



Millennium Challenge Corporation
Contracts and Grants Management Division
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MEMORANDUM

Date: November 14, 2025

From: Jonathan C. Hamlet
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Contracts and Grants Management Division
Department of Administration and Finance
Millennium Challenge Corporation

To: MCC Contracts and Grants Management Division Staff

Subject: Class Deviation to Implement the FAR Revisions Parts 27 *Patents, Data, and Copyrights* and 52 *Solicitation Provisions and Contract Clauses* Issued on September 11, 2025

Findings

On April 15, 2025, President Trump signed the [Executive Order \(E.O.\) 14275, “Restoring Common Sense to Federal Procurement”](#) to reform the Federal Acquisition Regulation (FAR). This E.O. further advances the intent of the [E.O. 14192, “Unleashing Prosperity Through Deregulation,”](#) signed on January 31, 2025, which established that the policy of the executive branch is to be prudent and financially responsible in the expenditure of funds and to alleviate unnecessary regulatory burdens placed on the American people.

The E.O. orders the Administrator of the Office of Federal Public Procurement Policy (OFPP), in coordination with the other members of the Federal Acquisition Regulatory Council (FAR Council), the heads of agencies, and appropriate senior acquisition and procurement officials from agencies to amend the FAR to ensure that it contains only provisions that are required by statute or that are otherwise necessary to support simplicity and usability, strengthen the efficacy of the procurement system, or protect economic or national security interests. This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative.

On May 2, 2025, the Office of Management and Budget (OMB) released its memo M-25-26 “Overhauling the Federal Acquisition Regulation” that directs all agencies to “Generally issue individual or class deviations to implement the FAR Council’s deregulated coverage within 30 days after the Council releases its model deviation text. Provide copies of class deviations to the FAR Secretariat at gsaregsec@gsa.gov for public posting on Acquisition.gov.”

On September 11, 2025, the FAR Council issued completed revisions for [FAR Part 27](#) and [FAR Part 52](#) clause. The RFO FAR Part 27 governs intellectual property rights in government contracts, explaining how parties acquire rights, how rights are licensed or shared, and how to protect both

government and contractor interests. It has been updated with important plain language updates, enhanced clarity, and improved readability.

Statutory requirements retained in the RFO FAR Part 27 model deviation include, but are not limited to, the following:

- 10 U.S.C. § 3793, Copyrights, Patents, Designs
- 15 U.S.C. § 638, Research and Development
- 17 U.S.C. §§ 101 et. seq., Copyrights
- 18 U.S.C. § 798, Disclosure of Classified Information
- 28 U.S.C. § 1498, Patent and Copyright Cases
- 35 U.S.C. §§ 200 et. seq., Patent Rights in Inventions Made with Federal Assistance
- 41 U.S.C. § 2302, Rights in Technical Data

Other key changes include:

Retained:

- Section 27.000, “Scope of Part” is retained with a minor plain language update.
- Section 27.001, “Definition” is unchanged
- Subpart 27.1, “General” is retained and streamlined.
- Subpart 27.2, “Patents and Copyrights” is streamlined and continues to provide guidance regarding:
 - Patent and copyright infringement liability
 - Royalties
 - Security requirements for patent applications containing classified subject matter
- Section 27.202, “Royalties” has been significantly streamlined by reserving all procedural subsections (27.202-1 thru 27.202-4) and retaining only subsection 27.202-5, “Solicitation Provisions and contract clause.” Note, this section no longer references provision 52.227-7, Patents—Notice of Government Licensee, as the provision has been deleted.
- Subpart 27.3, “Patent Rights under Government Contracts” is retained and streamlined.
 - Section 27.304, “Procedures” is retained with minimal edits. This section provides critical guidance on application of the patent clauses.
- Subpart 27.4, “Rights in Data and Copyrights” is streamlined and retained. This subpart includes intellectual property rights anchored in law and provides important guidance to contracting officers on addressing these issues within a federal contract.
 - Section 27.405, “Other Data Rights Provisions” has been revised and the approach for special works (27.405-1) and existing works (27.405-2) has been fundamentally altered. The previous version prescribed the use of specific contract clauses (52.227-17 and 52.227-18). The revised section instead provides descriptive guidance, instructing that contracts “must specifically address the Government’s rights” and that agencies are “authorized to specially negotiate” terms.
 - Section 27.407, “Rights to Technical Data in Successful Proposals” has been retained and completely updated. The former text prescribed the use of the clause at 52.227-23, “Rights to Proposal Data (Technical).” This clause is removed and the updated section consists of a single, broader sentence that highlights the Government’s discretion.
- The following provisions and clauses were retained with no changes in text:
 - 52.227-1 (Clause), Authorization and Consent.

- 52.227-2 (Clause), Notice and Assistance Regarding Patent and Copyright Infringement
- 52.227-3 (Clause), Patent Indemnity
- 52.227-4 (Clause), Patent Indemnity—Construction Contracts
- 52.227-5 (Clause), Waiver of Indemnity
- 52.227-6 (Provision), Royalty Information
- 52.227-8, remains “Reserved”
- 52.227-9 (Clause), Refund of Royalties
- 52.227-10 (Clause), Filing of Patent Applications—Classified Subject Matter
- 52.227-11 (Clause), Patent Rights—Ownership by the Contractor
- 52.227-12, remains “Reserved”
- 52.227-13 (Clause), Patent Rights—Ownership by the Government
- 52.227-14 (Clause), Rights in Data—General
- 52.227-15 (Provision), Representation of Limited Rights Data and Restricted Computer Software
- 52.227-16 (Clause), Additional Data Requirements
- 52.227-17 (Clause), Rights in Data—Special Works
- 52.227-20 (Clause), Rights in Data—SBIR Program
- 52.227-21 (Clause), Technical Data Declaration, Revision, and Withholding of Payment—Major Systems
- 52.227-22 (Clause), Major System—Minimum Rights

Updated:

- The FAR Companion is expected to include best practice information on the following moved content that is not statutorily required:
 - Section 27.102, “General Guidance”
 - Subsection 27.202-1, “Reporting of Royalties”
 - Section 27.204, “Patented Technology Under Trade Agreements”
 - Section 27.305, “Administration of Patent Rights Clauses,” including:
 - 27.305-3, “Securing invention rights acquired by the Government”
 - 27.305-4, “Protection of invention disclosures”
 - Section 27.406, “Acquisition of Data”
 - Section 27.408, “Cosponsored Research and Development Activities”
 - Subpart 27.5, “Foreign License and Technical Assistance Agreements”
- The FAR Companion is expected to include best practice information on the following retained content:
 - Subpart 27.4, treatment of “Rights in Data and Copyrights”

Removed:

- Section 27.302, “Policy,” which included unnecessary lengthy detail of the Government's comprehensive policy and objectives for patent rights and title under contracts, has been removed as it is not statutorily required.
- Subsection 27.304-1(a), “Status as small business concern or nonprofit organization,” has been removed. This content is duplicative of FAR Part 19.
- Section 27.402, “Policy,” which explained the Government's need for data and the importance of balancing its needs with contractors' proprietary interests, has been removed as it is not statutorily required.

- Paragraphs (a) and (c) of Section 27.406-1, “General,” are removed, as it is not statutorily required.
- The following provision and clauses were removed:
 - 52.227-7 (Provision), Patents—Notice of Government Licensee
 - 52.227-18 (Clause), Rights in Data—Existing Works
 - 52.227-19 (Clause), Commercial Computer Software License
 - 52.227-23 (Clause), Rights to Proposal Data (Technical)

Determination

To fully comply with the President’s E.O.s and the revised FAR Parts 27 and 52, MCC shall follow the [RFO Part 27 model deviation text](#) instead of FAR Part 27 as codified at 48 CFR Chapter 27 and replace the relevant [RFO Part 52 model deviation clause](#) instead of the FAR Part 52 clause as codified at 48 CFR Chapter 52. The FAR Council’s RFO Parts 27 and 52 model deviation texts are available at [Acquisition.gov](#), under the “[FAR Overhaul](#)” link.

This deviation applies to all solicitations and new contracts as of November 14, 2025. This deviation does not apply to contracts signed and executed on or before November 13, 2025.

Approval

In accordance with RFO FAR 1.304 *Class deviations*, MCC Contracts Operating Manual (COM) 1.305-3 *Contracts and Grants Management Division MD/SPE*, and the OMB memo M-25-26, the RFO Part 27 model deviation text and the RFO Part 52 model deviation clause are hereby approved effective as of November 14, 2025 for use by all MCC Contracting Officers until final implementation of the FAR update or rescission of this Memo by the SPE. Additional instructions related to this Memo may be issued by the Senior Procurement Executive, Deputy Managing Director, and the Supervisory Procurement Analyst of the MCC CGM Division on an *ad hoc* basis.

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Attachments

OMB Memo M-25-26 *Overhauling the Federal Acquisition Regulation*