

PATENT RIGHTS - ACQUISITION BY THE SPP SPONSOR (August 20, 2015)

This subcontract is under a Strategic Partnerships Project (SPP) Agreement and is funded with the SPP Sponsor's private (non-federal) funds. Rights to Subject Inventions made by the Seller under this subcontract have been waived to the SPP Sponsor by DOE under DOE Class Patent Waiver No. W(C)-2011-009.

(a) Definitions.

- (1) "Subject Invention", as used in this clause, means any invention of the Seller conceived or first actually reduced to practice in the course of or under this subcontract.
- (2) "DOE Contracting Officer", as used in this clause, means the Department of Energy Contracting Officer for the Oak Ridge National Laboratory, as defined in FAR 48 CFR 2.101.
- (3) "DOE Patent Counsel", as used in this clause, means the Department of Energy Patent Counsel assisting the procuring activity, and whose mailing address is:
 DOE Patent Counsel
 Office of Chief Counsel
 Department of Energy
 Oak Ridge Office
 P.O. Box 2001
 Oak Ridge, TN 37831-8510.
- (4) "Company Patent Counsel", as used in this clause, means the Patent Group in Company's Legal Directorate, and whose mailing address is:
 UT-Battelle Patent Counsel
 Office of General Counsel
 One Bethel Valley Road
 P.O. Box 2008, MS-6258
 Oak Ridge, TN 37831-6258

(b) Allocation of principal rights. With respect to any Subject Invention in which the SPP Sponsor elects title, the Seller shall convey or ensure the conveyance of any executed instruments necessary to vest the rights to Subject Inventions in the SPP Sponsor. If the SPP Sponsor elects not to retain title to a Subject Invention, then Company may elect to obtain title, and the Seller shall convey or ensure the conveyance of any executed instruments necessary to vest the rights to Subject Inventions in the Company. If the Company does not wish to pursue rights, then the Seller may obtain title to the Subject Invention with DOE approval.

(c) Minimum rights acquired by the Government. With respect to each Subject Invention elected by the SPP Sponsor or Company, the Government shall retain certain rights pursuant to the SPP Agreement.

(d) Invention identification, disclosures, and reports. (1) The Seller shall establish and maintain active and effective procedures to assure that Subject Inventions are promptly identified and disclosed to Seller personnel responsible for patent matters within 6 months of conception and/or first actual reduction to practice, whichever occurs first in the performance of work under this subcontract. These procedures shall include the maintenance of laboratory notebooks or equivalent records and other records as are reasonably necessary to document the conception and/or the first actual reduction to practice of Subject Inventions, and records that show that the procedures for identifying and disclosing the Subject Inventions are followed. Upon request, the Seller shall furnish the DOE Contracting Officer a description of such procedures for evaluation and for determination as to their effectiveness.

(2) The Seller shall disclose each Subject Invention to the DOE Patent Counsel, with a copy to the DOE Contracting Officer and Company Patent Counsel, within 2 months after the inventor discloses it in writing to Seller personnel responsible for patent matters or, if earlier, within 6 months after the Seller becomes aware that a Subject Invention has been made, but in any event before any on sale, public use, or publication of such invention known to the Seller. The disclosure to DOE shall be in the form of a written report and shall identify the subcontract under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding, to the extent known at the time of the disclosure, of the nature, purpose, operation, and physical, chemical, biological, or electrical characteristics of the invention.

(3) The Seller shall furnish the DOE Contracting Officer the following:

(i) Interim reports every 12 months (or such longer period as may be specified by the DOE Contracting Officer) from the date of the subcontract, listing all Subject Inventions during that period, and including a statement that all Subject Inventions have been disclosed (or that there are not such inventions) and that the procedures required by subparagraph (d)(1) of this clause have been followed.

(ii) A final report, within 3 months after completion of the contracted work listing all Subject Inventions or containing a statement that there were no such inventions, and listing all subcontracts at any tier containing a patent rights clause or certifying that there were no such subcontracts.

(4) The Seller agrees to require, by written agreement, its employees, other than clerical and non-technical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the Seller each Subject Invention made under subcontract in order that the Seller can comply with the disclosure provisions of paragraph (d) of this clause, and to reasonably cooperate and assist the SPP Sponsor in executing all papers and legal instruments necessary to file patent applications on Subject Inventions and to establish the SPP Sponsor's, Company's and Government's rights in the Subject Inventions. This disclosure format should require, as a minimum, the information required by subparagraph (d)(2) of this clause.

(e) Examination of records relating to inventions. (1) The DOE Contracting Officer or any authorized representative shall, until 3 years after final payment under this subcontract, have the right to examine any books (including laboratory notebooks), records, and documents of the Seller relating to the conception or first actual reduction to practice of inventions in the same field of technology as the work under this subcontract to determine whether--

(i) Any such inventions are Subject Inventions;

(ii) The Seller has established and maintains the procedures required by subparagraphs (d) (1) and (4) of this clause; and

(iii) The Seller and its inventors have complied with the procedures.

(2) If the DOE Contracting Officer learns of an unreported Seller invention which the DOE Contracting Officer believes may be a Subject Invention, the Seller may be required to disclose the invention to DOE for a determination of ownership rights.

(3) Any examination of records under this paragraph will be subject to appropriate conditions to protect the confidentiality of the information involved.

(f) Withholding of payment. (1) Any time before final payment under this subcontract, the Company may, in the Government's interest, withhold payment until a reserve not exceeding \$50,000 or 5 percent of the amount of this subcontract, whichever is less, shall have been set aside if, in the DOE Contracting Officer's opinion, the Seller fails to--

(i) Convey to the SPP Sponsor, using a DOE-approved form, the title in each Subject Invention as required by this clause.

(ii) Establish, maintain, and follow effective procedures for identifying and disclosing Subject Inventions pursuant to subparagraph (d)(1) of this clause;

(iii) Disclose any Subject Invention pursuant to subparagraph (d)(2) of this clause; or

(iv) Deliver acceptable interim reports pursuant to subparagraph (d)(3)(i) of this clause.

(2) Such reserve or balance shall be withheld until the DOE Contracting Officer has determined that the Seller has rectified whatever deficiencies exist and has delivered all reports, disclosures, and other information required by this clause.

(3) Final payment under this subcontract shall not be made before the Seller delivers to the DOE Contracting Officer all disclosures of Subject Inventions required by subparagraph (d)(2) of this clause, and acceptable final report pursuant to subparagraph (d)(3)(ii) of this clause, and the DOE Patent Counsel has issued a patent clearance certification to the DOE Contracting Officer.

(4) The Company may decrease or increase the sums withheld up to the maximum authorized above. No amount shall be withheld under this paragraph while the amount specified by this paragraph is being withheld under other provisions of the subcontract. The withholding of any amount or the subsequent payment thereof shall not be construed as a waiver of any Government rights.

(g) Subcontracts - lower-tier. The Seller shall not enter into a subcontract to have any of the work required by this subcontract performed by another entity without the express written approval of Company. In the event such approval is given, Company will provide the Seller with the appropriate terms and conditions to be included in such subcontract.

(h) Atomic energy. (1) No claim for pecuniary award of compensation under the provisions of the Atomic Energy Act of 1954, as amended, shall be asserted with respect to any invention or discovery made or conceived in the course of or under this subcontract.

(2) Except as otherwise authorized in writing by the DOE Contracting Officer, the Seller will obtain patent agreements to effectuate the provisions of subparagraph (d)(1) of this clause from all persons who perform any part of the work under this subcontract, except nontechnical personnel, such as clerical employees and manual laborers.