

FL-102A

INTELLECTUAL PROPERTY CLAUSES for

Consultant Subcontract with
Small Business Concern or Non-Profit
Organization Covered by P.L. 96-517

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1. **PATENT RIGHTS - RETENTION BY THE SUBCONTRACTOR (Short Form)** (48 C.F.R. 952.227-11)

(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, or any novel variety of plant which is or may be protected under the Plant Variety Protection Act (7 U.S.C. 2321, et seq.).
- (2) "Made" when used in relation to any invention means the conception of first actual reduction to practice of such invention.
- (3) "Nonprofit organization" means a 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 U.S.C. 501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)) or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute.
- (4) "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 being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.
- (5) "Small business firm" means a small business concern as defined at section 2 of P.L. 85-536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standards for small business concerns involved in Government procurement and subcontracting at 13 C.F.R. 121.3-8 and 13 C.F.R. 121.3-12, respectively, will be used.
- (6) "Subject invention" means any invention of the Subcontractor conceived or first actually reduced to practice in the performance of work under this contract, provided that in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act, 7 U.S.C. 2401(d)) must also occur during the period of contract performance.
- (7) "Agency licensing regulations" and "agency regulations concerning the licensing of Government-owned inventions" mean the Department of Energy patent licensing regulations at 10 C.F.R. Part 781.

- (b) *Allocation of Principal Rights.* The Subcontractor may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 203. With respect to any subject invention in which the Subcontractor 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 to Title, and Filing of Patent Application by Subcontractor.*
- (1) The Subcontractor will disclose each subject invention to Fermilab and the Department of Energy (DOE) within 2 months after the inventor disclosed it in writing to Subcontractor personnel responsible for patent matters. The disclosure shall be in the form of a written report and shall identify the Subcontractor 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, the Subcontractor will promptly notify Fermilab of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the Subcontractor.
 - (2) The Subcontractor will elect in writing whether or not to retain title to any such invention by notifying Fermilab and DOE within 2 years of disclosure. However, in any case where publication, on sale or public use has initiated the 1-year statutory period wherein valid patent protection can still be obtained in the United States, the period for election of title may be shortened by DOE through Fermilab to a date that is no more than 60 days prior to the end of the statutory period.
 - (3) The Subcontractor will file its initial patent application on a subject invention to which it elects to retain title within 1 year after election of title 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 Subcontractor will file patent applications in additional countries or international patent offices within either 10 months of the corresponding initial patent application or 6 months from the date permission is granted 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, election, and filing under subparagraphs (c)(1), (2), and (3) of this clause may, at the discretion of the agency, be granted.
- (d) *Conditions When the Government May Obtain Title.* The Subcontractor will convey to the Federal agency, upon written request, title to any subject invention--
- (1) If the Subcontractor fails to disclose or elect title to the subject invention within the times specified in paragraph (c) of this clause, or elects not to retain title; provided, that DOE may only request title within 60 days after learning of the failure of the Subcontractor to disclose or elect within the specified.
 - (2) In those countries in which the Subcontractor fails to file patent applications within the times specified in paragraph (c) of this clause; provided, however, that if the Subcontractor has filed a patent application in a country after the times specified in paragraph (c) of this clause, but prior to its receipt of the written request of the Federal agency, the Subcontractor shall continue to retain title in that country.
 - (3) In any country in which the Subcontractor decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceeding on, a patent on a subject invention.
- (e) *Minimum Rights to Subcontractor and Protection of the Subcontractor Right to File.*
- (1) The Subcontractor will retain a nonexclusive royalty-free license throughout the world in each subject invention to which the Government obtains title, except if the Subcontractor fails to disclose the invention within the times specified in paragraph (c) of this clause. The Subcontractor's license extends to its domestic subsidiary and affiliates, if any, within the corporate structure of which the Subcontractor is a party and includes the right to grant sublicenses of the same scope to the extent the Subcontractor was legally obligated to do so at the time the contract was awarded. The license is transferable only with the approval of the Federal agency, except when transferred to the successor of that part of the Subcontractor's business to which the invention pertains.

- (2) The Subcontractor's domestic license may be revoked or modified by DOE to the extent necessary to achieve expeditious practical application of subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions at 37 C.F.R. Part 404 and agency licensing regulations. This license will not be revoked in that field of use or the geographical areas in which the Subcontractor 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 Subcontractor, its licensees, or the 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 Subcontractor a written notice of its intention to revoke or modify the license, and the Subcontractor will be allowed 30 days (or such other time as may be authorized by DOE for good cause shown by the Subcontractor) after the notice to show cause why the license should not be revoked or modified. The Subcontractor has the right to appeal, in accordance with applicable regulations in 37 C.F.R. Part 404 and agency regulations concerning the licensing of Government owned inventions, any decision concerning the revocation or modification of the license.

(f) *Subcontractor Action to Protect the Government's Interest.*

- (1) The Subcontractor agrees to execute or to have executed and promptly deliver to Fermilab and DOE all instruments necessary to (i) establish or confirm the rights the Government has throughout the world in those subject inventions to which the Subcontractor elects to retain title, and (ii) convey title to DOE when requested under paragraph (d) of this clause and to enable the government to obtain patent protection throughout the world in that subject invention.
- (2) The Subcontractor 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 Subcontractor each subject invention made under subcontract in order that the Subcontractor can comply with the disclosure provisions of paragraph (c) of this clause, and to execute all papers necessary to file patent applications on subject inventions and to establish the Government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by subparagraph (c)(1) of this clause. The Subcontractor shall instruct such employees, through employee agreements or other suitable educational programs, on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.
- (3) The Subcontractor will notify Fermilab and DOE of any decision not to continue the 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 30 days before the expiration of the response period required by the relevant patent office.
- (4) The Subcontractor 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 subcontract) to a prime contractor of the United States Department of Energy. The Government has certain rights in the invention."

(g) *Sub-subcontracts.*

- (1) The Subcontractor will include this clause, suitably modified to identify the parties, in all sub-subcontracts, regardless of tier, for experimental, developmental, or research work to be performed by a small business firm or domestic nonprofit organization. The sub-subcontractor will retain all rights provided for the Subcontractor in this clause, and the Subcontractor will not, as part of the consideration for awarding the sub-subcontract, obtain rights in the sub-subcontractor's subject inventions.
- (2) The Subcontractor shall include in all other sub-subcontracts, regardless of tier, for experimental, developmental, demonstration, or research work the patent rights clause at 48 C.F.R. 952.227-13.
- (3) In the case of sub-subcontracts, at any tier, DOE, sub-subcontractor, and the Subcontractor agree that the mutual obligations of the parties created by this clause constitute a contract between the sub-subcontractor and DOE with respect to the matters covered by the clause; provided, however, that nothing in this paragraph is intended to confer any jurisdiction under the Contract Disputes Act in connection with proceedings under paragraph (j) of this clause.

- (h) *Reporting on Utilization of Subject Inventions.* The Subcontractor agrees to submit, on request of Fermilab, 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 Subcontractor 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 Subcontractor, and such other data and information as DOE via Fermilab may reasonably specify. The Subcontractor also agrees to provide additional reports as may be requested by DOE via Fermilab in connection with any march-in proceeding undertaken by that agency in accordance with paragraph (j) of this clause. As required by 35 U.S.C. 202(c)(5), DOE agrees it will not disclose such information to persons outside the Government without permission of the Subcontractor.
- (i) *Preference for United States Industry.* Notwithstanding any other provision of this clause, the Subcontractor 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 product embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in United States. However, in individual cases, the requirement for such an agreement may be waived by DOE through Fermilab upon a showing by the Subcontractor 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 Subcontractor 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 C.F.R. 401.6 and any supplemental regulations of the agency to require the Subcontractor, 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 Subcontractor, 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 Subcontractor 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 Subcontractor, 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 Subcontractor, assignee, or licensees; or
 - (4) Such action is necessary because the agreement required by paragraph (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 agreement.
- (k) *Special Provisions for Subcontracts with Nonprofit Organizations.* If the Subcontractor 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 the Federal agency, except where such assignment is made to an organization which has as one of its primary functions the management of inventions; provided, that such assignee will be subject to the same provisions as the Subcontractor;
 - (2) The Subcontractor will share royalties collected on a subject invention with the inventor, including Federal employee co-inventors (when DOE deems it appropriate) when the subject invention is assigned in accordance with 35 U.S.C. 202(c) and 37 C.F.R. 401.10;
 - (3) The balance of any royalties or income earned by the Subcontractor 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; and
 - (4) It will make efforts that are reasonable under the circumstances to attract licensees of subject inventions that are small business firms, and that it will give a preference to a small business firm when licensing a subject invention if the Subcontractor determines that the small business firm has a plan or proposal for marketing the invention which, if executed, is equally as likely to bring the invention to practical application as any plans or proposals from applicants that are not small business firms; provided, that the Subcontractor is also satisfied that the small business firm has capability and resources to carry out its plan or proposal. The decision whether to give a preference in any specific case will be at the discretion of the Subcontractor.

However, the Subcontractor agrees that the Secretary of Commerce may review the Subcontractor's licensing program and decisions regarding small business applicants, and the Subcontractor will negotiate changes to its licensing policies, procedures, or practices with the Secretary of Commerce when that Secretary's review discloses that the Subcontractor could take reasonable steps to more effectively implement the requirements of this subparagraph (k)(4).

(l) *Communications.*

- (1) The Subcontractor shall direct any notification, disclosure, or request to DOE provided for in this clause to the DOE patent counsel assisting the DOE contracting activity (DOE Chicago Operations Office; Argonne, IL 60439), with a copy of the communication to Fermilab.
- (2) Each exercise of discretion or decision provided for in this clause, except subparagraph (k)(4), is reserved for the DOE Patent Counsel and is not a claim or dispute and is not subject to the Contract Disputes Act of 1978.
- (3) Upon request of the DOE Patent Counsel or Fermilab, the Subcontractor shall provide any or all of the following:
 - (i) a copy of the patent application, filing date, serial number and title, patent number, and issue date for any subject invention in any country in which the Subcontractor has applied for a patent;
 - (ii) a report, not more often than annually, summarizing all subject inventions which were disclosed to DOE individually during the reporting period specified; or
 - (iii) a report, prior to closeout of the subcontract, listing all subject inventions or stating that there were none.

2. FACILITIES LICENSE (48 C.F.R. 970.5204-71(n))

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 subcontract, the Subcontractor agrees to and does hereby grant to the Government through Fermilab an irrevocable, non-exclusive paid-up license in and to any inventions or discoveries regardless of when conceived or actually reduced to practice or acquired by the Subcontractor, which are owned or controlled by the Subcontractor at any time through completion of this subcontract and which are incorporated or embodied in the construction of the facility or which are utilized in the operation of the facility or which cover articles, materials, or products manufactured at the facility (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.

3. RIGHTS IN DATA - GENERAL

(a) *Definitions.*

- (1) "Computer databases," as used in this clause, means a collection of data in a form capable of, and for the purpose of, being stored in, processed, and operated on by a computer. The term does not include computer software.
- (2) "Computer software," as used in this clause, means:
 - (i) computer programs which are data comprising a series of instructions, rules, routines, or statements, regardless of the media in which recorded, that allow or cause a computer to perform a specific operation or series of operations and
 - (ii) data comprising source code listings, design details, algorithms, processes, flow charts, formulae, and related material that would enable the computer program to be produced, created, or compiled. The term does not include computer data bases.
- (3) "Data," as used in this clause, means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data and computer software. For the purposes of this clause, the

term does not include data incidental to the administration of this subcontract, such as financial, administrative cost and pricing, or management information.

- (4) "Form, fit, and function data," as used in this clause, means data relating to items, components, or processes that are sufficient to enable physical and functional interchangeability, as well as data identifying source, size, configuration, mating and attachment characteristics, functional characteristics, and performance requirements; except that for computer software it means data identifying source, functional characteristics, and performance requirements but specifically excludes the source code, algorithm, process, formulae, and flow charts of the software.
- (5) "Limited rights data," as used in this clause, means data, other than computer software, developed at private expense that embody trade secrets or are commercial or financial and confidential or privileged.
- (6) "Restricted computer software," as used in this clause, means computer software developed at private expense and that is a trade secret; is commercial or financial and is confidential or privileged; or is published copyrighted computer software, including minor modifications of any such computer software.
- (7) "Restricted rights," as used in this clause, means the rights of the Government in restricted computer software, as set forth in a Restricted Rights Notice if included in this clause, or as otherwise may be provided in a collateral agreement incorporated in and made part of this contract, including minor modifications of such computer software.
- (8) "Technical data," as used in this clause, means recorded data, regardless of form or characteristic, that are of a scientific or technical nature. Technical data does not include computer software, but does include manuals and instructional materials and technical data formatted as a computer data base.
- (9) "Unlimited rights," as used in this clause, means the rights of the Government to use, disclose, reproduce, prepare derivative works, distribute copies to the public, including by electronic means, and perform publicly and display publicly, in any manner, including by electronic means, and for any purpose whatsoever, and to have or permit others to do so.

(b) *Allocation of Rights.*

- (1) Except as provided in paragraph (c) below regarding copyright, the Government shall have unlimited rights in:
 - (i) Data first produced in the performance of this subcontract;
 - (ii) Form, fit, and function data delivered under this subcontract;
 - (iii) Data delivered under this subcontract (except for restricted computer software) that constitute manuals or instructional and training material for installation, operation, or routine maintenance and repair items, components, or processes delivered or furnished for use under this subcontract; and
 - (iv) All other data delivered under this subcontract unless provided otherwise for limited rights data or restricted computer software in accordance with paragraph (g) below.
- (2) The Subcontractor shall have the right to:
 - (i) Use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the Subcontractor in the performance of this subcontract (except Restricted Data in category C-24, 10 C.F.R. Part 725, in which DOE has reserved the right to receive reasonable compensation for the use of its inventions and discoveries, including related data and technology), unless provided otherwise in paragraph (d) below;
 - (ii) Protect from unauthorized disclosure and use those data which are limited rights data or restricted computer software to the extent provided in paragraph (g) below;
 - (iii) Substantiate use of, add or correct limited rights, restricted rights, or copyright notices and to take other appropriate action, in accordance with paragraphs (e) and (f) below; and
 - (iv) Establish claim to copyright subsisting in data first produced in the performance of this subcontract to the extent provided in subparagraph (c)(1) below.

(c) *Copyright.*

- (1) Data first produced in the performance of this subcontract. Unless provided otherwise in subparagraph (d) below, the Subcontractor may establish, without prior approval of the DOE via FRA, claim to copyright subsisting in scientific and technical articles based on or containing data first produced in the performance of this subcontract and published in academic, technical or professional journals, symposia proceedings or similar works. The prior, express written permission of DOE via FRA is required to establish claim to copyright subsisting in all other data first produced in the performance of this subcontract. When claim to copyright is made, the Subcontractor shall affix the applicable copyright notice of 17 U.S.C. 401 or 402 and acknowledgement of Government sponsorship (including subcontract number DE-AC02-76CH03000) to the data when such data are delivered to the Government, as well as when the data are published or deposited for registration as a published work in the U.S. Copyright Office. For data other than computer software the Subcontractor grants to the Government, and others acting on its behalf, a paid-up, nonexclusive, irrevocable, worldwide license in such copyrighted data to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government. For computer software, the Subcontractor grants to the Government and others acting in its behalf, a paid-up, nonexclusive, irrevocable, worldwide license in such copyrighted computer software to reproduce, prepare derivative works, and perform publicly and display publicly, by or on behalf of the Government.
- (2) Data not first produced in the performance of this subcontract. The Subcontractor shall not, without prior written permission of the DOE via FRA, incorporate in data delivered under this subcontract any data not first produced in the performance of this subcontract and which contains the copyright notice of 17 U.S.C. 401 and 402, unless the Subcontractor identifies such data and grants to the Government, or acquires on its behalf, a license of the same scope as set forth in subparagraph (1) above; provided, however, that if such data are computer software, the Government shall acquire a copyright license if included in this subcontract or as otherwise may be provided in a collateral agreement incorporated in or made part of this subcontract.
- (3) Removal of copyright notices. The Government agrees not to remove any copyright notices placed on data pursuant to this paragraph (c), and to include such notices on all reproductions of the data.

(d) *Release, Publication and Use of Data.*

- (1) The Subcontractor shall have the right to use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the Subcontractor in the performance of this subcontract, except to the extent such data may be subject to the Federal export control or national security laws or regulations, or unless otherwise provided below in this paragraph or expressly set forth in this subcontract.
- (2) The Subcontractor agrees that to the extent it receives or is given access to data necessary for the performance of this subcontract which contain restrictive markings, the Subcontractor shall treat the data in accordance with such markings unless otherwise specifically authorized in writing by the DOE via FRA.
- (3) The Subcontractor agrees not to assert copyright in computer software first produced in the performance of this subcontract without prior written permission of the DOE and FRA. When such permission is granted, the DOE through FRA shall specify appropriate terms, conditions, and submission requirements to assure utilization, dissemination, and commercialization of the data. The Subcontractor, when requested, shall promptly deliver to DOE through FRA a duly executed and approved instrument fully confirmatory of all rights to which the Government is entitled.

(e) *Unauthorized Marking of Data.*

- (1) Notwithstanding any other provisions of this subcontract concerning inspection or acceptance, if any data delivered under this subcontract are marked with restrictive notices and use of such is not authorized by this clause, or if such data bears any other restrictive or limiting markings not authorized by this subcontract, FRA may at any time either return the data to the Subcontractor, or cancel or ignore the markings. However, the following procedures shall apply prior to canceling or ignoring the markings.
 - (i) FRA shall make written inquiry to the Subcontractor affording the Subcontractor 30 days from receipt of the inquiry to provide written justification to substantiate the propriety of the markings;
 - (ii) If the Subcontractor fails to respond or fails to provide written justification to substantiate the propriety of the markings within the 30-day period (or a longer time not exceeding 90 days approved in writing by FRA for good cause shown), FRA shall have the right to cancel or ignore the markings at any time after

said period and the data will no longer be made subject to any disclosure prohibitions.

- (iii) If the Subcontractor provides written justification to substantiate the propriety of the markings within the period set in subdivision (i) above, FRA shall consider such written justification and determine whether or not the markings are to be canceled or ignored. If FRA determines that the markings are authorized, the Subcontractor shall be so notified in writing. If FRA determines that the markings are not authorized, FRA shall furnish the Subcontractor a written determination, which determination shall become the final agency decision regarding the appropriateness of the markings unless the Subcontractor files suit in a court of competent jurisdiction within 90 days of receipt of the FRA's decision. FRA shall continue to abide by the markings under this subdivision (iii) until final resolution of the matter either by the FRA's determination becoming final (in which instance FRA shall thereafter have the right to cancel or ignore the markings at any time and the data will no longer be made subject to any disclosure prohibitions), or by final disposition of the matter by court decision if suit is filed.
 - (2) Except to the extent that an action occurs as the result of final disposition of the matter by a court of competent jurisdiction, the Subcontractor is not precluded by this paragraph (e) from bringing a claim, as applicable, that may arise as the result of the Government removing or ignoring authorized markings on data delivered under this subcontract.
- (f) *Omitted or Incorrect Markings.*
- (1) Data delivered to FRA without either the limited rights or restricted rights notice as authorized by paragraph (g) below, or the copyright notice required by paragraph (c) above, shall be deemed to have been furnished with unlimited rights, and FRA assumes no liability for disclosure, use, or reproduction of such data. However, to the extent the data has otherwise not been disclosed without restriction, the Subcontractor may request, within 6 months (or a longer time approved by FRA for good cause shown) after delivery of such data, permission to have notices placed on qualifying data at the Subcontractor's expense, and FRA may agree to do so if the Subcontractor:
 - (i) Identifies the data to which the omitted notice is to be applied;
 - (ii) Demonstrates that the omission of the notice was inadvertent;
 - (iii) Establishes that the use of the proposed notice is authorized; and
 - (iv) Acknowledges that neither FRA nor the Government has any liability with respect to the disclosure, use, or reproduction of any such data made prior to the addition of the notice or resulting from the omission of the notice.
 - (2) The DOE, through FRA, may also:
 - (i) permit correction at the Subcontractor's expense of incorrect notices if the Subcontractor identifies the data on which correction of the notice is to be made, and demonstrates that the correct notice is authorized, or
 - (ii) correct any incorrect notices.
- (g) *Protection of Limited Rights Data and Restricted Computer Software.*
- (1) When data other than that listed in subparagraphs (b)(1)(i), (ii), and (iii) above are specified to be delivered under this subcontract and qualify as either limited rights data or restricted computer software, if the Subcontractor desires to continue protection of such data, the Subcontractor shall withhold such data and not furnish them under this subcontract. As a condition to this withholding, the Subcontractor shall identify the data being withheld and furnish form, fit, and function data in lieu thereof. Limited rights data that are formatted as a computer data base for delivery is to be treated as limited rights data and not restricted computer software.
 - (h) *Subcontracting.* The Subcontractor has the responsibility to obtain from its lower-tier Subcontractors all data and rights therein necessary to fulfill the Subcontractor's obligations under this subcontract. If a lower-tier Subcontractor refuses to accept terms affording such rights, the Subcontractor shall promptly bring such refusal to the attention of the DOE via FRA and not proceed with subcontract award without further authorization.
 - (i) *Relationship to Patents.* Nothing contained in this clause shall imply a license to the Government or FRA under

any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government.

- (j) The Subcontractor agrees, except as may be otherwise specified in this subcontract for specific data items listed as not subject to this paragraph, that the DOE or FRA or an authorized representative may, up to three years after acceptance of all items to be delivered under this subcontract, inspect at the Subcontractor's facility any data withheld pursuant to paragraph (g)(1) above, for purposes of verifying the Subcontractor's assertion pertaining to the limited rights or restricted rights status of the data or for evaluating work performance. Where the Subcontractor whose data are to be inspected demonstrates to the DOE or FRA that there would be a possible conflict of interest if the inspection were made by a particular representative, the DOE or FRA as the case may be shall designate an alternate inspector.
- (k) *Subcontractor Licensing.* Except as may be otherwise specified in this subcontract as data not subject to this paragraph, the Subcontractor agrees that upon written application by DOE or FRA, it will grant to the Government, FRA and responsible third parties, for purposes of practicing a subject of this subcontract, a nonexclusive license in any limited rights data or restricted computer software on terms and conditions reasonable under the circumstances including appropriate provisions for confidentiality; provided, however, the Subcontractor shall not be obligated to license any such data if the Subcontractor demonstrates to the satisfaction of the Secretary of Energy through FRA:
 - (1) such data are not essential to the manufacture or practice of hardware designed or fabricated, or processes developed, under this subcontract;
 - (2) such data, in the form of results obtained by their use, are being supplied by the Subcontractor or its licensees in sufficient quantity and at reasonable prices to satisfy market needs, or the Subcontractor or its licensees have take effective steps or within a reasonable time are expected to take effective steps to so supply such data in the form of results obtained by their use; or
 - (3) such data, in the form of results obtained by their use, can be furnished by another firm skilled in the art of manufacturing items or performing processes of the same general type and character necessary to achieve the subcontract results.

4. ADDITIONAL DATA REQUIREMENTS (FAR 52.227-16)

Note: This clause does not apply to the subcontract if the subcontract is for the conduct of basic or applied research, as set out elsewhere in this subcontract, to be performed solely by a college or university, and the estimated cost is not in excess of \$500,000.00.

- (a) In addition to the data (as defined in the clause at 52.227-14, Rights in Data-General clause or other equivalent included in this subcontract) specified elsewhere in this subcontract to be delivered, the DOE through FRA may, at any time during subcontract performance or within a period of 3 years after acceptance of all items to be delivered under this subcontract, order any data first produced or specifically used in the performance of this subcontract.
- (b) The Rights in Data-General clause or other equivalent included in this subcontract is applicable to all data ordered under this Additional Data Requirements clause. Nothing contained in this clause shall require the Subcontractor to deliver any data the withholding of which is authorized by the Rights in Data-General or other equivalent clause of this subcontract, or data which are specifically identified in this subcontract as not subject to this clause.
- (c) When data are to be delivered under this clause, the Subcontractor will be compensated for converting the data into the prescribed form, for reproduction, and for delivery.
- (d) The DOE through FRA may release the Subcontractor from the requirements of this clause for specifically identified data items at any time during the 3-year period set forth in paragraph (a) of this clause.

5. AUTHORIZATION AND CONSENT (48 C.F.R. 52.227-1)

- (a) The Government authorizes and consents to all use and manufacture, in performing this subcontract or any lower-tier sub-subcontract, of any invention described in and covered by a United States patent (1) embodied in the structure or composition of any article the delivery of which is accepted by the Government or Fermilab under this subcontract or (2) used in machinery, tools, or methods whose use necessarily results from compliance by the

Subcontractor or any lower-tier sub-subcontractor with (i) specifications or written provisions forming a part of this subcontract or (ii) specific written instructions given by Fermilab or the Department Contracting Officer directing the manner of performance. The entire liability to the Government for infringement of a patent of the United States shall be determined solely by the provisions of the indemnity clause, if any, included in this subcontract or any lower-tier sub-subcontract hereunder, and the Government assumes liability for all other infringement to the extent of the authorization and consent hereinabove granted.

- (b) The Subcontractor agrees to include, and require inclusion of, this clause, suitably modified to identify the parties, in all lower-tier sub-subcontracts for supplies or services (including construction, architect-engineer services, and materials, supplies, models, samples, and design or testing services expected to exceed the simplified acquisition threshold at Federal Acquisition Regulation (FAR) 2.101); however, omission of this clause from any lower-tier sub-subcontract, including those at or below the simplified acquisition threshold, does not affect this authorization and consent.

6. NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT

(48 C.F.R. 52.227-2)

- (a) The Subcontractor shall report to the Department Contracting Officer through Fermilab promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this subcontract of which the Subcontractor has knowledge.
- (b) In the event of any claim or suit against Fermilab or the Government on account of any patent or copyright infringement arising out of the performance of this subcontract or out of the use of any supplies furnished or work or services performed under this subcontract, the Subcontractor shall furnish to Fermilab or the Government, when requested by Fermilab or the Department Contracting Officer, all evidence and information in possession of the Subcontractor pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Government except where the Subcontractor has agreed to indemnify the Government or Fermilab.
- (c) The Subcontractor agrees to include, and require inclusion of, this clause in all lower-tier sub-subcontracts for supplies or services (including construction and architect-engineer sub-subcontracts and those for material, supplies, models, samples, or design or testing services) expected to exceed the simplified acquisition threshold at FAR 2.101.

7. REFUND OF ROYALTIES (48 C.F.R. 952.227-9)

- (a) This clause applies only if the subcontract price includes certain amounts for royalties payable by the Subcontractor or lower-tier sub-subcontractors or both.
- (b) The term "royalties" as used in this clause refers to any costs or charges in the nature of royalties, license fees, patent or license amortization costs, or the like, for the use of or for rights in patents and patent applications in connection with performing this subcontract or any lower-tier subcontract hereunder. The term also includes any costs or charges associated with the access to, use of, or other right pertaining to data that is represented to be proprietary and is related to the performance of this contract or the copying of such data or data that is copyrighted.
- (c) The Subcontractor shall furnish to Fermilab or the DOE Contracting Officer (if directed by Fermilab), before final payment under this subcontract, a statement of royalties paid or required to be paid in connection with performing this subcontract and lower-tier subcontracts hereunder together with the reasons.
- (d) The Subcontractor will be compensated for royalties reported under paragraph (c) of this clause, only to the extent that such royalties were included in the subcontract price and are determined by Fermilab to be properly chargeable to the Government and allocable to the subcontract. To the extent that any royalties that are included in the subcontract price are not, in fact, paid by the Subcontractor or are determined by Fermilab not to be properly chargeable to the Government and allocable to the subcontract, the subcontract price shall be reduced. Repayment or credit to Fermilab or the Government shall be made as Fermilab directs. The approval by Fermilab of any individual payments or royalties shall not prevent the Government from contesting at any time the enforceability, validity, scope of, or title to, any patent or the proprietary nature of data pursuant to which a royalty or other payment is to be or has been made.
- (e) If, at any time within 3 years after final payment under this subcontract, the Subcontractor for any reason is relieved in whole or in part from the payment of the royalties included in the final subcontract price as adjusted

pursuant to paragraph (d) of this clause, the Subcontractor shall promptly notify Fermilab or the DOE Contracting Officer of that fact and shall reimburse Fermilab or the Government in a corresponding amount.

- (f) The substance of this clause, including this paragraph (f), shall be included in any sub-subcontract in which the amount of royalties reported during negotiation of the sub-subcontract exceeds \$250.

8. PATENT INDEMNITY (48 C.F.R. 52.227-3)

- (a) The Subcontractor shall indemnify Fermilab, the Government, and their officers, agents, and employees against liability, including costs, for infringement of any United States patent (except a patent issued upon an application that is now or may hereafter be withheld from issue pursuant to a Secrecy Order under 35 U.S.C. 181) arising out of the manufacture or delivery of supplies, the performance of services, or the construction, alteration, modification, or repair of real property (hereinafter referred to as "construction work") under this subcontract, or out of the use or disposal by or for the account of the Government or Fermilab of such supplies or construction work.
- (b) This indemnity shall not apply unless the Subcontractor shall have been informed as soon as practicable by the Government or Fermilab of the suit or action alleging such infringement and shall have been given such opportunity as is afforded by applicable laws, rules, or regulations to participate in its defense. Further, this indemnity shall not apply to (1) an infringement resulting from compliance with specific written instructions of Fermilab or the Department Contracting Officer directing a change in the supplies to be delivered or in the materials or equipment to be used, or directing a manner of performance of the subcontract not normally used by the Subcontractor, (2) an infringement resulting from addition to or change in supplies or components furnished or construction work performed that was made subsequent to delivery or performance, or (3) a claimed infringement that is unreasonably settled without the consent of the Subcontractor, unless required by final decree of a court of competent jurisdiction.

9. RIGHTS IN DATA - FACILITIES (48 C.F.R. 970.5204-82)

(a) *Definitions.*

- (1) "Computer databases," as used in this clause, means a collection of data in a form capable of, and for the purpose of, being stored in, processed, and operated on by a computer. The term does not include computer software.
- (2) "Computer software," as used in this clause, means (i) computer programs which are data comprising a series of instructions, rules, routines, or statements, regardless of the media in which recorded, that allow or cause a computer to perform a specific operation or series of operations and (ii) data comprising source code listings, design details, algorithms, processes, flow charts, formulae, and related material that would enable the computer program to be produced, created, or compiled. The term does not include computer databases.
- (3) "Data," as used in this clause, means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data and computer software. The term "data" does not include data incidental to the administration of this subcontract, such as financial, administrative, cost and pricing, or management information.
- (4) "Limited rights data," as used in this clause, means data, other than computer software, developed at private expense that embody trade secrets or are commercial or financial and confidential or privileged. The Government's rights to use, duplicate, or disclose limited rights data are as set forth at FAR 52.227-14.
- (5) "Restricted computer software," as used in this clause, means computer software developed at private expense and that is a trade secret; is commercial or financial and is confidential or privileged. The Government's rights to use, duplicate, or disclose restricted computer software are as set forth in the Restricted Rights Notice at FAR 52.227-14.
- (6) "Technical data," as used in this clause, means recorded data, regardless of form or characteristic, that are of a scientific or technical nature. Technical data does not include computer software, but does include manuals and instructional materials and technical data formatted as a computer database.
- (7) "Unlimited rights," as used in this clause, means the rights of the Government to use, disclose, reproduce, prepare derivative works, distribute copies to the public, including by electronic means, and perform publicly

and display publicly, in any means, including by electronic means, and for any purpose whatsoever, and to have or permit others to do so.

(b) *Allocation of Rights.*

(1) The Government shall have:

- (i) Ownership of all technical data and computer software first produced in the performance of this subcontract;
- (ii) Unlimited rights in technical data and computer software specifically used in the performance of this subcontract, except as provided herein regarding copyright, limited rights data, or restricted computer software, or except for other data specifically protected by statute for a period of time or, where, approved by DOE, appropriate instances of the DOE Work for Others Program;
- (iii) The right to inspect technical data and computer software first produced or specifically used in the performance of this subcontract at all reasonable times. The Subcontractor shall make available all necessary facilities to allow DOE personnel to perform such inspection;
- (iv) The right to have all technical data and computer software first produced or specifically used in the performance of this subcontract delivered to the Government or otherwise disposed of by the Subcontractor, either as the DOE or FRA may from time to time direct during the progress of the work or in any event as the DOE through FRA shall direct upon completion or termination of this subcontract. The Subcontractor agrees to leave a copy of such data at the facility or plant to which such data relate, and to make available for access or to deliver to the Government such data upon request by the DOE through FRA. If such data are limited rights data or restricted computer software, the rights of the Government in such data shall be governed solely by the provisions of paragraph (e) ("Rights in Limited Rights Data") or paragraph (f) ("Rights in Restricted Computer Software") of Department of Energy Acquisition Regulation (DEAR) 970.5204-82;
- (v) The right to remove, cancel, correct, or ignore any markings not authorized by the terms of this subcontract on any data furnished hereunder if, in response to a written inquiry by DOE through FRA concerning the propriety of the markings, the Subcontractor fails to respond thereto within 60 days or fails to substantiate the propriety of the markings. In either case DOE through FRA will notify the Subcontractor of the action taken.

(2) The Subcontractor shall have:

- (i) The right to withhold limited rights data and restricted computer software unless otherwise provided in accordance with the provisions of this clause; and
 - (ii) The right to use for its private purposes, subject to patent, security or other provisions of this subcontract, data it first produces in the performance of this subcontract, except for data in DOE's Uranium Enrichment Technology, including diffusion, centrifuge, and atomic vapor laser isotope separation, provided the data requirements of this Subcontract have been met as of the date of the private use of such data.
- (3) The Subcontractor agrees that for limited rights or restricted computer software or other technical, business or financial data in the form of recorded information which it receives from, or is given access to by, DOE, FRA or a third party, and for technical data or computer software it first produces under this Subcontract which is authorized to be marked by DOE, the Subcontractor shall treat such data in accordance with any restrictive legend contained thereon.

(c) *Copyrighted Material.*

- (1) The Subcontractor shall not, without prior written authorization of the DOE through FRA, assert copyright in any technical data or computer software first produced in the performance of this subcontract. To the extent such authorization is granted, the Government reserves for itself and others acting on its behalf, a nonexclusive, paid-up irrevocable, world-wide license for Governmental purposes to publish, distribute, translate, duplicate, exhibit, and perform any such data copyrighted by the Subcontractor.
- (2) The Subcontractor agrees not to include in the technical data or computer software delivered under the subcontract any material copyrighted by the Subcontractor and not to knowingly include any material

copyrighted by others without first granting or obtaining at no cost a license therein for the benefit of FRA and the Government of the same scope as set forth in paragraph (c) (1) of this clause. If the Subcontractor believes that such copyrighted material for which the license cannot be obtained must be included in the technical data or computer software to be delivered, rather than merely incorporated therein by reference, the Subcontractor shall obtain the written authorization of the DOE through FRA to include such material in the technical data or computer software prior to its delivery.

(d) *Sub-subcontracting.*

- (1) Unless otherwise directed by FRA, the Subcontractor agrees to use in sub-subcontracts in which technical data or computer software is expected to be produced or in sub-subcontracts for supplies that contain a requirement for production or delivery of data in accordance with the policy and procedures of 48 C.F.R. (FAR) Subpart 27.4 as supplemented by 48 C.F.R. (DEAR) 927.401 through 927.409, the clause entitled "Rights in Data-General" at 48 C.F.R. 52.227-14 modified in accordance with 927.409 (a) and including Alternate V. Alternates II through IV of that clause may be included as appropriate with the prior approval of DOE Patent Counsel, and the Subcontractor shall not acquire rights in a sub-subcontractor's limited rights data or restricted computer software, except through the use of Alternates II or III, respectively, without the prior approval of DOE Patent Counsel. The clause at FAR 52.227-16, Additional Data Requirements, shall be included in sub-subcontracts in accordance with DEAR 927.409(h). The Subcontractor shall use instead the Rights in Data-Facilities clause at DEAR 970.5204-82 in sub-subcontracts, including sub-subcontracts for related support services, involving the design or operation of any plants or facilities or specially designed equipment for such plants or facilities that are managed or operated under the FRA contract with DOE.
- (2) It is the responsibility of the Subcontractor to obtain from its sub-subcontractors technical data and computer software and rights therein, on behalf of FRA and the Government, necessary to fulfill the Subcontractor's obligations to FRA and the Government with respect to such data. In the event of refusal by a sub-subcontractor to accept a clause affording FRA and the Government such rights, the Subcontractor shall:
 - (i) Promptly submit written notice to FRA setting forth reasons for the sub-subcontractor's refusal and other pertinent information which may expedite disposition of the matter, and
 - (ii) Not proceed with the sub-subcontract without the written authorization of FRA.
- (3) Neither the Subcontractor nor higher-tier sub-subcontractors shall use their power to award sub-subcontracts as economic leverage to acquire rights in a sub-subcontractor's limited rights data or restricted computer software for their private use.