STATEMENT OF CONSIDERATIONS

CLASS WAIVER OF THE GOVERNMENT'S DOMESTIC AND FOREIGN PATENT RIGHTS AND ALLOCATION OF DATA RIGHTS ARISING FROM THE USE OF DOE FACILITIES AND FACILITY CONTRACTORS BY OR FOR THIRD-PARTY SPONSORS: DOE WAIVER NO. W(C)-2011-009.

Introduction

The Department of Energy (and its predecessor agencies) (collectively, "DOE" or "Department") considers each of its DOE Facilities (i.e., National Laboratories, single-purpose research facilities, and other Department facilities hereinafter referred to individually as "Facility" or collectively as "Facilities") a unique and valuable national resource that should be made available to the extent feasible for non-Federal research and development activities and studies for third-party Sponsors.

Over the years, DOE has developed various policies, orders and regulations describing the terms and conditions under which third parties can access DOE Facilities and expertise.[1] Among other things, DOE approved Class Patent Waiver W(A)-82-017 ("the 1982 Class Waiver") on June 3, 1982. The 1982 Class Waiver granted title to the third-party Sponsors for inventions arising from the use of DOE Facilities through a Work for Others ("WFO") Agreement in which work under the WFO Agreement was fully funded by the third-party Sponsor.

While use of DOE Facilities by third-party Sponsors has increased significantly under DOE's established policies, it is necessary to update the 1982 Class Waiver to reflect various changes in DOE policies, federal statutes, and lessons learned as a result of several decades of interaction with industry through privately-funded WFO transactions. The changes reflected in this Class Waiver will make it easier for third-party Sponsors to access DOE Facilities and will further accelerate the movement of technology from Facilities to the marketplace and better enable the United States to compete in the global economy of the 21st century.

This Class Waiver supersedes the 1982 Class Waiver and provides an updated waiver of rights to Subject Inventions developed under privately-funded WFO agreements under the authority of the Atomic Energy Act of 1954, as amended, (42 U.S.C. § 2182), and section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. § 5908) and the regulations at 10 C.F.R. Part 784 promulgated thereunder.

"Subject Invention" means any invention or discovery of the Contractor, or, to the extent a Sponsor or a Facility subcontractor is performing any work, of the Sponsor or Facility subcontractor respectively, conceived in the course of, or under a WFO transaction or, in the case of an invention previously conceived by the Sponsor or Facility subcontractor, first actually reduced to practice in the course of or under a WFO transaction.

Since Facility subcontracts awarded under a privately funded WFO agreement are funded with the private funds of the Sponsor, the Bayh-Dole Act does not apply and the Department takes title to inventions made under such subcontracts unless waived. In consideration of the fact that the work is being funded with the private funds of the WFO Sponsor and in order to allow Sponsors to consolidate title to inventions developed under privately funded WFOs, DOE waives its title in any Subject Invention made

[1] This Class Waiver applies to Work for Others performed by DOE's Government-owned, contractor-operated (GOCO) Facilities and does not apply to inventions made by federal employees. DOE has made its unique Government-owned, government-operated (GOGO) Facilities accessible to third parties through similar mechanisms.

under a privately funded WFO subcontract to the third-party Sponsor, subject to the terms and condition of this Class Waiver.

In the case of federally funded WFO agreements, the Bayh-Dole Act applies and DOE Facilities should continue to utilize their established subcontract terms and conditions as approved by DOE/NNSA field Patent Counsel.

Brief History of DOE's Patent and Data Policy for WFO Transactions

Until the early 1980s, DOE was restricted in its ability in making DOE Facilities widely available to third-party non-Federal Sponsors. The reasons for this limited success was largely attributed to a perception among industry that DOE's patent and data policies created uncertainties in the disposition of intellectual property arising from the use of DOE Facilities that discouraged interaction with the Department.

More specifically, title to inventions developed under a privately-funded WFO agreement vest with the Government under the broad title vesting authorities of the Atomic Energy Act of 1954, as amended, (42 U.S.C. § 2182), and Section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. § 5908) unless waived by DOE. Prior to 1982, non-Federal Sponsors that wished to obtain title for inventions developed under privately-funded WFO agreements were required to submit patent waiver petitions, which were reviewed on a case-by-case basis in accordance with DOE patent waiver regulations.[2] The cumbersome nature of the waiver process as well as the delays incurred in its application served as a barrier to making DOE's Facilities and research and development ("R&D") capabilities widely available to private sponsors and led to dissatisfaction among WFO Sponsors. In essence, Sponsors were reluctant to privately fund R&D at DOE Facilities on their behalf without assurance that they would be afforded adequate rights to the intellectual property developed under such privately-funded arrangements.

In an effort to make DOE Facilities more attractive to third-party Sponsors, DOE approved the 1982 Class Waiver. The 1982 Class Waiver granted title to the third-party Sponsors for inventions arising from the use of DOE Facilities fully funded by third-party Sponsors. Specifically, subject to certain terms and conditions, the 1982 Class Waiver provided third-party non-Federal WFO Sponsors with title to Subject Inventions without the need for the Sponsor to submit a patent waiver petition and undergo the case-by-case review. Thus, the 1982 Class Waiver was a significant change in DOE policy and led to considerable increases in use of DOE Facilities. Despite improving access to DOE Facilities, the 1982 Class Waiver had limitations, including the lack of a clear second option for allowing Facility Contractors to retain title to inventions that were not elected by the Sponsor. This lack of clarity required Facility Contractors to request invention waivers on a case-by-case basis, which created an additional burden on both the Contractor and DOE.

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[2] Since privately-funded WFO agreements do not fall within the definition of "funding agreements" as defined by Public Law 96-517 (35 U.S.C. § 202 et seq.), commonly referred to as the Bayh-Dole Act (Bayh-Dole), title to inventions developed under such agreements vest with the Government under the broad title vesting authorities of the Atomic Energy Act of 1954, as amended, (42 U.S.C. § 2182), and section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. § 5908) unless waived.

The 1982 Class Waiver was followed by the issuance of a series of DOE Orders and Manuals addressing Work for Others, which have been updated periodically to provide guidance to DOE Facilities Contractors to ensure a level of consistency of WFO terms and conditions across the DOE complex.

In October 1996, DOE issued an Administrative Update ("the '96 update") to the 1982 Class Waiver that addressed some of the perceived issues or ambiguities of the 1982 Class Waiver, including the identification of certain fact patterns where it may not be in the best interest of the United States and the general public to allow non-Federal Sponsors to retain title to the inventions of the Facility Contractor. The '96 update also allowed Facility Contractors to retain title to WFO inventions in certain limited circumstances.

On November 26, 2008, the Department posted a Notice of Inquiry ("the '08 NOI") in the Federal Register entitled, "Questions Concerning Technology Practices at DOE Facilities," as part of a larger review of the Department's technology partnering agreements. One of the questions presented related to the disposition of intellectual property rights in privately-funded WFO transactions.

The responses to the '08 NOI were varied but several DOE Facility Contractors urged the Department to grant Facility Contractors the first right to retain title to inventions developed under privately-funded WFO agreements instead of the third-party Sponsor. Not surprisingly, large and small businesses expressed concerns over such a change in disposition of title and suggested that granting Facility Contractors title to privately-funded WFO inventions could significantly impact private sector engagement with DOE Facilities.

Scope of this Class Waiver

This Class Waiver applies to Subject Inventions developed under privately-funded WFO agreements with third-party non-Federal Sponsors procuring research and development and related technical services from Management and Operating ("M&O") Contractor Facilities.

This Class Waiver reflects a revised WFO policy that resulted from a careful consideration of comments submitted by both industry and the DOE Facility community in response to the '08 NOI and offers enhanced rights to both third-party Sponsors and DOE's Facility Contractors. Subject to the conditions set forth below, third-party non-Federal Sponsors will continue to retain title to privately-funded WFO inventions made by the Facility Contractor consistent with the goal of the Department to increase interaction with private entities.[3]

Although Sponsors will continue to be granted title to privately-funded WFO inventions created by the Facility Contractor, this Class Waiver now provides Facility Contractors a clear second option to elect such inventions and commercialize them through Facility technology transfer efforts.

[3] See Secretarial Memorandum entitled "Proposals to improve the allocation of IP generated under non-federal work for others (WFO) agreements," dated April 14, 2011.

The waiver of title to the Sponsor shall be automatic, and granted without a request or petition by the Sponsor, upon a determination from DOE/NNSA field Patent Counsel that:[4]

(1) The work to be performed under the agreement is not covered by another contract or arrangement falling under DOE's statutory patent policy, and is not of sufficient interest to the DOE programmatic mission responsibility to justify DOE supporting the work in whole or in part with direct program funding;

(2) The Sponsor is providing appropriate cost reimbursement for the services performed and/or facilities used as set forth in this Class Waiver; and

(3) The terms and conditions for the agreement with the third-party non-Federal Sponsor comply with this Class Waiver and instructions for its implementation as issued by the Assistant General Counsel for Technology Transfer and Intellectual Property (GC-62).

In most privately-funded WFO agreements IP rights will be waived to the Sponsor, however, there are certain situations where waiver of rights to the Sponsor may be denied including: (1) where the Sponsor declines the waiver; (2) where one of the identified exceptions (see next section) applies; or (3) because the Department, acting through the Contracting Officer and based on a determination of DOE/NNSA field Patent Counsel, finds that in a particular WFO transaction it is not in the best interest of the United States and the general public to allow the non-Federal Sponsor to retain title to inventions of the Facility Contractor. There may also be situations where the Sponsor desires different rights than offered under this Class Waiver.

Identified Exceptions to the Waiver

DOE has identified several fact patterns where waiver of title to the Sponsor should be denied or would not apply even when the Sponsor might desire full waiver. They are:

(a) When any Subject Invention that might be made would be a research tool, (e.g., transgenic animals, etc.), and there is a Departmental and public interest in having the tool available to many potential research and commercial organizations;

(b) When the Sponsor is either foreign-owned or -controlled or is sponsoring research on behalf of a foreign entity. However, this Class Waiver may apply to a WFO transaction under such circumstances with approval by the DOE/NNSA field Patent Counsel and with the concurrence of the cognizant Field Office or Headquarters program official;

(c) When the Sponsor's interest is in fewer fields of use, and utilization of the Facility or commercialization of the underlying technology can be maximized by limiting the Sponsor's exclusivity in any inventions to a particular field of use; and

(d) When Federal funding is used to fund, at least partially, the project either directly from a Federal Agency or indirectly through a third-party recipient of Federal funds or falls within

[4] Since these three determinations are based on information supplied by Facility Contractors, DOE Patent Counsel may, at your discretion, authorize the Contractor to determinations (1)-(3).

the scope of a Federally-funded contract or award (excluding an M&O contract for a Facility).

In providing advice to the Contracting Officer, DOE/NNSA field Patent Counsel is the final determiner that an exception to this Class Waiver should apply. With concurrence of DOE/NNSA field Patent Counsel, the Contracting Officer may delegate to the Facility Contractor the authority to determine whether the fact patterns (a), (c) or (d) exist.

Whenever fact pattern (b) is believed to exist, DOE/NNSA field Patent Counsel must approve the disposition of invention rights. Determinations regarding (a) and (c) are not mandatory and are judgment calls that should be made by balancing the needs of both the Sponsor and the Contractor.

When exception (d) applies, this Class Waiver is not applicable. However, Facility Contractors may have a right to retain title to Subject Inventions developed under federal funding via statute or other previously-granted authority.[5] Therefore, Facilities should continue to follow established procedures for performing Federally funded WFOs, CRADAs, and User Agreements as specified in their M&O contracts with DOE.[6]

Allocation of Intellectual Property Rights under the Waiver

Waiver to the Sponsor Granted: Subject to the terms and conditions described herein (including appendices) or other guidance issued by DOE's Assistant General Counsel for Technology Transfer and Intellectual Property, this Class Waiver waives to the Sponsor title to Subject Inventions made in the course of or under a privately-funded WFO Agreement or Facility subcontract issued therefrom. Where appropriate, the filing of patent applications by the Sponsor is subject to DOE and other Government security regulations and requirements.

If the Sponsor declines to elect title, discontinues the filing or prosecution of a previously elected Subject Invention, or decides not to pay a maintenance fee covering a Subject Invention, the Facility Contractor will be permitted to take title to such inventions subject to the terms and conditions of the Prime Contract governing the right of the Facility Contractor to elect title to inventions. If the Sponsor declines to elect title to a Subject Invention, the Sponsor may be granted a nonexclusive, nontransferable, royalty-free license for its own use in such inventions as mutually agreeable between the parties.

Waiver to the Sponsor is Denied or Declined: When the Sponsor declines this Class Waiver prior to execution of the agreement, or when waiver of title to the Sponsor has been denied (i.e., determined that an exception applies), this Class Waiver grants the Contractor the right to elect title to any of its Subject Inventions made under the agreement subject to the terms and conditions of the Prime Contract governing

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[5] In 1984, the Bayh-Dole Act was amended to allow non-profit M&O Contractors the same right to elect to retain title to their inventions that was given to non-profits, small businesses and universities under the original Act. DOE has issued individual patent waivers to Facilities operated by for-profit Contractors to retain title to inventions made under Federal funding similar in scope to the rights granted under the Bayh-Dole Act, as amended. In certain situations, such as in "Other Transactions" a different disposition of patent rights may be mandated, however, these situations are rare.

[6] As a result of the 1984 amendment to Bayh-Dole, DOE Facilities increasingly utilized the WFO process as a vehicle for performing work for other federal agencies directly through interagency agreements and indirectly through third-party non-federal Sponsors that fund work at a Facility with previously-acquired federal funds.

the right of the Facility Contractor to elect title to inventions. (See attached Appendix B.) If a waiver of rights to the Sponsor is denied, this Class Waiver grants to the Sponsors and Facility subcontractors the right to elect title to their own Subject Inventions, subject to the requirement to report inventions to DOE, the standard Government Use License, and U.S. Preference (35 U.S.C. § 204), and such other conditions consistent with DOE patent waiver policy

DOE shall retain title to any Subject Invention which is not retained by the Sponsor, Facility Contractor, or the Facility subcontractor.

Where only exception (c) applies, the Sponsor must be granted a royalty-free exclusive license in a predetermined field of use or fields of use corresponding to the Sponsor's Interest as mutually agreed to by the Sponsor and Facility Contractor. Under exception (a) or (b), the Facility Contractor may negotiate a license with the Sponsor as appropriate.

In reporting Subject Inventions, the Parties shall identify the WFO agreement under which the Subject Invention was made and specify the rights (in both Subject Inventions and generated data) that have been reserved by the Government pursuant to this Class Waiver, and must otherwise be consistent with applicable laws and DOE policies.

Government License to Subject Inventions

Under this Class Wavier, the Government will typically retain 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 any Subject Invention throughout the world.

Alternatively, Sponsors may seek, subject to (a) and (b) below, application of a narrowed Government Use License ("Government R&D License") for research and development purposes only. The Government R&D License grants to the Government, for R&D purposes only,[7] a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States any Subject Invention throughout the world.

(a) Any use of the Government R&D License must be accompanied by expanded Government access to data generated under the WFO agreement. Specifically, if a privately funded WFO agreement is to include a patent rights clause having the narrower Government R&D License, then the proprietary data clause must be replaced with a "Protected WFO Information" data clause (see attached Appendix C) that limits the period of protection for generated data to no more than five (5) years. Subject to DOE/NNSA field Patent Counsel approval and the mutual agreement of the Parties, the period of protection for Protected WFO Information may be extended for one extension term that is no more five (5) years in duration and which begins immediately upon expiration of the initial period of protection.

[7] R&D purpose includes all research, development and demonstration activities by or on behalf of the Government , including uses at Federal Facilities to perform work under privately-sponsored agreements.

(b) The application of the Government R&D License requires approval by DOE/NNSA Patent Counsel after consulting with the cognizant DOE Program Office because application of the narrower Government R&D License may affect ongoing programs at either DOE or another Federal Agency.[8]

In reporting Subject Inventions, the Sponsor shall identify the WFO agreement under which the invention was made and specify the rights (in both Subject Inventions and generated data) that have been reserved by the Government pursuant to this Class Waiver. The Government R&D License will not be allowed for WFO transactions related to national security.[9] Special attention also should be given to proposed WFO transactions involving environmental management programs, or in situations where the WFO transaction involves work to be performed for the Facility Contractor, Contractor's parent, member, subsidiary, or other entity in which the Contractor, Contractor's parent, member or subsidiary has an equity interest. The foregoing examples of special circumstances are not exhaustive.

Allocation of Data Rights

Greater Data Rights for Generated Data: Although Data Rights were not specifically covered by the 1982 Class Waiver, DOE has traditionally allowed non-Federal WFO Sponsors to designate data produced under the WFO agreement by most Facilities as "Proprietary Data" as long as the funding is not from Federal sources (referred to herein as "enhanced data protection."). Unless prohibited or limited by this Class Waiver, DOE authorizes the continuation of enhanced data protection for data generated under privately funded WFO agreements.

Enhanced data protection is not appropriate or warranted in a number of situations, even where the full Government Use License is retained for Subject Inventions. In those cases, this Class Waiver allows the flexibility to negotiate greater data rights. Specifically, the applicability of enhanced data protection, including proprietary or protected data protection to foreign Sponsors is not automatic and requires approval from DOE/NNSA field Patent Counsel with input from the applicable HQ Program Office as appropriate.

Other situations in which enhanced data protection may not be appropriate or warranted are: (1) The WFO Sponsor is not providing proprietary information or material to the Facility; (2) the WFO Sponsor is not likely to use the results of the work for commercial activity or is an institution that does not want to assert proprietary rights in the data to the exclusion of any rights in the Government; (3) the WFO Sponsor cannot show that the primary use of the data will be in the United States rather than in a foreign country; (4) the WFO Statement of Work is directly related to specific ongoing projects (this is an instance where perhaps 5-year protection might be appropriate); (5) the WFO Statement of Work requires only a paper study and is not directed to a particular commercial product of the WFO Sponsor (this is an instance where unlimited data rights in the Government might be appropriate); (6) per this Class Waiver, title to some of the Subject Inventions remains at the Facility pursuant to the M&O Contract; (7) any benefit to the U.S. Government would be lost by the removal of the data from the Facility. As previously noted, if a transaction includes the narrower Government R&D License for Subject Inventions, then the

[8] DOE program offices may grant blanket approvals or issue blanket denials for the use of the Government R&D license in certain program areas.

[9] The scope of subject matter that will not be eligible for performance under an WFO transaction on the basis of this national security exclusion will be described in guidance issued by cognizant Program Offices.

proprietary data clause must be replaced with a "Protected WFO Information" data clause (See, Appendix C) that limits the period of protection for generated data for no more than five (5) years, unless extended as previously described.

DOE recognizes that some Facility Contractors have a policy prohibiting the protection of Facility Technical Data and provides alternate language to comply with this policy. Nothing in this Class Waiver shall prevent a Facility Contractor from continuing to applying such policies.

When a non-Federal Sponsor is funding the WFO agreement with funding from another federal agreement (i.e., cooperative agreement, SBIR, grant), special data protection may be available in situations where the Sponsor's existing federal award contains statutory authority for special data protection (i.e., EPACT, SBIR/STTR data protection) that justifies enhanced protection of information generated under the WFO agreement. Absent statutory authority for special data protection in the Sponsor's previous federal agreement, the Government shall have unlimited rights in all data generated under a federally-funded WFO agreement. DOE/NNSA field Patent Counsel will be the final determiner of whether special data protection is applicable.

Greater Data Rights for Government and Facility: Before an WFO transaction is entered into, the Facility Contractor or the Department may require that greater data rights be obtained for the Government or the Facility. The data rights acquired by the Government/Facility depend on the circumstances, and can range from unlimited rights to some lesser level of protection, such as a period of protection (e.g., five (5) years), or having only part of the data being proprietary to one of the Parties. The Department or the Facility Contractor can also obtain greater rights in copyright, especially where the transaction covers work that is derivative of prior work at the DOE Facility.

Elimination of March-In Rights

This Class Waiver does not apply the Government's march-in rights to Subject Inventions, subject to the exception below where title is retained by the Facility Contractor. Although rarely, if ever exercised, these rights were often perceived as a barrier to access by industry and were not statutorily mandated in the case of a Sponsor privately funding WFO work at a Facility. The decision to not apply march-in rights to WFO Subject Inventions elected by Sponsors aims to maximize the availability of DOE Facilities to Funding Sponsors who have made substantial private investment in proprietary technology and to enhance the potential for such technology to be further commercialized. Because the Government still retains a Government license in any Subject Inventions, the Government's interests are believed to be adequately protected in the absence of such march-in rights. All Subject Inventions will continue to be subject to the requirements of the U.S. Preference clause pursuant to 35 U.S.C. § 204.

Subject Inventions that revert to the Facility Contractor and are elected under the applicable M&O Contract will be governed by the provisions of the applicable M&O Contract.

Existing and Future Waivers Affected By This Class Waiver

This Class Waiver supersedes the 1982 Class Waiver as well as the '96 Update issued on September 24, 1996. This Class Waiver does not affect the Class Waivers covering CRADAs or the use of DOE's designated User Facilities.

Any agreements executed under the 1982 Class Waiver remain in effect. However, some Facilities utilize the prior 1982 Class Waiver by entering into master agreements with Sponsors that have no termination date. Separate "task orders" are approved by DOE under the master agreement. Facilities may continue to operate under the terms and conditions utilized in such master agreements provided that DOE/NNSA field Patent Counsel approve use of the existing master agreements as the legal equivalent of the agreement authorized by this Class Waiver. This Class Waiver will not impose a "sunset date" where existing WFO agreements must be terminated.

Furthermore, this Class Waiver grants the Facility Contractor the right to take title (subject to the terms and conditions of its Prime Contract) to Subject Inventions developed under WFO agreements executed under the authority of the 1982 Class Wavier that were not retained by the Sponsor because either the Sponsor was not granted the Class Waiver, the Sponsor declined application of the Class Waiver, or because the Sponsor decided not to elect title to the Subject Invention.

Intellectual Property Terms for Privately-Funded WFO Transactions[10]

When it has been determined that waiver of title to Subject Inventions to the Sponsor is appropriate, work performed under a privately-funded WFO agreement will be pursuant to the standard intellectual property terms and conditions attached hereto as Appendix A.

In situations where the Sponsor declines title to Subject Inventions prior to the execution of the agreement or when waiver of rights to the Sponsor has been denied (*e.g.*, due to the application of one of the exceptions of this Class Waiver), the work performed under a privately-funded WFO agreement will be pursuant to the intellectual property terms attached hereto as Appendix B.

When it has been determined that waiver of title to Subject Inventions to the Sponsor is appropriate and the Parties have been granted a request to incorporate the Government R&D License, work performed under a privately-funded WFO agreement will be pursuant to the alternate intellectual property terms and conditions attached hereto as Appendix C.

With not less than thirty (30) days notice to Facility Contractors, the DOE Assistant General Counsel for Technology Transfer and Intellectual Property may periodically update the terms found in Appendices A, B, and C by issuing administrative updates to this Class Waiver. A Facility Contractor may utilize local variants of these terms and conditions as long as DOE/NNSA field Patent Counsel has determined in writing that such terms are the legal equivalent.

Subject to a reserved Government Use License as appropriate, the Parties may assert copyright to any data generated within the scope of a WFO transaction and exercise discretion in allocating such copyright rights between the Parties.

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[10] For WFO transactions where no research, development, or demonstration is to be conducted in performance of the Scope of Work, the patent rights clause may be reserved. The Facility Contractor must timely notify local DOE/NNSA field Patent Counsel before entering into WFO agreement of its intent to reserve the patent rights clause. Failure to include the applicable patent provisions may result in Government ownership of Subject Inventions.

Conclusion

Providing the disposition of intellectual property rights described herein reflects changes since 1982 in Federal Statutes and DOE Technology Transfer Policy and will best encourage the utilization and further development of the technology developed at DOE Facilities. Accordingly, this Class Waiver is consistent with the objectives and considerations of DOE's waiver regulations set forth in 10 C.F.R. Part 784.

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.

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, 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.

Brian J. Lally
Assistant Chief Counsel
Intellectual Property Law Division
DOE Chicago Office

Date: 3/13/2012

Emily G. Schneider
Assistant Chief Counsel
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DOE Oak Ridge Office

Date: 3/13/2012

Based on the foregoing Statement of Considerations, it is determined that the interests of the United States and the general public will be served by a waiver of patent rights of the scope determined above, and, therefore, the waiver is granted.

CONCURRENCE:

Under Secretary for Science

Date: 5/1/12

Under Secretary for Energy

Date: MAY 1, 2012

Under Secretary for Nuclear Security

Date: 5/1/12

APPROVAL:

John T. Lucas
Assistant General Counsel for Technology Transfer
and Intellectual Property (GC-62)

Date: May 3, 2012

APPENDIX A- INTELLECTUAL PROPERTY RIGHTS (STANDARD)

PATENT RIGHTS - (WAIVER AND FULL GOV. LICENSE)

1. The following definitions shall be used for this Clause.

   A. "Facility Contractor" means [NAME OF CONTRACTOR] as Operator of [NAME OF FACILITY], operating under DOE Prime Contract No. [INSERT] or any successor contractor thereof.

   B. "Subject Invention" means any invention or discovery of the Facility Contractor, or, to the extent the Sponsor or a Facility subcontractor is performing any work under this Agreement, of the Sponsor or Facility subcontractor respectively, conceived in the course of or under this Agreement, or, in the case of an invention previously conceived by the Sponsor or Facility subcontractor, first actually reduced to practice in the course of or under this Agreement. "Subject Invention" includes any art, method, process, machine, manufacture, design or composition of matter, or any new and useful improvement thereof, or any variety of plant, whether patented under the Patent Laws of the United States of America or any foreign country, or unpatented.

   C. "Patent Counsel" means the DOE/NNSA field Patent Counsel assisting the procuring activity which has the administrative responsibility for the Facility where the work under this Agreement is to be performed.

2. Rights of the Sponsor

   A. Election to Retain Rights

      Subject to the provisions of paragraph 3 with respect to any Subject Invention reported and elected in accordance with paragraph 4. of this article, the Sponsor may elect to retain the entire right, title, and interest throughout the world to each Subject Invention and any patent application filed in any country on a Subject Invention and in any resulting patent secured by the Sponsor. Where appropriate, the filing of patent applications by the Sponsor is subject to DOE and other Government security regulations and requirements.

3. Rights of Facility Contractor and Government

   A. Assignment to either the Facility Contractor or the Government

      The Sponsor agrees to assign to either the Facility Contractor or the Government, as requested by the Facility Contractor or Government, the entire right, title, and interest in any country to each Subject Invention for which the Sponsor:

      (1) does not elect pursuant to this Clause to retain such rights; or

      (2) elects to retain title to a Subject Invention pursuant to Paragraph 2. but fails to have a patent application filed in that country on the Subject Invention or decides not to continue prosecution or not to pay any maintenance fees covering the invention.

   B. Terms and Conditions of Waived Rights

(1) To preserve the Facility Contractor's and the Government's residual rights to Subject Inventions, and in patent applications and patents on Subject Inventions, the Sponsor shall take all actions in reporting, electing, filing on, prosecuting, and maintaining invention rights promptly, but in any event, in sufficient time to satisfy domestic and foreign statutory and regulatory time requirements, or, if the Sponsor decides not to take appropriate steps to protect the invention rights, it shall notify the Facility Contractor in sufficient time to permit either the Facility Contractor or the Government to file, prosecute, and maintain patent applications and any resulting patents prior to the end of such domestic or foreign statutory or regulatory time requirements.

(2) The Sponsor shall convey or ensure the conveyance of any executed instruments necessary to vest in either the Facility Contractor or the Government the rights set forth in this Clause.

(3) With respect to any Subject Invention in which the Sponsor retains title, the Government retains a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced by or on behalf of the United States the Subject Invention throughout the world.

(4) The Sponsor shall provide the Government a copy of any patent application filed on a Subject Invention within 6 months after such application is filed, including its serial number and filing date.

(5) Preference for U.S. Industry. Notwithstanding any other provision of this Clause, the Sponsor agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any Subject Invention in the United States unless such person agrees that any products embodying the Subject Invention or produced through the use of the Subject Invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by DOE upon a showing by the Sponsor or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

(6) The Sponsor agrees to refund any amounts received as royalty charges on any Subject Invention in procurement by or on behalf of the Government and to provide for that refund in any instrument transferring rights to any party in the invention.

(7) The specification of any United States patent applications and any patent issuing thereon covering a Subject Invention, must include the following statement. "The Government has rights in this invention pursuant to *(specify this underlying Agreement)*."

4. Invention Identification, Disclosures, and Reports

A. The Sponsor shall furnish the Patent Counsel a written report containing full and complete technical information concerning each Subject Invention it makes within 6 months after conception or first actual reduction to practice, whichever occurs first, in the course of or under this Agreement, but in any event prior to any on sale, public use, or public disclosure of such invention known to the Sponsor. The report shall identify the Agreement and inventor and shall be sufficiently complete in technical detail and appropriately illustrated by sketch or diagram to convey to one skilled in the art to which the invention pertains a clear understanding to the extent known at the time of disclosure, of the nature, purpose,

operation, and to the extent known, the physical, chemical, biological, or electrical characteristics of the invention. The report should also include any election of invention rights under this Clause. When an invention is reported under this paragraph 4.A., it shall be presumed to have been made in the manner specified in Section (a)(1) and (2) of 42 USC 5908.

B. The Facility Contractor shall report to DOE Subject Inventions it makes in accordance with the procedures set forth in Contract _____. In addition, the Facility Contractor shall disclose to the Sponsor at the same time as disclosure to the Department any Subject Inventions made by the Facility Contractor under this Agreement and the Sponsor shall notify the Department within 6 months of receipt of such disclosure by the Sponsor of any election of patent rights under this Clause.

C. Requests for extension of time for election under subparagraphs A. and B. may be granted by Patent Counsel for good cause shown in writing.

5. Limitation of Rights

Nothing contained in this patent rights Clause shall be deemed to give the Government any rights with respect to any invention other than a Subject Invention except as set forth in the Facilities License of Paragraph 6.

6. Facilities License

In addition to the rights of the Parties with respect to Subject Inventions , the Sponsor agrees to and does hereby grant to the Government an irrevocable, non-exclusive, paid-up license in and to any inventions or discoveries regardless of when conceived or first actually reduced to practice or acquired by the Sponsor, which at any time, through completion of work under this Agreement, are owned or controlled by the Sponsor and are incorporated in the facility as a result of this Agreement to such an extent that the facility is not restored to the condition existing prior to this Agreement (1) to practice or to have practiced by or for the Government at the facility, and (2) to transfer such license with the transfer of the 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.

7. Early Termination of Agreement

The terms and conditions of this Clause shall survive this Agreement, in the event that this Agreement is terminated before completion of the Statement of Work.

RIGHTS IN TECHNICAL DATA –PROPRIETARY DATA PROTECTION

1. The following definitions shall be used for this Clause

A. "Facility Contractor" means [NAME OF CONTRACTOR] as Operator of [NAME OF FACILITY], operating under DOE Prime Contract No. [INSERT] or any successor contractor thereof.

B. "Generated Information" means information produced in the performance of this Agreement, and Facility subcontracts under this Agreement.

C. "Proprietary Information" means information which is developed at private expense, is marked as Proprietary Information, and embodies (1) trade secrets or (2) commercial or financial information which is privileged or confidential under the Freedom of Information Act (5 USC 552 (b)(4)).

D. "Unlimited Rights" means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.

2. For the work to be performed at the DOE/NNSA facility, the Sponsor agrees to furnish to the Facility Contractor or leave at the facility that information, if any, which is (1) essential to the performance of work by the Facility Contractor personnel or (2) necessary for the health and safety of such personnel in the performance of the work. Any information furnished to the Facility Contractor shall be deemed to have been delivered with Unlimited Rights unless marked as Proprietary Information. The Sponsor agrees that it has the sole responsibility for appropriately identifying and marking all documents containing Proprietary Information, whether such documents are furnished by the Sponsor or produced under this Agreement and made available to the Sponsor for review.

3. The Sponsor may designate as Proprietary Information any Generated Information where such data would embody trade secrets or would comprise commercial or financial information that is privileged or confidential if it were obtained from a third party. Such Proprietary Information will, to the extent permitted by law, be maintained in confidence and disclosed or used by the Facility Contractor (under suitable protective conditions) only for the purpose of carrying out the Facility Contractor's responsibilities under this Agreement. Upon completion of activities under this Agreement, such Proprietary Information will be disposed of as requested by the Sponsor. Before the Facility Contractor releases data associated with this Agreement to anyone, the Sponsor will be afforded the opportunity to review that data to ascertain whether it is Proprietary Information and to mark it as such.

4. The Government and Facility Contractor agree not to disclose properly marked Proprietary Information to anyone other than the Sponsor without written approval of the Sponsor, except to Government employees who are subject to the statutory provisions against disclosure of confidential information set forth in the Trade Secrets Act (18 USC 1905). The Government and Facility Contractor shall have the right, at reasonable times up to three (3) years after the termination or completion of this Agreement, to inspect any information designated as Proprietary Information by the Sponsor, for the purpose of verifying that such information has been properly identified as Proprietary Information.

5. The Sponsor is solely responsible for the removal of all of its Proprietary Information from the facility by or before termination of this Agreement. The Government and Facility Contractor shall have Unlimited Rights in any information which is not removed from the Facility by termination of this Agreement. The Government and Facility Contractor shall have Unlimited Rights in any Proprietary Information which is incorporated into the facility or equipment under this Agreement to such extent that the facility or equipment is not restored to the condition existing prior to such incorporation.

6. The Sponsor agrees that the Facility Contractor will provide to the Department a nonproprietary description of the work performed under this Agreement.

7. The Government shall have Unlimited Rights in all Generated Information produced or information provided to the Facility Contractor by the Parties under this Agreement, except for information which is disclosed in a

Subject Invention disclosure being considered for patent protection, or which is marked as being Proprietary Information.

8. Copyrights. The Sponsor may assert copyright in any of its Generated Information, and may also require the Facility Contractor, at the Sponsor's expense, to assert and assign copyright as may exist in any Generated Information produced by the Facility Contractor which the Sponsor wishes to copyright. Subject to the other provisions of this clause, and to the extent copyright is asserted, the Government reserves for itself and others acting in its behalf, a paid-up, world-wide, irrevocable, non-exclusive license for Governmental purposes to publish, distribute, translate, duplicate, exhibit, prepare derivative works, and perform any such copyrighted works.

9. The terms and conditions of this Clause shall survive this Agreement, in the event that the Agreement is terminated before completion of the Statement of Work.

APPENDIX B- INTELLECTAUL PROPERTY RIGHTS-(ALTERANTE I)

PATENT RIGHTS (CLASS WAIVER DECLINED OR DENIED)

1. The following definitions shall be used for this Clause.

   A. "Subject Invention" means any invention or discovery of the Facility Contractor, or, to the extent the Sponsor or a Facility subcontractor is performing any work under this Agreement, of the Sponsor or Facility subcontractor respectively, conceived in the course of, or under this Agreement or, in the case of an invention previously conceived by the Sponsor or Facility subcontractor, first actually reduced to practice in the course of or under this Agreement. "Subject Invention" includes any art, method, process, machine, manufacture, design or composition of matter, or any new and useful improvement thereof, or any variety of plant, whether patented under the Patent Laws of the United States of America or any foreign country, or unpatented.

   B. "Facility Contractor" means [NAME OF CONTRACTOR] as Operator of [NAME OF FACILITY], operating under DOE Prime Contract No. [INSERT] or any successor contractor thereof.

2. Any Subject Invention made by the Facility Contractor under this Agreement will be governed by the provisions of the Facility Prime Contract with the DOE.

3. The Sponsor and Facility subcontractor(s), as applicable, may retain title to their own Subject Inventions, subject to, the Government retaining a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced by or on behalf of the United States the Subject Inventions throughout the world, a requirement to report their Subject Inventions to DOE within 6 months after conception or first actual reduction to practice, whichever occurs first, in the course of or under this Agreement, U.S. Preference (35 U.S.C. § 204), and such other conditions consistent with DOE patent waiver policy.

RIGHTS IN TECHNICAL DATA (UNLIMITED RIGHTS/NONPROPRIETARY)

1. The following definitions shall be used.

   A. "Facility Contractor" means [NAME OF CONTRACTOR] as Operator of [NAME OF FACILITY], operating under DOE Prime Contract No. [INSERT] or any successor contractor thereof.

   B. "Generated Information" means information produced in the performance of this Agreement or any Facility subcontract under this Agreement.

   C. "Proprietary Information" means information which is developed at private expense, is marked as Proprietary Information, and embodies (1) trade secrets or (2) commercial or financial information which is privileged or confidential under the Freedom of Information Act (5 USC 552 (b)(4)).

   D. "Unlimited Rights" means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.

2. For work performed at the DOE/NNSA Facility, the Sponsor agrees to furnish to the Facility Contractor or leave at the facility that information, if any, which is (1) essential to the performance of work by the Facility Contractor personnel or (2) necessary for the health and safety of such personnel in the performance of the work. Any information furnished to the Facility Contractor shall be deemed to have been delivered with Unlimited Rights unless marked as Proprietary Information. The Sponsor agrees that it has the sole responsibility for appropriately identifying and marking all documents containing Proprietary Information, whether such documents are furnished by the Sponsor or produced under this Agreement and made available to the Sponsor for review.

3. The Sponsor, Facility Contractor, and the Government shall have Unlimited Rights in all Generated Information, except for information which is disclosed in a Subject Invention disclosure being considered for patent protection.

4. The Government and Facility Contractor agree not to disclose properly marked Proprietary Information without written approval of the Sponsor, except to Government employees who are subject to the statutory provisions against disclosure of confidential information set forth in the Trade Secrets Act (18 USC 1905).

5. The Sponsor is solely responsible for the removal of all of its Proprietary Information from the facility by or before termination of this Agreement. The Government and Facility Contractor shall have Unlimited Rights in any information which is not removed from the facility by termination of this Agreement. The Government and Facility Contractor shall have Unlimited Rights in any Proprietary Information which is incorporated into the facility or equipment under this Agreement to such extent that the facility or equipment is not restored to the condition existing prior to such incorporation.

6. The Sponsor agrees that the Facility Contractor will provide to the Department a nonproprietary description of the work performed under this Agreement.

7. The Government shall have Unlimited Rights in all Generated Information produced or information provided to the Facility Contractor by the Parties under this Agreement, except for information which is disclosed in a Subject Invention disclosure being considered for patent protection, or which is marked as being Proprietary Information.

8. Copyrights. The Parties may assert copyright in any of their Generated Information. Subject to the other provisions of this clause, and to the extent copyright is asserted, the Government reserves for itself and others acting in its behalf, a paid-up, world-wide, irrevocable, non-exclusive license for Governmental purposes to publish, distribute, translate, duplicate, exhibit, prepare derivative works, and perform any such copyrighted works.

9. The terms and conditions of this article shall survive the Agreement, in the event that the Agreement is terminated before completion of the Statement of Work.

APPENDIX C- INTELLECTUAL PROPERTY RIGHTS (ALTERNATE II)

PATENT RIGHTS - (WAIVER WITH GOV. R&D LICENSE)

1. Definitions

   A. "Facility Contractor" means [NAME OF CONTRACTOR] as Operator of [NAME OF FACILITY], operating under DOE Prime Contract No. [INSERT] or any successor contractor thereof.

   B. "Subject Invention" means any invention or discovery of the Facility Contractor, or, to the extent the Sponsor, or a Facility subcontractor is performing any work under this Agreement, of the Sponsor or Facility subcontractor respectively, conceived in the course of or under this Agreement, or, in the case of an invention previously conceived by the Sponsor or Facility subcontractor, first actually reduced to practice in the course of or under this Agreement. "Subject Invention" includes any art, method, process, machine, manufacture, design or composition of matter, or any new and useful improvement thereof, or any variety of plant, whether patented under the Patent Laws of the United States of America or any foreign country, or unpatented.

   C. "Patent Counsel" means the DOE/NNSA field Patent Counsel assisting the procuring activity which has the administrative responsibility for the facility where the work under this Agreement is to be performed.

2. Rights of the Sponsor

   A. Election to Retain Rights

      Subject to the provisions of Paragraph 3 with respect to any Subject Invention reported and elected in accordance with Paragraph 4. of this Clause, the Sponsor may elect to retain the entire right, title, and interest throughout the world to each Subject Invention and any patent application filed in any country on a Subject Invention and in any resulting patent secured by the Sponsor. Where appropriate, the filing of patent applications by the Sponsor is subject to DOE and other Government security regulations and requirements.

3. Rights of Facility Contractor and Government

   A. Assignment to either the Facility Contractor or the Government

      The Sponsor agrees to assign to either the Facility Contractor or the Government, as requested by the Facility Contractor, the entire right, title, and interest in any country to each Subject Invention for which the Sponsor:

      (1) does not elect pursuant to this Clause to retain such rights; or

      (2) elects to retain title to a Subject Invention pursuant to paragraph 2. but fails to have a patent application filed in that country on the Subject Invention or decides not to continue prosecution or not to pay any maintenance fees covering the invention.

B. Terms and Conditions of Waived Rights

(1) To preserve the Facility Contractor's and the Government's residual rights to Subject Inventions, and in patent applications and patents on Subject Inventions, the Sponsor shall take all actions in reporting, electing, filing on, prosecuting, and maintaining invention rights promptly, but in any event, in sufficient time to satisfy domestic and foreign statutory and regulatory time requirements, or, if the Sponsor decides not to take appropriate steps to protect the invention rights, it shall notify the Facility Contractor in sufficient time to permit either the Facility Contractor or the Government to file, prosecute, and maintain patent applications and any resulting patents prior to the end of such domestic or foreign statutory or regulatory time requirements.

(2) The Sponsor shall convey or ensure the conveyance of any executed instruments necessary to vest in either the Facility Contractor or the Government the rights set forth in this Clause.

(3) With respect to any Subject Invention in which the Sponsor retains title, the Government retains, for research and development purposes[1], a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced by or on behalf of the United States the Subject Invention throughout the world.

(4) The Sponsor shall provide the Government a copy of any patent application filed on a Subject Invention within 6 months after such application is filed, including its serial number and filing date.

(5) Preference for U.S. Industry. Notwithstanding any other provision of this Clause, the Sponsor agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any Subject Invention in the United States unless such person agrees that any products embodying the Subject Invention or produced through the use of the Subject Invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by DOE upon a showing by the Sponsor or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

(6) The Sponsor agrees to refund any amounts received as royalty charges on any Subject Invention in procurement by or on behalf of the Government and to provide for that refund in any instrument transferring rights to any party in the invention.

(7) The specification of any United States patent applications and any patent issuing thereon covering a Subject Invention must include the following statement. "The Government has rights in this invention pursuant to *(specify this underlying Agreement)*."

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[1] Research and development purposes includes all research, development and demonstration activities by or on behalf of the Government, including uses at Federal Facilities to perform work under privately-sponsored agreements.

4. Invention Identification, Disclosures, and Reports

   A. The Sponsor shall furnish the Patent Counsel a written report containing full and complete technical information concerning each Subject Invention it makes within 6 months after conception or first actual reduction to practice, whichever occurs first, in the course of or under this Agreement, but in any event prior to any on sale, public use, or public disclosure of such invention known to the Sponsor. The report shall identify this Agreement and inventor and shall be sufficiently complete in technical detail and appropriately illustrated by sketch or diagram to convey to one skilled in the art to which the invention pertains a clear understanding to the extent known at the time of disclosure, of the nature, purpose, operation, and to the extent known, the physical, chemical, biological, or electrical characteristics of the invention. The report should also include any election of invention rights under this Clause. When an invention is reported under this paragraph 4.A., it shall be presumed to have been made in the manner specified in Section (a)(1) and (2) of 42 USC 5908.

   B. The Facility Contractor shall report to DOE Subject Inventions it makes in accordance with the procedures set forth in Contract _____. In addition, the Facility Contractor shall disclose to the Sponsor at the same time as disclosure to the Department any Subject Inventions made by the Facility Contractor under this Agreement and the Sponsor shall notify the Department within 6 months of receipt of such disclosure by the Sponsor of any election of patent rights under this Clause.

   C. Requests for extension of time for election under Subparagraphs A. and B. may be granted by Patent Counsel for good cause shown in writing.

5. Limitation of Rights

   Nothing contained in this patent rights Clause shall be deemed to give the Government any rights with respect to any invention other than a Subject Invention except as set forth in the Facilities License of paragraph 6.

6. Facilities License

   In addition to the rights of the Parties with respect to inventions or discoveries conceived or first actually reduced to practice in the course of or under this Agreement, the Sponsor agrees to and does hereby grant to the Government an irrevocable, non-exclusive, paid-up license in and to any inventions or discoveries regardless of when conceived or first actually reduced to practice or acquired by the Sponsor, which at any time, through completion of this Agreement, are owned or controlled by the Sponsor and are incorporated in the facility as a result of this Agreement to such an extent that the facility is not restored to the condition existing prior to this Agreement (1) to practice or to have practiced by or for the Government at the facility, and (2) to transfer such license with the transfer of the 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.

7. Early Termination of Agreement

   The terms and conditions of this Clause shall survive this Agreement, in the event that this Agreement is terminated before completion of the Statement of Work.

RIGHTS IN TECHNICAL DATA – PROTECTED WFO INFORMATION

1. The following definitions shall be used for this Clause

   A. "Generated Information" means information produced in the performance of this Agreement, and Facility under this Agreement.

   B. "Proprietary Information" means information which is developed at private expense, is marked as Proprietary Information, and embodies (1) trade secrets or (2) commercial or financial information which is privileged or confidential under the Freedom of Information Act (5 USC 552 (b)(4)).

   C. "Unlimited Rights" means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.

   D. "Protected WFO Information" means Generated Information which is marked as Protected WFO Information and which would have been Proprietary Information had it been obtained from a non-Federal entity.

2. For work to be performed at the DOE/NNSA facility, the Sponsor agrees to furnish to the Facility Contractor or leave at the facility that information, if any, which is (1) essential to the performance of work by the Facility Contractor personnel or (2) necessary for the health and safety of such personnel in the performance of the work. Any information furnished to the Facility Contractor shall be deemed to have been delivered with Unlimited Rights unless marked as Proprietary or Protected WFO Information. The Sponsor agrees that it has the sole responsibility for appropriately identifying and marking all documents containing Proprietary or Protected WFO Information, whether such documents are furnished by the Sponsor or produced under this Agreement and made available to the Sponsor for review.

3. The Sponsor may designate as Protected WFO Information any Generated Information where such data would embody trade secrets or would comprise commercial or financial information that is privileged or confidential if it were obtained from a third party. Before the Facility Contractor releases data associated with this Agreement to anyone, the Sponsor will be afforded the opportunity to review that data to ascertain whether it is Protected WFO Information and to mark it as such.

4. For a period of ____ **[not to exceed 5 years]** from the date Protected WFO Information is produced, the Parties and the Government agree not to further disclose such information except: (a) as necessary to perform this WFO; (b) as requested by the DOE Contracting Officer to be provided to other DOE facilities for use only at those Facilities with the same protections in place; (c) to existing or potential licensees, affiliates, customers, or suppliers of the Parties in support of commercialization of technology with the same protections in place, however, disclosure of the Sponsor's Protected WFO Information under this subsection of paragraph 4 shall only be done with the Sponsor's consent; or (d) as mutually agreed by the Parties in advance.

   Subject to DOE/NNSA field Patent Counsel approval and the mutual agreement of the Parties, the period of protection for Protected WFO Information may be extended for one extension term that is no more five (5) years in duration and which begins immediately upon expiration of the initial period of protection.

5. The obligations of paragraph 4 above shall end sooner for any Protected WFO Information which shall become publicly known without fault of either Party, shall come into a Party's possession without breach by

that Party of the obligations of Paragraph 4 above, or shall be independently developed by a Party's employees who did not have access to the Protected WFO Information.

6. The Government and Facility Contractor agree not to disclose properly marked Proprietary Information to anyone other than the Sponsor without written approval of the Sponsor, except to Government employees who are subject to the statutory provisions against disclosure of confidential information set forth in the Trade Secrets Act (18 USC 1905). The Government and Facility Contractor shall have the right, at reasonable times up to 3 years after the termination or completion of the Agreement, to inspect any information designated as Proprietary Information by the Sponsor, for the purpose of verifying that such information has been properly identified as Proprietary Information.

7. The Sponsor is solely responsible for the removal of all of its Proprietary Information from the facility by or before termination of this Agreement. The Government and Facility Contractor shall have Unlimited Rights in any information which is not removed from the facility by termination of this Agreement, except Protected WFO information. The Government and Facility Contractor shall have Unlimited Rights in any Proprietary or Protected WFO Information which is incorporated into the facility or equipment under this Agreement to such extent that the facility or equipment is not restored to the condition existing prior to such incorporation.

8. The Sponsor agrees that the Facility Contractor will provide to the Department a nonproprietary description of the work performed under this Agreement.

9. The Government shall have Unlimited Rights in all Generated Information produced or information provided by the Parties under this Agreement, except for information which is disclosed in a Subject Invention disclosure being considered for patent protection, or which is marked as being Protected WFO Information.

10. Copyrights. The Sponsor may assert copyright in any of its Generated Information, and may also require the Facility Contractor, at the Sponsor's expense, to assert and assign copyright as may exist in any Generated Information produced by the Facility Contractor which the Sponsor wishes to copyright. Subject to the other provisions of this clause, and to the extent copyright is asserted, the Government reserves for itself and others acting in its behalf, a paid-up, world-wide, irrevocable, non-exclusive license for Governmental purposes to publish, distribute, translate, duplicate, exhibit, prepare derivative works, and perform any such Generated Information assigned to the Sponsor.

11. The terms and conditions of this Clause shall survive this Agreement, in the event that this Agreement is terminated before completion of the Statement of Work.