STATEMENT OF CONSIDERATIONS

CLASS WAIVER OF THE GOVERNMENT'S DOMESTIC AND FOREIGN PATENT RIGHTS AT DESIGNATED NON-PROPRIETARY USER FACILITIES: DOE WAIVER NO. W(C)-2008-003.

This Class Waiver is intended to provide for the disposition of intellectual property rights and to promote uniformity for public and private organizations (hereinafter "Users") which are using Department of Energy (hereinafter, "DOE") facilities dedicated for research use, which are called Designated Non-Proprietary User Facilities and which are located at DOE National Laboratories and other facilities authorized to conduct technology transfer activities (hereinafter "Laboratories"). The Users covered by this Class Waiver are not receiving any funds from the Laboratory and are not paying full cost recovery to cover the Laboratory's costs for the use of the Designated Non-Proprietary User Facility. Users who are paying full cost recovery for the use of equipment and machines at a User facility (hereinafter "Proprietary Users") are not covered by this waiver.

The Laboratory selection of Users shall be by a pre-approved process at each Designated Non-Proprietary User Facility. Users that are coming to DOE Laboratories who are not subject to a pre-existing agreement with the Government will be using these Designated Non-Proprietary User Facilities to advance nonspecific commercial interests, or to gain a familiarity with the capabilities of the Laboratory's Designated Non-Proprietary User Facilities, or to advance their own general state of knowledge. To achieve these objectives, these Users may want to either engage in collaboration with the Laboratory scientists at the Designated Non-Proprietary User Facility or use the equipment at the Designated Non-Proprietary User Facility without interaction with Laboratory scientists. If the User has a pre-existing agreement with the Government, this Class Waiver is not intended to change the terms and conditions of that agreement.

Existing and Future Waivers Affected By This Class Waiver

On April 19, 1983, DOE approved a Class Waiver for inventions arising from the use of DOE User Facilities that are funded by what is now referred to as the Office of Science (more commonly known as the Office of Science Non-Proprietary User Class Waiver). That 1983 waiver focused on using facility equipment without collaboration with laboratory scientists and without full cost recovery. This new Class Waiver does not change the legal requirements for Users covered by the 1983 waiver but simply expands the application of those legal requirements to Designated Non-Proprietary User facilities at all DOE facilities funded by any DOE program. Therefore, the 1983 Non-Proprietary User Class Waiver is superseded by this new Class Waiver.

In 2005, DOE approved a Class Waiver for Precompetitive User Agreements at the Nano-Scale Science Research Centers ("NSRC"). That waiver expanded the use of the legal requirements of the 1983 Non-Proprietary User Class Waiver to include non proprietary collaboration with laboratory scientists at the NSRCs.

Both the 1983 Non-Proprietary User Class Waiver and the Class Waiver for Precompetitive User Agreements at the Nano-Scale Research Centers have been very successful in providing simplified agreements accepted by all types of non-proprietary Users. In fact they were used as the model for a 2008 Class Waiver for the Advance Test Reactor at the Idaho National Laboratory, which was recently designated as a User facility by DOE. Because this new Class Waiver is simply expanding the application of the legal requirements of the Class Waiver for Precompetitive User Agreements at the Nano-Scale Research Centers to Designated Non-Proprietary User Facilities at all DOE facilities, the NSRC Class Waiver and the Advanced Test Reactor Class Waivers are superseded by this new Class Waiver.

Any agreements executed under the prior Class Waivers remain in effect. However, many Laboratories utilizing the prior Class Waivers have entered into master agreements with Users that have no termination date and apply to all User projects undertaken by that User. Laboratories may continue to operate under the terms and conditions utilized in such master agreements provided Field Office Counsel approve use of the existing master agreements as the legal equivalent of the agreement authorized by this Class Waiver. Within 18 months beginning when this new Class Waiver takes effect, for new projects that would otherwise fall under an existing master agreements, the Laboratory must request that Users of the master agreement convert to the new agreement. However, as long as the master satisfies the test of legal equivalence to the new, updated agreement, conversion is not required. The Laboratory request for conversion should encourage the User to update their user agreements to the new standard agreement for the sake of consistency, and should advise the User that at such time as DOE requires a substantive change to user agreements, conversion will be required.

In addition, this Class Waiver will not affect specific User Facility Class Waivers designating User facilities based upon programmatic interest and requirements. For example, the INCITE program currently has a Class Waiver (W(C)-06-003) tailored to the specific requirements of DOE's Office of Science-funded super computer facilities.

Statutory Authority

Agreements, which are called Non-Proprietary User Agreements (NPUAs), that are the subject of this waiver do not take the form of a research contract, cooperative agreement, or grant as these terms are used in the Federal Grant and Cooperative Agreement Act of 1977 (31 U.S.C. §§ 6303-05) and implementing guidance by OMB and OFPP. Therefore, the requirements of DOE's regulations covering contracts, cooperative agreements and grants are not applicable. NPUAs do not fall within the definition of "funding agreement" of 35 U.S.C. §200 *et seq.* (commonly referred to as the Bayh-DoleAct), and the patent policy set forth therein as applicable to small businesses and nonprofit organizations does not apply. For the same reason, the Presidential Memorandum on Government Patent Policy of February 18, 1983 and Executive Order No. 12591 of April 10, 1987, which made the policies of Bayh-Dole applicable to all other organizations to the extent permitted by law, do not apply. Although not falling within the normal concept of R&D acquisition or assistance for the User, these agreements nevertheless fall within the broad definition of "...contract, grant, agreement, understanding, or other arrangement,

which includes research..." of section 9 of DOE's Federal Nonnuclear Energy Research and Development Act of 1974 (Nonnuclear Act) and the concept of "...any contract, subcontract, or arrangement entered into with ...(DOE) ..., regardless of whether the contract, subcontract or arrangement involved the expenditure of funds by the ... [DOE] ..." of Section 152 of the Atomic Energy Act of 1956, as amended (Atomic Energy Act). As a result of this broad statutory language, agreements that fall outside of normal R&D acquisition and assistance policies nevertheless fall within DOE's title-taking patent policy legislation.

While collaborative uses of the Designated Non-Proprietary User Facilities could be covered under the statutory authority for Cooperative Research and Development Agreements (CRADAs) in 15 U.S.C. § 3710a, that authority does not exclude other contractual arrangements for collaborative research. Both before and after the enactment of the CRADA law, DOE authorized other types of agreements that covered work that also could have been performed under CRADAs. These include Non-Proprietary and Proprietary User Facility Agreements and the Deployment User Facility Agreement. In order to maximize access and utilization of Designated Non-Proprietary User Facilities, there is a need to have a streamlined approach to permit Users the flexibility to engage in a general collaboration without having to negotiate a CRADA, which can cause significant delays due to the commercial aspects of the transaction that may require negotiations for licensing of background intellectual property, fields of use in foreground inventions, and possible modifications to the US competitiveness provision. Furthermore, the exclusive license requirements of the CRADA may encumber Laboratory inventions and might diminish the further availability of the Designated Non-Proprietary User Facility for others to engage in collaborative research in the same or closely-related fields of art, and could also restrict the Laboratory's ability to license its technology to others or perform work for others in the technology it develops.

Scope of Class Waiver

This waiver is intended to cover public and private organizations which are using Designated Non-Proprietary User Facilities in the following situations:

(1) where a User is given access to the Designated Non-Proprietary User Facility equipment to perform research without interacting with Laboratory scientists and personnel, except for technical assistance in operating the equipment;
(2) where a User intends to engage in some degree of collaboration with DOE Laboratory scientists; or
(3) where a User intends to use equipment and engage in some degree of collaboration.

In each of the foregoing cases, the Department pays for the full cost of operating the equipment and for the Laboratory scientists and other personnel, but does not provide funds directly to the Users, who will be covering their own costs. This waiver is also available to foreign entities, provided they are granted access to the Designated Non-Proprietary User Facility pursuant to other applicable laws and regulations.

This waiver is directed to non-proprietary research at Designated Non-Proprietary User Facilities for those Users who are seeking to gain a familiarity with the capabilities of the Laboratory or to advance their own general state of knowledge. The Users:

(1) will have a general scope of work in which the laboratory's and User's tasks will be directed toward non-proprietary research that advances the state of the art in the User's area of interest, rather than toward producing a specific commercial end result (*e.g.,* a marketable product);
(2) intend to publish their research results in the open scientific literature; and
(3) do not require the data protection available in a CRADA, Work for Others Agreement, or Proprietary User Agreement.

The converse of each of these factors would be indicia that the work to be performed is beyond the non-proprietary research stage and would be more appropriately covered under a CRADA, WFOA or Proprietary User Agreement.

Designation of User Facilities

This waiver will only apply to a Laboratory's Designated Non-Proprietary User Facilities. The list of Designated Non-Proprietary User Facilities will be maintained by the DOE's Assistant General Counsel for Technology Transfer and Intellectual Property. This list will automatically include those facilities at the Nano-Scale Research Centers, those facilities already on the list of designated proprietary users facilities of the Office of Science and the Advanced Test Reactor at the Idaho National Laboratory. The list may be enlarged or diminished from time to time, as appropriate, upon advice from the DOE Program, which is funding that particular facility, with concurrence from the cognizant Secretarial Officer overseeing that Laboratory. For example, a proposed Designated Non-Proprietary User Facility at a NNSA Laboratory might be funded by Office of Science, which would require the approval of both the Office of Science funding program and the NNSA.

If a Laboratory would like to have a facility designated as a Designated Non-Proprietary User Facility, the Laboratory Director must request the designation in writing to DOE Field Office Patent Counsel along with a complete description of the facility and how third party objectives will be satisfied by designating the facility as a Designated Non-Proprietary User Facility. The Laboratory should submit an Implementation Plan to the DOE Contracting Officer that should establish a set of criteria at a particular User facility, for example, the system to determine which Users have access to the site (e.g., peer review process or other selection process), the implementation of access control, how the User facility will interact with the User, agreement to use the standardized Non-Proprietary User Agreement attached hereto for that User facility, and reporting & accountability requirements. DOE Patent Counsel (both field office and HQ counsel) will obtain concurrence from the appropriate DOE Program Office and cognizant Secretarial Officer to seek support for adding the laboratory facility to the Designated Non-Proprietary User Facility list. In concurring in the designation, the funding program office and the cognizant Secretarial Officer shall take into account whether the legislation or legislative background associated with the establishment of the facility supports the designation, whether

the designation as a user facility is consistent with the funding program's mission, and whether the facility offers a unique capability to the potential users.

The Allocation of Patent Rights

A. The Facility Contractor
Only the Contractor (hereinafter "Contractor") operating the Designated User Facility may enter into NPUAs. In accordance with its Management and Operating Contract, the Contractor may elect title to its Subject Inventions, as defined in both the M&O Contract and NPUA.

The Contractor has the second option to elect the User's Subject Inventions when the User declines to elect its Subject Inventions (in accordance with paragraph B below) within one year of reporting to DOE. If the Contractor or DOE seeks to protect the Subject Invention, the User shall retain a non-transferable, royalty free, commercial license to use the invention for its own purposes, without the right to sublicense.

B. The User
This Class Waiver grants the User the right to elect title to any User Subject Inventions, which is defined as any invention or discovery of the User conceived or first actually reduced to practice in the course of, or under, the NPUA. The Government retains the standard Government Use License, which is a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States, the User's invention throughout the world. In addition, the User's inventions will be subject to statutory March-in Rights (48 C.F.R. 27.304-1(g)), the requirements with respect to preference for U.S. industry pursuant to 35 U.S.C. § 204, and reporting requirements. However, no US Competitiveness provision as required in a CRADA is required in a NPUA.

C. Other Agreements Overriding Above Right Allocation

To the extent that the User is supported by funding from a federal agency, including DOE, or an international agreement, the agreement with the agency or the international agreement will provide for the disposition of patent rights in User Subject Inventions deemed necessary to satisfy the agency's statutory or regulatory requirements. In view of the Bayh-Dole Act, the 1983 Presidential Memorandum on Government Patent Policy and Executive Order 12591, the disposition of rights in a funding agreement with the Government will normally be identical to those of this Class Waiver. The NPUA may need to be modified accordingly to reflect the other agreement and approved by DOE.

The Allocation of Data Rights

The Government, Laboratory and User have unlimited rights in technical data first produced or specifically used in the performance of the NPUA. The User must agree to furnish data to DOE

when: (a) specified to be delivered in the Statement of Work of NPUA; (b) essential to the performance of work by DOE or Contractor personnel; or (c) necessary for the health and safety of such personnel in the performance of the work.

Non-Proprietary User Agreements (NPUA)

A. Work performed under this Class Waiver will be pursuant to a standard Non-Proprietary User Agreement, attached hereto as Attachment A, which will be provided by the Laboratory to the User for execution. The form of NPUA may be updated periodically at the discretion of the DOE Assistant General Counsel for Technology Transfer and Intellectual Property after consultation with DOE program organizations. The terms and conditions of Attachment A are interim terms and conditions. After wide spread use and receipt of further input from the User community, the DOE Assistant General Counsel for Technology Transfer and Intellectual Property after consultation with appropriate elements of DOE is authorized to issue a revised Attachment A (Standard Non-Proprietary User Agreement).

B. Any changes to the specially designated clauses ("***" in the Attachment) or any substantive changes to the other clauses of Attachment A will require DOE Contracting Officer approval. The Laboratory may utilize locally developed equivalents for the clauses not specially designated in Attachment A and may negotiate minor modifications to those clauses to satisfy User's concerns. A Laboratory, as part of its approved Implementation Plan, or the Cognizant Secretarial Officer, may choose to require that there will no changes to the standard agreement format

The General Indemnity provision in the NPUA is different than in the Proprietary User Agreement. Since DOE Program considers the use of the Designated Non-Proprietary User Facility is to advance DOE's research program mission by funding the activity of the user, a narrower General Indemnity provision is used where the User is responsible for only its own negligent acts.

The NPUA is expected to be used only as long as the scope of work is directed toward non-proprietary research that advances the state of the art in the User's area of interest, rather than toward producing a specific commercial end result (*e.g.*, a marketable product). If the duration of a NPUA extends for a considerable period of time or the DOE allocation of use of a facility becomes extensive, the laboratory should consider concluding the work under the NPUA and begin negotiating a CRADA to continue a more specific commercial project.

The availability of this Class Waiver for transactions at a specific Designated Non-Proprietary User Facility shall be automatic upon approval of the Implementation Plan and a determination by the DOE Field Patent Counsel and the DOE Site Contracting Officer, either directly or through delegation to the Laboratory management, that the User is qualified and selected to have access to the facility. Due to the nature of this type of User agreement, delegation to Laboratory management is appropriate and strongly encouraged.

Required DOE Reviews

Approval for use of a NPUA is subject to any other requirements for approval provided in the DOE Contract for the operation of the Laboratory for other matters relating to the Designated User Facilities such as ES&H requirements, cyber security and export controls.

Conclusion

User Facilities were established not only for utilization by the Department to further programmatic missions, but also for advancing research by offering these unique capabilities to the research efforts of profit and nonprofit organizations, as well as other Government entities. The grant of this waiver, therefore, is not only consistent with the legislative intent of Bayh-Dole, but also reflects the guidance provided to DOE in Section 9 of the Nonnuclear Act, as implemented by DOE regulations governing the granting of patent waivers, in the 1983 Presidential Memorandum on Government Patent Policy, and Executive Order No. 12591.

It is believed that providing exclusive rights to Users in their patentable inventions made by the Users would best encourage such utilization, as well as further development of the technology by the User. If additional funding is necessary to continue the research and carry it through to commercial utilization, exclusive patent rights will normally be useful in encouraging the investment of the required capital expenditures. If additional, more commercial collaboration is needed between the User and the Laboratory, this Class Waiver will facilitate further collaboration in a CRADA or other authorized transaction. The Class Waiver should, therefore, promote the commercial utilization of subject inventions and make the benefits of Designated Non-Proprietary User Facilities widely available to the public in the shortest practicable time. Accordingly, this Class Waiver is consistent with the objectives and considerations of DOE's waiver regulations set forth in 10 CFR 784.

For its contribution, the Government will receive a royalty-free, nonexclusive license to each invention made under these agreements, the standard march-in rights and U.S. preference terms under Bayh-Dole, and the right to publish the results of the sponsored research. DOE will also have unlimited rights in all data generated from work under these agreements, and contemplates that all such data will be made public.

Finally, in view of the fact that this Class Waiver will mostly apply to basic research performed in facilities available to all of the scientific and technical communities, there appears to be little chance this Class Waiver would cause an adverse effect on competition.

Accordingly, in view of the objectives to be attained and the factors to be considered under DOE's statutory waiver policy, all of which have been considered, it is recommended that a waiver of U.S. and foreign patent rights, to the class of Users, and in the situations described above, will best serve the interests of the United States and the general public. It is therefore recommended that this Class Waiver be granted.

Date:

Gary Drew
Assistant Chief Counsel for Intellectual Property
DOE, Chicago Office

Date:

JiSan López
Patent Advisor
NNSA Service Center
National Nuclear Security Administration

Pursuant to the authority provided in Section 152 of the Atomic Energy Act of 1954, as amended 942 U.S.C. 2182), Section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5908), and the implementing regulations promulgated thereunder for waivers of patent rights, it is in the best interests of the United States and the general public to grant a waiver of patent rights to the class represented by Users of Designated Non-Proprietary User Facilities. The list of Designated Non-Proprietary User Facilities will be maintained by the Assistant General Counsel for Technology Transfer and Intellectual Property. This list may be enlarged or diminished from time-to-time, as appropriate, by the Assistant General Counsel for Technology Transfer and Intellectual Property upon approval of the Implementation Plan of that User Facility.

Therefore, it is ordered that a waiver of U.S. and foreign patent rights to Users of the Laboratory Non-Proprietary User Facilities is hereby granted. This Class Waiver is limited to inventions of the User which are conceived or first actually reduced to practice in the course of or under an agreement for the use of the Designated Non-Proprietary User Facility, and is subject to all the limitations, terms, and conditions set forth in the foregoing Statement of Considerations. The Assistant General Counsel for Technology Transfer and Intellectual Property shall be responsible for issuing instructions for implementation of this waiver in accordance with DOE regulations for the waiver of patent rights.

CONCURRENCE:

Under Secretary for Science

Under Secretary of Energy

Date:

Date:

Under Secretary for Nuclear Security

Date:

APPROVAL:

Assistant General Counsel
for Technology Transfer and Intellectual Property

Date:

Attachment A

NON-PROPRIETARY USER AGREEMENT

*The Department of Energy has opted to utilize the following agreement for Designated Non-Proprietary User Facilities transactions. Because these transactions are widespread across Departmental facilities, uniformity in agreement terms is desirable. Except for the *** provisions, minor modifications to the terms of this agreement may be made by CONTRACTOR, but any changes to the *** provisions or substantive changes to the non *** provisons will require approval by the DOE Contracting Officer, WHICH WILL LIKELY DELAY YOUR ACCESS TO THE USER FACILITY. In instances where DOE Contracting Officer approval for substantive changes cannot be obtained, Work for Others (WFOs) and Cooperative Research and Development Agreements (CRADAs) may be more appropriate due to the increased flexibility such agreements afford. Where this agreement is to be used as an umbrella agreement for multiple transactions it may be modified to reflect such usage.*

Non-Proprietary User Agreement

No.

BETWEEN

_____
(" CONTRACTOR")
Operator of [name of Laboratory] (hereinafter "Laboratory") under U.S. Department of Energy Contract No.

_____

AND

("USER")

(Collectively, "the Parties")

The obligations of the above-identified DOE Contractor may be transferred to and shall apply to any successor in interest to said Contractor continuing the operation of the DOE Non-Proprietary User Facility involved in this User Agreement.

ARTICLE I. FACILITIES AND SCOPE OF WORK

CONTRACTOR will make available to employees, consultants and representatives of USER (hereinafter called "Participants") certain Laboratory Non-Proprietary User facilities, which may include equipment, services, information and other material, with or without Laboratory scientist collaboration, for purposes as described in the Appendix which is attached to and made a part of this Agreement. Additional future Appendices referencing this Agreement may be submitted by USER for identifying facilities and purposes during the term of this Agreement (see Article II). Such additional Appendices will be considered to be part of this Agreement upon acceptance by CONTRACTOR. Each Appendix shall set forth the Technical Scope of Work of a specific

project, including deliverables, to be performed pursuant to this Agreement. The scope of work shall not be considered proprietary information and shall be publicly releasable. The Parties agree that an initial abstract of the work to be performed shall be a deliverable under this Agreement.

ARTICLE II. TERM OF THE AGREEMENT

This Agreement shall have a term of ____ months/years from the effective date. The term of this Agreement shall be effective as of the date on which it is signed by the last of the Parties.

ARTICLE III: COST

Each Party will bear its own costs and expenses associated with this Agreement. No money will be transferred to or from either Party as consideration, in whole or in part, for this Agreement.

ARTICLE IV: ADMISSION REQUIREMENTS

USERs and Particpants are subject to the administrative and technical supervision and control of CONTRACTOR; and will comply with all applicable rules of CONTRACTOR and DOE with regard to admission to and use of the User facility, including safety, operating and health-physics procedures, environment protection, access to information, hours of work, and conduct. Participants shall execute any and all documents required by CONTRACTOR acknowledging and agreeing to comply with such applicable rules of CONTRACTOR. Participants will not be considered employees of CONTRACTOR for any purpose.

ARTICLE V: PROPERTY AND MATERIALS***

USER may be permitted by Contractor to furnish equipment, tooling, test apparatus, or materials necessary to assist in the performance of its experiment(s) at the USER facility. Such items shall remain the property of USER. Unless the Parties otherwise agree, all such property furnished by USER or equipment and test apparatus provided by USER will be removed by USER within sixty (60) days of termination or expiration of this Agreement or will be disposed of as directed by USER at User's expense. Any equipment that becomes integrated into the facility shall be the property of the Government. USER acknowledges that any material supplied by USER may be damaged, consumed or lost. Materials (including residues and/or other contaminated material) remaining after performance of the work or analysis will be removed in their then condition by USER at USER's expense. USER will return facilities and equipment utilized in their original condition except for normal wear and tear.

CONTRACTOR shall have no responsibility for USER's property in CONTRACTOR's possession other than loss or damage caused by willful misconduct or gross negligence of CONTRACTOR or its employees.

Personal property produced or acquired during the course of this Agreement shall be disposed of

as directed by the owner at the owner's expense.

ARTICLE VI: SCHEDULING***

USER understands that CONTRACTOR will have sole responsibility and discretion for allocating and scheduling usage of the User Facilities and equipment needed for or involved under this Agreement.

ARTICLE VII: INDEMNITY AND LIABILITY***

A. **Personnel Relationships** - USER shall be responsible for the acts or omissions of Participants.

B. **Product Liability** - To the extent permitted by US and US State law, if USER utilizes the work derived from this Agreement in the making, using, or selling of a product, process or service, then USER hereby agrees to hold harmless and indemnify CONTRACTOR and the United States Government, their officers, agents and employees from any and all liability, claims, damages, costs and expenses, including attorney fees, for injury to or death of persons, or damage to or destruction of property, as a result of or arising out of such utilization of the work by or on behalf of USER, its assignees or licensees.

C. **General Indemnity** - To the extent permitted by US and US State law, USER hereby agrees to indemnify and hold harmless CONTRACTOR and the United States Government, their officers, agents and employees from any and all liability, claims, damages, costs and expenses, including attorney fees, for injury to or death of persons, or damage to or destruction of property, to the extent such liability, claims, or damages is caused by or contributed to the negligence or intentional misconduct of USER or its employees or representatives during the performance of the work under this Agreement.

D. **Patent and Copyright Indemnity—Limited** - To the extent permitted by US and US State law, USER shall fully indemnify the Government and CONTRACTOR and their officers, agents, and employees for infringement of any United States patent or copyright arising out of any acts required or directed or performed by USER under the Agreement to the extent such acts are not normally performed at the facility.

E. The liability and indemnity provisions in paragraphs B, C and D above shall not apply unless USER shall have been informed as soon as practicable by CONTRACTOR or the Government of the suit or action alleging such infringement, and such indemnity shall not apply to a claimed infringement that is settled without the consent of USER unless required by a court of competent jurisdiction.

F. **General Disclaimer** -
THE GOVERNMENT AND CONTRACTOR MAKE NO EXPRESS OR IMPLIED WARRANTY AS TO THE CONDITIONS OF THE USER FACILITY FURNISHED HEREUNDER. IN ADDITION, THE GOVERNMENT, CONTRACTOR AND USER MAKE NO EXPRESS OR IMPLIED WARRANTY AS TO THE RESEARCH OR ANY INTELLECTUAL PROPERTY, GENERATED INFORMATION, OR PRODUCT

MADE OR DEVELOPED UNDER THIS AGREEMENT, OR THE OWNERSHIP, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE RESEARCH OR RESULTING PRODUCT; THAT THE GOODS, SERVICES, MATERIALS, PRODUCTS, PROCESSES, INFORMATION, OR DATA TO BE FURNISHED HEREUNDER WILL ACCOMPLISH INTENDED RESULTS OR ARE SAFE FOR ANY PURPOSE INCLUDING THE INTENDED PURPOSE; OR THAT ANY OF THE ABOVE WILL NOT INTERFERE WITH PRIVATELY OWNED RIGHTS OF OTHERS. THE GOVERNMENT, CONTRACTOR AND/OR USER SHALL NOT BE LIABLE FOR SPECIAL, CONSEQUENTIAL, OR INCIDENTAL DAMAGES ATTRIBUTED TO USE OF SUCH FACILITIES, RESEARCH OR RESULTING PRODUCT, INTELLECTUAL PROPERTY, GENERATED INFORMATION, OR PRODUCT MADE OR DELIVERED UNDER THIS AGREEMENT.

ARTICLE VIII: PATENT RIGHTS***

A. Definitions

1. "Subject Invention" means any invention or discovery conceived or first actually reduced to practice in the course of or under this Agreement.
2. "USER Invention" means any Subject Invention of USER.
3. "CONTRACTOR Invention" means any Subject Invention of CONTRACTOR.
4. "Patent Counsel" means the DOE Counsel for Intellectual Property assisting the DOE Contracting activity.

B. Subject Inventions

CONTRACTOR and USER agree to disclose their Subject Inventions, which includes any inventions of their Participants, to each other, concurrent with reporting such Subject Inventions to DOE.

C. CONTRACTOR's Rights

Except as provided below in the case of joint inventions, CONTRACTOR Inventions will be governed by the provisions of CONTRACTOR'S Prime Contract for operation of the User facility.

D. USER's Rights

Subject to the provisions herein, USER may elect title to any USER Invention and in any resulting patent secured by USER within one year of reporting the subject invention to DOE. The USER shall file a US patent application within a reasonable period of time. Where appropriate, the filing of patent applications by USER is subject to DOE security regulations and requirements.

E. Joint Inventions

For Subject Inventions conceived or first actually reduced to practice under this Agreement that are joint Subject Inventions made by CONTRACTOR and USER, each Party shall have the option to elect and retain title to its undivided rights in such joint Subject Inventions.

F. Rights of Government

1. USER agrees to timely assign to the Government, if requested, the entire right, title, and interest in any country to each USER Invention where USER:

   a. Does not elect to retain such rights; or

   b. Fails to timely have a patent application filed in that country on the USER Invention or decides not to continue prosecution or not to pay the maintenance fees covering the Invention; or

   c. At any time, no longer desires to retain title.

2. USER shall provide the Government a copy of any application filed by USER promptly after such application is filed, including its serial number and filing date.

3. USER hereby grants to the Government a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the USER Invention made under said project throughout the world.

4. USER acknowledges that the DOE has certain March-in Rights to any USER Inventions elected by the USER in accordance with 48 C.F.R. 27.304-1(g) and that the USER is subject to the requirements with respect to preference for U.S. industry pursuant to 35 U.S.C. § 204 to any USER Inventions elected by the USER.

5. The USER agrees to include, within the specification of any U.S. patent applications and any patent issuing thereon covering a USER Invention, the following statement: "The Government has rights in this invention pursuant to a USER Agreement (specify number) between (USER name) and (CONTRACTOR Name), which manages and operates (name of Laboratory) for the US Department of Energy."

6. USER agrees to submit on request periodic reports to DOE no more frequently than annually on the utilization of USER Inventions or on efforts to obtain such utilization that are being made by USER or its licensees or assignees.

7. Facilities License: USER agrees to and does hereby grant to the Government a nonexclusive, nontransferable, irrevocable, paid-up license in and to any inventions or discoveries, regardless of when conceived or actually reduced to practice or acquired by USER, which are incorporated in the User Facility as a result of this Agreement to such an extent that the facility is not restored to the condition existing prior to the Agreement (1) to practice or to have practiced by or for the Government at the facility, and (2) to transfer such licenses with the transfer of that facility. The acceptance or exercise by the Government of the aforesaid rights and license shall not prevent the Government at any time from contesting the enforceability, validity or scope of, or title to, any rights or patents herein licensed.

G. Invention Report and Election

USER shall furnish the Patent Counsel a written report concerning each USER Invention within six months after conception or first actual reduction to practice, whichever occurs first. If USER wishes to elect title to the Invention, a notice of election should be submitted with the report or within one year of such date of reporting.

ARTICLE IX: RIGHTS IN TECHNICAL DATA***

A. Definitions:

1. "Technical Data" means recorded information regardless of form or characteristic, of a scientific or technical nature. Technical Data as used herein does not include financial reports, costs analyses, and other information incidental to Agreement administration.
2. "Proprietary Data" means Technical Data which embody trade secrets developed at private expense, outside of this agreement, such as design procedures or techniques, chemical composition of materials, or manufacturing methods, processes, or treatments, including minor modifications thereof, provided that such data:
   - **a.** Are not generally known or available from other sources without obligation concerning their confidentiality.
   - **b.** Have not been made available by the owner to others without obligation concerning their confidentiality, and
   - **c.** Are not already available to the CONTRACTOR or the Government without obligation concerning their confidentiality.
   - **d.** Are marked as "Proprietary Data."
3. "Unlimited Rights" means right to use, duplicate, or disclose Technical Data, in whole or in part, in any manner and for any purpose whatsoever, and to permit others to do so.

B. Allocation of Rights

1. The Government shall have Unlimited Rights in Technical Data first produced or specifically used in the performance of this Agreement except as otherwise provided in this Agreement.
2. USER shall have the right to use for its private purposes, subject to patent, security or other provisions of this Agreement, Technical Data it first produces in the performance of this Agreement provided the data delivery requirements of this Agreement have been met as of the date of the private use of such data; and Technical Data first produced by CONTRACTOR, if any, under this Agreement. USER agrees that to the extent it receives or is given access to Proprietary Data or other technical, business or financial data in the form of recorded information from DOE or a DOE contractor or subcontractor, USER shall treat such data in accordance with any restrictive legend contained thereon, unless use is specifically authorized by prior written approval of the Contracting Officer.

C. Deliverables

1. USER agrees to furnish to DOE or CONTRACTOR those data, if any, which are (a) specified to be delivered in Appendices, (b) essential to the performance of work by CONTRACTOR personnel or (c) necessary for the health and safety of such personnel in the performance of the work. Any data furnished to DOE or CONTRACTOR shall be deemed to have been delivered with unlimited rights unless marked as "Proprietary Data" of USER.

2. Upon completion or termination of the project, USER agrees to deliver to DOE and CONTRACTOR a nonproprietary report describing the work performed under this Agreement.

D. Legal Notice

The following legal notice shall be affixed to each report or publication resulting from this Agreement which may be distributed by USER:

DISCLAIMER NOTICE

This document was prepared by __ as a result of the use of facilities of the U.S. Department of Energy (DOE), which are managed by [CONTRACTOR name_____], acting under Contract No._____. Neither [CONTRACTOR name], DOE, the U.S. Government, nor any person acting on their behalf: (a) make any warranty or representation, express or implied, with respect to the information contained in this document; or (b) assume any liabilities with respect to the use of, or damages resulting from the use of any information contained in the document.

E. Copyrighted Material

1. USER agrees to, and does hereby grant to the Government, and to its officers, agents, servants and employees acting within the scope of their duties:

   a. A royalty-free, nonexclusive, irrevocable license to reproduce, translate, publish, use, and dispose of and to authorize others so to do, all copyrightable material first produced or composed in the performance of this Agreement by USER, its employees or any individual or concern specifically employed or assigned to originate and prepare such material; and

   b. A license as aforesaid under any and all copyrighted or copyrightable works not first produced or composed by USER in the performance of this Agreement but which are incorporated in the material furnished or delivered under the Agreement, provided that such license shall be only to the extent USER now has, or prior to completion or final settlement of the Agreement may acquire, the right to grant such license without becoming liable to pay compensation to others solely because of such grant.

2. USER agrees that it will not knowingly include any copyrightable material furnished or delivered under this Agreement without a license as provided for in subparagraph 1(b) hereof, or without the consent of the copyright owner, unless it obtains specific written approval of the Contracting Officer for the inclusion of such copyrighted materials.

F. Disclosure of Proprietary Data

All Proprietary Data shall be protected from disclosure for a period of ____ years from the date of execution of this Agreement or _____years from CONTRACTOR acceptance of future Appendices where Proprietary Data is received under such future Appendices.

NOTE: A Laboratory may delete the clauses pertaining to Proprietary Data if the Laboratory prohibits the USER from bringing Proprietary Data into the facility. In such cases, the Laboratory may substitute the following for Section F:

> *The USER shall not bring Proprietary Data into the USER facility except at USER's own risk. Any such data, regardless how it is marked, shall be deemed Technical Data and shall be treated according to this article of this Agreement.*

ARTICLE X. LABORATORY SITE ACCESS, SAFETY AND HEALTH***

As a precondition to using CONTRACTOR facilities, Participants must complete all CONTRACTOR Site Access documents and requirements. USER and participant shall take all reasonable precautions in activities carried out under this Agreement to protect the safety and health of others and to protect the environment. Participants must comply with all applicable safety, health, access to information, security and environmental regulations and the requirements of the Department and CONTRACTOR, including the specific requirements of the User Facility covered by this Agreement. In the event that USER or Participant fails to comply with said regulations and requirements, CONTRACTOR may, without prejudice to any other legal or contractual rights, issue and order stopping all or any part of USER's activities at the User Facility.

ARTICLE XI. PERSONNEL RELATIONSHIPS***

Participants will remain employees or representatives of the USER at all times during their participation in the work under this Agreement, and shall not be considered employees of CONTRACTOR or DOE for any purpose. Participants shall be subject to the administrative and technical supervision and control of CONTRACTOR during and in connection with the Participant's activities under this Agreement.

ARTICLE XII: EXPORT CONTROLS***

USER acknowledges that the export of goods or Technical Data may require some form of export control license from the U.S. Government and that failure to obtain such export control license may result in criminal liability under the laws of the United States.

ARTICLE XIII: PUBLICATIONS***

A. USER and CONTRACTOR will provide each other copies of articles of any publication of information generated pursuant to this Agreement for review and comment 14 days prior to publication.

B. USER will not use the name of CONTRACTOR or the United States Government or their employees in any promotional activity, such as advertisements, with reference to

any product or service resulting from this Agreement, without prior written approval of the Government and CONTRACTOR.

ARTICLE XIV: DISPUTES ***

The parties will attempt to jointly resolve all disputes arising under this agreement. If the parties are unable to jointly resolve a dispute within a reasonable period of time, either party may contact the laboratory's Technology Transfer Ombudsman (TTO) to provide assistance. The TTO may work directly to resolve the dispute or, upon mutual agreement of the parties, contact a third party neutral mediator to assist the parties in coming to a resolution. The costs of the mediator's services will be shared equally by the parties. In the event that an agreement is not reached with the aid of the ombudsman or mediator, the parties may agree to have the dispute addressed by neutral evaluation. The decision rendered by the neutral evaluator shall be nonbinding on the parties, and any costs incurred there from shall be divided equally between the parties. Upon mutual agreement, the parties may request a final decision by the DOE Contracting Officer. Absent resolution, either party may seek relief in a court of competent jurisdiction.

ARTICLE XV. CONFLICT OF TERMS***

This Agreement constitutes the primary document which governs the work described in the attached Appendices. In the event of any conflict between the terms of this document and any other document issued by either Party, the terms of this document shall prevail.

ARTICLE XVI: TERMINATION***

Either Party may terminate this Agreement for any reason at any time by giving not less than thirty (30) days prior written notice to the other Party. Notice will be deemed made as of the day of receipt. The obligations of any clause of this Agreement, which by their nature extend beyond its termination, shall remain in full force and effect until fulfilled.

FOR THE CONTRACTOR:

BY:
TITLE:
DATE:

FOR THE USER:

BY:
TITLE:
ADDRESS:
TELEPHONE: