

FLYSHEET RR-2 - PAYMENT OF ROYALTIES

Payment by the Seller of any sum for royalties or patent rights not included in the ordinary purchase price of supplies, materials or components shall not constitute items of allowable cost hereunder (if this is a cost reimbursement order) unless and until approved by the Buyer and the Contracting Officer. Reimbursement to the Seller on account of any such payments shall not be construed as an admission by the Buyer or the Government of the enforceability, validity or scope of, or title to any of the patents involved, nor shall any such reimbursement constitute a waiver of any rights or defenses respecting such patents.

If this is a fixed price order, Seller warrants that the price of this order does not include any sum for royalties or patent rights not included in the ordinary purchase price of supplies, materials or components furnished hereunder, unless prior written approval for such royalty is obtained from Buyer.

END