Sections 55 and 56 of the Patents Act 1977;~~

#### ~~section 12 of the Registered Designs Act 1949; or~~

#### ~~sections 240 to 243 of the Copyright, Designs and Patents Act 1988.~~

# ~~Licences in respect of New IPR and Supplier Existing IPR~~

## ~~The Supplier grants the Buyer a Supplier New and Existing IPR Licence on the terms set out in Paragraph 32.2.~~

## ~~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:~~

### ~~in the case of New IPR and Supplier Existing IPR embedded in a Deliverable:~~

#### ~~allows the Buyer, any transferee or any sublicensee to use, copy and adapt the New IPR and Supplier Existing IPR;~~

#### ~~has no restriction on the identity of any transferee or sublicensee;~~

### ~~in the case of New IPR and Supplier Existing IPR is necessary for the Buyer or any End User to use the Deliverable and:~~

#### ~~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;~~

#### ~~is transferrable to only:~~

##### ~~a Crown Body;~~

##### ~~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~~

##### ~~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);~~

#### ~~is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier), where the Replacement Supplier:~~

##### ~~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);~~

### ~~in the case of New IPR that is used to provide the Deliverable:~~

#### ~~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;~~

#### ~~has no restriction on the identity of any transferee or sublicensee.~~

### ~~in the case of Supplier Existing IPR where the Deliverable is a is a customisation or adaptation of Supplier Existing IPR:~~

#### ~~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;~~

#### ~~is transferrable to only:~~

##### ~~a Crown Body;~~

##### ~~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~~

##### ~~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);~~

#### ~~is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier), where the Replacement Supplier:~~

##### ~~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).~~

## ~~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.~~

## ~~Where the legal status of the Buyer changes, such that it ceases to be a Crown Body:~~

### ~~the Supplier New and Existing IPR Licence is unaffected; and~~

### ~~any successor body of the Buyer that is a Crown Body shall have the benefit of the Supplier New and Existing IPR Licence.~~

## ~~The expiry or earlier termination of this Contract does not terminate any Supplier New and Existing IPR Licence.~~

# ~~Buyer approval for Supplier to exploit Buyer Existing IPR~~

## ~~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.~~

## ~~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.~~

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

### ~~the purpose for which it proposes to use the Buyer Existing IPR;~~

### ~~the activities the Supplier proposes to undertake with or in respect of the Buyer Existing IPR;~~

### ~~any licence the Supplier requests in respect of Buyer Existing IPR; and~~

### ~~such further information as the Buyer may reasonably require to properly consider the proposal.~~

## ~~The Buyer may only refuse the Supplier’s proposal where it considers that if the Supplier were to implement the proposal it would harm:~~

### ~~the Buyer’s reputation; or~~

### ~~the Buyer’s interests.~~

## ~~Where the Buyer has not:~~

### ~~approved or declined the proposal; or~~

### ~~required further information,~~

* 1. ~~within twenty (20) Working Days of the later of:~~

### ~~the date the proposal was first provided to the Buyer; or~~

### ~~the date on which further information was provided to the Buyer,~~

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

# ~~Licences granted by the Buyer~~

## ~~Subject to Paragraph 33, the Buyer grants the Supplier a licence to the Buyer Existing IPR that:~~

### ~~is perpetual, non-exclusive, royalty-free and non-transferable;~~

### ~~is sub-licensable to any Sub-contractor where:~~

#### ~~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~~

#### ~~the sub-licence does not purport to provide the sub-licensee with any wider rights than those granted to the Supplier under this Paragraph;~~

### ~~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;~~

#### ~~commercially exploiting the New IPR.~~

# ~~Provision of information on New IPR~~

## ~~The Buyer may, at any time, require the Supplier to provide information on:~~

### ~~the purposes, other than for the purposes of this Contract, for which the Supplier uses New IPR; and~~

### ~~the activities the Supplier undertakes, other than under this Contract, with or in respect of the New IPR.~~

## ~~The Supplier must provide the information required by the Buyer:~~

### ~~Within twenty (20) Working Days of the date of the requirement; and~~

### ~~in the form and with the content specified by the Buyer.~~

# ~~Licences in respect of Third-party IPR~~

## ~~The Supplier shall not use in the delivery of the Deliverables any Third Party IPR unless:~~

### ~~Approval is granted by the Buyer; and~~

### ~~one of the following conditions is met:~~

#### ~~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;~~

#### ~~if the Supplier cannot, after commercially reasonable endeavours, obtain for the Buyer a Third Party IPR Licence as set out in Paragraph 36.1.2.1, all the following conditions are met:~~

##### ~~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;~~

##### ~~the Buyer has agreed to accept the licence terms of one of those third parties; and~~

##### ~~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~~

#### ~~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.~~

## ~~The Third Party IPR licence referred to in Paragraph 36.1 is the licence set out in Paragraph 32.2 as if:~~

### ~~the term Third Party IPR were substituted for the term New IPR or Supplier Existing IPR; and~~

### ~~the term third party were substituted for the term Supplier,~~

~~in each place they occur.~~

# ~~Patents~~

## ~~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 5 – Not Used

# ~~Royalties~~

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

### ~~the purpose for which it proposes to use the New IPR and the Buyer Existing IPR;~~

### ~~the activities the Supplier proposes to undertake with or in respect of the New IPR and the Buyer Existing IPR;~~

### ~~its proposed business plan, including:~~

#### ~~the goods, services or software to be offered by the Supplier that use or incorporate the New IPR and the Buyer Existing IPR;~~

#### ~~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;~~

#### ~~the target markets for those goods, services or software;~~

#### ~~the estimated level of orders;~~

#### ~~its marketing strategy;~~

#### ~~details of the estimated costs, prices, revenues and profits;~~

#### ~~the proposed financial benefit to the Buyer;~~

### ~~the impact of the proposal on the Services the Supplier provides under this Contract;~~

### ~~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;~~

### ~~the terms on which the Supplier proposes to licence the Buyer Existing IPR from the Buyer;~~

### ~~any proposed Variations to this Contract; and~~

### ~~any additional agreement the Supplier proposes that it and the Buyer enter into;~~

### ~~any other information the Buyer requires to properly assess the Supplier’s proposed; and~~

### ~~any other information required by the Buyer.~~

## ~~Where the proposed financial benefit to the Buyer under Paragraph 41.1.3.7 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.~~

## ~~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:~~

### ~~provide for the licencing of the New IPR to the Buyer on the same terms as in this Contract; and~~

### ~~include a price that reflects the Charges.~~

## ~~The Supplier acknowledges that:~~

### ~~the Buyer may refuse, or require changes to, the Supplier’s proposal in its sole discretion and for any reason; and~~

### ~~in considering the Supplier’s proposal, the Buyer must comply with Law relating to:~~

#### ~~public procurement; and~~

#### ~~subsidy control.~~

## ~~Where the Buyer agrees to the Supplier’s proposal, with or without changes, that proposal will not have effect until both Parties have executed:~~

### ~~any additional agreement to give effect to the proposal; and~~

### ~~any consequential Variation to this Contract.~~

## ~~Any agreement between the Buyer and the Supplier entered into under Paragraph 41.5 must include provisions to the following effect:~~

### ~~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:~~

#### ~~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;~~

#### ~~P is 100% where, either:~~

##### ~~where the proportion of the New IPR to the item as a whole is 80% or greater; or~~

##### ~~it would not be practicable to create or produce the item without the New IPR.~~

### ~~all royalties are paid quarterly on the basis of the total sales of the item in that quarter;~~

### ~~each payment of royalties must be accompanied by a detailed statement showing:~~

#### ~~the number of items sold in that quarter;~~

#### ~~their net sales value; and~~

#### ~~the royalties due to the Buyer;~~

### ~~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;~~

### ~~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.~~

# ~~Clawback~~

## ~~If, within three (3) years of its creation, the Supplier:~~

### ~~is not commercially exploiting any New IPR;~~

### ~~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:~~

#### ~~the Supplier must promptly assign to the Buyer the New IPR or any specified New IPR Items; and~~

#### ~~the licence to Buyer Existing IPR granted under Paragraph 34.1.3.2 terminates either:~~

##### ~~on the date specified in the notice; or~~

##### ~~where no date is specified in the notice, on the date the notice is received by the Supplier.~~

## ~~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** |
|  |  |
|  |  |