

**Small Business Technology Transfer (STTR) Program**

**AGREEMENT ON ALLOCATION OF RIGHTS IN INTELLECTUAL PROPERTY AND  
RIGHTS TO CARRY OUT FOLLOW-ON RESEARCH, DEVELOPMENT,  
OR COMMERCIALIZATION**

This Agreement between **Small Business Concern**, a small business concern (hereinafter referred to as "SBC") organized as a(n) **corporate structure of SBC (C corporation, LLC, Limited Partnership, Sole Proprietorship, etc.)** under the laws of the State of **SBC's state of incorporation** and having a principal place of business at **SBC's business address**, and **UT-Battelle, LLC**, Managing and Operating Contractor for the Oak Ridge National Laboratory for the Department of Energy under contract No. DE-AC-00OR22725, a research institution (hereinafter referred to as "RI") having a principal place of business at P.O. Box 2008, One Bethel Valley Road, Oak Ridge, Tennessee 37831, is entered into for the purpose of allocating between the parties certain rights relating to a project to be carried out by SBC and RI (hereinafter referred to as the "Parties" or singularly as "Party") under a funding agreement that may be awarded by the U.S. Department of **???** (D??) under Funding Opportunity Announcement (FOA) Number **XXX** to SBC to fund a grant application entitled "**Fill in title of STTR grant here**" submitted, or to be submitted, to the D?? by SBC on or about **Month XX**, 201**X**.

**1. Applicability of this Agreement**

- (a) This Agreement shall be applicable only to matters relating to the project referred to in the preamble above.
- (b) If a funding agreement for a project is awarded to SBC based upon the grant application referred to in the preamble above, SBC will promptly provide a copy of such funding agreement to RI, and SBC will make a subaward to RI in accordance with the funding agreement, the grant application, and this Agreement. If the terms of such funding agreement appear to be inconsistent with the provisions of this Agreement, the parties will attempt in good faith to resolve any such inconsistencies. However, if such resolution is not achieved within a reasonable period, SBC shall not be obligated to make, nor RI to accept, the subaward, as the case may be. If a subaward is made by SBC and accepted by RI, this Agreement shall not be applicable to contradict the terms of such subaward or of the funding agreement awarded by the D?? to SBC except on the grounds of fraud, misrepresentation, or mistake, but shall be considered to resolve ambiguities in the terms of the subaward.
- (c) The provisions of this Agreement shall apply to any and all consultants, subcontractors, independent contractors, or other individuals employed by SBC or RI for the purposes of this project.

**2. Background Intellectual Property**

It is possible that one or both Parties may possess rights in Background Intellectual Property, that is, intellectual property not otherwise subject to this Agreement, which may be useful or essential to the practice or commercialization of the results of this Agreement. For example, RI might own a patent which would be infringed by the SBC when it attempted to commercialize the results of this Agreement unless a license was obtained from the RI. Where the Parties determine that Background Intellectual Property may exist, consideration should be given to negotiating license rights which will allow the practice and commercialization of the results of this Agreement.

- (a) The following is a list of Background Intellectual Property owned by SBC:

*List Background Intellectual Property of SBC.*

*None.*

- (b) The following is a list of Background Intellectual Property owned by RI:

*List Background Intellectual Property of SBC.*

*None.*

### 3. Project Intellectual Property

- (a) "Project Intellectual Property" means the legal rights relating to inventions (including potentially patentable inventions as defined in 37 CFR 401), patent applications, patents, copyrights (including computer software), trademarks, and mask works, first made or generated during the performance of this Agreement.
- (b) The rights of the Parties to potentially patentable inventions made by their employees in the performance of this Agreement shall be as set forth in the Patent Rights Clause of 37 CFR 401.14. The D?? may obtain title to any potentially patentable invention of SBC or RI not elected by either Party as set forth in the Patent Rights clause of 37 CFR 401.14. Unless otherwise agreed in writing, Project Intellectual Property shall be owned by the Party whose employees make or generate the Project Intellectual Property. Jointly made or generated Project Intellectual Property shall be jointly owned by the Parties unless otherwise agreed in writing. The SBC shall have the first option to perfect the rights in jointly made or generated Project Intellectual Property unless otherwise agreed in writing. In addition to the rights of the United States government ("Government") under the Patent Rights clause of 37 CFR 401.14, the Parties agree that the Government shall have an irrevocable, royalty free, nonexclusive license for any Governmental purpose in any Project Intellectual Property.
- (c) The Parties agree to disclose to each other, in writing, each and every invention that may be patentable or otherwise protectable under the United States patent laws in Title 35, United States Code. The Parties acknowledge that they will disclose potentially patentable inventions to each other within six (6) months after their respective inventor(s) first disclose the invention in writing to the person(s) responsible for patent matters of the disclosing Party. All written disclosures of such inventions shall contain sufficient detail of the invention, identification of any statutory bars, and shall be marked confidential, in accordance with 35 U.S.C. Section 205. Disclosures to the DOE shall be within the time provided in Paragraph (c)(1) of the Patent Rights clause of 37 CFR 401.14.
- (d) The Parties also agree to disclose to each other, in writing, the creation of copyrightable subject matter (including computer software), trademarks, and mask works within six (6) months after their respective author(s)/inventor(s)/creator(s) first disclose these types of Project Intellectual Property to the person(s) responsible for intellectual property matters of the disclosing Party.
- (e) Each Party may use Project Intellectual Property of the other nonexclusively and without compensation in connection with research or development activities for this project, including inclusion in project reports to the D?? and grant applications to the DO? for continued funding of this project through additional phases.
- (f) SBC will have an option to commercialize the Project Intellectual Property of RI, **subject to any rights of the Government therein**. The following terms apply unless other provisions are negotiated: SBC will have an option to negotiate, for reasonable compensation, a commercial license to RI's Project Intellectual Property, for an option period of six (6) months after such Project Intellectual Property has been reported to SBC by RI. During the period of such option, RI will pursue and

maintain any necessary patent protection for potentially patentable inventions requested in writing by SBC and, except with the written consent of SBC, will not voluntarily discontinue the pursuit and maintenance of any United States patent protection for the potentially patentable invention initiated by RI or of any patent protection requested by SBC. SBC may terminate such option at will by giving written notice to RI. At any time prior to the expiration or termination of an option, SBC may exercise such option by giving written notice to RI, whereupon the Parties will promptly and in good faith enter into negotiations for a commercial license to SBC under RI's rights in the Project Intellectual Property, in the field of use of *fill in field of use description here BEFORE providing review draft to SBC.*

#### **4. Follow-on Research or Development**

All follow-on work, including any licenses, contracts, subcontracts, sublicenses or arrangements of any type, shall contain appropriate provisions to implement the Project Intellectual Property rights provisions of this Agreement and insure that the Parties and the Government obtain and retain such rights granted herein in all future resulting research, development, or commercialization work.

#### **5. Confidentiality/Publication**

- (a) Background Intellectual Property and Project Intellectual Property of a Party, as well as other proprietary or confidential information of a Party, disclosed by that Party to the other in connection with this project shall be received and held in confidence by the receiving Party and, except with the consent of the disclosing Party or as permitted under this Agreement, neither used by the receiving Party nor disclosed by the receiving Party to others for a period of three (3) years from the date of disclosure by the disclosing Party to the receiving Party, provided that the receiving Party has notice that such information is regarded by the disclosing Party as proprietary or confidential and that the information is properly marked and dated. However, these confidentiality obligations shall not apply to use or disclosure by the receiving Party after such information is or becomes known to the public without breach of this provision or is or becomes known to the receiving Party from a source reasonably believed to be independent of the disclosing Party or is developed by or for the receiving Party independently of its disclosure by the disclosing Party.
- (b) Subject to the terms of paragraph (a) above, either Party may publish its results from this project. However, the publishing Party shall provide the other Party a thirty- (30) day period in which to review proposed publications, identify proprietary or confidential information, and submit comments. The publishing Party shall not publish or otherwise disclose proprietary or confidential information identified by the other Party and the publishing Party will give full consideration to all comments before publication. Furthermore, upon request of the reviewing Party, publication will be deferred for up to thirty (30) additional days for preparation and filing of a patent application which the reviewing Party has the right to file or to have filed at its request by the publishing Party.

#### **6. Liability**

- (a) Each Party disclaims all warranties running to the other or through the other to third parties, whether express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and freedom from infringement, as to any information, result, design, prototype, product or process deriving directly or indirectly and in whole or part from such Party in connection with this project.
- (b) SBC will indemnify and hold harmless RI and the Government with regard to any claims arising in connection with commercialization of the results of this project by or under the authority of SBC.

**7. Termination**

- (a) This Agreement may be terminated by either Party upon thirty (30) days’ written notice to the other Party. This Agreement may also be terminated by either Party in the event of the failure of the other Party to comply with the terms of this Agreement.
- (b) In the event of termination by either Party, each Party shall be responsible for its share of the costs incurred through the effective date of termination, as well as its share of the costs incurred after the effective date of termination, and which are related to the termination. The confidentiality, use, and/or non-disclosure obligations of this Agreement shall survive any termination of this Agreement.

**AGREED TO AND ACCEPTED**

UT-BATTELLE, LLC

By: \_\_\_\_\_

Name (typed): \_\_\_\_\_ Mark Reeves

Title: \_\_\_\_\_ Associate Director, Office of Technology Transfer

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

**SBC**

By: \_\_\_\_\_

Name (typed): \_\_\_\_\_ Name

Title: \_\_\_\_\_ Title

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