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INTERAGENCY AGREEMENT

BETWEEN

THE U.S. DEPARTMENT OF ENERGY,  
SAVANNAH RIVER OPERATIONS OFFICE

AND

THE U.S. ARMY CORPS OF ENGINEERS

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INTERAGENCY AGREEMENT NO. DE-AI09-85SR14066  
 BETWEEN  
 THE DEPARTMENT OF ENERGY  
 AND  
 THE UNITED STATES ARMY CORPS OF ENGINEERS

This Interagency Agreement consists of the following:

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BETWEEN  
THE DEPARTMENT OF ENERGY  
AND  
THE UNITED STATES ARMY CORPS OF ENGINEERS

I. Purpose

The purpose of this Interagency Agreement (IA) is to set forth the basis on which the United States Army Corps of Engineers (the Corps) will provide to the U. S. Department of Energy (DOE) project and construction support services at the DOE's Savannah River Plant (DOE-SR).

II. Scope of Work

The services required under this IA are set forth in Attachment I.

III. Cost

Cost of performing the work set forth in Attachment I Scope of Work, will be established in each Task Order issued under this IA.

IV. Reports

- A. Internal Progress reporting, financial accounting reporting as described in Provisions 6 and 7 of Attachment II, General Provisions, and other management information reporting shall be accomplished utilizing current Corps procedures where practical, but shall provide such detail as DOE may require.
- B. A report delineating a final reconciliation with advance payments shall be submitted by the Corps to DOE upon completion of each individual Task Order.
- C. Construction management data is to be reported periodically. Where practical, the "Automated Military Progress Reporting System" (AMPRS) will be used to provide construction management data simultaneously to Division Commanders and the Office of the Chief of Engineers (OCE), as well as to DOE. The DOE Uniform Reporting System for Contracts (URSC) establishes a standard procedure for collecting and reporting information to aid the DOE in managing contractor performance. Commensurate with the nature and magnitude of the work, the URSC will be used in conjunction with AMPRS to provide project monitoring information to DOE and the Corps. Periodic narrative reports will be initiated at the field operating activity level to keep management informed of project status at higher echelons.
- D. Other reports required to be submitted to DOE will be identified in the individual task orders.

V. Agreement Period

This IA shall become effective upon signature by the principal DOE and Corps officials. There is no specified period of performance for the IA. Task Orders issued under this IA shall establish the work requirements as well as the periods of performance.

VI. Program Officers

- A. DOE and the Corps - See items 6 and 7 of the face page.
- B. The Corps will coordinate through the DOE Program Officer with DOE's design, construction and operating contractor, E. I. du Pont de Nemours and Company and with such other contractors as may be necessary to obtain technical data, documents and other information which may be required by the Corps in performing this work. The DOE Program Officer will ensure that necessary information from DOE contractors is furnished to the Corps.

VII. Payments/Funding

All work accomplished by the Corps under any task order issued under this IA will be authorized and funded by DOE. Payments/funding for work will be accomplished by one of the following methods:

- (1) Work under major task orders, defined as task orders initially funded for more than \$1 million, will be funded through funding transfers accomplished with a SF 1151, Nonexpenditure Transfer Authorization, pursuant to the Treasury Fiscal Requirement Manual, Volume I, Section 2060, and OMB Circular A-34, paragraph 61.2A(3).
- (2) For work under small task orders, defined as task orders initially funded for less than \$1 million, work will be financed on a reimbursable basis unless the work involves the award of a contract(s) by the Corps. If the Corps is to award any contracts under a task order, the work will be financed by advance payments. Each small task order will indicate in block 5c of the DOE Form 1270.1 (see Article X, Taskings) the method of payment. Advance payments or reimbursements will be made upon submission of a SF-1080 to DOE.
- (3) The "Corps of Engineers Management Information System" will be used for accounting.

VIII. Documents Attached and Part of this IA

Scope of Work - Attachment I  
 Standard General Provisions of Interagency Agreements - Attachment II  
 Patent Clauses - Attachment III

IX. Documents Incorporated by Reference

Documents incorporated by reference in this IA or any Task Order issued under this IA will have the same force and effect as if physically included within the IA or a Task Order.

X. Taskings

- A. Task Orders will be issued under this IA to identify work requirements and to obligate funds. Task Orders will be issued on DOE Form 1270.1 and shall be sequentially numbered in block 1d of the form.
- B. Task Order No. 1 will be issued, and funded, to cover all general project management type work described in the Scope of Work, Attachment 1, Part A. Construction management services as described in the Scope of Work, Part B. will be individually identified and funded in separate Task Orders.
- C. Any requirements for quality assurance assessments or management plans will be identified in each Task Order.

XI. Manpower

Manpower resource requirements will be evaluated and updated periodically at DOE Program Officer and Corps District Commander and Division Commander levels in order to assess what changes, if any, may be required to assure timely performance of forecasted workload requirements.

XII. Procurement Policy

Any contracts awarded by the Corps under a task order shall be written and administered in accordance with the Federal Acquisition Regulation (FAR) as implemented by the Department of Defense Supplement to the FAR and the Corps policies and procedures descending from these regulations. The Corps shall coordinate with DOE prior to issuance of any solicitation for contract work under a task order and prior to award of any contract. The Armed Services Board of Contract Appeals will be used as the forum for resolving contract disputes under Corps awarded contracts.

XIII. Public Affairs

DOE retains responsibility for Congressional liaison and public announcements. The Corps will assist DOE in the preparation of responses to inquiries relating to Corps activities by preparing and furnishing draft responses for DOE's review and disposition.

XIV. Amendment or Modification

This IA may be amended or modified by written agreement between DOE and the Corps.

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SCOPE OF WORK  
SR SUPPORT BY THE CORPS OF ENGINEERS

Part A. - Project Management Services. The Corps will have mission responsibility to perform project management activities as requested by DOE. Specific projects will be assigned on letter sub-tasking orders: Types of services may include the following:

1. Review budget line item project documentation for adequacy of basic data and conceptual designs. Review the budget estimates for completeness and accuracy. Make sure the budget data sheets are consistent and complete. Document the results of the reviews.
2. Review ongoing project design packages, status reports (cost & schedule) and plan field inspections. Conduct field inspections to confirm accuracy of status reports and assure construction in accordance with plans and specifications. Spot-check during inspections on drawing control system, quality assurance system, change control system. Provide reports to SR project engineers.
3. Review purchase orders and contract bid packages for technical adequacy of specifications. Review adequacy of justification for single-source procurements prepared by DOE contractors.
4. Conduct quality assurance technical inspections (audits) of selected projects and provide written reports.
5. Provide other technical assistance as requested and mutually agreed upon.

Part B. - Engineering and Construction Management Services. The Corps will have mission responsibility to perform engineering and construction management services as requested by DOE. The types of services required include, but are not limited to, the following:

1. Coordinate, through the DOE Program Officer, with the operating contractor to develop basic data required to scope a project.
2. Prepare conceptual designs and authorization grade estimates.
3. Furnish design services (Titles I, II and III).
4. Furnish procurement services for materials, equipment and construction.
5. Provide construction management.
6. Provide cost control and project status reports as required.

7. Maintain liaison with the operating contractor, through the DOE Program Officer, during all phases of each task.

The specific work requirements for each construction management project will be identified in task orders issued in accordance with Article X, Taskings, of this IA.



GENERAL PROVISIONS  
INTERAGENCY AGREEMENT

NO. DE-AI09-85SR14066

1. Definitions. For purposes of this agreement, "DOE" means the United States Department of Energy or any any duly authorized representative thereof, and "Corps" means the U. S. Army Corps of Engineers.
2. Costs Chargeable to DOE Funds. Costs chargeable to DOE funds are direct costs that can be directly identified with and charged to the work under the agreement as well as indirect costs. Indirect costs, including Corps District General overhead and Field Office overhead, shall be limited to the properly allocable portion of costs that are not charged directly to the work but which can be shown as mutually benefiting the work covered by the task order as well as other work of the Corps. Examples of direct costs are salaries/wages, technical services, materials, travel and transportation, communications, and any facilities and equipment expressly approved for purchase under the interagency agreement.
3. Financing. DOE will reimburse or will make available, in advance, the amount specified in the individual Task Orders issued under this IA. Requests for funds shall show separately the amount required for (a) operating costs, (b) capital equipment (as defined in 9 below), and (c) acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction or expansion.
  - a. Vouchers for payment will be submitted on the agreed upon form.
  - b. Any advanced funds remaining after the completion of the project shall be reimbursed to the DOE.
4. Notice of Costs Approaching Total Estimated Costs. Whenever the Corps has reason to believe that the total cost of the work under this agreement will be substantially greater or less than the presently estimated cost of the work, identified in each Task Order, the Corps shall promptly notify the DOE in writing. The Corps shall also notify the DOE, in writing, when the aggregate of costs incurred and outstanding commitments allowable under this agreement is equal to 90 percent (or such other percentage as the DOE may from time to time establish by notice to the Corps) of the presently estimated total costs under a Task Order. When the costs incurred and outstanding commitments equal 100 percent of such estimated total costs, the Corps shall make no further commitments or expenditures (except to meet existing commitments) and shall be excused from further performance of the work unless and until the DOE shall increase the total estimated costs to be incurred with respect to each individual Task Order.

5. Excess Funds. The Corps shall take prompt action to return to the DOE any funds determined to be excess to the work during the performance of the work and any unobligated funds after the completion of a Task Order unless the Task Order has been extended and any unused balances have been carried forward in the extension.
6. Financial Reports. The Corps shall furnish the DOE, not later than 15 days after the close of each reporting period, monthly or other periodic cost or financial reports in such form and detail as may be required by the DOE. Any costs incurred for capital equipment or other assets shall be supported by a list showing the description, make, any serial number, and the cost of each item acquired.
7. Accounting Records. The Corps shall accumulate and account for obligations and costs incurred in connection with the work being performed under each Task Order in such form and detail as may be required by the DOE.
8. Termination. This agreement or any Task Order may be terminated by mutual agreement or by either party giving 90 days written notice to the other. In the event of such termination the Corps shall be reimbursed for obligations actually incurred to the effective date of termination and for commitments extending beyond the effective date of termination to a date not later than the date upon which the agreement or any Task Order would have expired if not terminated under this paragraph, which the Corps, in the exercise of due diligence, is unable to cancel. Notwithstanding the above time limits, any monies payable by the Corps as a result of a claim for contract work under a Task Order will be reimbursed whenever the claim is settled. Payments under Task Orders, including payments under this article shall not exceed the ceiling amount specified in each Task Order. The Corps shall retain contract administration responsibilities for contracts awarded by the Corps until such contracts have been terminated or their performance is completed.
9. Capital Equipment.
  - a. "Capital Equipment" means each item of equipment which is expected to have an extended period of service, generally a year or more, and has sufficient monetary value, generally of \$500 or more, to justify continuing accounting records for the item.
  - b. Unless expressly authorized by the DOE contracting officer in advance the Corps shall not be reimbursed or use funds made available under this agreement for the procurement or fabrication of capital equipment.
  - c. If capital equipment is purchased or otherwise acquired pursuant to an authorization under Paragraph (b) above, except as may be otherwise agreed by the DOE and the Corps:
    - (1) the title thereto shall vest in the DOE;

- (2) the Corps shall be responsible for the maintenance and safeguarding thereof; and
- (3) the Corps shall maintain a record in such a manner as to insure adequate control and accounting satisfactory to the DOE, of capital equipment procured or fabricated.

#### 10. Real Property and Facilities.

- a. Unless expressly authorized by the DOE contracting officer in advance, the Corps shall not be reimbursed or use funds made available under Task Orders for the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction or expansion.
- b. If the Corps acquires or condemns any real property or any facility or acquires, constructs, or expands any plant or facility pursuant to an authorization under (a) above, except as may be otherwise agreed by the DOE and the Corps:
  - (1) the title thereto shall vest in the DOE, and property accountability and control shall become the responsibility of DOE;
  - (2) the Corps shall be responsible for the maintenance and safeguarding thereof; and
  - (3) the Corps shall maintain a record thereof in such a manner as to insure adequate control and accounting satisfactory to the DOE.

#### 11. Patents.

It is understood and agreed by the Department of Energy (DOE) and the Corps that the patent policy to be employed in any particular cooperative undertaking between the parties which includes research, development, or demonstration, or demonstration work and is supported in whole or in part by DOE funding will be as set forth below:

- a. In any contract, subcontract or task order under a contract where the Corps has the work performed by a Corps contractor and the work is not severable from that funded by the Corps, the Corps will incorporate the long form patent rights clause of 41 C.F.R. 9-9.107-5(a), or the short form clause of 41 C.F.R. 9-9.107-6, as appropriate.

Where, however, the contract or task order is with a small business firm or nonprofit organization, the patent rights clause used in the contract shall be in accordance with the provisions of P.L. 96-517. If Corps regulations provide such a clause, then that clause may be used. If this is not the case, then the attached clause entitled, "Patent Rights (Small Business Firms or Nonprofit Organizations)" shall be used in the contract.

To enable the Corps to efficiently administer the Patent Rights clause, the definition of Patent Counsel in the clause shall be replaced with the following definition:

"Patent Counsel" means the Department of Energy patent counsel assisting the DOE activity funding the contract. Items pertaining to the administration of this clause, including invention reports, greater rights, and waiver requests, shall be sent to patent counsel via the (Corps) Contracting Officer."

- b. Offerors and prospective contractors shall be provided with notice of and the opportunity to request, in accordance with applicable DOE regulations, at any time prior to the effective date of the contract or within 30 days thereafter, an advance waiver of all or any part of the rights of the United States with respect to inventions which may be conceived or first actually reduced to practice in the course of or under the contract. The Corps Contracting Officer shall promptly forward such requests to DOE's Assistant General Counsel for Patents and will notify the contractor whether such request is granted in whole or in part.
- c. Where a Corps contractor or subcontractor will not accept patent provisions provided by DOE, the Corps shall not proceed with the contract or subcontract without written approval of DOE.
- d. In any contract or task order under a contract where the Corps has the work performed by Corps personnel, either military or civilian, at a Corps installation or that of a Corps contractor, any inventions or discoveries made or conceived in the course of or in connection with such work shall be reported and handled in accordance with standard Corps procedure. All such inventions, however, shall also be reported to DOE and the Corps will consult with DOE prior to making any determination in which the Government would obtain less than the entire right, title and interest in such inventions.
- e. It is recognized that during the course of the work under this agreement, the Corps or its employees, consultants, or contractors may, from time to time, desire to publish, within the limits of security requirements, information regarding scientific or technical developments made or conceived in the course or under this Interagency Agreement. In order that public disclosure of such information will not adversely affect the patent interests of DOE or the Corps, patent approval for release and publication shall be secured from DOE prior to any such release or publication.

## 12. Technical Data.

The Corps shall incorporate technical data provisions acceptable to DOE's Patent Counsel in any subcontract awarded under this agreement.

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BETWEEN  
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THE UNITED STATES ARMY CORPS OF ENGINEERS

These General Provisions consist of the following:

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### 13. Security.

- a. Corps' Duty to Safeguard all Classified Information. The Corps shall, in accordance with DOE security regulations and requirements, be responsible for safeguarding all classified information, and protecting against sabotage, espionage, loss and theft, the classified documents and material in the Corps' possession in connection with the performance of work under this agreement. Except as otherwise expressly provided in this agreement, the Corps shall, upon completion or termination of this agreement, transmit to DOE any classified matter in the possession of the Corp or any person under the Corps' control in connection with performance of this agreement or properly destroy the classified matter and complete a Certificate of Nonpossession to be furnished to DOE. If retention by the Corps of any classified matter is required after the completion or termination of the agreement and such retention is approved by the DOE Contracting Officer, the Corps will complete a certificate of possession to be furnished to DOE specifying the classified matter to be retained. The certification shall include a statement of justification, identify the items and types or categories of matter retained, the conditions governing the retention of the matter, and the period of retention, if known. If the retention is approved by the DOE Contracting Officer, the security provisions of the agreement will continue to be applicable to the matter retained.
- b. Regulations. The Corps agrees to conform to all security regulations and requirements of DOE.
- c. Definition of Classified Information. The term "classified information" means Restricted Data, Formerly Restricted Data, and National Security Information.
- d. Definition of Restricted Data. The term "Restricted Data" means all data concerning 1) design, manufacture, or utilization of atomic weapons; 2) the production of special nuclear material; or 3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the Restricted Data category pursuant to Section 142 of the Atomic Energy Act of 1954, as amended.
- e. Definition of Formerly Restricted Data. The term "Formerly Restricted Data" means all data removed from the Restricted Data category under Section 142 d. of the Atomic Energy Act of 1954, as amended.
- f. Definition of National Security Information. The term "National Security Information" means information or material which is owned by, produced for or by, or under the control of the United States Government, which has been determined pursuant to Executive Order 12065 or subsequent and prior Orders to require protection against unauthorized disclosure, and which is so designated.
- g. Security Clearance of Personnel. The Corps shall not permit any individual to have access to any classified information, except in

accordance with the Atomic Energy Act of 1954, as amended, Executive Order 12065, and the DOE's regulations or requirements applicable to the particular level and category of Classified information to which access is required.

- h. **Criminal Liability.** It is understood that disclosure of any classified information relating to the work or services ordered hereunder to any person not entitled to receive it, or failure to safeguard any classified information that may come to the Corps or any person under the Corps' control in connection with work under this agreement, may subject the Corps, its agents, employees, or subcontractors to criminal liability under the laws of the United States. (See the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2100 et seq.; 18 U.S.C. 793 and 794; and Executive Order 12065).
- i. **Contracts and Purchase Orders.** Except as otherwise authorized in writing by the DOE Contracting Officer, the Corps shall insert provisions similar to the foregoing in all contracts and purchase orders under this agreement.
- j. **Security Requirements for Proprietary Energy Data.** The Corps shall safeguard DOE limited official use information, unclassified controlled nuclear information (UCNI) covered by Section 148 of the Atomic Energy Act, or other proprietary or sensitive data (including material relating to patents), from unauthorized access, disclosure, modification or destruction in accordance with applicable DOE Security regulations and applicable orders and directives.
- k. **Computer Security Requirements.** In the event that this IA or any Task Order involves utilization of a DOE computer system the Corps will establish administrative, technical and physical security procedures in accordance with applicable DOE regulations, to ensure against access to DOE information to individuals not formally authorized by.

#### 14. Classification.

In the performance of the work under this agreement, the Corps shall ensure that an Authorized Original Classifier or Derivative Classifier shall assign classifications to all documents, material, and equipment originated or generated under the agreement in accordance with classification regulations and guidance furnished to the Corps by the DOE. Every subcontract and purchase order issued hereunder involving the origination or generation of classified documents, material, or equipment shall include a provision to the effect that in the performance of such subcontract or purchase order, the subcontractor or supplier shall ensure that an Authorized Original Classifier or Derivative Classifier shall assign classifications to all such documents, materials, and equipment in accordance with classification regulations and guidance furnished to such subcontractor or supplier by the Corps.

15. Technical Progress Reports: Publication. The Corps will make such reports to the DOE on the progress of the work under this agreement or any Task Order as may be mutually agreed upon.

16. Safety and Health.

The Corps shall take all reasonable precautions in the performance of work under this agreement to protect the safety and health of employees and of members of the public and shall comply with all applicable safety and health regulations and requirements (including reporting requirements) of DOE. The DOE Contracting Officer shall notify in writing the Corps of any noncompliance with the provisions of this clause and the corrective action to be taken. After receipt of such notice, the Corps shall immediately take such corrective action. The Corps shall submit a management program and implementation plan to the DOE Contracting Officer for review and approval within 30 days after the date of award of this agreement. In the event that the Corps fails to comply with said regulations or requirements of DOE, the DOE Contracting Officer may, without prejudice to any other legal or contractual rights of DOE, issue an order stopping all or any part of the work; thereafter, a start order for resumption of the work may be issued at the discretion of the DOE Contracting Officer. The Corps shall make no claim for an extension of time or for compensation or damages by reason of, or in connection with, such work stoppage. Normally, the provisions of EM 385-1-1 and the General Provision safety clause of the FAR for construction contracts will be incorporated into construction contracts awarded by the Corps.

17. Environmental Protection:

The Corps shall assure that all construction activities and associated environmental releases are in compliance with applicable State and Federal permit requirements or environmental standards.



ATTACHMENT III

Patent Clauses

1. 41 C.F.R. (DOE-PR) 9-9.107-5(a) Patent Rights - Long Form (DEC 1981)
2. 41 C.F.R. (DOE-PR) 9-9.107-6 Patent Rights - Short Form (DEC 1981)
3. OMB Circ. A-124, Trans Memo No.1 Patent Rights - Small Business or Nonprofit Organizations

1. DOE PR 9-9.107-5(a) PATENT RIGHTS - LONG FORM  
(DEC 1981)

NOTE: This clause applies to this contract unless the contractor is a domestic small business or domestic nonprofit organization at the time of award or unless the clause at DOE PR 9-9.107-6 is chosen elsewhere in this contract.

(a) Definitions.

(1) "Subject invention" means any invention or discovery of the contractor conceived or first actually reduced to practice in the course of or under this contract, and includes any art, method, process, machine manufacture, design or composition of matter, or any new and useful improvement thereof or any variety of plants, whether patented or unpatented under the Patent Laws of the United States of America or any foreign country.

(2) "Contract" means any contract, grant, agreement, understanding, or other arrangement, which includes research, development, or demonstration work, and includes any assignment or substitution of parties.

(3) "States and domestic municipal governments" means the States of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, the Trust Territory of the Pacific Islands, and any political subdivision and agencies thereof.

(4) "Government agency" includes an executive department, independent commission, board, office, agency, administration, authority government corporation, or other Government establishment of the Executive Branch of the Government of the United States of America.

(5) "To the point of practical application" means to manufacture, in the case of a composition or product, to practice in the case of a process, or to operate in the case of a machine and under such conditions as to establish that the invention is being worked and that its benefits are reasonably accessible to the public.

(6) "Patent Counsel" means the Department of Energy Patent Counsel assisting the procuring activity.

(b) Allocation of principal rights.

(1) Assignment to the Government.

The contractor agrees to assign to the Government the entire right, title, and interest throughout the world in and to each subject invention, except to the extent that rights are retained by the contractor under paragraphs (b)(2) and (c) of this clause.

(2) Greater rights determinations.

The contractor or the employee-inventor with authorization of the contractor may request greater rights than the nonexclusive license and the foreign patent rights provided in paragraph (c) of this clause on identified inventions in accordance with 41 CFR 9-9.109-6(d). Such requests must be submitted to Patent Counsel (with notification by Patent Counsel to the Contracting Officer) at the time of the first disclosure pursuant to paragraph (e)(2) of this clause, or not later than 9 months after conception or first actual reduction to practice, whichever occurs first, or such longer periods as may be authorized by Patent Counsel (with notification by Patent Counsel to the Contracting Officer) for good cause shown in writing by the contractor.

(c) Minimum rights to the contractor.

(1) Contractor license.

The contractor reserves a revocable, nonexclusive, paid-up license in each patent application filed in any country on a subject invention and any resulting patent in which the Government acquires title. The license shall extend to the contractor's domestic subsidiaries and affiliates, if any, within the corporate structure of which the contractor is a part and shall include the right to grant sublicenses of the same scope to the extent the contractor was legally obligated to do so at the time the contract was awarded. The license shall be transferable only with approval of DOE except when transferred to the successor of that part of the contractor's business to which the invention pertains.

(2) Revocation limitations.

The contractor's nonexclusive license retained pursuant to paragraph (c)(1) of this clause and sublicenses granted thereunder may be revoked or modified by DOE, either in whole or in part, only to the extent necessary to achieve expeditious practical application of the subject invention under DOE's published licensing regulations (10 CFR 781), and only to the extent an exclusive license is actually granted. This license shall not be revoked in that field of use and/or the geographical areas in which the contractor, or its sublicensee, has brought the invention to the point of practical application and continues to make the benefits of the invention reasonably accessible to the public, or is expected to do so within a reasonable time.

(3) Revocation procedures.

Before modification or revocation of the license or sublicense, pursuant to paragraph (c)(2) of this clause, DOE shall furnish the contractor a written notice of its intention to modify or revoke the license and any sublicense thereunder, and the contractor shall be allowed 30 days, or such longer periods as may be authorized by the Patent Counsel (with notification by Patent Counsel to the Contracting Officer) for good cause shown in writing by the contractor, after such notice to show cause why the license or any sublicense should not be modified or revoked. The contractor shall have the right to appeal, in accordance with 10 CFR 781, any decision concerning the modification or revocation of his license or any sublicense.

(4) Foreign patent rights.

Upon written request to Patent Counsel (with notification by Patent Counsel to the Contracting Officer), and subject to DOE security regulations and requirements, there shall be reserved to the contractor, or the employee inventor with authorization of the contractor, the patent rights to a subject invention in any foreign country where the Government has elected not to secure such rights provided:

(i) The recipient of such rights, when specifically requested by DOE and three years after issuance of a foreign patent disclosing said subject invention, shall furnish DOE a report setting forth:

(A) The commercial use that is being made, or is intended to be made, of said invention, and

(B) The steps taken to bring the invention to the point of practical application or to make the invention available for licensing.

(ii) The Government shall retain at least an irrevocable, nonexclusive, paid-up license to make, use, and sell the invention throughout the world by or on behalf of the Government (including any Government agency) and States and domestic municipal governments, unless the Head of the Agency or designee determines that it would not be in the public interest to acquire the license for the States and domestic municipal governments.

(iii) Subject to the rights granted in (c)(1), (2) and (3) of this clause, the Head of the Agency or designee shall have the right to terminate the foreign patent rights granted in this paragraph (c)(4) in whole or in part unless the recipient of such rights demonstrates to the satisfaction of the Head of the Agency or designee that effective steps necessary to accomplish substantial utilization of the invention have been taken or within a reasonable time will be taken.

(iv) Subject to the rights granted in (c)(1), (2) and (3) of this clause, the Head of the Agency or designee shall have the right, commencing four years after foreign patent rights are accorded under this paragraph (c)(4), to require the granting of a nonexclusive or partially exclusive license to a responsible applicant or applicants, upon terms reasonable under the circumstances, and in appropriate circumstances to terminate said foreign patent rights in whole or in part, following a hearing upon notice thereof to the public, upon a petition by an interested person justifying such hearing:

(A) If the Head of the Agency or designee determines, upon review of such material as he deems relevant, and after the recipient of such rights or other interested person has had the opportunity to provide such relevant and material information as the Head of the Agency or designee may require, that such foreign patent rights have tended substantially to lessen competition or to result in undue market concentration in any section of the United States in any line of commerce to which the technology relates; or

(B) Unless the recipient of such rights demonstrates to the satisfaction of the Head of the Agency or designee at such hearing that the recipient has taken effective steps, or within a reasonable time thereafter is expected to take such steps, necessary to accomplish substantial utilization of the invention.

(d) Filing of patent applications.

(1) With respect to each subject invention in which the contractor or the inventor requests foreign patent rights in accordance with paragraph (c)(4) of this clause, a request may also be made for the right to file and prosecute the U.S. application on behalf of the U.S. Government. If such request is granted, the contractor or inventor shall file a domestic patent application on the invention within 6 months after the request for foreign patent rights is granted, or such longer period of time as may be approved by the Patent Counsel for good cause shown in writing by the requestor. With respect to the invention, the requestor shall promptly notify the Patent Counsel (with notification by Patent Counsel to the Contracting Officer) of any decision not to file an application.

(2) For each subject invention on which a domestic patent application is filed by the contractor or inventor shall:

(i) Within 2 months after the filing of a patent application or within 2 months after submission of the invention disclosure, if the patent application has been filed previously, deliver to the Patent Counsel a copy of the application as filed including the filing date and serial number;

(ii) Within 6 months after filing the application or within 6 months after submitting the invention disclosure if the application has been filed previously, deliver to the Patent Counsel a duly executed and approved assignment to the Government, on a form specified by the Government;

(iii) Provide the Patent Counsel with the original patent grant promptly after a patent is issued on the application; and

(iv) Not less than 30 days before the expiration of the response period for any action required by the Patent and Trademark Office, notify the Patent Counsel of any decision not to continue prosecution of the application.

(3) With respect to each subject invention in which the contractor or inventor has requested foreign patent rights, the contractor or inventor shall file a patent application on the invention in each foreign country in which such request is granted, in accordance with applicable statutes and regulations, and within one of the following periods:

(i) Eight months from the date of filing a corresponding United States application, or if such an application is not filed, six months from the date the request was granted.

(ii) Six months from the date a license is granted by the Commissioner of Patents and Trademarks to file the foreign patent application, where such filing has been prohibited by security reasons; or

(iii) Such longer periods as may be approved by the Patent Counsel for good cause shown in writing by the contractor or inventor.

(4) Subject to the license specified in paragraphs (c)(1), (2) and (3) of this clause, the contractor or inventor agrees to convey to the Government, upon request, the entire right, title, and interest in any foreign country in which the contractor or inventor fails to have a patent application filed in accordance with paragraph (d)(3) of this clause, or decides not to continue prosecution or to pay any maintenance fees covering the invention. To avoid forfeiture of the patent application or patent, the contractor or inventor shall, not less than 60 days before the expiration period for any action required by any patent office, notify the Patent Counsel of such failure or decision, and deliver to the Patent Counsel, the executed instruments necessary for the conveyance specified in this paragraph.

(e) Invention identification, disclosures, and reports.

(1) The contractor shall establish and maintain active and effective procedures to ensure that subject inventions are promptly identified and timely disclosed. These procedures shall include the maintenance of laboratory notebooks or equivalent records and other records that are reasonably necessary to document the conception and/or the first actual reduction to practice of subject inventions, and records which show that the procedures for identifying and disclosing the inventions are followed. Upon request, the contractor shall furnish the Contracting Officer a description of these procedures so that he may evaluate and determine their effectiveness.

(2) The contractor shall furnish the Patent Counsel (with notification by Patent Counsel to the Contracting Officer) on a DOE-approved form:

(i) A written report containing full and complete technical information concerning each subject invention within 6 months after conception or first actual reduction to practice, whichever occurs first in the course of or under this contract, but in any event, prior to any sale, public use, or public disclosure of such invention known to the contractor. The report shall identify the contract 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 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 request for foreign patent rights under paragraph (c)(4) of this clause and any request to file a domestic patent application under (d)(1) of this clause. However, such request shall be made within the period set forth in paragraph (b)(2) of this clause. When an invention is reported under this paragraph (e)(2)(i), it shall be presumed to have been conceived or first actually reduced to practice in the course of or under the contract, unless the contractor contends it was not so made, in accordance with paragraph (g)(2)(ii) or this clause.

(ii) Upon request, but not more than annually, interim reports on a DOE-approved form listing subject inventions and subcontracts awarded(s) containing a Patent Rights clause for that period and certifying that:

(A) The contractor's procedures for identifying and disclosing subject inventions as required by this paragraph (e) have been followed throughout the reporting period;

(B) All subject inventions have been disclosed or that there are no such inventions; and

(C) All subcontracts containing a Patent Rights clause have been reported or that no such subcontracts have been awarded;

(iii) A final report on a DOE-approved form within three months after completion of the contract work listing all subject inventions and all subcontracts awarded containing a Patent Rights clause and certifying that:

(A) All subject inventions have been disclosed or that there were no such inventions; and

(B) All subcontracts containing a Patent Rights clause have been reported or that no such subcontracts have been awarded.

(3) The contractor shall obtain patent agreements to effectuate the provisions of this clause from all persons in its employ who perform any part of the work under this contract except nontechnical personnel, such as clerical employees and manual laborers.

(4) The contractor agrees that the Government may duplicate and disclose subject invention disclosures and all other reports and papers furnished or required to be furnished pursuant to this clause. If the contractor is to file a foreign patent application on a subject invention, the Government agrees, upon written request, to use its best efforts to withhold publication of such invention disclosures until the expiration of the time period specified in paragraph (d)(1) of this clause, but in no event shall the Government or its employees be liable for any publication thereof.

(f) Publication.

It is recognized that during the course of the work under this contract, the contractor or its employees may from time to time desire to release or publish information regarding scientific or technical developments conceived or first actually reduced to practice in the course of or under this contract. In order that public disclosure of such information will not adversely affect the patent interests of DOE or the contractor, patent approval for release or publication shall be secured from Patent Counsel prior to any such release or publication.

(g) Forfeiture of rights in unreported subject inventions.

(1) The contractor shall forfeit to the Government, at the request of the Head of the Agency or designee, all rights in any subject invention which the contractor fails to report to Patent Counsel (with notification by Patent Counsel to the Contracting Officer) within 6 months after the time the contractor:

(i) Files or causes to be filed a United States or foreign patent application thereon; or

(ii) Submits the final report required by paragraph (e)(2)(iii) of this clause, whichever is later.

(2) However, the contractor shall not forfeit rights in a subject invention if, within the time specified, in (1)(i) or (1)(ii) of this paragraph (g), the contractor:

(i) prepares a written decision based upon a review of the record that the invention was neither conceived nor first actually reduced to practice in the course of or under the contract and delivers the same to Patent Counsel (with notification by Patent Counsel (with notification by Patent Counsel to the Contracting Officer)); or

(ii) contending that the invention is not a subject invention, the contractor nevertheless discloses the invention and all facts pertinent to this contention to the Patent Counsel (with notification by Patent Counsel to the Contracting Officer); or

(iii) establishes that the failure to disclose did not result from the contractor's fault or negligence.

(3) Pending written assignment of the patent application and patents on a subject invention determined by the Head of the Agency or designee to be forfeited (such determination to be a final decision under the Disputes clause of this contract), the contractor shall be deemed to hold the invention and the patent applications and patents pertaining thereto in trust for the Government. The forfeiture provision of this paragraph (g) shall be in addition to and shall not supersede other rights and remedies which the Government may have with respect to subject inventions.

(h) Examination of records relating to inventions.

(1) The Contracting Officer or his authorized representative, until the expiration of 3 years after final payment under this contract, shall have the right to examine any books (including laboratory notebooks), records, documents, and other supporting data of the contractor which the Contracting Officer or his authorized representative reasonably deem pertinent to the discovery or identification of subject inventions or to determine compliance with the requirements of this clause.

(2) The Contracting Officer or authorized representative shall have the right to examine all books (including laboratory notebooks), records and documents of the contractor relating to the conception or first actual reduction to practice of inventions in the same field of technology as the work under this contract to determine whether any such inventions are subject inventions, if the contractor refuses or fails to:

(i) establish the procedures of paragraph (e)(1) of this clause; or

(ii) maintain and follow such procedures; or

(iii) correct or eliminate any material deficiency in the procedures within thirty days after the Contracting Officer notifies the contractor of such a deficiency.

(1) Withholding of payment (not applicable to subcontracts).

(1) Any time before final payment of the amount of this contract, the Contracting Officer may, if he deems such action warranted, withhold payment until a reserve not exceeding \$50,000 or 5 percent of the amount of this contract, whichever is less, shall have been set aside if in his opinion the contractor fails to:

(i) establish, maintain and follow effective procedures for identifying and disclosing subject inventions pursuant to paragraph (e)(1) of this clause; or

(ii) disclose any subject invention pursuant to paragraph (e)(2)(i) of this clause, or

(iii) deliver the interim reports pursuant to paragraph (e)(2)(ii) of this clause; or

(iv) provide the information regarding subcontracts pursuant to paragraph (j)(5) of this clause; or

(v) convey to the Government, using a DOE-approved form, the title and/or rights of the Government in each subject invention as required by this clause.

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

(3) Final payment under this contract shall not be made by the Contracting Officer before the contractor delivers to Patent Counsel all disclosures of subject inventions and other information required by (e)(2)(i) of this clause, the final report required by (e)(2)(iii) of this clause, and Patent Counsel has issued a patent clearance certification to the Contracting Officer.

(4) The Contracting Officer may, in his discretion, decrease or increase the sums withheld up to the maximum authorized above. If the contractor is a non-profit organization, the maximum amount that may be withheld under this paragraph shall not exceed \$50,000 or 1 percent of the amount of this contract, whichever is less. No amount shall be withheld under this paragraph while the amount specified by this paragraph is being withheld under other provisions of the contract. The withholding of any amount or subsequent payment thereof shall not be construed as a waiver of any rights accruing to the Government under this contract.

(j) Subcontracts.

(1) For the purpose of this paragraph the term "contractor" means the party awarding a subcontract and the term "subcontractor" means the party being awarded a subcontract, regardless of tier.

(2) Unless otherwise authorized or directed by the Contracting Officer, the contractor shall include the Patent Rights clause of 41 CFR 9-9.107-5(a) or 41 CFR 9-9.107-6 as appropriate, modified to identify the parties in any subcontract hereunder having as a purpose the conduct of research, development, or demonstration work. In the event of a refusal by a subcontractor to accept this clause, or if in the opinion of the contractor this clause is inconsistent with DOE's patent policies, the contractor:

(i) shall promptly submit written notice to the Contracting Officer setting forth reasons for the subcontractor refusal and other pertinent information which may expedite disposition of the matter; and

(ii) shall not proceed with the subcontract without the written authorization of the Contracting Officer.

(3) Except as may be otherwise provided in this clause, the contractor shall not, in any subcontract by using a subcontractor as consideration therefor, acquire any rights in its subcontractor's subject invention for the contractor's own use (as distinguished from such rights as may be required solely to fulfill the contractor's contract obligations to the Government in the performance of this contract).

(4) All invention disclosures, reports, instruments, and other information required to be furnished by the subcontractor to DOE, under the provisions of a Patent Rights clause in any subcontract hereunder may, in the discretion of the Contracting Officer, be furnished to the contractor for transmission to DOE.

(5) The contractor shall promptly notify the Contracting Officer in writing upon the award of any subcontract containing a Patent Rights clause by identifying the subcontractor, the work to be performed under the subcontract, and the dates of award and estimated completion. Upon the request of the Contracting Officer, the contractor shall furnish a copy of the subcontract.

(6) The contractor shall identify all subject inventions of the subcontractor of which it acquires knowledge in the performance of this contract and shall notify the Patent Counsel (with

(7) It is understood that the Government is a third party beneficiary of any subcontract clause granting rights to the Government in subject inventions, and the contractor hereby assigns to the Government all rights that the contractor would have to enforce the subcontractor's obligations for the benefit of the Government with respect to subject inventions. The contractor shall not be obligated to enforce the agreements of any subcontractor hereunder relating to the obligations of the subcontractor to the Government regarding subject inventions.

(k) Background Patents.

(1) "Background Patent" means a domestic patent covering an invention or discovery which is not a subject invention and which is owned or controlled by the contractor at any time through the completion of this contract:

(i) Which the contractor, but not the Government, has the right to license to others without obligation to pay royalties thereon, and

(ii) Infringement of which cannot reasonably be avoided upon the practice of any specific process, method, machine, manufacture or composition of matter (including relatively minor modifications thereof) which is a subject of the research, development, or demonstration work performed under this contract.

(2) The contractor agrees to and does hereby grant to the Government a royalty-free, nonexclusive, license under any background patent for purposes of practicing a subject of this contract by or for the Government in research, development, and demonstration work only.

(3) The contractor also agrees that upon written application by DOE, it will grant to responsible parties for purposes of practicing a subject of this contract, nonexclusive licenses under any background patent on terms that are reasonable under the circumstances. If, however, the contractor believes that exclusive or partially exclusive rights are necessary to achieve expeditious commercial development or utilization, then a request may be made to DOE for DOE approval of such licensing by the contractor.

(4) Notwithstanding the foregoing paragraph (k)(3), the contractor shall not be obligated to license any background patent if the contractor demonstrates to the satisfaction of the Head of the Agency or designee that:

(i) a competitive alternative to the subject matter covered by said background patent is commercially available or readily introducible from one or more other sources; or

(ii) the contractor or its licensees are supplying the subject matter covered by said background patent in sufficient quantity and at reasonable prices to satisfy market needs, or have taken effective steps or within a reasonable time are expected to take effective steps to so supply the subject matter.

(l) Atomic energy.

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

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

(m) 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 Patent Rights clause of this contract with respect to background patents and, if included, the facilities licenses.

2. DOE PR 9-9.107-6 PATENT RIGHTS - SHORT FORM  
(DEC 1981)

NOTE: This clause applies to this contract only if chosen elsewhere in this contract.

(a) Definitions.

(1) "Subject invention" means any invention or discovery of the contractor conceived or first actually reduced to practice in the course of performance of or under this contract, and includes any art, method, process, machine, manufacture, design, or composition of matter, or any new and useful improvement thereof, or any variety of plants, whether patented, under the patent laws of the United States of America or any foreign country.

(2) "Patent Counsel" means the DOE Patent Counsel assisting the procuring activity.

(b) Invention disclosures and reports.

(1) The contractor shall furnish the Patent Counsel (with notification by Patent Counsel to the Contracting Officer):

(i) A written report containing full and complete technical information concerning each subject invention within 6 months after conception or first actual reduction to practice but in any event prior to any on sale, public use, or public disclosure of such invention known to the contractor. The report shall identify the contract 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 of the nature, purpose, operation, and to the extent known, the physical, chemical, biological, or electrical characteristics of the invention;

(ii) Upon request, but not more than annually, interim reports on a DOE-approved form listing subject inventions for that period and certifying that all subject inventions have been disclosed or that there were no such inventions; and

(iii) A final report on a DOE-approved form within 3 months after completion of the contract work listing all subject inventions and certifying that all subject inventions have been disclosed or that there were no such inventions.

(2) The contractor agrees that the Government may duplicate and disclose subject invention disclosures and all other reports and papers furnished or required to be furnished pursuant to the contract.

(c) Allocation of principal rights.

(1) Assignment to the Government.

The contractor agrees to assign to the Government the entire right, title, and interest throughout the world in and to each subject invention, except to the extent that rights are retained by the contractor under paragraphs (c)(2) and (d) of this clause.

(2) Greater rights determination.

The contractor, or the employee-inventor with authorization of the contractor, may request greater rights than the nonexclusive license and the foreign patent rights provided in paragraph (d) of this clause on identified inventions in accordance with the procedure and criteria of 41 CFR 9-9.109-6(d). A request for a determination of

whether the contractor or the employee-inventor is entitled to retain such greater rights must be submitted to the Patent Counsel (with notification by Patent Counsel to the Contracting Officer) at the time of the first disclosure of the invention pursuant to paragraph (b)(1) of this clause or not later than 9 months after conception or first actual reduction to practice, whichever occurs first, or such longer period as may be authorized by the Patent Counsel (with notification by Patent Counsel to the Contracting Officer) for good cause shown in writing by the contractor. The information to be submitted for a greater rights determination is specified in 41 CFR 9-9.109-6(a).

(d) Minimum rights to the contractor.

The contractor reserves a revocable, nonexclusive, paid-up license in each patent application filed in any country on a subject invention and any resulting patent in which the Government acquires title. Revocation shall be in accordance with the procedure of paragraphs (c)(2) and (3) of the clause in 41 CFR 9-9.107-5(a). The contractor also has the right to request foreign rights in accordance with the procedures of paragraph (c)(4) of the clause in 41 CFR 9-9.107-5(a).

(e) Employee and subcontractor agreements.

Unless otherwise authorized in writing by the Contracting Officer, the contractor shall:

(1) Obtain patent agreements to effectuate the provisions of the Patent Rights clause from all persons who perform any part of the work under this contract except nontechnical personnel, such as clerical employees and manual laborers.

(2) Unless otherwise authorized or directed by the Contracting Officer, the contractor shall include the Patent Rights clause of 41 CFR 9-9.107-5(a) or 41 CFR 9-9.107-6, as appropriate, modified to identify the parties in any subcontract hereunder having as a purpose the conduct of research, development, or demonstration work, and

(3) Promptly notify the Contracting Officer in writing upon the award of any subcontract containing a Patent Rights clause by identifying the subcontractor, the work to be performed under the subcontract, and the dates of award and estimated completion. Upon the request of the Contracting Officer, the contractor shall furnish a copy of the subcontract to such requester.

(f) Atomic energy.

(1) No claim for pecuniary award or compensation under the provisions of the Atomic Energy Act of 1954, as amended, shall be asserted by the contractor or its employees with respect to any inventions or discovery made or conceived in the course of or under this contract.

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

(g) Publication.

In order that information concerning scientific or technical developments conceived or first actually reduced to practice in the course of or under the contract is not prematurely published so as to adversely affect patent interest of DOE, the Contractor agrees to submit to the Patent Counsel for patent review a copy of each paper 60 days prior to its intended publication date. The Contractor may publish such information after expiration of a 60-day period following such submission or prior thereto if specifically approved by the Patent Counsel, unless the Contractor is informed (in writing within the 60-day period) that in order to protect patentable subject matter, publication must further be delayed. In this event, publication shall be delayed up to 100 days beyond the 60-day period or such longer period as mutually agreed to.

3. OMB CIRC. A-124 PATENT RIGHTS-SMALL BUSINESS  
TRANS. MEMO. NO.1 FIRMS OR NONPROFIT  
ORGANIZATIONS  
(APR 1984).

NOTE: This clause applies to this contract only if the contractor is a domestic small business or domestic nonprofit organization at the time of contracting.

(a) Definitions.

(1) "Invention" means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code (U.S.C.).

(2) "Subject Invention" means any invention of the contractor conceived or first actually reduced to practice in the performance of work under this contract.

(3) "Practical Application" means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

(4) "Made" when used in relation to any invention means the conception or first actual reduction to practice of such invention.

(5) "Small Business Firm" means a domestic small business concern as defined at Section 2 of Public Law 85-536 (15 USC 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standard for small business concerns involved in Government procurement, contained in 13 CFR 121.3-8, and in subcontracting, contained in 13 CFR 121.3-12, will be used.

(6) "Nonprofit Organization" means a domestic university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 USC 501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 USC 501(a)) or any domestic nonprofit scientific or educational organization qualified under a state nonprofit organization statute.

(7) "Patent Counsel" means the Department of Energy (DOE) patent counsel assisting the DOE contracting activity.

(b) Allocation of principal rights. The contractor may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 USC 203. With respect to any subject invention in which the contractor retains title, the Federal Government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.

(c) Invention disclosure, election of title and filing of patent applications by contractor.

(1) The contractor will disclose each subject invention to the Patent Counsel within two months after the inventor discloses it in writing to contractor personnel responsible for the administration of patent matters. The disclosure to the Patent Counsel shall be in the form of a written report and shall identify the contract under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding, to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to the Patent Counsel, the contractor will promptly

(2) The contractor will elect in writing whether or not to retain title to any such invention by notifying the Patent Counsel within twelve months of disclosure to contractor personnel responsible for patent matters; provided that in any case where publication, on sale or public use has initiated the one year statutory period wherein valid patent protection can still be obtained in the United States, the period for election of title terminates sixty days prior to the end of the statutory period.

(3) The contractor will file its initial patent application on an elected invention within two years after election or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use. The contractor will file patent applications in additional countries within either ten months of the corresponding initial patent application or six months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications where such filing has been prohibited by a Secrecy Order.

(4) Requests for extension of the time for disclosure to the Patent Counsel, election, and filing, may, at the discretion of the Patent Counsel be granted.

(d) Conditions when the Government may obtain title.

The contractor will convey to DOE, upon written request, title to any subject invention:

(1) If the contractor fails to disclose or elect the subject invention within the times specified in (c) above, or elects not to retain title. The agency may only request title within sixty days after learning of the contractor's failure to report or elect within the specified times.

(2) In those countries in which the contractor fails to file patent applications within the times specified in (c) above; provided, however, that if the contractor has filed a patent application in a country after the times specified in (c) above but prior to its receipt of the written request of the Patent Counsel, the contractor shall continue to retain title in that country; or

(3) In any country in which the contractor decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in a reexamination or opposition proceeding on, a patent on a subject invention.

(e) Minimum rights to contractor.

(1) The contractor will retain a nonexclusive, royalty-free license throughout the world in each subject invention to which the Government obtains title except if the contractor fails to disclose the subject invention within the time specified in (c) above. The contractor's license extends to its domestic subsidiaries and affiliates, if any, within the corporate structure of which the contractor is a part and includes the right to grant sublicenses of the same scope to the extent the contractor was legally obligated to do so at the time the contract was awarded. The license is transferable only with the approval of DOE except when transferred to the successor of that part of the contractor's business to which the invention pertains.

(2) The contractor's domestic license may be revoked or modified by DOE to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with 10 CFR Part 781 and 41 CFR 101-4. This license will not be revoked in that field of use or the geographical areas in which the contractor has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of DOE to the extent the contractor, its licensees, or its domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

(3) Before revocation or modification of the license, DOE will furnish the contractor a written notice of its intention to revoke or modify the license, and the contractor will be allowed thirty days (or such other time as may be authorized by DOE for good cause shown by the contractor) after the notice to show cause why the license should not be revoked or modified. The contractor has the right to appeal, in accordance with 10 CFR Part 781, any decision concerning the revocation or modification of its license.

**(f) Contractor action to protect Government's interest.**

(1) The contractor agrees to execute or to have executed and promptly deliver to the Patent Counsel all instruments necessary to:

(i) Establish or confirm the rights the Government has throughout the world in those subject inventions for which the contractor retains title, and

(ii) Convey title to DOE when requested under (d) above and to enable the Government to obtain patent protection throughout the world in that subject invention.

(2) The contractor agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the contractor each subject invention made under this contract in order that the contractor can comply with the disclosure provisions of (c) above and to execute all papers necessary to file patent applications on subject inventions. The disclosure format should require, as a minimum, the information requested by (c)(1) above. The contractor shall instruct such employees through the employee agreements or suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to United States or foreign statutory bars.

(3) The contractor will notify the Patent Counsel of any decision not to continue prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than thirty days before the expiration of the response period required by the relevant patent office.

(4) The contractor agrees to include, within the specification of any United States patent application and any patent issuing thereon covering a subject invention, the following statement: "This invention was made with Government support under (identify the contract) awarded by the Department of Energy. The Government has certain rights in this invention."

(5) The contractor agrees to:

(i) Provide a report prior to the close-out of the contract listing all subject inventions;

(ii) Provide notification of all subcontracts under this contract for experimental, developmental, demonstration, or research work, the identity of the patent rights clause therein, and copy of each subcontract upon request;

(iii) Provide promptly a copy of the patent application, filing date, serial number, patent number and issue date for any subject invention in any country in which the contractor has applied for a patent.

**(g) Subcontracts.**

(1) The contractor will include this clause, suitably modified to identify the parties, in all subcontracts, regardless of tier, for experimental, developmental or research work to be performed by a small business firm or a domestic nonprofit organization. The subcontractor will retain all rights provided for the contractor in this clause, and the contractor will not, as part of the consideration for awarding the subcontract, obtain rights in the subcontractor's subject inventions.

(2) The contractor will include in all other subcontracts, regardless of tier, for experimental, developmental, demonstration, or research work the patent rights clause of 41 CFR 9-9.107-5(a) or 9-9.107-6, as appropriate, modified to identify the parties:

(3) In the case of a subcontract at any tier, DOE, the subcontractor, and the contractor agree that the mutual obligations of the parties created by this clause constitute a contract between the subcontractor and DOE with respect to those matters covered by this clause.

**(h) Reporting on utilization of subject inventions.**

The contractor agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the contractor or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the contractor, and such other data and information as DOE may reasonably specify. The contractor also agrees to provide additional reports as may be requested by DOE in connection with any march-in proceeding undertaken by DOE in accordance with paragraph (j) of this clause. To the extent data or information supplied under this section is considered by the contractor, its licensee or assignee to be privileged and confidential and is so marked, DOE agrees that, to the extent permitted by law, it will not disclose such information to persons outside the Government.

**(i) Preference for United States industry.**

Notwithstanding any other provision of this clause, the contractor 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 contractor 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.

**(j) March-in rights.**

The contractor agrees that with respect to any subject invention in which it has acquired title, DOE has the right in accordance with the procedures in OMB Circular A-124 to require the contractor, an assignee or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the contractor, assignee, or exclusive licensee refuses such a request, DOE has the right to grant such a license itself if DOE determines that:

(1) Such action is necessary because the contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use;

(2) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the contractor, assignee, or their licensees;

(3) Such action is necessary to meet requirements for public use specified by federal regulations and such requirements are not reasonably satisfied by the contractor, assignee, or licensees; or

(4) Such action is necessary because the agreement required by (i) of this clause has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of such



(k) Special provisions for contracts with nonprofit organizations.

If the contractor is a nonprofit organization, it agrees that:

(1) Rights to a subject invention in the United States may not be assigned without the approval of DOE, except where such assignment is made to an organization which has as one of its primary functions the management of inventions and which is not, itself, engaged in or does not hold a substantial interest in other organizations engaged in the manufacture or sale of products or the use of processes that might utilize the invention or be in competition with embodiments of the invention (provided that such assignee will be subject to the same provisions as the contractor);

(2) The contractor may not grant exclusive licenses under United States patents or patent applications in subject inventions to persons other than small business firms for a period in excess of the earlier of:

(i) Five years from first commercial sale or use of the invention; or

(ii) Eight years from the date of the exclusive license excepting that time before regulatory agencies necessary to obtain premarket clearance, unless on a case-by-case basis, DOE approves a longer exclusive license. If exclusive field of use licenses are granted, commercial sale or use in one field of use will not be deemed commercial sale or use as to other fields of use, and a first commercial sale or use with respect to a product of the invention will not be deemed to end the exclusive period to different subsequent products covered by the invention;

(3) The contractor will share royalties collected on a subject invention with the inventor; and

(4) The balance of any royalties or income earned by the contractor with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, will be utilized for the support of scientific research or education.

(1) Communications. The DOE central point of contact for communications or matters relating to this clause is the Patent Counsel.



Department of Energy  
Savannah River Operations Office  
P.O. Box A  
Aiken, South Carolina 29802

August 20, 1985

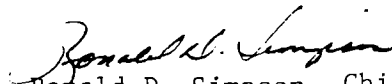
Lieutenant Colonel F. Lee Smith  
Commander  
U. S. Army Corps of Engineers  
Charleston District  
P. O. Box 919  
Charleston, SC 29402

Dear Colonel Smith:

Enclosed for your retention is one fully executed copy of the following:

✓ Interagency Agreement DE-AI09-85SR14066 with the U. S. Department  
of Energy

Sincerely,

  
Ronald D. Simpson, Chief  
Contracts and Procurement Branch  
Contracts and Services Division

Enclosure