

United States Government

Department of Energy

Albuquerque Operations Office

# memorandum

**DATE:** APR 17 1996**REPLY TO  
ATTN OF:** STTD:Davidson (505) 845-4310**SUBJECT:** New Funds-In Agreements**TO:** Virgil L. Dugan, Org. 4500, MS 0159, SNL/NM

I have attached the following identified new agreements that may be used by SNL immediately, under the authority granted in my January 31, 1996, memorandum. Both agreements have been developed from the current Funds-In Agreement between DOE and non-federal sponsors.

### Funds-In Agreement (FIA)

The agreement has been reformatted with some clauses added, some clauses deleted, and SNL has been substituted for DOE as the party to the agreement. The currently used Form I and Form II from Appendix B, Patents and Technical Data Clauses, have been separated into four forms; two for technical data and two for patents rights.

### Services and Materials Agreement

This two page agreement has been established to be used when the services and/or materials (materials that are developed by Sandia to meet specific requirements of the Sponsor) being provided do not involve research, development, demonstration or testing.

The Funding and Payment term of the agreement requires 100 percent of the estimated cost as an advance payment before any work may begin. It is anticipated that many efforts not involving research, development, demonstration or testing will be less than \$25,000 and with a period of performance of less than 120 days, the thresholds for permitting incremental funding. If a work for others proposal qualifies for incremental funding, an alteration to this term may be made to accommodate this situation.

Virgil L. Dugan

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Please call Bob Davidson if you have any questions on these agreements.



James R. Anderson  
Director  
Science and Technology  
Transfer Division

rh:4-16/MS022335

Attachments (2)

cc w/attachment:

W. Siemens, MS 1380, SNL/NM

J. Chafin, OCC

D. Arnold, OCC

S. Harris, AFSC

H. Smith, AFSC



**4. FUNDING AND PAYMENT.** The Sponsor shall provide sufficient funds in advance of work to be performed by Sandia under this agreement, in accordance with instructions provided with an invoice from Sandia. Sandia shall have no obligation to perform in the absence of adequate advance funds. Sandia will submit an invoice to the Sponsor for advance funding in the amount of the estimated cost of the work unless incremental funding is permitted. If the estimated period of performance exceeds 120 days and the estimated cost exceeds \$25,000, the Sponsor may, with Sandia's approval, advance funds incrementally. In such a case, Sandia will initially invoice the Sponsor for the first 120 days of work and thereafter invoice the Sponsor monthly so as to maintain a 90-day period that is funded in advance. Payment shall be made directly to Sandia, and the Sponsor shall identify the Funds-In Agreement No. on the check. Upon termination or completion, any excess funds shall be refunded to the Sponsor.

**5. PROPERTY.** Unless the parties hereto otherwise agree, all equipment and test apparatus procured with funds provided by the Sponsor shall be disposed of as directed by the Sponsor.

**6. DISCLAIMER.** NEITHER THE GOVERNMENT, DOE, THE CONTRACTOR, NOR PERSONS ACTING ON THEIR BEHALF, MAKES ANY EXPRESS OR IMPLIED WARRANTY WITH REGARD TO THE WORK TO BE PERFORMED HEREIN OR THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF SUCH WORK, INTELLECTUAL PROPERTY OR ANY RESULTING PRODUCT.

**7. PUBLICATION MATTERS.** No publicity releases (including news releases and advertising) relating to this Agreement and the work hereunder shall be issued by either party without prior coordination with the other party. Any technical paper, article, publication or announcement of advances generated in connection with work done under this Agreement, during the period of performance of the Agreement or in the future, shall give credit to the Sponsor as a sponsor of the work and shall contain the Sandia standard publication disclaimer statement (copy furnished upon request).

**8. INDEMNITY.** The Sponsor hereby agrees to hold harmless and indemnify Sandia and the United States Government, their officers, agents and employees for any and all damages, whatsoever, including but not limited to, personal injury and property damage sustained as a result of, or arising out of performance of the work under this Agreement.

**9. NON-INTERFERENCE.** Notwithstanding any other provision contained herein, the use of a DOE facility and/or Sandia personnel in support of this Agreement can only be authorized on a noninterference basis, i.e., the work performed under this Agreement shall not interfere with work related to the prime mission of the facility. Although Sandia's commitment to this effort is equal to its commitment to DOE mission programs, DOE programs may, for reasons related to national security or exigent preempt efforts in support of this Agreement. Accordingly, neither the Government, DOE, Sandia, nor persons acting on their behalf will be responsible, irrespective of causes, for failure to perform services or furnish information or data hereunder at any particular time or in any specific manner.

**10. PATENTS AND COPYRIGHT INDEMNITY - LIMITED.** The Sponsor shall indemnify the Government and Sandia and their officers, agents, and employees against liability, including costs, for infringement of any United States patent or copyright arising out of any acts required or directed by the Sponsor to be performed under the agreement to the extent such acts are not normally performed at the facility. Further, the foregoing indemnity shall not apply unless the Sponsor shall have been informed in a reasonable time by the Sandia or Government of the suit or action alleging such infringement, and such indemnity shall not apply to a claimed infringement which is settled without the consent of the Sponsor unless required by a court of competent jurisdiction.

**11. NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT.** The Sponsor shall report to the Government, promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this agreement of which the Sponsor has knowledge. In the event of any claim or suit against the Government on account of any alleged patent or copyright infringement arising out of the performance of this agreement or out of the use of any supplies furnished or work or services performed hereunder, the Sponsor shall furnish to the Government when requested by the Government, all evidence and information in possession of the Sponsor pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Government except where the Sponsor has agreed to indemnify the Government.

**12. PATENTS AND TECHNICAL DATA.** Terms and conditions regarding patents and technical data rights are set forth in Appendix B and Appendix C, attached hereto and hereby incorporated herein. Reference therein to "Facility Operator" means Sandia which manages and operates the Government-owned, contractor-operated facility where the work under this Agreement is to be performed.

**13. EXPORT CONTROL.** Each party is responsible for its own compliance with laws and regulations governing export controls.

**14. ENTIRE AGREEMENT.** It is expressly understood and agreed that this agreement with its appendices contains the entire agreement between the Parties with respect to the work to be performed under this agreement.

**APPENDIX B**  
**TECHNICAL DATA CLAUSE (FORM I)**  
**DATA RIGHTS**

The Sponsor and the Government shall have the right to use, disclose and duplicate for any purpose whatsoever, and have others do so, all technical data first produced or used in the performance of work under this Agreement. (Technical data is defined as set forth in 48 CFR 27.401.)

Any Sponsor furnished, properly marked, proprietary data necessary or pertaining to work under this agreement will not be disclosed outside the Government or Facility Operator, and will be returned to the Sponsor by or before termination of this agreement.

**APPENDIX B**  
**TECHNICAL DATA CLAUSE (FORM II)**  
**RIGHTS IN TECHNICAL DATA - USE OF FACILITY**

**A. Definitions.**

1. "Technical Data" means recorded information, regardless of form or characteristic, of a scientific or technical nature. It may, for example, document research, experimental, developmental, demonstration, or engineering work to be usable or used to define a design or process or to procure, produce, support, maintain, or operate material. The data may be graphic or pictorial delineations in media such as drawings or photographs, text in specifications or related performance or design type documents, or computer software (including computer programs, computer software data bases, and computer software documentation). Examples of Technical Data include research and engineering data, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identification and related information. Technical data as used herein does not include financial reports, cost analyses, and other information incidental to contract administration.
2. "Proprietary Data" means Technical Data which embody trade secrets developed at private expense, such as design procedures or techniques, chemical composition of materials, or manufacturing methods, processes, or treatments, including minor modifications thereof, provided that such data:
  - a. Are not generally known or available from other sources without obligation concerning their confidentiality,
  - b. Have not been made available by the owner to others without obligation concerning their confidentiality, and
  - c. Are not already available to the Government without obligation concerning their confidentiality.
3. "Unlimited Rights" means rights to use, duplicate or disclose Technical Data, in whole or in part, in any manner and for any purpose whatsoever, and to permit others to do so.

**B.** The Sponsor agrees to furnish to DOE or the Facility Operator those data, if any, which are (1) essential to the performance of work by DOE or Facility Operator personnel or (2) necessary for the health and safety of such personnel in the performance of the work. Any data furnished to DOE or the Facility Operator shall be deemed to have been delivered with Unlimited Rights unless marked at "Proprietary Data" of the Sponsor.

**C.** All Technical Data produced in the performance of work under this agreement by DOE or the Facility Operator shall, prior to any dissemination, publication, or further disclosure of the data by or on behalf of DOE, be made available to the Sponsor for review and appropriate marking where such data disclose the Sponsor's Proprietary Data.

1. The Sponsor agrees that it has the sole responsibility for appropriately identifying and marking all documents containing Proprietary Data whether such documents are furnished by the Sponsor or produced under the agreement and made available to the Sponsor for review.
2. The Sponsor will mark all documents produced under this agreement by or before termination of the agreement by placing on the cover page thereof a legend identifying the document as Proprietary Data of the Sponsor and identifying each page and portion thereof to which the marking applies.
3. The Government has the right to challenge the proprietary nature of any markings on data.

**D.** The Government shall not disclose property marked Proprietary Data of the Sponsor outside the Government and the Facility Operator.

**E.** The Sponsor is solely responsible for the removal of all of its Proprietary Data from the facility by or before termination of this agreement. The Government shall have Unlimited Rights in any Technical Data (including Proprietary Data) which are not removed from the facility by or before termination of the agreement. The Government shall have Unlimited Rights in any Technical Data (including Proprietary Data) which are incorporated into the facility or equipment under the agreement to such extent that the facility or equipment is not restored to the condition existing prior to such incorporation. Additionally, the Government shall have the unlimited right to perform similar or identical services for other Sponsors as long as the Sponsor's Proprietary Data are not utilized.

**F.** The Sponsor agrees to deliver to DOE a nonproprietary description of the work performed under the agreement.

**APPENDIX C**  
**PATENTS CLAUSE (FORM III)**  
**INVENTION RIGHTS**

**A. Definitions.**

1. "Sponsor" means the person or entity with which this Agreement is made.
2. "Invention" means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code or any novel variety of plant that is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.).
3. "Sponsor Invention" means any invention, to the extent the Sponsor is performing any work under this Agreement, of the Sponsor, conceived or first actually reduced to practice in the course of or under this Agreement.
4. "Facility Operator" means the Operating Contractor which manages and operates the Government-owned, contractor-operator facility where the work under this Agreement is to be performed.
5. "Patent Counsel" means the DOE Counsel for intellectual property assisting the DOE Contracting activity.

**B. Facility Operator Inventions.** The Government shall have rights in any Invention conceived or first actually reduced to practice in the performance of work under this Agreement by employees of Facility Operator in accordance with the provisions of Department of Energy's (DOE) operating contract with Facility Operator subject to Sponsor obtaining, upon notice to the DOE Patent Counsel, an nonexclusive, nontransferable, irrevocable, paid-up license to practice said Invention throughout the world.

**C. Sponsor's Election to Retain Rights.** Subject to the provisions of paragraph D.2. of this clause with respect to any Sponsor Invention reported and elected in accordance with paragraph E. of this clause, the Sponsor may elect to obtain the entire right, title, and interest in any patent application filed in any country on a Sponsor Invention and in any resulting patent secured by the Sponsor. Where appropriate, the filing of patent applications by the Sponsor is subject to DOE security regulations and requirements.

**D. Rights of Government.**

1. **Assignment to the Government.** The Sponsor agrees to assign to the government, upon request, the entire right, title, and interest in any country to each Sponsor Invention to which the Sponsor has acquired title where the Sponsor:
  - a. Does not elect pursuant to this clause to retain such rights; or
  - b. Fails to have a patent application filed in that country on the Sponsor Invention or decides not to continue prosecution or not to pay any maintenance fees covering the Invention; or
  - c. At any time, the Sponsor no longer desires to retain title.

**2. Terms and Conditions of Waived Rights.**

- a. To preserve the Government's residual rights to Sponsor Invention, the Sponsor shall take all actions in reporting, electing, filing on, prosecuting, and maintaining Invention rights promptly, but in any event, in sufficient time to satisfy domestic and foreign statutory and regulatory time requirements, or, if the Sponsor decides not to take appropriate step to protect the Invention rights, it shall notify DOE in sufficient time to permit the Government to file, prosecute and maintain patent applications and any resulting patents prior to the end of such domestic or foreign statutory or regulatory time requirements.
- b. The Sponsor shall convey or assure the conveyance of any executed instruments necessary to vest in the Government the rights set forth in this clause.
- c. The Sponsor hereby grants to the Government a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the Sponsor Invention throughout the world.
- d. The Sponsor shall provide the Government a copy of any application filed on a Sponsor Invention promptly after such application is filed, including its serial number and filing date.
- e. The Sponsor agrees to submit on request periodic reports no more frequently than annually on the utilization of a Sponsor Invention or on efforts at obtaining such utilization that are being made by the Sponsor 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 Sponsor, and such other data and information as DOE may reasonably specify. The Sponsor also agrees to provide additional reports as may be requested by DOE in connection with any march-in to the extent data or information

supplied under this paragraph is considered by the Sponsor, its licensee or assignee to be privileged and confidential and is so marked, DOE agrees that, to the extent permitted by 35 U. S. C. 202(c)(5), it will not disclose such information to persons outside the Government.

- f. The Sponsor agrees to refund any amounts received as royalty charges on any Sponsor Invention in procurement on behalf of the Government and to provide for that refund in any instrument transferring rights to any party in the Invention.
3. **Preference for United States Industry.** Notwithstanding any other provision of this clause, the Sponsor agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any Sponsor Invention in the United States unless such person agrees that any products embodying the Sponsor Invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by DOE upon a showing by the Sponsor or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.
4. **March-in-rights.** The Sponsor agrees that with respect to any Sponsor Invention in which it has acquired title, DOE has the right to require the Sponsor, an assignee, or exclusive licensee of a Sponsor Invention to grant a nonexclusive, partial, 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 Sponsor, assignee, or exclusive licensee refuses such a request, DOE has the right to grant such a license itself if DOE determines that:
  - a. Such action is necessary because the Sponsor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the Sponsor Invention in such field of use;
  - b. Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the Sponsor, assignee, or their licensees;
  - c. Such action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the Sponsor, assignee, or licensees; or
  - d. Such action is necessary because the agreement required by paragraph 3. of this clause has not been obtained or because a licensee of the exclusive right to use or sell any Sponsor Invention in the United States is a breach of agreement.

#### **E. Invention Identification, Disclosures, and Reports.**

1. The Sponsor shall furnish the Patent Counsel a written report containing full and complete technical information concerning each Sponsor Invention within six months after conception or first actual reduction to practice, whichever occurs first, in the course of or under this Agreement, but in any event prior to any on sale, public use, or public disclosure of such Invention known to the Sponsor. The report shall identify the Agreement and inventor(s) and shall be sufficient complete in technical detail and appropriately illustrated by sketch or diagram to convey a clear understanding to the extent known at the time of the disclosure of the nature, purpose, operation, and to the extent known, the physical, chemical, biological, or electrical characteristics of the Invention. The report should also include any election of patent rights under this clause. When an Invention is reported under this paragraph E., it shall be presumed to have been made in the manner specified in Section (a.)(1.) and (2.) of 42 U.S.C. 5908.
2. The Facility Operator's contract with DOE requires that Inventions of the Facility Operator will be reported to DOE. In addition, DOE shall direct that Facility Operator's disclose to the Sponsor any such Inventions promptly upon conception or first actual reduction to practice, and the Sponsor shall notify DOE promptly thereafter of its desire to perfect its nonexclusive license set out in paragraph A. of this clause.

**F. 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 an Invention conceived or actually reduced to practice under this Agreement except as set forth in the Facilities License of paragraph G.

**G. Facilities License.** In addition to the rights of the parties with respect to Inventions or discoveries conceived or first actually reduced to practice in the course of or under this Agreement, the Sponsor agrees to and does hereby grant to the Government an irrevocable, nonexclusive paid-up license in and to any inventions or discoveries regardless of when conceived or actually reduced to practice or acquired by the Sponsor, which at any time through completion of this Agreement are owned or controlled by the Sponsor and are incorporated in the facility as a result of this Agreement to such an extent that the facility is not restored to the condition existing prior to the Agreement (1) to practice or to have practiced by or for the Government at the facility, and (2) to transfer such license with the transfer of that facility. The acceptance or exercise by the Government of the aforesaid rights and license shall not prevent the Government at any time from contesting the enforceability, validity or scope of, or title to, any rights or patents herein licensed.

**APPENDIX C**  
**PATENTS CLAUSE (FORM IV)**  
**PATENT RIGHTS - USE OF FACILITIES (CLASS WAIVER)**

**A. Definitions.**

1. "Sponsor" means the person or entity with which this agreement is made.
2. "Subject Invention" means any invention or discovery of the Facility Operator or, to the extent the Sponsor is performing any work under this agreement, of the Sponsor, conceived in the course of or under this agreement, or, in the case of an invention previously conceived by the Sponsor, first actually reduced to practice in the course of or under this agreement. "Subject Invention" includes any art, method, process, machine, manufacture, design, or composition of matter, or any new and useful improvement thereof, or any variety of plants, whether patented or unpatented under the Patent Laws of the United States of America or any foreign country.
3. "Facility Operator" means the operating contractor which manages and operates the Government-owned, contractor-operated facility where work under this agreement is to be performed.
4. "Patent Counsel" means the Department of Energy (DOE) Counsel for intellectual property assisting the DOE contractor activity.

**B. Rights of the Sponsor. Election to retain rights.**

Subject to the provisions of paragraph C.2. of this clause with respect to any Subject Invention reported and elected in accord with paragraph D. of this clause, the Sponsor may elect to obtain the entire right, title, and interest throughout the world to a Subject Invention and any patent application filed in any country on a Subject Invention and in any resulting patent secured to the Sponsor. Where appropriate, the filing of patent applications by the Sponsor is subject to DOE security regulations and requirements.

**C. Rights of Government.**

1. **Assignment to the Government.** The Sponsor agrees to assign to the Government, upon request, the entire right, title, and interest in any country to each Subject Invention of the Sponsor and to each Subject invention of the Facility Operator to which the Sponsor has acquired title, where the Sponsor:

- a. Does not elect pursuant to this clause to retain such rights; or
- b. Elects to obtain title to a Subject Invention pursuant to paragraph B. of this clause but fails to have a patent application filed in that country on the Subject Invention or decides not to continue prosecution or not to pay any maintenance fees covering the invention; or
- c. Elects to obtain title to a Subject Invention pursuant to paragraph B. of this clause but at any time, the Sponsor no longer desires to retain title.

2. **Terms and Conditions of Waived Rights.**

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

b. The Sponsor shall convey or assure the conveyance of any executed instruments necessary to vest in the Government the rights set forth in this clause.

c. With respect to any Subject Invention in which the Sponsor retains title, the Sponsor hereby grants to the Government 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.

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

e. The Sponsor 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 Sponsor 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 Sponsor, and such other data and information as DOE may reasonably specify. The Sponsor 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 C.2(g) of this clause. To the extent data or information supplied under this paragraph is

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

g. **March-in-Rights.** The Sponsor agrees that with respect to any Subject Invention in which it has acquired title, DOE has the right in accordance with the procedures in 37 CFR 401.6 and any supplemental regulations of DOE to require the Sponsor, 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 Sponsor, assignee, or exclusive licensee refuses such a request, DOE has the right to grant such a license itself. DOE determines that:

1. Such action is necessary because the Sponsor 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 Sponsor, 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 Sponsor, assignee, or licensees; or
4. Such action is necessary because the agreement required by paragraph C.2(f) 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 agreement.

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

i. The Sponsor agrees to include, within the specification of any United States patent applications and any patent issued thereon covering a Subject Invention, the following statement: "The Government has rights in this invention pursuant to [ ] (specify the underlying agreement)."

#### **D. Invention Identification, Disclosures, and Reports.**

1. The Sponsor shall furnish the Patent Counsel a written report containing full and complete technical information concerning each Subject Invention it makes within six 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 on sale, public use or public disclosure of such invention known to the Sponsor. 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 to the extent known at the time of disclosure, of the nature, purpose, operation, and to the extent known, the physical, chemical, biological, or electrical characteristics of the invention. The report shall also include any election of patent rights under this clause. When an invention is reported under this paragraph D., it shall be presumed to have been made in the manner specified in Section (a)(1) and (2) of 42 U.S.C. 5908.

2. The Facility Operator shall report Subject Inventions it makes in accordance with the procedures set forth in contract. In addition, the Facility Operator shall disclose to the Sponsor at the same time as disclosure to DOE any Subject Inventions made by the Facility Operator under this agreement and the Sponsor shall notify DOE within six months of receipt of such disclosure by the Sponsor of any election of patent rights under this clause.

3. Requests for extension of time for election under paragraphs 1. and 2. may be granted by Patent Counsel for good cause shown in writing.

**E. Limitation of Rights.** Nothing contained in this patent rights clause shall be deemed to give the Government any rights with respect to any invention other than a Subject Invention except as set forth in the Facilities License of paragraph F.

**F. Facilities License.** In addition to the rights of the parties with respect to inventions or discoveries conceived or first actually reduced to practice in the course of or under this contract, the Sponsor agrees to and does hereby grant to the Government an irrevocable, nonexclusive paid-up license in and to any inventions or discoveries regardless of when conceived or actually reduced to practice or acquired by the Sponsor, which at any time through completion of this contract are owned or controlled by the Sponsor and are incorporated in the facility as a result of this agreement to such an extent that the facility is not restored to the condition existing prior to the agreement (1) to practice or to have practiced by or for the Government at the facility, and (2) to transfer such license with the transfer of that facility. The acceptance or exercise by the Government of the aforesaid rights and license shall not prevent the Government at any time from contesting the enforceability, validity or scope of, or title to, any rights or patents here licensed.



6. **DISCLAIMER.** NEITHER THE GOVERNMENT, DOE, THE CONTRACTOR, NOR PERSONS ACTING ON THEIR BEHALF, MAKES ANY EXPRESS OR IMPLIED WARRANTY WITH REGARD TO THE WORK TO BE PERFORMED HEREIN, OR THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF SUCH WORK, INTELLECTUAL PROPERTY, OR ANY RESULTING PRODUCT.
7. **PUBLICATION MATTERS.** No publicity releases (including news releases and advertising) relating to this Agreement and the work hereunder shall be issued by either party without prior coordination with the other party. Any technical paper, article, publication or announcement of advances generated in connection with work done under this Agreement, during the period of performance of the Agreement or in the future, shall give credit to the Sponsor as a Sponsor of the work and shall contain the Sandia standard publication disclaimer statement (copy furnished upon request).
8. **INDEMNITY.** The Sponsor hereby agrees to hold harmless and indemnify Sandia and the United States Government, their officers, agents and employees for any and all damages, whatsoever, including but not limited to, personal injury and property damage sustained as a result of, or arising out of performance of the work under this Agreement.
9. **NON-INTERFERENCE.** Notwithstanding any other provision contained herein, the use of a DOE facility and/or Sandia personnel in support of this Agreement can only be authorized on a noninterference basis, i.e., the work performed under this Agreement shall not interfere with work related to the prime mission of the facility. Although Sandia's commitment to this effort is equal to its commitment to DOE mission programs, DOE programs may, for reasons related to national security or exigency, preempt efforts in support of this Agreement. Accordingly, neither the Government, DOE, Sandia, nor persons acting on their behalf will be responsible, irrespective of causes, for failure to perform services or furnish information or data hereunder at any particular time or in any specific manner.
10. **PATENTS AND TECHNICAL DATA.** The work to be performed under this agreement does not involve research, development, demonstration or testing by Sandia.
11. **PATENTS AND COPYRIGHT INDEMNITY - LIMITED.** The Sponsor shall indemnify the Government and Sandia and their officers, agents, and employees against liability, including costs, for infringement of any United States patent or copyright arising out of any acts required or directed by the Sponsor to be performed under the agreement to the extent such acts are not normally performed at the facility. Further, the foregoing indemnity shall not apply unless the Sponsor shall have been informed in a reasonable time by the Sandia or Government of the suit or action alleging such infringement, and such indemnity shall not apply to a claimed infringement which is settled without the consent of the Sponsor unless required by a court of competent jurisdiction.
12. **NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT.** The Sponsor shall report to the Government, promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this agreement of which the Sponsor has knowledge. In the event of any claim or suit against the Government on account of any alleged patent or copyright infringement arising out of the performance of this agreement or out of the use of any supplies furnished or work or services performed hereunder, the Sponsor shall furnish to the Government when requested by the Government, all evidence and information in possession of the Sponsor pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Government except where the Sponsor has agreed to indemnify the Government.
13. **DATA RIGHTS.** The Sponsor and the Government shall have the right to use, disclose and duplicate for any purpose whatsoever, and have others do so, all technical data first produced or used in the performance of work under this Agreement. (Technical data is defined as set forth in 48 CFR 27.401.) Any Sponsor furnished, properly marked, proprietary data necessary or pertaining to work under this agreement will not be disclosed outside the Government or Sandia, and will be returned to the Sponsor by or before termination of this agreement.
14. **EXPORT CONTROL.** Each party is responsible for its own compliance with laws and regulations governing export controls.
15. **ENTIRE AGREEMENT.** It is expressly understood and agreed that this agreement with its appendices contains the entire agreement between the Parties with respect to the work to be performed under this agreement.