

**DE-EE0007613 UCLA  
Intellectual Property Provisions (CDSB-115)  
Cooperative Agreement - Special Data Statute  
Research, Development, or Demonstration**

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|-----|--------------------------------------|---|
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NOTE: In reading these provisions, any reference to “contractor” shall mean “recipient,” and any reference to “contract” or “subcontract” shall mean “award” or “subaward.”

**01. FAR 52.227-1 Authorization and Consent (DEC 2007) Alternate I (APR 1984)**

(a) The Government authorizes and consents to all use and manufacture of any invention described in and covered by a United States patent in the performance of this contract or any subcontract at any tier.

(b) The Contractor shall include the substance of this clause, including this paragraph (b), in all subcontracts that are expected to exceed the simplified acquisition threshold. However, omission of this clause from any subcontract, including those at or below the simplified acquisition threshold, does not affect this authorization and consent.

(End of clause)

**02. FAR 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (DEC 2007)**

(a) The Contractor shall report to the Contracting Officer, promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this contract of which the Contractor has knowledge.

(b) 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 contract or out of the use of any supplies furnished or work or services performed under this contract, the Contractor shall furnish to the Government, when requested by the Contracting Officer, all evidence and information in the Contractor's possession pertaining to such claim or suit. Such evidence and information shall be furnished at the expense of the Government except where the Contractor has agreed to indemnify the Government.

(c) The Contractor shall include the substance of this clause, including this paragraph (c), in all subcontracts that are expected to exceed the simplified acquisition threshold.

(End of clause)

**03. 2 CFR 910, Appendix A of Subpart D, Rights in Data - Programs Covered Under Special Data Statutes**

(a) Definitions

Computer Data Bases, 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.

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.

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 does not include information incidental to administration, such as financial, administrative, cost or pricing or management information.

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.

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.

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 confidential or privileged; or is published copyrighted computer software; including modifications of such computer software.

Protected data, as used in this clause, means technical data or commercial or financial data first produced in the performance of the award which, if it had been obtained from and first produced by a non-federal party, would be a trade secret or commercial or financial information that is privileged or confidential under the meaning of 5 U.S.C. 552(b)(4) and which data is marked as being protected data by a party to the award.

Protected rights, as used in this clause, mean the rights in protected data set forth in the Protected Rights Notice of paragraph (g) of this clause.

Technical data, as used in this clause, means that data which 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.

Unlimited rights, as used in this clause, means the right of the Government to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose whatsoever, and to have or permit others to do so.

#### (b) Allocation of Rights

(1) Except as provided in paragraph (c) of this clause regarding copyright, the Government shall have unlimited rights in—

(i) Data specifically identified in this agreement as data to be delivered without restriction;

(ii) Form, fit, and function data delivered under this agreement;

(iii) Data delivered under this agreement (except for restricted computer software) that constitute manuals or instructional and training material for installation, operation, or routine maintenance and repair of items, components, or processes delivered or furnished for use under this agreement; and

(iv) All other data delivered under this agreement unless provided otherwise for protected data in accordance with paragraph (g) of this clause or for limited rights data or restricted computer software in accordance with paragraph (h) of this clause.

(2) The Recipient shall have the right to—

(i) Protect rights in protected data delivered under this agreement in the manner and to the extent provided in paragraph (g) of this clause;

(ii) Withhold from delivery those data which are limited rights data or restricted computer software to the extent provided in paragraph (h) of this clause;

(iii) Substantiate use of, add, or correct protected rights or copyrights notices and to take other appropriate action, in accordance with paragraph (e) of this clause; and

(iv) Establish claim to copyright subsisting in data first produced in the performance of this agreement to the extent provided in paragraph (c)(1) of this clause.

#### (c) Copyright

(1) Data first produced in the performance of this agreement. Except as otherwise specifically provided in this agreement, the Recipient may establish, without the prior approval of the Contracting Officer, claim to copyright subsisting in any data first produced in the performance of this agreement. If claim to copyright is made, the Recipient shall affix the applicable copyright notice of 17 U.S.C. 401 or 402 and acknowledgment of Government sponsorship (including agreement number) 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 such copyrighted data, including computer software, the Recipient grants to the Government, and others acting on its behalf, a paid-up nonexclusive, irrevocable, worldwide license to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government, for all such data.

(2) Data not first produced in the performance of this agreement. The Recipient shall not, without prior written permission of the Contracting Officer, incorporate in data delivered under this agreement any data that are not first produced in the performance of this agreement and that contain the copyright notice of 17 U.S.C. 401 or 402, unless the Recipient identifies such data and grants to the Government, or acquires on its behalf, a license of the same scope as set forth in paragraph (c)(1) of this clause; provided, however, that if such data are computer software, the Government shall acquire a copyright license as set forth in paragraph (h)(3) of this clause if included in this agreement or as otherwise may be provided in a collateral agreement incorporated or made a part of this agreement.

(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 Recipient shall have the right to use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the Recipient in the performance of this contract, except to the extent such data may be subject to the Federal export control or national security laws or regulations, or unless otherwise provided in this paragraph of this clause or expressly set forth in this contract.

(2) The Recipient agrees that to the extent it receives or is given access to data necessary for the performance of this agreement which contain restrictive markings, the Recipient shall treat the data in accordance with such markings unless otherwise specifically authorized in writing by the Contracting Officer.

(e) Unauthorized Marking of Data

(1) Notwithstanding any other provisions of this agreement concerning inspection or acceptance, if any data delivered under this agreement are marked with the notices specified in paragraph (g)(2) or (g)(3) of this clause 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 agreement, the Contracting Officer may at any time either return the data to the Recipient or cancel or ignore the markings. However, the following procedures shall apply prior to canceling or ignoring the markings.

(i) The Contracting Officer shall make written inquiry to the Recipient affording the Recipient 30 days from receipt of the inquiry to provide written justification to substantiate the propriety of the markings;

(ii) If the Recipient 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 the Contracting Officer for good cause shown), the Government 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 Recipient provides written justification to substantiate the propriety of the markings within the period set in subdivision (e)(1)(i) of this clause, the Contracting Officer shall consider such written justification and determine whether or not the markings are to be cancelled or ignored. If the Contracting Officer determines that the markings are authorized, the Recipient shall be so notified in writing. If the Contracting Officer determines, with concurrence of the head of the contracting activity, that the markings are not authorized, the Contracting Officer shall furnish the Recipient a written determination, which determination shall become the final agency decision regarding the appropriateness of the markings unless the Recipient files suit in a court of competent jurisdiction within 90 days of receipt of the Contracting Officer's decision. The Government shall continue to abide by the markings under this

subdivision (e)(1)(iii) until final resolution of the matter either by the Contracting Officer's determination become final (in which instance the Government 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) The time limits in the procedures set forth in paragraph (e)(1) of this clause may be modified in accordance with agency regulations implementing the Freedom of Information Act (5 U.S.C. 552) if necessary to respond to a request thereunder.

(f) Omitted or Incorrect Markings

(1) Data delivered to the Government without either the protected data notice as authorized by paragraph (g) of this clause, the limited rights or restricted rights notice as authorized by paragraph (h) of this clause, or the copyright notice required by paragraph (c) of this clause, shall be deemed to have been furnished with unlimited rights, and the Government assumes no liability for the disclosure, use, or reproduction of such data. However, to the extent the data has not been disclosed without restriction outside the Government, the Recipient may request, within 6 months (or a longer time approved by the Contracting Officer for good cause shown) after delivery of such data, permission to have notices placed on qualifying data at the Recipient's expense, and the Contracting Officer may agree to do so if the Recipient—

(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 the Government has no 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 Contracting Officer may also:

(i) Permit correction at the Recipient's expense of incorrect notices if the Recipient 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) Rights to Protected Data

(1) The Recipient may, with the concurrence of DOE, claim and mark as protected data, any data first produced in the performance of this award that would have been treated as a trade secret if developed at private expense. Any such claimed "protected data" will be clearly marked with the following Protected Rights Notice, and will be treated in accordance with such Notice, subject to the provisions of paragraphs (e) and (f) of this clause.

Protected Rights Notice

These protected data were produced under agreement no. DE-EE0007613 with the U.S. Department of Energy and may not be published, disseminated, or disclosed to others outside the Government until five (5) years from the date the data were produced, unless express written authorization is obtained from the recipient. Upon expiration of the period of protection set forth in this Notice, the Government shall have unlimited rights in this data. This Notice shall be marked on any reproduction of this data, in whole or in part.

(End of notice)

(2) Any such marked Protected Data may be disclosed under obligations of confidentiality for the following purposes:

(a) For evaluation purposes under the restriction that the "Protected Data" be retained in confidence and not be further disclosed; or

(b) To subcontractors or other team members performing work under the Government's (insert name of program or other applicable activity) program of which this award is a part, for information or use in connection with the work performed under their activity, and under the restriction that the Protected Data be retained in confidence and not be further disclosed.

(3) The obligations of confidentiality and restrictions on publication and dissemination shall end for any Protected Data:

(a) At the end of the protected period;

(b) If the data becomes publicly known or available from other sources without a breach of the obligation of confidentiality with respect to the Protected Data;

(c) If the same data is independently developed by someone who did not have access to the Protected Data and such data is made available without obligations of confidentiality; or

(d) If the Recipient disseminates or authorizes another to disseminate such data without obligations of confidentiality.

(4) However, the Recipient agrees that the following types of data are not considered to be protected and shall be provided to the Government when required by this agreement without any claim that the data are Protected Data:

- (a) All nonproprietary process related (that is operations technology) data. For example, list of key performance indicators (to name a few, energy efficiency, material efficiency, production efficiency), list of measurands, metadata for measurands (for example, frequency, size of data, provenance, statistical data), and type of sensors used for data collection.
- (b) All nonproprietary information technology and software related data. For example, list of key models and algorithms (to name a few, open source software, data analytics, data visualization, data acquisition and related algorithms, computing infrastructure [SM Platform architecture and components], interoperability standards and protocols), and data archival information (for example, data access, data services, meta data, information related data migration, provenance information that documents the history of the content information including version control).
- (c) Metadata for models. This is related to both (a) and (b) above. For example, metadata related to process models, data analytics and prediction models, optimization models, usecase models and results, and simulation models.
- (d) Capabilities of modeling and simulation tools, results from generic case studies, validation results, and uncertainty quantification of the modeling and simulation tools.
- (e) Metadata for testbeds. This is related to (a), (b) and (c) above. For example, metadata related to testbed architecture, industry sector, standards and protocols, reproducibility of testbed scenario, results and lessons learned, and SM Platform architecture components.
- (f) Non-proprietary details of low-power and resilient wireless sensor technology and sensor networks for pervasive sensing to promote US manufacturing
- (g) Non-proprietary details of underlying Smart Manufacturing platform infrastructures for orchestration of data across heterogeneous and human systems while addressing issues of privacy and cybersecurity
- (h) Non-enabling illustrations or photographs of the finished manufacturing process equipment, analytical equipment, constituent materials, intermediate material forms and testbed components and infrastructure.

Furthermore, the Recipient will not mark any data as protected that is inconsistent with the data management plan submitted as part of the application for this agreement. The parties agree that notwithstanding the foregoing list of types of data, nothing precludes the Government from seeking delivery of additional data in accordance with this agreement, or from making publicly available additional non-protected data, nor does the foregoing list constitute any admission by the Government that technical data not on the list is Protected Data.

(5) The Government's sole obligation with respect to any protected data shall be as set forth in this paragraph (g).

(h) Protection of Limited Rights Data

(1) When data other than that listed in paragraphs (b)(1)(i), (ii), and (iii) of this clause are specified to be delivered under this agreement and such data qualify as either limited rights data or restricted computer software, the Recipient, if the Recipient desires to continue protection of such data, shall withhold such data and not furnish them to the Government under this agreement. As a condition to this withholding the Recipient shall identify the data being withheld and furnish form, fit, and function data in lieu thereof.

(2) Notwithstanding paragraph (h)(1) of this clause, the agreement may identify and specify the delivery of limited rights data, or the Contracting Officer may require by written request the delivery of limited rights data that has been withheld or would otherwise be withholdable. If delivery of such data is so required, the Recipient may affix the following "Limited Rights Notice" to the data and the Government will thereafter treat the data, in accordance with such Notice:

Limited Rights Notice

(a) These data are submitted with limited rights under Government agreement No. DE-EE0007613 (and subaward/contract No. \_\_\_\_\_, if appropriate). These data may be reproduced and used by the Government with the express limitation that they will not, without written permission of the Recipient, be used for purposes of manufacture nor disclosed outside the Government; except that the Government may disclose these data outside the Government for the following purposes, if any, provided that the Government makes such disclosure subject to prohibition against further use and disclosure:

(1) Use (except for manufacture) by Federal support services contractors within the scope of their contracts;

(2) This "limited rights data" may be disclosed for evaluation purposes under the restriction that the "limited rights data" be retained in confidence and not be further disclosed;

(3) This "limited rights data" may be disclosed to other contractors participating in the Government's program of which this Recipient is a part for information or use (except for manufacture) in connection with the work performed under their awards and under the restriction that the "limited rights data" be retained in confidence and not be further disclosed;

(4) This "limited rights data" may be used by the Government or others on its behalf for emergency repair or overhaul work under the restriction that the "limited rights data" be retained in confidence and not be further disclosed; and

(5) Release to a foreign government, or instrumentality thereof, as the interests of the United States Government may require, for information or evaluation, or for emergency repair or overhaul work by such government. This Notice shall be marked on any reproduction of this data in whole or in part.

(b) This Notice shall be marked on any reproduction of these data, in whole or in part.

(End of notice)

(i) Subaward/Contract

The Recipient has the responsibility to obtain from its subrecipients/contractors all data and rights therein necessary to fulfill the Recipient's obligations to the Government under this agreement. If a subrecipient/contractor refuses to accept terms affording the Government such rights, the Recipient shall promptly bring such refusal to the attention of the Contracting Officer and not proceed with subaward/contract award without further authorization.

(j) Additional Data Requirements

In addition to the data specified elsewhere in this agreement to be delivered, the Contracting Officer may, at any time during agreement performance or within a period of 3 years after acceptance of all items to be delivered under this agreement, order any data first produced or specifically used in the performance of this agreement. This clause is applicable to all data ordered under this subparagraph. Nothing contained in this subparagraph shall require the Recipient to deliver any data the withholding of which is authorized by this clause or data which are specifically identified in this agreement as not subject to this clause. When data are to be delivered under this subparagraph, the Recipient will be compensated for converting the data into the prescribed form, for reproduction, and for delivery.

(k) The Recipient agrees, except as may be otherwise specified in this agreement for specific data items listed as not subject to this paragraph, that the Contracting Officer or an authorized representative may, up to three years after acceptance of all items to be delivered under this contract, inspect at the Recipient's facility any data withheld pursuant to paragraph (h) of this clause, for purposes of verifying the Recipient's assertion pertaining to the limited rights or restricted rights status of the data or for evaluating work performance. Where the Recipient whose data are to be inspected demonstrates to the Contracting Officer that there would be a possible conflict of interest if the inspection were made by a particular representative, the Contracting Officer shall designate an alternate inspector.

(End of clause)

**04. 2 CFR 910, Appendix A of Subpart D, Patent Rights (Small Business Firms and Nonprofit Organizations)(as modified by the EERE/ARPA-E DEC)**

(a) Definitions

*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.*).

*Made* when used in relation to any invention means the conception or first actual reduction to practice of such invention.

*Nonprofit organization* is defined in 2 CFR 200.70.

*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.

*Small business firm* means a small business concern as defined at section 2 of Public Law 85-536 (16 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 CFR 121.3 through 121.8 and 13 CFR 121.3 through 121.12, respectively, will be used.

*Subject invention* means any invention of the Recipient conceived or first actually reduced to practice in the performance of work under this award, 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 award performance.

(b) Allocation of Principal Rights

The Recipient may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this Patent Rights clause and 35 U.S.C. 203. With respect to any subject invention in which the Recipient retains title, the Federal Government shall have a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the U.S. the subject invention throughout the world.

(c) Invention Disclosure, Election of Title and Filing of Patent Applications by Recipient



(1) The Recipient will disclose each subject invention to DOE within two months after the inventor discloses it in writing to Recipient personnel responsible for the administration of patent matters. The disclosure to DOE shall be in the form of a written report and shall identify the award 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 disclosure, of the nature, purpose, operation, and the physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to DOE, the Recipient will promptly notify DOE of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the Recipient.

(2) The Recipient will elect in writing whether or not to retain title to any such invention by notifying DOE within two years of disclosure to DOE. However, in any case where publication, on sale, or public use has initiated the one-year statutory period wherein valid patent protection can still be obtained in the U.S., the period for election of title may be shortened by the agency to a date that is no more than 60 days prior to the end of the statutory period.

(3) The Recipient will file its initial patent application on an invention to which it elects to retain title within one 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 U.S. after a publication, on sale, or public use. The Recipient will file patent applications in additional countries or international patent offices within either ten months of the corresponding initial patent application, or six months from the date when permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications when such filing has been prohibited by a Secrecy Order.

(4) Requests for extension of the time for disclosure to DOE, election, and filing under subparagraphs (c)(1), (2), and (3) of this clause may, at the discretion of DOE, be granted.

(d) Conditions When the Government May Obtain Title

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

(1) If the Recipient fails to disclose or elect the subject invention within the times specified in paragraph (c) of this patent rights clause, or elects not to retain title; provided that DOE may only request title within 60 days after learning of the failure of the Recipient to disclose or elect within the specified times;

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

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

(4) Upon breach of paragraph (h) or paragraph (n) on this Patent Rights clause.

(e) Minimum Rights to Recipient and Protection of the Recipient Right To File

(1) The Recipient will retain a non-exclusive royalty-free license throughout the world in each subject invention to which the Government obtains title, except if the Recipient fails to disclose the subject invention within the times specified in paragraph (c) of this Patent Rights clause or breaches paragraph (h) or paragraph (n) of this Patent Rights clause. The Recipient's license extends to its domestic subsidiaries and affiliates, if any, within the corporate structure of which the Recipient is a party and includes the right to grant sublicenses of the same scope of the extent the Recipient was legally obligated to do so at the time the award was awarded. The license is transferable only with the approval of DOE except when transferred to the successor of that part of the Recipient's business to which the invention pertains.

(2) The Recipient's domestic license may be revoked or modified by DOE to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions at 37 CFR part 404 and the agency's licensing regulation, if any. This license will not be revoked in that field of use or the geographical areas in which the Recipient 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 discretion of the funding Federal agency to the extent the Recipient, its licensees, or its domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

(3) Before revocation or modification of the license, the funding Federal agency will furnish the Recipient a written notice of its intention to revoke or modify the license, and the Recipient will be allowed thirty days (or such other time as may be authorized by DOE for good cause shown by the Recipient) after the notice to show cause why the license should not be revoked or modified. The Recipient has the right to appeal, in accordance with applicable regulations in 37 CFR part 404 and the agency's licensing regulations, if any, concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of its license.

(f) Recipient Action To Protect Government's Interest

(1) The Recipient agrees to execute or to have executed and promptly deliver to DOE all instruments necessary to:

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

(ii) Convey title to DOE when requested under paragraph (d) of this Patent Rights clause, and to enable the government to obtain patent protection throughout the world in that subject invention.

(2) The Recipient agrees to require, by written agreement, its employees, other than clerical and non-technical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the Recipient each subject invention made under this award in order that the Recipient can comply with the disclosure provisions of paragraph (c) of this Patent Rights 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. The disclosure format should require, as a minimum, the information requested by paragraph (c)(1) of this Patent Rights clause. The Recipient shall instruct such employees through the 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 Recipient will notify DOE of any decision not to continue prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than 30 days before the expiration of the response period required by the relevant patent office.

(4) The Recipient agrees to include, within the specification of any U.S. patent application and any patent issuing thereon covering a subject invention, the following statement: "This invention was made with Government support under (identify the award) awarded by (identify DOE). The Government has certain rights in this invention."

(g) Subaward/Contract

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

(2) The recipient shall include Patent Rights (Domestic Large Businesses): Terms and Conditions of Class Patent Waiver W(C) 2014-003 as modified to incorporate U.S. Manufacturing Plan of DE-EE0007613, attached to these IP provisions as Attachment 3, suitably modified to identify the parties, in all subawards/contracts, regardless of tier, for experimental, developmental or research work to be performed by a domestic large business.

(3) In all other subawards/contracts, regardless of tier, for experimental, developmental, demonstration, or research work, the Recipient shall include this clause (suitably modified to identify the parties), or an alternate clause as directed by the contracting officer.

(4) In the case of subawards/contracts at any tier, DOE, the Recipient, and the subrecipient/contractor agree that the mutual obligations of the parties created by this clause constitute a contract between the subrecipient/contractor and DOE with respect to those matters covered by the clause.

(h) Reporting on Utilization of Subject Inventions

The Recipient 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 Recipient 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 Recipient, products that embody or are made through the use of the subject invention, manufacturing locations of such products and such other data and information as DOE may reasonably specify. The Recipient also agrees to provide additional reports in connection with any march-in proceeding undertaken by DOE in accordance with paragraph (j) of this Patent Rights 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 the permission of the Recipient.

(i) Preference for United States Industry.

Notwithstanding any other provision of this Patent Rights clause, the Recipient agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject invention in the U.S. 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 U.S. However, in individual cases, the requirement for such an agreement may be waived by DOE upon a showing by the Recipient 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 U.S. or that under the circumstances domestic manufacture is not commercially feasible.

(j) March-in-Rights

The Recipient agrees that with respect to any subject invention in which it has acquired title, DOE has the right in accordance with procedures at 37 CFR 401.6 and any supplemental regulations of the Agency to require the Recipient, an assignee or exclusive licensee of a subject invention to grant a non-exclusive, 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 Recipient, 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 Recipient 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 Recipient, 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 Recipient, assignee, or licensee; or
- (4) Such action is necessary because the agreement required by paragraph (i) of this Patent Rights clause has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the U.S. is in breach of such agreement.

(k) Special Provisions for Awards With Nonprofit Organizations

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

- (1) Rights to a subject invention in the U.S. may not be assigned without the approval of DOE, except where such assignment is made to an organization which has as one of its primary functions the management of inventions, provided that such assignee will be subject to the same provisions as the Recipient;
- (2) The Recipient 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(e) and 37 CFR 401.10;
- (3) The balance of any royalties or income earned by the Recipient 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 or engineering 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 preference to a small business firm if the Recipient determines that the small business firm has a plan or proposal for marketing the invention which, if executed, is equally likely to bring the invention to practical application as any plans or proposals from applicants that are not small business firms; provided that the Recipient is also satisfied that the small business firm has the 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 Recipient. However, the Recipient agrees that the Secretary of Commerce may review the Recipient's licensing program and decisions regarding small business applicants, and the Recipient will negotiate changes to its licensing policies, procedures or practices with the Secretary when the Secretary's review discloses that the Recipient could take reasonable steps to implement more effectively the requirements of this paragraph (k)(4).

(l) Communications

All communications required by this Patent Rights clause should be sent to the DOE Patent Counsel address listed in the Award Document.

(m) Electronic Filing

Unless otherwise specified in the award, the information identified in paragraphs (f)(2) and (f)(3) may be electronically filed.

(n) U.S. Manufacturing Plan

(1) Each Recipient (including each subrecipient) agrees that a purpose of this contract is to provide substantial benefit to the U.S. economy. In exchange for the benefits and rights received under this contract, the Recipient agrees to comply with the U.S. Manufacturing Plan that is attached to these IP provisions as Attachment 2 and was submitted as part of its proposal upon which this contract is based, including the following commitments:

- Products embodying Institute generated IP shall be manufactured substantially in the United States.
- Technologies, processes, services, and improvements thereof, which are covered by IP developed under the Institute, shall be incorporated into the Recipient manufacturing facilities in the U.S. either prior to or simultaneously with implementation outside the U.S. Such technologies, processes, services, and improvements, when implemented outside the U.S., shall not result in reduction of the use of the same technologies, processes, services, or improvements in the U.S. unless the Recipient can show to the satisfaction of the Institute and DOE that it is not commercially feasible to do so. DOE has the authority to approve potential foreign manufacture under the Cooperative Agreement.
- The Recipient will not license, assign or otherwise transfer any Institute derived or managed IP to any entity unless that entity agrees to these same requirements and with written approval from the Institute.

If the Recipient cannot agree or later finds that it cannot meet the requirements in the above provisions as written, the Recipient can submit a plan for providing a net benefit to the U.S. economy to DOE. If such plan is approved by DOE, the plan shall replace the above provisions for the Recipient.

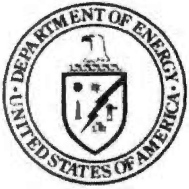
(2) The requirement and enforcement of the U.S. Manufacturing Plan is in accordance with the Determination of Exceptional Circumstances (DEC) executed by DOE on September 11, 2013. A copy of the DEC is attached to these IP provisions as Attachment 1. As set forth in 37 CFR 401.4, the Recipient has the right to appeal the imposition of the DEC within 30 working days from the time it receives a copy of it.

(End of clause)

Attachment 1: Determination of Exceptional Circumstances

Attachment 2: U.S. Manufacturing Plan

Attachment 3: Patent Rights (Domestic Large Businesses): Terms and Conditions of Class Patent Waiver  
W(C) 2014-003 as modified to incorporate U.S. Manufacturing Plan of DE-EE0007613



## Department of Energy

Washington, DC 20585

September 9, 2013

### **DETERMINATION OF EXCEPTIONAL CIRCUMSTANCES UNDER THE BAYH-DOLE ACT FOR ENERGY EFFICIENCY, RENEWABLE ENERGY, AND ADVANCED ENERGY TECHNOLOGIES**

Under the Bayh-Dole Act, 35 U.S.C. §§ 200-12 ("Bayh-Dole"), Federal agencies may determine that "exceptional circumstances" exist such that a modification in the patent rights disposition provided under the Act would better promote its objectives. The Department of Energy ("DOE") has determined that exceptional circumstances exist for disposition of patent rights arising under research, development, demonstration, and market transformation projects involving energy efficiency, renewable energy, and advanced energy technologies as described in Title IX, Subtitles A through D of the Energy Policy Act of 2005 (42 U.S.C. 16191 through 16256), and Title V, Section 5012 of the America COMPETES Act of 2007 (as amended by Title IX, Section 904 of the America COMPETES Act of 2010)(42 U.S.C. 16538) to better promote U.S. manufacturing.

These technologies are (1) energy efficiency, storage, integration, and related technologies, including (as examples only) for buildings, transportation, and energy-intensive industries; (2) renewable energy technologies, including (as examples only) for wind power, water power, photovoltaic, solar thermal, geothermal power, hydrogen power, biomass power, biofuel power, and fuel cells; and (3) advanced energy technologies, including transformational, breakthrough energy technologies in a variety of technical areas that have the potential to lead to revolutionary advances in the marketplace, including (as examples only) projects for advanced components and materials.

To better meet the objectives of Bayh-Dole, which include the goal of promoting commercialization of inventions by United States industry and labor, DOE proposes the use of U.S. Manufacturing Plans in funding agreements that support research, development, and demonstration of energy efficiency, renewable energy, and advanced energy technologies. The U.S. Manufacturing Plans consist of commitments proposed by applicants in response to funding opportunity announcements (FOAs), would be used by DOE during its evaluation and selection process, and would be formally incorporated into funding agreements following award negotiations. DOE may require the submission of U.S. Manufacturing Plans by all types of applicants, including large businesses, small businesses, and non-profit organizations. Once incorporated into a funding agreement, U.S. Manufacturing Plans may be enforced, among other possible remedies, through forfeiture of rights to subject inventions. Except for the U.S.



Manufacturing Plans and the enforcement mechanism, the patent rights granted to certain funding recipients under Bayh-Dole remain the same. In accordance with 37 C.F.R. 401.3(e), DOE makes the following determination of exceptional circumstances, along with the supporting statement of facts and analysis.

- I. *The patent rights provided by Bayh-Dole may be modified to better promote the objectives of the Act when an agency determines that “exceptional circumstances” exist.*
  - a. *Bayh-Dole provides a standard set of patent rights to recipients of federal funds under a funding agreement.*

Rights to inventions that contractors, subcontractors, as well as recipients and sub-recipients of grants and cooperative agreements (“funding recipients”) conceive or first actually reduce to practice in performance of work under a funding agreement (“subject inventions”) are governed by Bayh-Dole and the federal regulations that implement Bayh-Dole.<sup>1</sup> A “funding agreement” is “any contract, grant, or cooperative agreement entered into by any Federal agency . . . and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Government.”<sup>2</sup>

Bayh-Dole allows certain non-profit organizations and domestic small businesses who are recipients of a funding agreement (“Bayh-Dole entities”) to elect title to their subject inventions subject to limited government rights, and further provides that the recipients must comply with certain disclosure, patent prosecution, and other requirements.<sup>3</sup> In order to comply with Bayh-Dole, Federal agencies are required to use a standard patent rights clause for funding agreements with Bayh-Dole entities.<sup>4</sup>

- b. *Standard patent rights under Bayh-Dole may be modified when “exceptional circumstances” exist and a modification would better promote the Act’s objectives.*

A Federal agency may restrict, eliminate, or otherwise modify rights provided to Bayh-Dole entities and implemented through the standard patent rights clause in “exceptional circumstances” when the Federal agency determines that a restriction, elimination, or modification of the rights and requirements provided by Bayh-Dole would better promote the

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<sup>1</sup> 35 U.S.C. §§ 200-212; 37 C.F.R. Part 401.

<sup>2</sup> 35 U.S.C. § 201 (b).

<sup>3</sup> Bayh-Dole does not provide large business recipients the right to elect title to subject inventions under DOE statutory authorities. 42 U.S.C. §§ 2182 and 5908. Bayh-Dole also does not apply to Technology Investment Agreements, under DOE’s Other Transactions Authority. 42 U.S.C. § 7256.

<sup>4</sup> 37 C.F.R. § 401.3(a).

Act's objectives.<sup>5</sup> The degree or scope of the modification should only be to the extent necessary to address the exceptional circumstances.<sup>6</sup>

- II. *Promoting domestic manufacture of products derived from federally-funded research is a primary objective of Bayh-Dole.*

A fundamental objective of Bayh-Dole is to promote U.S. manufacturing by encouraging the domestic manufacture of products derived from federally-funded research. Among the listed objectives of Bayh-Dole is "to promote the commercialization and public availability of inventions made in the United States by United States industry and labor."<sup>7</sup>

Bayh-Dole was enacted in 1980, in part, to address a growing concern regarding the ability of U.S. manufacturing to compete in an increasingly globalized marketplace. The House Report filed by the Judiciary Committee when Bayh-Dole was presented to Congress identified the need for legislation to address the "failure of American industry to keep pace with the increased productivity of foreign competitors."<sup>8</sup> Bayh-Dole's passage was spurred in part by the President's Advisory Committee on Industrial Innovation, convened in 1978 to study the possibilities for encouraging increased productivity in the United States. Chief among the recommendations of the committee was a legislative proposal to promote industrial innovation through the commercial manufacture of federally-funded technologies. The legislative proposal led to Bayh-Dole.<sup>9</sup>

- III. *DOE has determined that exceptional circumstances exist because Bayh-Dole's objective of promoting U.S. manufacturing of federally-funded research is not fully being met with respect to energy efficiency, renewable energy, and advanced energy technologies.*

The current state of domestic manufacturing for energy efficiency, renewable energy manufacturing, and advanced energy technologies makes clear that the objective of promoting U.S. manufacture of U.S. inventions has not been adequately achieved.

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<sup>5</sup> 35 U.S.C. § 202(a)(ii); 37 C.F.R. § 401.3(a).

<sup>6</sup> 37 C.F.R. § 401.3(b).

<sup>7</sup> 35 U.S.C. § 200.

<sup>8</sup> H.R. REP. 96-1307, 1, 1980 U.S.C.C.A.N. 6460, 6460 ("Need for the Legislation: Many analysts of the U.S. economy have warned that the roots of the current recession lie in a longer term economic malaise which arises out of a failure of American industry to keep pace with the increased productivity of foreign competitors.").

<sup>9</sup> *Id.* at 6462. See U.S. DEPT. OF COMMERCE, ADVISORY COMMITTEE ON INDUSTRIAL INNOVATION: FINAL REPORT (Sept. 1979).

- a. *The U.S. has made significant investments in energy efficiency, renewable energy, and advanced energy technologies through DOE.*

The United States is a leader in the research and development of energy efficiency, renewable energy, and advanced energy technologies. America's leadership in research and development has been maintained in part due to DOE's significant and strategic investments in these types of technologies. The investments are made primarily through two DOE organizations: (1) the Office of Energy Efficiency and Renewable Energy (EERE) and (2) the Advanced Research Projects Agency-Energy (ARPA-E).

EERE works to strengthen the United States' energy security, environmental quality, and economic vitality in public-private partnerships. It supports this goal through (1) enhancing energy efficiency and productivity; and (2) bringing clean, reliable and affordable energy technologies to the marketplace. EERE partners with business, industry, universities, national laboratories, consumers, federal energy managers, inventors, states, and tribes to research, develop, and advance energy efficiency and renewable energy technologies. EERE funds R&D in programs that include building technologies, advanced manufacturing, vehicle technologies, weatherization technologies, bio-energy technologies, fuel cell technologies, geothermal technologies, solar energy technologies, and wind and water power technologies. EERE programs are focused on developing next-generation energy efficiency and renewable energy technologies and lowering the associated cost so that these technologies are broadly adopted and used across the United States. EERE has invested \$28.8 billion in energy efficiency and renewable energy technologies over the last ten years.

ARPA-E is dedicated to advancing energy technologies that have the potential to be transformational in the marketplace. ARPA-E works to identify high-risk, high-reward technical areas of interest to advance the agency's three mission areas: to enhance our nation's economic security, enhance our nation's energy security, and reduce energy-related emissions. ARPA-E enters into funding agreements with businesses, non-profit research organizations, universities, and national laboratories to research, develop and advance energy technologies that industry and other government programs are not likely to support because of technical and financial uncertainty.

In its first four years of operation, ARPA-E has invested more than \$777 million in advanced energy technologies, including approximately 285 research and development projects selected under 14 targeted FOAs and two open FOAs. In addition, ARPA-E has undertaken robust technology transfer and outreach activities to maximize the return on taxpayer investment through ARPA-E-funded technologies meeting their full commercial potential. Critical success in ARPA-E projects has spurred millions of dollars in follow-on private-sector funding, and a number of ARPA-E awardees have formed start-up companies as a result of ARPA-E funding.



- b. *Despite DOE's significant investment in energy efficiency, renewable energy, and advanced energy technologies research, development, and deployment, U.S. clean energy manufacturing lags behind other nations.*

Notwithstanding its leadership in research, development, and deployment of energy efficiency, renewable energy, and advanced energy technologies, the U.S. lags behind other nations in the manufacturing of those technologies. For example, China has 711 commissioned renewable energy manufacturing plants, five times as many as the U.S.<sup>10</sup> China has an additional 13 partially commissioned plants and 122 under construction, for a total of 60% of all renewable energy plants on record.<sup>11</sup> The U.S. has only an additional 5 partially commissioned plants and 18 under construction.<sup>12</sup> More particularly, in the field of solar technologies, China currently has 523 fully commissioned solar manufacturing plants (44% of world total) and Germany has 96 (8% of world total), while the US has 87 (7% of world total).<sup>13</sup> In the area of wind power technology, China has 109 wind manufacturing plants, or 41% of the world total.<sup>14</sup> India has 34 wind manufacturing plants, or 14% of the world's total.<sup>15</sup> The U.S. has only 23 plants, or 10% of the world total.<sup>16</sup> According to consulting firm MAKE Consulting, U.S. manufacturing capacity to produce wind turbine components is insufficient, in many cases, even to keep up with U.S. demand, much less demand in foreign markets.<sup>17</sup>

- c. *Congress has expressly recognized the need to improve the level of U.S. manufacturing from DOE's investments in energy efficiency, renewable energy, and advanced energy technologies.*

In the accompanying House Report for the 2013 Energy and Water Appropriations Bill, the Committee on Appropriations identified the specific need for DOE to take a leadership role in improving U.S. manufacturing and domestic intellectual property retention:

The Department's research and development efforts yield several thousand patents and licenses each year, and taxpayers expect their support to result in commercialized technologies that benefit both American consumers and American industry. This expectation is not met when intellectual property that

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<sup>10</sup> *Industry Intelligence*, BLOOMBERG NEW ENERGY FINANCE, <http://www.bnef.com/> (last visited Feb. 12, 2013).

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> Bloomberg New Energy Finance, *supra* note 10.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> Whitehouse.gov "Promoting Clean, Renewable Energy: Investments in Wind and Solar" 2010 <http://www.whitehouse.gov/recovery/innovations/clean-renewable-energy#19>

was developed with public funding is commercialized only by foreign manufacturers. The Committee believes that intellectual property policies offer substantial opportunities to encourage domestic manufacturing without obstructing commercial efficiency, eroding the value of intellectual property, or under-mining free trade. The technology transfer efforts of the Department should support domestic manufacturing wherever possible and the Department must take proactive steps to ensure taxpayer-funded research and development result in domestic jobs and revenues.<sup>18</sup>

The Committee requested that DOE examine what authorities are available to control intellectual property, specifically including the Bayh-Dole Act.<sup>19</sup>

Congress has also emphasized the importance of U.S. manufacturing through the authorizing statute for ARPA-E. Specifically, Congress established ARPA-E through the passage of the America Competes Act of 2007 and, among other things, charged ARPA-E with accelerating “the research and development of manufacturing processes for novel energy technologies.”<sup>20</sup> As a reflection of Congress’s focus on U.S. manufacturing, ARPA-E responsibility regarding research and development of manufacturing was modified in the America Competes Reauthorization Act of 2010 to state the following: “research and development of advanced manufacturing process and technologies for the *domestic manufacturing* of novel energy technologies.” (emphasis added)<sup>21</sup>

It is critical that energy efficiency, renewable energy, and advanced energy technologies funded by DOE support manufacturing in the United States, particularly in view of the necessity of creating and maintaining jobs, including manufacturing jobs, in the U.S. The objectives of DOE’s research and development programs are to decrease the dependence of the U.S. on foreign energy supplies, enhance U.S. economic and energy security, increase the export of renewable generation equipment from the U.S., and ensure that the United States maintains a technological lead in developing and deploying next-generation energy technologies.<sup>22</sup> A strong and vibrant domestic manufacturing base is needed for these objectives to be met. If the U.S. cannot maintain a manufacturing base for energy efficiency, renewable energy, and advanced energy technologies then it will remain dependent on foreign energy supplies and fail to achieve economic, energy, and national security.

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<sup>18</sup> H.R. Rep. No. 112-462 (May 2, 2012) at 81.

<sup>19</sup> *Id.* at 82.

<sup>20</sup> America COMPETES Act, Pub. L. 110-69, § 5012 (2007).

<sup>21</sup> America COMPETES Reauthorization Act of 2010, Pub. L. 111-358, § 904 (2010).

<sup>22</sup> 42 U.S.C. § 16231(a).

- IV. *EERE and ARPA-E will implement U.S. Manufacturing Plans to further promote the U.S. manufacture of inventions resulting from Federally-funded research.*
- a. *U.S. Manufacturing Plans may be required under a FOA and may be used as a basis for selection.*

Depending on the nature of the FOA, EERE and ARPA-E may require a U.S. Manufacturing Plan from each applicant of the FOA as part of its application. The U.S. Manufacturing Plan will represent the applicant's measurable commitment to support U.S. manufacturing of the technologies related to its EERE or ARPA-E funding agreement. The Plans shall apply equally to all types of applicants, including large businesses, small businesses, and non-profit organizations. Once incorporated into a funding agreement, the U.S. Manufacturing Plan will provide that it may be enforced, among other possible remedies, through forfeiture of rights to subject inventions. Except for the U.S. Manufacturing Plan proposed by the applicant and the enforcement mechanism, the patent rights of funding recipients granted by Bayh-Dole remain the same.

The nature and specificity of the applicants' U.S. Manufacturing Plans will vary based on the FOA and the program issuing the FOA. A higher level of specificity may be required in the U.S. Manufacturing Plans for technologies at higher technology readiness levels due to the greater certainty surrounding the commercialization of these technologies. U.S. Manufacturing Plans submitted in response to FOAs targeting technologies at high technology readiness levels or demonstration activities should include specific commitments to manufacturing in the U.S. For example, the U.S. Manufacturing Plan may specify products related to the funding agreement that will be manufactured in the U.S. or may identify investments in U.S. facilities to support product manufacture. U.S. Manufacturing Plans submitted in response to FOAs directed at technologies at lower technology readiness levels may have fewer specific manufacturing details and may focus more on licensing and other strategies to promote U.S. manufacturing.

The weight given to the U.S. Manufacturing Plans during the review and selection process likely will also vary based on the particular FOA and may be part of the evaluation or merit criteria. For example, the U.S. Manufacturing Plans may constitute 30% of the overall merit review score of the proposals. Alternatively, the U.S. Manufacturing Plans may be treated as a qualitative program policy factor, thereby allowing the selecting official to give preference to applications based on the U.S. Manufacturing Plans. FOAs directed to technologies at high technology readiness levels or demonstration type activities may require greater consideration of applicants' U.S. Manufacturing Plans.

Following selection and award negotiations, the U.S. Manufacturing Plan will be incorporated into the funding agreement. The funding agreement may further require that the

funding recipient submit annual reports to DOE (including after expiration of the funding period) to demonstrate compliance with the U.S. Manufacturing Plan.

The funding agreement terms and conditions will further provide for the remedies upon breach of the U.S. Manufacturing Plan. Individual FOAs, for example, may specify remedies such as repayment (including repayment with interest) of the DOE funding received under the funding agreement. Remedies may also include a loss of all rights to subject inventions by the funding recipient, including title reverting back to DOE if the funding recipient had title to the subject inventions.

*b. The standard patent rights clause will be modified to allow U.S. Manufacturing Plans to be enforceable and to serve as a basis for selection.*


To the extent that a U.S. Manufacturing Plan is connected to subject inventions or that the remedy for a breach of a U.S. Manufacturing Plan is connected to subject inventions (e.g., title reverts back to DOE), the standard patent rights clause for Bayh-Dole entities will be modified accordingly. The modification would be necessary to implement and enforce the U.S. Manufacturing Plan proposed by the Bayh-Dole entity and was in part the purpose for selecting the Bayh-Dole entity's proposal.


The funding recipient, including any Bayh-Dole entity, may request a waiver or modification of the U.S. Manufacturing Plan from DOE upon a satisfactory showing that the original U.S. Manufacturing Plan is no longer economically feasible and where the funding recipient can demonstrate an alternate net benefit to the U.S. economy notwithstanding the requested waiver or modification.

V. *Conclusion*

EERE and ARPA-E have determined that exceptional circumstances exist for energy efficiency, renewable energy, and advanced energy technologies. The U.S. Manufacturing Plan strategy described herein would better promote the objectives of Bayh-Dole by providing stronger support to U.S. manufacturing. Moreover, DOE is not imposing additional restrictions, requirements, or modifications from the standard patent rights clause beyond what is necessary to address the exceptional circumstances.

Any Bayh-Dole entity affected by this determination of exceptional circumstances has the right, and will be informed of that right, to appeal it.<sup>23</sup>

Approved:  \_\_\_\_\_ Date: 09/05/13  
DAVID DANIELSON  
ASSISTANT SECRETARY  
FOR ENERGY EFFICIENCY AND RENEWABLE ENERGY

Approved:  \_\_\_\_\_ Date: 9/9/13  
CHERYL MARTIN  
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FOR ADVANCED RESEARCH PROJECTS AGENCY-ENERGY

Approved:  \_\_\_\_\_ Date: Sept 11, 2013  
GENA E. CADIEUX  
DEPUTY GENERAL COUNSEL  
FOR TECHNOLOGY TRANSFER AND PROCUREMENT

<sup>23</sup> See 35 U.S.C. § 202(b)(4); 37 C.F.R. § 401.4.