

Schedule 32

Intellectual Property Rights

Schedule 32: Intellectual Property Rights

1 Intellectual Property Rights – General Provisions

- 1.1 Except as expressly provided for in this Contract or otherwise agreed in writing:
- 1.1.1 the Authority does not acquire any right, title or interest in or to the Intellectual Property Rights of the Supplier or its licensors, namely:
 - (a) the Supplier Software;
 - (b) the Third Party Software;
 - (c) the Third Party IPRs;
 - (d) the Supplier Background IPRs; and
 - (e) any Know-How, trade secrets or Confidential Information of the Supplier contained in any Specially Written Software or Project Specific IPR; and
 - 1.1.2 the Supplier does not acquire any right, title or interest in or to the Intellectual Property Rights of the Authority or its licensors, including:
 - (a) the Authority Software;
 - (a) the Authority Data; and
 - (b) the Authority Background IPRs; and
 - 1.1.3 neither Party has the right to use the other Party's IPRs, including any use of the other Party's names, logos or trademarks.
- 1.2 Where either Party acquires, by operation of law, ownership of Intellectual Property Rights that is inconsistent with the requirements of this Schedule 32 (*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).
- 1.3 If the Supplier becomes aware at any time, including after the Term, that, in respect of any Deliverable, the Authority has not received the licences to the Supplier Software, the Third Party Software, the Third Party IPRs and the Supplier Background IPRs required by Paragraphs 3, 4 and 8, the Supplier must, within 10 Working Days notify the Authority:
- 1.3.1 the specific Intellectual Property Rights the Authority has not received licences to; and
 - 1.3.2 the Deliverables affected.
- 1.4 Where a patent owned by the Supplier is infringed by the use of the Specially Written Software or Project Specific IPR by the Authority or any Replacement Supplier, the Supplier hereby grants to the Authority and the Replacement Supplier a non-exclusive, irrevocable, royalty-free, worldwide patent licence to use the infringing methods, materials or software.
- 1.5 Unless otherwise agreed in writing, the Supplier will record in the table at Annex 1 to this

Schedule and keep updated throughout the Term:

1.5.1 any Specially Written Software and Project Specific IPR; and

1.5.2 where:

- (a) the Specially Written Software or Project Specific IPR adapts Supplier Software, Third Party Software, Third Party IPRs, or Supplier Background IPRs; or
- (b) Supplier Software, Third Party Software, Third Party IPRs, or Supplier Background IPRs is embedded in, or forms an integral part of, the Specially Written Software or Project Specific IPR;

full details of the Supplier Software, Third Party Software, Third Party IPRs, or Supplier Background IPRs.

1.6 For the avoidance of doubt:

1.6.1 except as provided for in Paragraph 3.2.3(c)(ii), the expiry or termination of this Contract does not of itself terminate the licences granted to the Authority under Paragraph 3; and

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

- (a) Sections 55 and 56 of the Patents Act 1977;
- (b) section 12 of the Registered Designs Act 1949; or
- (c) sections 240 to 243 of the Copyright, Designs and Patents Act 1988.

2 Ownership and delivery of IPR created under the Contract

2.1 Subject to Paragraph 1.1.1 and Paragraph 6.6, the Supplier agrees to

2.1.1 transfer to the Authority, or procure the transfer to the Authority of all Intellectual Property Rights in the Specially Written Software and Project Specific IPRs, including:

- (a) the Documentation, Source Code and the Object Code of the Specially Written Software; and
- (b) 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,

(together the "**Software Supporting Materials**"); and

2.1.2 execute all such assignments required to transfer properly any rights in the Specially Written Software and Project Specific IPRs to the Authority.

2.2 The Supplier must deliver to the Authority:

2.2.1 the Specially Written Software;

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2.2.2 any software elements of the Project Specific IPR;

2.2.3 relevant Documentation; and

2.2.4 all related Software Supporting Materials,

within seven days of:

2.2.5 either:

(a) initial release or deployment; or

(b) if a relevant Milestone has been identified in an Implementation Plan, Achievement of that Milestone; and

2.2.6 each subsequent release or deployment of the Specially Written Software and any software elements of the Project Specific IPR.

2.3 Where the Supplier delivers materials to the Authority under Paragraph 2.2, it must do so in a format specified by the Authority. Where the Authority specifies the material is to be delivered on media, the Authority becomes the owner of the media containing the material on delivery.

3 Use of Supplier or Third Party Non-COTS Software or Non-COTS Background IPR

3.1 The Supplier must not use any:

3.1.1 Supplier Non-COTS Software; or

3.1.2 any Supplier Non-COTS Background IPR;

in the provision of the Services or any Deliverables (including in any Specially Written Software or in the software element of Project Specific IPRs) unless:

3.1.3 in the case of Supplier Non-COTS Software and the software elements of Supplier Non-COTS Background IPR, it is either:

(a) detailed in Schedule 12 (*Software*); or

(b) both:

(i) submitted to the Technical Board for review; and

(ii) approved by the Authority; or

3.1.4 in the case of non-software elements of Supplier Non-COTS Background IPR, it is approved by the Authority in writing.

3.2 The Supplier must not use any:

3.2.1 Third Party Non-COTS Software; or

3.2.2 Third Party Non-COTS Background IPR,

in the provision of the Services or in any Deliverable (including in any Specially Written Software or in the software element of Project Specific IPRs) unless:

- 3.2.3 in the case of Third Party Non-COTS Software and the software elements of Third Party Non-COTS Background IPR, it is either:
- (a) detailed in Schedule 12 (*Software*); or
 - (b) both:
 - (i) submitted to the Technical Board for review; and
 - (ii) approved by the Authority; and
 - (c) one of the following conditions is met:
 - (i) the owner or an authorised licensor of the relevant IPR has granted the Authority a direct licence on the terms equivalent to those set out in Paragraph 8; or
 - (ii) if the Supplier cannot, after commercially reasonable endeavours, meet the condition in Paragraph 3.2.3(c)(i), all the following conditions are met:
 - (A) the Supplier has notified the Authority in writing giving details of:
 - (1) what licence terms can be obtained from the relevant third party; and
 - (2) whether there are providers which the Supplier could seek to use and the licence terms obtainable from those third parties;
 - (B) the Authority approves the licence terms of one of those third parties; and
 - (C) the owner and authorised licensor of the Third Party IPR has granted a direct licence of the Third Party IPR to the Authority on those terms; or
 - (iii) if the Supplier cannot meet the conditions in Paragraphs 3.2.3(c)(i) and 3.2.3(c)(ii), the Authority has provided written approval to use the relevant IPR without a licence, with reference to the acts authorised and the specific IPR involved; or
- 3.2.4 in the case of non-software elements of Third-Party Non-COTS Background IPR, it is approved by the Authority in writing.

4 Use of Supplier or Third Party COTS Software or COTS Background IPR

- 4.1 The Supplier must not use any:
- 4.1.1 Supplier COTS Software;
 - 4.1.2 Supplier COTS Background IPR;
 - 4.1.3 Third Party COTS Software; or
 - 4.1.4 Third Party COTS Background IPR,

in the provision of the Services (including in any Specially Written Software or in the software element of Project Specific IPRs) unless:

- 4.1.5 in the case of Supplier COTS Software, Third Party COTS Software and the software elements of Supplier COTS Background IPR and Supplier COTS Background IPR, it is either:
 - (a) detailed in Schedule 12 (*Software*); or
 - (b) both:
 - (i) submitted to the Technical Board for review; and
 - (ii) approved by the Authority; and
- 4.1.6 all the following conditions are met:
 - (a) the Supplier has provided the Authority with the applicable terms for the IPRs (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
 - (b) the Authority has not (in its absolute discretion) rejected those licence terms within 10 Working Days of the date on which they were provided to the Authority.

5 Licences granted by the Authority

- 5.1 Subject to Paragraph 6, the Authority grants the Supplier a licence to the
 - 5.1.1 the Project-Specific IPR;
 - 5.1.2 the Specially Written Software;
 - 5.1.3 the Authority Software;
 - 5.1.4 the Authority Data; and
 - 5.1.5 the Authority Background IPRs;that:
 - 5.1.6 is non-exclusive, royalty-free and non-transferable;
 - 5.1.7 is sub-licensable to any Sub-contractor where;
 - (a) the Sub-contractor enters into a confidentiality undertaking with the Supplier on the same terms as set out in Annex 1 to Schedule 12 (*Software*); and
 - (b) the sub-licence does not purport to provide the sub-licensee with any wider rights than those granted to the Supplier under this Paragraph;
 - 5.1.8 allows the Supplier and any sub-licensee to use, copy and adapt any licensed

IPRs for the purpose of:

- (a) fulfilling its obligations under this Contract; and
- (b) solely if, and to the extent, permitted by the Authority in accordance with Paragraph 6, commercially exploiting the Project Specific IPR and Specially Written Software; and

5.1.9 continues in effect following the expiry or earlier termination of this Contract.

5.2 When the licence granted under Paragraph 5.1:

5.2.1 terminates in accordance with Paragraph 6; or

5.2.2 no longer has effect at the end of the Term or the expiry of any Termination Assistance Period (whichever is the later),

the Supplier must, and must ensure that each Sub-contractor granted a sub-licence under Paragraph 5.1.7:

5.2.3 immediately cease all use of the licensed IPR;

5.2.4 either:

- (a) at the discretion of the Authority, return or destroy documents and other tangible materials that contain any of the licensed IPR; or
- (b) if the Authority 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 licensed IPR; and

5.2.5 ensure, so far as reasonably practicable, that any licensed IPR 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.

6 Authority approval for Supplier to exploit IPR created under Contract

6.1 Before using, copying or adapting any:

6.1.1 Project-Specific IPR; and/or

6.1.2 Specially Written Software;

for any purpose other than fulfilling its obligations under this Contract, the Supplier must seek the approval of the Authority in accordance with the provisions of this Paragraph.

6.2 The Authority 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.

6.3 The Supplier must provide a proposal setting out:

6.3.1 the purpose for which it proposes to use the IPR;

6.3.2 whether it wishes to request (i) a licence to commercially exploit the relevant IPR or (ii) ownership of the relevant IPR;

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- 6.3.3 the activities the Supplier proposes to undertake with or in respect of the IPR; and
 - 6.3.4 such further information as the Authority may reasonably require to properly consider the proposal.
- 6.4 The Authority may only refuse the Supplier's proposal where it considers that if the Supplier were to implement the proposal it would harm:
 - 6.4.1 the Authority's reputation; or
 - 6.4.2 the Authority's interests,

provided that the Authority will retain absolute discretion to determine whether to approve any proposal that involves the Supplier obtaining ownership of the relevant IPR.
- 6.5 Where the Authority has not:
 - 6.5.1 approved or declined the proposal; or
 - 6.5.2 required further information,

within 20 Working Days of the later of:

 - 6.5.3 the date the proposal was first provided to the Authority; or
 - 6.5.4 the date on which further information was provided to the Authority,

then the proposal is, for the purposes of this Contract, approved.
- 6.6 Where the Authority approves any proposal from the Supplier pursuant to this Paragraph in respect of any particular Specially Written Software and/or Project Specific IPRs (the **"Approved IPRs"**) and:
 - 6.6.1 that proposal involves the Supplier being granted a licence to commercially exploit the Approved IPRs, the Supplier will be granted a licence to use the Approved IPRs subject to and in accordance with the terms of Paragraph 5 (including Paragraph 5.1.8(b)) and any other terms that may have been specified by the Authority as a condition of granting such approval; or
 - 6.6.2 that proposal involves the Supplier having ownership of the Approved IPRs:
 - (a) the Authority will transfer to the Supplier, or procure the transfer to the Supplier, of all Intellectual Property Rights in the Approved IPRs not already vesting in the Supplier, subject to any terms and conditions that may have been specified by the Authority as a condition of granting its approval; and
 - (b) the Supplier grants to the Authority a licence of the Approved IPRs on the terms set out in Paragraph 6.7.
- 6.7 The licence referred to in Paragraph 6.6.2(b) is a perpetual, non-exclusive, royalty-free, irrevocable, transferable, sub-licensable, worldwide licence:
 - 6.7.1 to allow the Authority and/or any End User to receive and use the Approved

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IPRs and/or the relevant Deliverables in connection with the Services and/or this Contract; and

6.7.2 for any purpose relating to the exercise of the Authority's (or, if the Authority is a Public Sector Body, any other Public Sector Body's) business or function.

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

6.8.1 the licence granted under Paragraph 6.6.2(b) is unaffected; and

6.8.2 any successor body of the Authority that is a Crown Body shall have the benefit of the licence granted under Paragraph 6.6.2(b).

6.9 Where the licence granted under Paragraph 6.6.2(b) is transferred or there is a change in the Authority's legal status to which Paragraph 6.8 applies, the transferee or successor body do not acquire any wider rights than those granted to the Authority under this Paragraph.

7 Provision of information on Project Specific IPR and Specially Written Software

7.1 The Authority may, at any time, require the Supplier to provide information on:

7.1.1 the purposes, other than for the purposes of this Contract, for which the Supplier uses Project Specific IPR and Specially Written Software; and

7.1.2 the activities the Supplier undertakes, other than under this Contract, with or in respect of the Project Specific IPR and Specially Written Software.

7.2 The Supplier must provide the information required by the Authority:

7.2.1 within 20 Working Days of the date of the requirement; and

7.2.2 in the form and with the content specified by the Authority.

8 Licences in respect of Supplier Non-COTS Software and Supplier Non-COTS Background IPR

8.1 Subject to the Authority approving the use of Supplier Non-COTS Software and Supplier Non-COTS Background IPR under Paragraph 3, the Supplier grants the Authority a Supplier Existing IPR Licence on the terms set out in Paragraph 8.3 in respect of each Deliverable where:

8.1.1 the Supplier Non-COTS Software and Supplier Non-COTS Background IPR is embedded in the Deliverable;

8.1.2 the Supplier Non-COTS Software and Supplier Non-COTS Background IPR is necessary for the Authority to use the Deliverable for any of the purposes set out in Paragraph 8.4; or

8.1.3 the Deliverable is a customisation or adaptation of Supplier Non-COTS Software and Supplier Non-COTS Background IPR.

8.2 The categories of Supplier Non-COTS Software and Supplier Non-COTS Background IPR set out in Paragraph 8.1 are mutually exclusive.

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- 8.3 The Supplier Existing IPR Licence granted by the Supplier to the Authority is a non-exclusive, perpetual, royalty-free, irrevocable, transferable, sub-licensable, worldwide licence that:
- 8.3.1 in the case of Supplier Non-COTS Software and Supplier Non-COTS Background IPR embedded in a Deliverable:
- (a) has no restriction on the identity of any transferee or sub-licensee;
 - (b) is sub-licensable for any of the purposes set out in Paragraph 8.4;
 - (c) allows the Authority and any transferee or sub-licensee to use, copy and adapt the Supplier Non-COTS Software and Supplier Non-COTS Background IPR for any of the purposes set out in Paragraph 8.4; and
- 8.3.2 in the case of Supplier Non-COTS Software and Supplier Non-COTS Background IPR that is necessary for the Authority to use the Deliverable for its intended purpose or has been customised or adapted to provide the Deliverable:
- (a) allows the Authority and any transferee or sublicensee to use and copy, but not adapt, disassemble or reverse engineer the relevant Supplier Non-COTS Software and Supplier Non-COTS Background IPR for any of the purposes set out in Paragraph 8.4;
 - (b) is transferrable to only:
 - (i) a Crown Body;
 - (ii) any body (including any private sector body) that performs or carries out any of the functions or activities that the Authority had previously performed or carried out; or
 - (iii) a person or organisation that is not a direct competitor of the Supplier; where that transferee:
 - (A) enters into a direct arrangement with the Supplier in the form set out in Annex 1 of Schedule 12 (*Software*); or
 - (B) enters into a confidentiality arrangement with the Authority in terms equivalent to those set out in set out in Clause 19 (*Confidentiality*);
 - (c) is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier) where the Replacement Supplier:
 - (i) enters into a direct arrangement with the Supplier in the form set out in Annex 1 of Schedule 12 (*Software*); or
 - (ii) enters into a confidentiality arrangement with the Authority in terms equivalent to those set out in set out in Clause 19 (*Confidentiality*);
- 8.3.3 includes a perpetual, royalty-free, non-exclusive licence to use, copy and adapt

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any Know-How, trade secrets or Confidential Information of the Supplier contained within any Supplier Non-COTS Software and Supplier Non-COTS Background IPR;

8.3.4 continues in effect following the expiry or earlier termination of this Contract; and

8.3.5 is subject to the restrictions that:

- (a) no sub-licence granted to the Supplier Non-COTS Software and Supplier Non-COTS Background IPR shall purport to provide the sub- licensee with any wider rights than those granted to the Authority under this Paragraph;
- (b) any transferee or sublicensee of the Supplier Non-COTS Software and Supplier Non-COTS Background IPR must either:
 - (i) enter into a direct arrangement with the Supplier in the form set out in Annex 1 of Schedule 12 (*Software*); or
 - (ii) enter into a confidentiality arrangement with the Authority in terms equivalent to those set out in set out in Clause 19 (*Confidentiality*).

8.4 For the purposes of Paragraphs 8.1 and 8.3, the relevant purposes are:

8.4.1 to allow the Authority or any End User to receive and use the Deliverables;

8.4.2 to commercially exploit the Project Specific IPR, Specially Written Software and Software Supporting Materials; and

8.4.3 for any purpose relating to the exercise of the Authority's (or, if the Authority is a Public Sector Body, any other Public Sector Body's) business or function.

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

8.5.1 the Supplier Existing IPR Licence is unaffected; and

8.5.2 any successor body of the Authority that is a Crown Body shall have the benefit of the Supplier Existing IPR Licence.

8.6 Where the Supplier Existing IPR Licence is transferred under Paragraph 8.3.1(a) or 8.3.2(b) or there is a change in the Authority's legal status to which Paragraph 8.5 applies, the transferee or successor body do not acquire any wider rights than those granted to the Authority under this Paragraph.

Annex 1: Project Specific IPR and Specially Written Software

| Name of Project Specific IPR | Details | Is it "Approved IPRs" under Paragraph 6 (i.e. in respect of which the Authority has approved a licence for commercial exploitation by the Supplier outside the Contract or for it to be owned by the Supplier) |
|--|---------|--|
| None identified as at the Effective Date | N/A | N/A |
| | | |

| Name of Specially Written Software | Details | Is it "Approved IPRs" under Paragraph 6 (i.e. in respect of which the Authority has approved a licence for commercial exploitation by the Supplier outside the Contract or for it to be owned by the Supplier) |
|--|---------|--|
| None identified as at the Effective Date | N/A | N/A |
| | | |

| Name of adapted or embedded Supplier Software, Third Party Software, Third Party IPRs, or Supplier Background IPRs | Details |
|--|---------|
| None identified as at the Effective Date | |
| | |