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U.S. Department of Commerce
Patent and Trademark Office
PATENT



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Submission Type

New

Resubmission (Non-Recordation)
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Correction of PTO Error
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Conveyance Type

Assignment Security Agreement

License Change of Name

Merger Other

U.S. Government
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Departmental File Secret File

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Name (line 1) Execution Date Month Day Year

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PATENT
REEL: 009820 FRAME: 0125

Correspondent Name and Address

Area Code and Telephone Number [630] 252-2176

Name Robert J. Fisher

Address (line 1) U.S. Department of Energy

Address (line 2) Office of Intellectual Property Law

Address (line 3) 9800 South Cass Avenue

Address (line 4) Argonne, Illinois 60439

Pages Enter the total number of pages of the attached conveyance document including any attachments. # 14

Application Number(s) or Patent Number(s) Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

644,378						

If this document is being filed together with a new Patent Application, enter the date the patent application was Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number only if a U.S. Application Number has not been assigned.

PCT	<input type="text"/>	PCT	<input type="text"/>	PCT	<input type="text"/>
PCT	<input type="text"/>	PCT	<input type="text"/>	PCT	<input type="text"/>

Number of Properties Enter the total number of properties involved. # 01

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the

Deposit Account Number: #

Authorization to charge additional fees: Yes No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Mark P. Dvorscak

Mark P Dvorscak

Mar 10, 1999

Name of Person Signing

Signature

Date

CONFIRMATORY LICENSE

(Nonprofit Organizations or Small Business Firms)

Title : *BATTERIES CONTAINING SINGLE-ION CONDUCTING SOLID
POLYMER ELECTROLYTES*

Inventor (s) : *Subhash C. Narang & Susanna C. Ventura*

Serial No. : 644,378 Filing Date: *May 10, 1996*

Contractor : *SRI International*

DOE Contract No.: *Unnumbered Subcontract between SRI/Grace under Grace/USABC R&D
Agreement No.92-0016 under DOE/USABC Cooperative Agreement No.
DE-FC02-91CE50336*

DOE Case No. : *S-89,037-U.S. Patent No. 5,633,098 [Div. of S-89,036 -U.S S.N. 372,216]*

Waiver No. : *W^A(~~E~~) -91-016*

Foreign Applications filed in or intended to be filed at Contractor's expense in (countries):
n/a

An advanced class waiver of Government rights has been granted by the U.S. Department of Energy (DOE) to USABC and the above-identified invention has been reported as a Subject Invention to DOE by SRI International under a subcontract under DOE Contract No. DE-FC02-91CE50336 with its election to file a domestic patent application thereon. The effective date of said waiver for the above invention is May 13, 1997.

Accordingly, this document is confirmatory of the paid-up license required to be granted to the Government under 41 CFR 9-9.109.6 and the above-identified contract in this invention, patent application and any resulting patent, as well as any continuation, divisional, reissue, supplemental or continuation-in-part thereof, and of all rights retained by the Government pursuant to the above identified advance class waiver of patent rights. The undersigned certifies the attached copy sets out the Government's rights pursuant to the advance class waiver of patent rights under its subcontract. It is understood and agreed that this license does not preclude the Government from asserting rights under the provisions of said contract or any other agreement between the Government and the Contractor, or any other rights of the Government with respect to the above-identified invention.

The Government is hereby granted an irrevocable power to inspect and make copies of the above-identified patent application.

(SEAL)

Signed this 4th day of February, 19 99

SRI INTERNATIONAL
(Contractor)
By: Edward E. Davis
(Contractor's Official and Title)
Assistant Secretary, SRI International

333 Ravenswood Ave, Menlo Park, CA 94025
(Business Address)

28 Oct 92

of DOE of any individual payments or royalties shall not stop the Government at any time from contesting the enforceability, validity or scope of, or title to, any patent under which a royalty or payments are made.

ARTICLE 4. PATENT RIGHTS

(a) Definitions.

(1) "Invention" means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code (U.S.C.) 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) "Subject Invention" means any invention or discovery of Grace-Conn or Grace Affiliate conceived or first actually reduced to practice in the course of or under this contract, and includes any art, method, process, machine, manufacture, design, or composition of matter, or any new and useful improvement thereof, or any variety of plants, whether patented or unpatented under the Patent Laws of the United States of America or any foreign country.

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

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

(5) "Small Business Firm" means a 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 standard for small business concerns involved in Government procurement and subcontracting, at 13 CFR 121.3-8 and 13 CFR 121.3-12, respectively, will be used.

(6) "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.

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

(b) Allocation of Principal Rights.

(1) Whereas USABC has entered into a Cooperative Agreement No. DE-FC02-91CE50336, with the Department of Energy (DOE) for conducting work in the Department of Energy's Advanced Battery Program, and whereas prior to entering into the Cooperative Agreement, USABC did receive from the Department of Energy an advance waiver of certain rights with respect to intellectual property generated as a consequence of said agreement, said advanced waiver being executed on August 21, 1991, and whereas concurrent with said waiver DOE declared an exceptional circumstance under 35 USC 202 (a) (ii) for funding agreements under said agreement therefore pursuant to said contract and said advance waiver, the Parties agree that as to any Subject Invention of Grace-Conn and Grace Affiliate employees, USABC hereby grants to Grace-Conn title thereto pursuant to the terms of said Agreement and convey the entire right, title and interest to such Subject Invention to Grace-Conn as provided therein.

(2) The Grace-Conn shall retain the entire right, title and interest throughout the world to each Subject Invention subject to the provisions of this clause. With respect to any Subject Invention in which the Grace-Conn retains title, the Federal Government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the Subject Invention throughout the world.

(c) Invention Disclosure, Election of Title and Filing of Patent Application by Contractor.

(1) Grace-Conn shall establish and maintain active and effective procedures to ensure that Subject Inventions are promptly identified and timely disclosed. Those procedures shall include the maintenance of laboratory notebooks or equivalent records and any other records that are reasonably necessary to document the conception and/or the first actual reduction to practice of Subject Inventions, and records which show that the procedures for identifying and disclosing the inventions are followed. Upon request, Grace-Conn shall furnish USABC and the contracting officer description of these procedures so that he may evaluate and determine their effectiveness.

(2) Grace-Conn will disclose each Subject Invention to the Patent Counsel, and to the USABC within six (6) months after the conception or first actual reduction to practice, whichever occurs first in the course of or under the contract. The disclosure shall be in the form of a written report and shall identify the contract under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding, to the extent known at the time of the

28 Oct 92

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. Grace-Conn in addition, after disclosure, will promptly notify the Patent Counsel and USABC of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by Grace-Conn.

(3) Grace-Conn will elect in writing whether or not it intends to retain title to any such invention by notifying USABC and the Patent Counsel within one (1) year of the disclosure to Patent Counsel. 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 United States, the period for election of title may be shortened by Patent Counsel to a date that is no more than sixty days prior to the end of the statutory period.

(4) Grace-Conn will file its initial patent application on a Subject Invention to which it elects to retain title within six months 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. Grace-Conn 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 permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications where such filing has been prohibited by a secrecy order. Grace-Conn agrees to convey to USABC, upon written request from USABC, the entire right, title and interest in any country in which the Grace-Conn fails to have a patent application filed or decides not to continue prosecution or pay maintenance fees. Grace-Conn further agrees to notify USABC not less than sixty (60) days before the expiration period for any action required by any patent office of such failure or decision.

(5) Requests for extension of the time for disclosure to the Patent Counsel, election, and filing, under subparagraphs (1), (2) and (3) of this paragraph (c) may, at the discretion of the Patent Counsel be granted.

(d) Conditions When The Government May Obtain Title.

The Grace-Conn or USABC will convey to the DOE, upon written request, title to any Subject Invention.

(1) If Grace-Conn or USABC fails to disclose or elect title to the Subject Invention within the times specified in paragraph (c) above, or elects not to retain title; provided that the DOE may only request title

28 Oct 92

within 60 days after learning of the failure of Grace-Conn or USABC to disclose or elect within the specified times;

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

(3) In any country in which USABC or Grace-Conn decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in a re-examination or opposition proceeding on, a patent on a subject invention.

(e) Minimum Rights To Grace-Conn or USABC.

(1) Grace-Conn and USABC reserve an irrevocable, nonexclusive, paid-up license with the right to sublicense in each patent application filed in any country on a Subject Invention and any resulting patent in which the Government acquires title. The license shall extend to Grace-Conn's and USABC's domestic subsidiaries and affiliates, if any, within the corporate structure of which the Grace-Conn and USABC is a part and includes the right to grant sublicenses of the same scope to the extent Grace-Conn and USABC were legally obligated to do so at the time the contract was awarded. The license is transferable only with the approval of DOE except when transferred to the successor of the part of the business to which the invention pertains.

(2) The domestic license under (e) (1) hereof 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 404 and 10 CFR 781. This license will not be revoked in that field of use or the geographical areas in which Grace-Conn or USABC 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 Grace-Conn or USABC, or its licensees, or its domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

(3) Before revocation or modification of the license, DOE will furnish Grace-Conn or USABC a written notice of its intention to revoke or modify the license, and will be allowed thirty days (or such other time as may be authorized by DOE for good cause shown by Grace-Conn or USABC) after the notice to show cause why the license should be revoked or modified. USABC has the right to appeal, in accordance with 37 CFR 404 and 10 CFR Part 781, any decision concerning the revocation or modification of its license.

28 Oct 92

(f) Grace-Conn and USABC Action to Protect the Government's Interest.

(1) Grace-Conn and USABC agree to execute or to have executed and promptly deliver to the Patent Counsel all instruments necessary to:

(i) Establish or confirm the rights the Government has throughout the world in those subject inventions to which Grace-Conn or USABC elects to retain title, and

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

(2) Grace-Conn 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 Grace-Conn each subject invention made under this contract in order that Grace-Conn can comply with the disclosure provisions of (c) above 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 required by (c) (1) above. Grace-Conn 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 United States or foreign statutory bars.

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

(4) Grace-Conn agrees to include, within the specification of any United States patent applications and any patent issuing thereon covering a Subject Invention, the following statement "This invention was made with Government support under (identify the contract) awarded by the Department of Energy. The Government has certain rights in the invention."

(5) Grace-Conn agrees to:

(i) Upon request, provide a report prior to the close-out of the contract listing all Subject Inventions or stating that there were none;

(ii) Provide, upon request, a copy of the patent application, filing date, serial number and title,

28 Oct 92

patent number and issue date for any Subject Invention in any country in which Grace-Conn has applied for patent; and

(iii) Provide, upon request, but not more than annually, listing of all Subject Inventions which were disclosed to DOE during the applicable reporting period.

(g) Terminations.

(1) Any retention of rights by Grace-Conn under paragraphs (b)(1) or (e)(1) of this Article 4 may be terminated at the discretion of the Secretary or his designee, in whole or in part, if the request for waiver or retention of rights by USABC is found to contain false material statements or nondisclosure of material facts, and such were specifically relied upon in reaching the waiver determination or the agreement to the retention of rights by USABC or Grace-Conn.

(2) Any rights retained in accordance with paragraphs (c)(3) of this Article, as applied to particular inventions, may be terminated at the discretion of the Secretary or his designee, in whole or in part, if USABC or Grace-Conn fails to comply with the provisions set forth in paragraph (c)(4) of this Article 4, and such failure is determined by the Secretary or his designee to be material and detrimental to the interests of the United States and the general public.

(3) Prior to terminating any waiver of rights under paragraph (g)(1) or (g)(2) of this Article 4, USABC and Grace-Conn will be given written notice of the intention to terminate the waiver of rights, the extent of such proposed termination and the reasons therefor, and a period of 30 days, or such longer period as the Secretary or his designee shall determine for good cause shown in writing, to show cause why the waiver of rights should not be so terminated.

(4) All termination of rights under paragraph (g)(2) of this Article 4 shall be subject to the rights granted in paragraph (e)(1) of this clause, and termination shall normally be partial in nature, requiring Grace-Conn to grant nonexclusive or partially exclusive licenses to responsible applicants upon terms reasonable under the circumstances.

(5) The DOE recognizes that Grace-Conn did not participate in the USABC's request for waiver and that Grace-Conn may be unduly harmed by a termination of the USABC waiver. If the USABC waiver is terminated, the DOE will provide Grace-Conn an opportunity to submit a waiver in its own behalf and shall give full consideration on Grace-Conn's reliance on the USABC waiver together with participation in cost sharing in this Program. In no event will any termination of Grace-Conn's rights under this paragraph 4(g) diminish or in any way adversely effect the rights obtained by USABC relative to Subject Inventions under the Cooperative Agreement No. DE-FC02-91CE50336.

28 Oct 92

(h) Forfeiture of Rights in Unreported Subject Inventions.

(1) Grace-Conn shall forfeit to the Government, at the request of the Secretary or his designee, all rights in any Subject Invention of its own of which it is aware which Grace-Conn fails to report to Patent Counsel (with notification by Patent Counsel to the Contracting Officer) within six months after the time Grace-Conn:

- (i) Files or causes to be filed a United States or foreign patent application thereon; or
- (ii) Submits the final report required by paragraph (c)(2) of this clause, whichever is later.

(2) However, Grace-Conn shall not forfeit rights in a Subject Invention if, within the time specified in (1)(i) or (1)(ii) of this paragraph (h), Grace-Conn:

- (i) Prepared a written decision based upon a review of the record that the invention was neither conceived nor first actually reduced to practice in the course of or under the contract and delivers the same to Patent Counsel (with notification by Patent Counsel to the Contracting Office); or
- (ii) Contending that the invention is not a Subject Invention Grace-Conn nevertheless discloses the invention and all facts pertinent to this contention to the Patent Counsel (with notification by Patent Counsel to the Contracting Officer); or
- (iii) Establishes that the failure to disclose did not result from Grace-Conn's fault or negligence.

(3) Pending written assignment of the patent applications and patents on a Subject Invention determined by the Secretary or his designee to be forfeited (such determination to be a final decision under the Disputes Clause of this contract), Grace-Conn shall be deemed to hold the invention and the patent applications and patents pertaining thereto in trust for the Government. The forfeiture provision of this paragraph (h) shall be in addition to and shall not supersede other rights and remedies which the Government may have with respect to Subject Inventions.

(4) A forfeiture by Grace-Conn under this paragraph (h) to rights in a Subject Invention shall not effect the rights of USABC to such Subject Invention as provided under the Cooperative Agreement No. DE-FC02-91CE50336.

28 Oct 92

(i) Subcontracts.

(1) Grace-Conn will include this clause, suitable modified to identify the parties, in all subcontracts, regardless of tier, for experimental, development or research work to be performed by a small business firm or a domestic nonprofit organization. Subject to the exceptional circumstances determination, mentioned above the subcontractor will retain all rights provided for the subcontractor, and Grace-Conn will not, as part of the consideration for awarding the subcontract, obtain rights in the subcontractor's subject inventions except as approved by DOE or said subcontractor provides to DOE a document indicating its approval of the rights provision provided in the subcontract.

(2) Grace-Conn will include in all other subcontracts, regardless of tier, for experimental, developmental, demonstration or research work the patent rights clause of 41 CFR 9-9.107-5(a) or 9-9.107-6 as appropriate, modified to identify the parties and the right to apply as provided in the statement of considerations mentioned.

(3) In any subcontract with a small business, university or nonprofit organization that includes a patent clause, Grace-Conn will provide the following notice and a copy of Attachment 1 to the subcontractor by the time of execution of the subcontract.

If you are a small business, nonprofit, or University, your contract, which relates to the Department's Advanced Battery Program, is subject to a class exceptional circumstances determination (a copy of which is attached hereto as Attachment 1) by DOE in accordance with 35 U.S.C. 202(b)(1). The effect of this determination is that the patent clause of your contract allocates patent rights to the Government in order to better promote the policies and objectives of Chapter 18, Title 35 of the U.S. Code. You may appeal this determination by providing written notice to DOE Patent Counsel within 30 working days of your receipt of this notice.

(j) Reporting on Utilization of Subject Inventions.

Grace-Conn 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 Grace-Conn 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 Grace-Conn, and such other data and information

as DOE may reasonably specify. Grace-Conn also agrees to provide additional reports as may be requested by DOE in connection with any march-in proceeding undertaken by DOE in accordance with paragraph (1) 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 Grace-Conn.

(k) Preference for United States Industry.

Notwithstanding any other provision of this clause, Grace-Conn agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any Subject Inventions in the United States unless such person agrees that any products embodying the Subject Invention or produced through the use of the Subject Invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by DOE upon a showing by Grace-Conn 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.

(l) March-in-Rights.

Grace-Conn agrees that with respect to any Subject Invention in which it has acquired title, DOE has the right in accordance with the procedures in 37 CFR 401.6 and any supplemental regulations of DOE to require Grace-Conn, 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 Grace-Conn, 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 Grace-Conn 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 Grace-Conn, assignee, or their licensees;

28 Oct 92

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

(4) Such action is necessary because the agreement required by paragraph (k) hereof, 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.

(m) Examination of Records Relating to Invention.

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

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

(i) Establish the procedures of paragraph (c) (1) of this clause; or

(ii) Maintain and follow such procedures; or

(iii) Correct or eliminate any material deficiency in the procedures within thirty (30) days after the Contracting Officer notifies Grace-Conn of such a deficiency.

(n) U.S. Competitiveness.

(1) In the event that Grace-Conn or any assignee transfers title in any Subject Invention, or patent or patent application based thereon, to, or Grace-Conn or any assignee is or becomes a company or an entity which is majority owned or controlled, directly or indirectly, by, a non-U.S. company or entity, then Grace-Conn or assignee as the case may be, at USABC's or DOE's request, shall grant sublicenses under such invention, patent and/or patent application to U.S.-owned or controlled companies

28 Oct 92

identified to Grace-Conn or assignee by DOE, under fair and reasonable terms. In the event that Grace-Conn, any assignee or licensee elects to grant licenses to non-affiliated third parties under any Subject Invention or patent or patent application based thereon developed under this Agreement, Grace-Conn, assignee or licensee as the case may be, will give preference to U.S. manufacturers who have demonstrated capability of providing high quality products and services.

(2) Grace-Conn shall not grant or transfer in any way, to a company or an entity which is majority owned or controlled, directly or indirectly, by a non-U.S. company or entity, the rights to manufacture in a foreign country, any products for batteries for Electric Vehicle Applications embodying a Subject Invention or produced through the use of a Subject Invention without the express written approval of DOE, provided, however, Grace-Conn shall have the right to grant or transfer said rights to a non-U.S. company or entity, if at least fifty one percent (51%) of the value, averaged over a five (5) year period, of said products for batteries for Electric Vehicle Applications embodying a Subject Invention or produced through the use of a Subject Invention is manufactured in the U.S., and no approval of DOE is required.

(3) The restrictions imposed in paragraphs (1) and (2) above of this clause shall automatically expire ten (10) years after the effective date of this Agreement.

(4) This clause does not apply to rights obtained by Grace-Conn or a Grace Affiliate hereunder pursuant to any waiver of rights issued by DOE.

(5) Paragraphs (1), (2), (3), and (4) of this clause appropriately modified to reflect the Parties, shall be included in any subcontract where exclusive rights in Subject Inventions are retained by the subcontractor pursuant to any waiver issued by DOE under the Cooperative Agreement.

(6) The term "Electric Vehicle Applications", as used in this Provision, means electric vehicle propulsion batteries and all other electric batteries which are an integral part of present or future electric and/or hybrid propulsion vehicles (electric/other mixed propulsion source).

(o) Publication.

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

(p) Background Patents.

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

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

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

(2) Grace-Conn agrees to and does hereby grant to the Government a royalty-free, nonexclusive license under any Background Patent for purposes of practicing battery technology developed under this contract for Electric Vehicle Applications by or for the Government in research, development, and demonstration work only.

(3) Grace-Conn also agrees that upon written application by DOE, it will grant to responsible parties, in accordance with procedures similar to 37 CFR 401.6 and any supplemental regulations of DOE, for purposes of practicing battery technology developed under this contract for Electric Vehicle Applications, nonexclusive licenses under any Background Patent on terms that are reasonable under the circumstances. If, however, Grace-Conn believes that exclusive or partially exclusive rights are necessary to achieve expeditious commercial development or utilization, then a request may be made to DOE for DOE approval of such licensing by Grace-Conn.

(4) Notwithstanding the foregoing paragraph (p) (3), Grace-Conn shall not be obligated to license any Background Patent if Grace-Conn provides reasonable basis to the satisfaction of the Secretary or his designee that:

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

28 Oct 92

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

ARTICLE 5. RIGHTS IN TECHNICAL DATA

(a) Definitions.

(1) "Technical Data" means recorded information regardless of form or characteristic, of a scientific or technical nature. It may, for example, document research, experimental, developmental, or demonstration, or engineering work, or be usable or used to define a design or process, or to procure, produce, support, maintain, or operate material. The data may be graphic or pictorial delineations in media such as drawings or photographs, text in specifications or related performance or design type documents or computer software (including computer programs, computer software data bases, and computer software documentation). Examples of technical data include research and engineering data, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog items identification, and related information. Technical data as used herein does not include financial reports, cost analyses, and other information incidental to contract administration.

(2) "Proprietary Data" means technical data which embody trade secrets developed at private expense, such as design procedures or techniques, chemical composition of materials, or manufacturing methods, processes, or treatments, including minor modifications thereof, provided that such data:

(i) Are not generally known or available from other sources without obligation concerning this confidentiality;

(ii) Have not been made available by the owner to others without obligation concerning their confidentiality; and

(iii) Are not readily available to the Government without obligation concerning their confidentiality.