

## STATEMENT OF CONSIDERATIONS

### CLASS WAIVER OF THE GOVERNMENT'S DOMESTIC AND FOREIGN PATENT RIGHTS AT DESIGNATED PROPRIETARY USER FACILITIES: DOE WAIVER NO. W(C)2008-005.

This Class Waiver is intended to apply to public and private organizations (hereinafter, "Proprietary Users"), using in a proprietary mode, certain Department of Energy (hereinafter "DOE") facilities called Designated Proprietary User Facilities, which are designated for research use by other government entities, universities and industry 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 paying full cost recovery for the use of equipment and machines at a User facility and are not engaged in collaborative research with Laboratory scientists. It is expected that grant of this waiver will not only provide for an appropriate disposition of intellectual property rights but also make the Designated Proprietary User Facilities more accessible for proprietary use by promoting uniform agreement formats among all Designated Proprietary User Facilities. The Laboratory selection of Proprietary Users at each Designated Proprietary User Facility shall be by a Laboratory administered process approved by the DOE program funding the facility and by the Cognizant Secretarial Officer for that Laboratory.

#### Existing Waiver Affected By This Class Waiver

On June 13, 1991, the DOE granted a Class Waiver entitled "Class Waiver for Proprietary Users of Energy Research Designated User Facilities" for proprietary users of certain designated Energy Research (now Office of Science) user facilities. The 1991 Class Waiver was limited in that it applied only to designated user facilities under the auspices of the Department's Energy Research program. This new Class Waiver expands the former by making available the utilization of the philosophy of the prior waiver to any Designated Proprietary User Facilities at any DOE Laboratory. Therefore, the Class Waiver for Proprietary Users of Energy Research Designated User Facilities of 1991 is superseded by this new Class Waiver. Any agreements executed under the 1991 Class Waiver remain in effect. With Field Office Counsel approval, laboratories may continue to operate under the 1991 Class Waiver for a one year transition period beginning when this new Class Waiver takes effect.

#### Statutory Authority

Agreements, which are called Proprietary User Agreements that are the subject of this Class 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. The Proprietary User fully funds its own experiments with no federal funds and provides full cost recovery including Federal Administrative Charge (FAC) where appropriate. Therefore, the requirements of DOE's regulations covering contracts, cooperative agreements and grants are not applicable. Because no government funds are provided to the Proprietary User who in fact provides the government

full cost recovery, these agreements do not fall within the definition of “funding agreement” of 35 U.S.C. §200 *et seq.* (commonly referred to as the Bayh-Dole Act), 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 by the Proprietary User for the Government, 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.

There are no statutory or regulatory requirements that Proprietary User Agreements include a government license, march-in rights or U.S. preference provisions for subject inventions. Public Law 96-517 repealed the government license and march-in rights specified in Paragraph (h) of section 9 of P.L. 93-577. Public Law 98-620, directing the use of government license, march-in-rights, and U.S. preference provisions, is limited to funding agreements. Proprietary User Agreements between the facility operator and the Proprietary User are not funding agreements. Therefore, whether or not to include a government license, march-in rights or U.S. preference provisions for subject inventions in a Proprietary User Agreement is a policy determination.

#### Scope of Class Waiver

This Class Waiver is intended to cover Proprietary Users that are using Designated Proprietary User Facilities to conduct proprietary research. Proprietary Users fully fund their own experiments without the use of federal funds and provide full cost recovery including Federal Administrative Charge as appropriate in accordance with applicable DOE requirements. Proprietary Users do not engage in collaborative research with Laboratory personnel. Therefore, they do not draw upon the expertise and scientific base of the Laboratory. Proprietary Users use equipment at a Designated Proprietary User Facility. Under a Proprietary User Agreement, the Proprietary User is given access to specialized Laboratory equipment that has been designated by DOE as a Designated Proprietary User Facility. When the Designated Proprietary User Facility is of such a nature that the Proprietary User cannot effectively be trained to operate the equipment, Laboratory personnel may be required to operate the equipment on behalf of the Proprietary User. A few examples of when a Proprietary User cannot be effectively trained include when: the amount of training required would be excessive relative to the experiments to be performed, there are safety or security concerns, or the equipment may be jeopardized by an inexperienced operator. However, mere operation of the equipment by Laboratory personnel is not collaboration for the purposes of this Class Waiver. Nothing in this Class Waiver is intended to grant the User rights in any invention of Laboratory employees. The research performed is that of the Proprietary User, not DOE. Full cost recovery demonstrates the commitment of the

Proprietary User to the technology that is the subject of the research. The Government directly benefits from proprietary use by reduction in cost since the full cost recovery payments reduce the Government's share of the yearly operating cost of the facility. The public benefits from private use because the Proprietary User is being given access to unique scientific equipment to advance its own commercial interests.

This Class Waiver is also available to foreign entities, provided they are granted access to the Designated Proprietary User Facility pursuant to other applicable laws and regulations the scope of work will be directed towards.

#### Designation of Proprietary User Facilities

This Class Waiver will only apply to a Laboratory's Designated Proprietary User Facilities. The list of Designated Proprietary User Facilities will be maintained by DOE's Assistant General Counsel for Technology Transfer and Intellectual Property. This list will automatically include those Proprietary User Facilities on the current list maintained under the 1991 Class Waiver for Proprietary Users of Energy Research Designated User Facilities. 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 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 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 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 Proprietary User Agreement attached hereto for that User facility, and reporting & accountability requirements, such as the assessment of cost for use of the facility and yearly updating of that assessment. 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 Proprietary User Facility list. In concurring in the designation, the 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 Laboratory should agree to verify that the funding from the User is not from the US Government. The Laboratory can rely upon User's representations as to the source of the funding. DOE Patent Counsel (both field office and HQ counsel) will obtain concurrence from the appropriate DOE Program Office and Cognizant Secretarial Officer to seek approval for adding the Laboratory facility to the Designated Proprietary User Facility list.

## The Allocation of Intellectual Property Rights

### A. Patent Rights

Unless DOE or another agency of the U.S. Government has provided direct funding to the Proprietary User or the Proprietary User is participating in a project with others who are under direct government funding, the research being performed by the Proprietary User is that of the Proprietary User, and not the Government. The Proprietary User, as a user fully funding its own experiments and providing full cost recovery, is not using any of the expertise provided in the Laboratory. Since the Proprietary User is simply using a unique piece of machinery, and in certain circumstances, Laboratory personnel to operate the equipment on the User's behalf, the ongoing research of DOE at the Designated Proprietary User Facility is not affected by the private research effort. Further, experience has demonstrated that the nature of research undertaken by Proprietary Users does not result in new inventions being made by the User. Rather, the User is using the equipment at the Proprietary User Facility to characterize a material or confirm research the User has already conducted at its own facilities.

It follows, therefore, that the Government should obtain minimum rights in inventions made under a Proprietary User Agreement between the Laboratory and a Proprietary User. Accordingly, the U.S. Government license, March-in rights and United States Preference provisions are not to be included in Proprietary User Agreements subject to this Class Waiver. Since the Proprietary User Agreements are still subject to Section 9 of the DOE's Nonnuclear Act of 1974, a patent clause requiring the reporting of subject inventions and a facility license for anything incorporated into the DOE facility is still appropriate and shall be included.

### B. Technical Data Rights

Although DOE's dissemination statutes (42 USC §§2151, 2161 and 2166) normally prohibit protecting of technical data produced at a laboratory from public release, the Proprietary User is fully funding its use of the User Facility. Therefore, a technical data rights clause used in Proprietary User Agreements may allow the Proprietary User to mark all generated technical data as proprietary similar to marking provisions permitted in Work For Other Agreements. DOE need only obtain a non-proprietary report describing the research and results obtained by the Proprietary User and any data (whether or not such discloses proprietary data) related to health and safety of personnel at the facility or which is necessary to operate the facility. If there is a programmatic need for greater rights on behalf of the Government or the Laboratory in generated data, the Proprietary User Agreement may prohibit the marking of generated information as proprietary. Such a programmatic need must be described in the request to designate a Proprietary User Facility and approved by DOE.

### C. Other Agreements Overriding Above Rights Allocation

To the extent that the Proprietary User is supported by funding from a federal agency, including DOE, or under an international agreement, the agency or the international agreement will provide for the disposition of patent rights deemed necessary to satisfy the Government's statutory or regulatory requirements.

#### Proprietary User Agreements

Work performed under this Class Waiver will be pursuant to a standard Proprietary User Agreement, attached hereto as Attachment A, which will be provided by the Laboratory to the Proprietary User for execution. The form of Proprietary User Agreement may be updated periodically at the discretion of the DOE Assistant General Counsel for Technology Transfer and Intellectual Property, after consultation with appropriate elements of DOE. 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 Proprietary User Agreement). Any changes to the specially designated clauses ("\*\*\*\*" in the Attachment A) 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 industry's concerns. A Laboratory, or the Cognizant Secretarial Officer 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 Proprietary User Agreement is different than in the Non-Proprietary User Agreement authorized by another Class Waiver. Since the USER is fully funding its use of the User Facility, DOE Program does not consider it advancing DOE's research program mission. Therefore, a broader General Indemnity provision is used where the User is responsible for all liability except for the Government's and Contractor's negligent acts.

#### Required DOE Reviews

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

The availability of this Class Waiver for transactions at a specific Designated 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 Proprietary 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.

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 Class Waiver, therefore, not only is 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 patentable inventions made by the Proprietary Users would best encourage such utilization, as well as further development of the technology by the Proprietary 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. The waiver should, therefore, promote the commercial utilization of subject inventions and make the benefits of Designated Proprietary User Facilities widely available to the public in the shortest practicable time. The waiver will not cause an adverse effect on competition because the selection of Proprietary Users will be conducted in accordance with a Laboratory process approved by the DOE program funding the particular Designated User Facility and the Cognizant Secretarial Officer for the Laboratory. Accordingly, this Class Waiver is consistent with the objectives and considerations of DOE's waiver regulations set forth in 10 CFR 784.

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 the waiver be granted.

\_\_\_\_\_  
JiSan López  
Patent Advisor  
NNSA Service Center  
National Nuclear Security Administration

Date: \_\_\_\_\_

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

Date: \_\_\_\_\_

Pursuant to the authority provided in Section 152 of the Atomic Energy Act of 1954, as amended (42 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 at 10 C.F.R. 784 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 Proprietary User Facilities. The list of Designated 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 proprietary Users of the Designated Proprietary User Facilities is hereby granted. The waiver is limited to inventions of the Proprietary User which are conceived or first actually reduced to practice in the course of or under an agreement for the use of the Designated 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 Class Waiver in accordance with DOE regulations for the waiver of patent rights.

~~CONCURRENCE:~~

\_\_\_\_\_  
Under Secretary of Energy

Date: \_\_\_\_\_

\_\_\_\_\_  
Under Secretary for Science

Date: 11/11

\_\_\_\_\_  
Under Secretary for Nuclear Security

Date: 11/11

~~APPROVAL:~~

\_\_\_\_\_  
Assistant General Counsel for  
Technology Transfer and Intellectual Property

Date: \_\_\_\_\_



## **APPENDIX A**

# **PROPRIETARY USER AGREEMENT**

*The Department of Energy has opted to utilize the following agreement for Designated 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 \*\*\* provisions 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.*

## 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 Contractor may be transferred and shall apply to any successor in interest to said Contractor continuing the operation of the DOE facility involved in this Proprietary User Agreement.

### **ARTICLE I. FACILITIES AND SCOPE OF WORK**

Employee(s), consultant(s), and representative(s) of USER (hereinafter called "Participant(s)") shall be permitted to use Laboratory facilities for the purpose of performing the experiment(s) accepted and approved for performance at Laboratory. This Proprietary User Agreement shall be incorporated by reference and apply to all such experiments authorized for performance at Laboratory facilities which are totally funded by USER. CONTRACTOR will retain its employees assigned to this work on its payroll and will be reimbursed by USER for the account of DOE in accordance with DOE's pricing policy, which provides for full cost recovery.

Facility:

Scope of Work:

**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 latter date of (1) the date on which it is signed by the last of the Parties, or (2) the receipt of any advance payment required under Article III.

**ARTICLE III. BILLING AND PAYMENT OF EXPENSES**

A. The estimated cost of the work, described in Article I above is \$\_\_\_\_\_.

Full cost recovery rates are established at the beginning of each fiscal year and are subject to revision to reflect changing costs factors during the fiscal year. The minimum unit of charge at the \_\_\_\_\_ is an 8 hour shift.

No work can begin until this advance payment is received by CONTRACTOR.

**[CONTRACT OFFICER USE EITHER FULL OR PARTIAL ADVANCE]**

B. **[FULL ADVANCE]** USER shall pay CONTRACTOR the following advance payment:

Advance Payment. USER shall advance the following amount at the time shown:

<u>Amount Due</u>	<u>Date Due</u>
\$_____.	00/00/00

This is a full advance for the estimated cost.

All advance payments must be made in US dollars. For foreign wire transfers, please add \$30 to the invoice amount to cover payment charges levied by USER's banking institution.

Monthly Expense Statements.

When work commences, monthly expense statements showing actual costs incurred for the month and the balance remaining in the account are mailed to USER for information only. The expense statements are not requests for payment.

If the estimated cost is increased during the project or the project is expected to be renewed, an additional advance may be requested of USER. CONTRACTOR is not obligated to continue the work unless it is holding an adequate advance.

Upon completion of the project there will be a reconciliation of the total costs incurred to total payments received and a final expense

statement along with any remaining advance will be returned to USER.

**Expense statements shall be sent to: (this information is mandatory)**

USER Reference No. if applicable: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Country: \_\_\_\_\_

Telephone with area code: \_\_\_\_\_

Email: \_\_\_\_\_

Tax ID Number (TIN): \_\_\_\_\_

B. **[PARTIAL ADVANCE]** USER shall pay CONTRACTOR the following advance payment and monthly invoice payments:

Advance Payment. USER shall advance the following amount at the time shown:

<u>Amount Due</u>	<u>Date Due</u>
\$ _____	00/00/00

This is a partial advance for the estimated cost. Once received, this advance will be held to pay for approximately the last four months of incurred costs on the project (or until the amounts on the month invoices plus the advance payment equals the contractual cost limitation level authorized under this Agreement).

All advance payments must be made in US dollars. For foreign wire transfers, please add \$30 to the invoice amount to cover payment charges levied by USER's banking institution.

Monthly Invoice Payments.

Once each month during the Agreement term CONTRACTOR shall invoice USER for costs incurred in the previous month. Payment for such costs shall be due upon receipt of the invoice.

CONTRACTOR is not obligated to continue the work unless it is holding an adequate advance and may stop work if the monthly invoices are not paid on a timely basis.

When the advance payment plus the amounts paid in response to the monthly invoices equals the contractual cost limitation, the advance payment will be applied to pay for the remaining costs incurred on the Agreement. From that time forth, monthly Expense Statements showing actual costs incurred for the month and the balance remaining in the Agreement are mailed to USER for information only. The expense statements are not requests for payment.

Upon completion of the project there will be a reconciliation of the total costs incurred to total payments received and a final expense statement along with any remaining advance will be returned to USER.

USER shall provide its Purchase Order number if applicable and the name, address, and other contact information, of the person or department who will be making the invoice payments. This information is mandatory.

USER Reference No. if applicable: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Country: \_\_\_\_\_

Telephone with area code: \_\_\_\_\_

Email: \_\_\_\_\_

Tax ID Number (TIN): \_\_\_\_\_

- C. All costs of Experiments will be in accordance with DOE Order O 522.1, "Pricing of Departmental Materials and Services.

#### **ARTICLE IV: ADMISSION REQUIREMENTS**

USERS and Participants 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 the 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 User 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 User Facilities and equipment utilized in their original condition except for normal wear and tear.

CONTRACTOR shall have no responsibility for USER's property at the User facility 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, arising out of the performance of this Agreement or arising out of the use of the services performed, materials supplied or information given hereunder by any persons including the USER, and not directly resulting from the fault or negligence of the Contractor or the United States Government, or persons acting on their behalf.
- 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 liability or infringement, and such indemnity shall not apply to a claimed liability or 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.

**G. Notice and Assistance Regarding Patent and Copyright Infringement**

- a. USER shall report to the Government, promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this Agreement of which USER has knowledge.
- b. In the event of any claim or suit against the Government on account of any alleged patent or copyright infringement arising out of the performance of this Agreement or out of the use of any supplies furnished or work or services performed hereunder, USER shall furnish to the Government when requested by the Government, all evidence and information in possession of USER pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Government except where USER has agreed to indemnify the Government.

**ARTICLE VIII. PATENT RIGHTS\*\*\***

**A. Definitions**

1. "Subject Invention" means any invention or discovery of USER conceived or first actually reduced to practice in the course of or under this Agreement.
2. "Patent Counsel" means the DOE Patent Counsel assisting the Facility Operator.

**B. Rights of USER – Election to Retain Rights**

With respect to any USER Subject Invention, which includes inventions of any Participants, reported and elected in accordance with paragraph (C) of this clause, USER may elect to obtain the entire right, title and interest in any patent application filed in any country on a Subject Invention and in any resulting patent secured by USER. Where appropriate, the filing of patent application by USER is subject to DOE security regulations and requirements.

**C. Invention Identification, Disclosures, and Reports**

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

**D. Facilities License**

USER agrees to and does hereby grant to the Government an irrevocable, nonexclusive paid-up license in and to any inventions or discoveries, regardless of when conceived or actually reduced to practice or acquired by USER, which at any time through completion of this Agreement are owned or controlled by USER and are incorporated in the User Facility as a result of this Agreement to such an extent that the User 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 user Facility, and (2) to transfer such licenses with the transfer of that User 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

## **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, cost analyses, and other information incidental to Agreement administration.
2. "Proprietary Data" means technical data which embody trade secrets, developed at private expense, 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;
  - c. are not already available to the Government without obligation concerning their confidentiality, and
  - d. are marked as "Proprietary Data."
3. "Unlimited Rights" means rights 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.** USER agrees to furnish to DOE or CONTRACTOR those data, if any, which are (1) essential to the performance of work by DOE or CONTRACTOR personnel or (2) 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.

**C.** USER agrees that it shall have the sole responsibility for identifying and marking all documents containing Proprietary Data which are furnished by USER or produced under this Agreement. USER further agrees to mark each such document by or before termination of the Agreement by placing on the cover page thereof a legend identifying the document as Proprietary Data of USER and identifying each page and portion thereof to which the marking applies. The Government and CONTRACTOR shall not disclose properly marked Proprietary Data of USER outside the Government and CONTRACTOR. The Government and CONTRACTOR reserve the right to challenge the proprietary nature of any markings on data.

NOTE: PER THE CLASS WAIVER, THE LABORATORY OR DOE MAY CHOOSE TO HAVE AN AGREEMENT THAT DOESN'T ALLOW DATA FIRST PRODUCED AT THE USER FACILITY WHICH DOES NOT EMBODY THE USER'S PREEXISTING PROPRIETARY DATA TO BE TREATED AS PROPRIETARY

- D. USER is solely responsible for the removal of all of its Proprietary Data from the facility by or before termination of this Agreement. The Government shall have unlimited rights in any Technical Data (including Proprietary Data) which are not removed from the facility by or before termination of the Agreement. The Government shall have unlimited rights in any Technical Data (including Proprietary Data) which are incorporated into the User Facility under the Agreement to such extent that the User Facility or equipment is not restored to the condition existing prior to such incorporation.
- E. Upon completion or termination of the project, USER agrees to deliver to DOE and CONTRACTOR a non-proprietary report describing the work performed under the Agreement.

NOTE: A LABORATORY MAY DELETE THE PROVISIONS PERTAINING TO THE USER FURNISHING PROPRIETARY DATA TO THE LABORATORY IF THE LABORATORY PROHIBITS THE USER FROM BRINGING PROPRIETARY DATA INTO THE FACILITY.

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

As a precondition to using CONTRACTOR User Facilities, Participants must complete all CONTRACTOR Site Access documents and requirements. USER and Participants 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 Proprietary 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 or Participant's activities at the Designated Proprietary User Facility.

#### **ARTICLE XI. PERSONNEL RELATIONSHIPS \*\*\***

Participants will remain employees or representatives of 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 Participants' 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. THIRD-PARTY CONTRACTS**

Contracts between USER and third parties for work on CONTRACTOR premises including, but not limited to, construction, installation, maintenance, and repair, will be subject to prior approval by the Department and CONTRACTOR. The Department and CONTRACTOR may require the insertion of specific terms and conditions into such contracts.

**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\*\*\***

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, provided that CONTRACTOR shall recover payment for the costs incurred by CONTRACTOR on behalf of USER prior to termination and for termination costs.

In witness whereof, the Parties hereto have executed this Agreement:

**FOR THE CONTRACTOR:**

**BY:**

**TITLE:**

**DATE:**

**FOR THE USER:**

**BY:**

**TITLE:**

**ADDRESS:**

**TELEPHONE:**