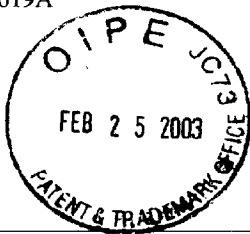


FORM PTO-1619A

Expires 06/30/99  
OMB 0651-0027

02-28-2003



102377989

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

HEET

5-80649

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

## Submission Type

- ☒ New
- ☐ Resubmission (Non-Recordation)  
Document ID#
- ☐ Correction of PTO Error  
Reel #  Frame #
- ☐ Corrective Document  
Reel #  Frame #

## Conveyance Type

- ☐ Assignment ☐ Security Agreement
- ☐ License ☐ Change of Name
- ☐ Merger ☒ Other  Confirmatory License

U.S. Government

(For Use ONLY by U.S. Government Agencies)

- ☒ Departmental File ☐ Secret File

## Conveying Party(ies)

☐ Mark if additional names of conveying parties attached

Name (line 1) AMERICAN SUPERCONDUCTOR CORPORATION

Execution Date  
Month Day Year  
2/3/2003

Name (line 2)

## Second Party

Name (line 1)

Execution Date  
Month Day Year

Name (line 2)

## Receiving Party

☐ Mark if additional names of receiving parties attached

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

Name (line 2)

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Address (line 1) 1000 Independence Avenue, S.W.

Address (line 2)

Address (line 3) Washington

D.C.

20585-0162

City

State/Country

Zip Code

## Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

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Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

REEL: 013782 FRAME: 0538

**Correspondent Name and Address**

Area Code and Telephone Number

202-586-2802

Name **Betty A. Winchester**

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

Address (line 2) **1000 Independence Avenue, S.W.**

Address (line 3) **Washington, D. C. 20585-0162**

Address (line 4)

**Pages**

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

# **13**

**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)


<b>5,525,583</b>		

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		PCT		PCT	
PCT		PCT		PCT	

**Number of Properties**

Enter the total number of properties involved.

# **1**

**Fee Amount**

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

**0.00**

Method of Payment:

Enclosed ☐

Deposit Account ☐

Deposit Account

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

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.

**Brenda K. Banks**

Name of Person Signing

*Brenda K. Banks*  
Signature

**2/24/03**  
Date

08/192724 now  
Pat 5,525,583

CONFIRMATORY LICENSE  
(For Use in Inventions Under Class Waivers)

Title: Superconductor Magnetic Coil  
Inventor(s): Dawood Aized and Robert E. Schwall  
Serial No.: 08/192,724 Filing Date (U.S.): February 7, 1994  
Issued Patent No.: 5,525,583 Issued Date: June 11, 1996  
Contractor: American Superconductor Corporation  
DOE Case No.: S-80,649  
DOE Contract No.: 86X-SK700V; DE-AC05-84OR21400; DE-AC05-00OR22725  
DOE Class Waiver No.: W(C)-88-001; ORO-387  
Patent Rights Clause No.:  
Foreign Applications filed or intended to be filed at Contractor's Expense in (countries):  
Australia, Canada,  
Europe, Japan, New Zealand

The Contractor, having the right to retain title to certain Subject Inventions as a result of the above-identified U. S. Department of Energy (DOE) Class Patent Waiver, has reported the above-identified invention as a Subject Invention to DOE with an election to retain title thereto.

Accordingly, this document is confirmatory of the nonexclusive, nontransferable, paid-up license to practice or have practiced for or on behalf of the United States the Subject Invention, patent application and any resulting patent, as well as any continuation, divisional, reissue, or supplemental or thereof, and of all other rights acquired by the Government by the above-identified patent rights clause, a copy of which is attached hereto and incorporated by reference herein. The undersigned certifies the attached copy to be a true copy of said clause. It is understood and agreed that this license does not preclude the Government from asserting rights under the provisions of said contract or of any other agreement between the Government and the Contractor, or from asserting any other rights of the Government with respect to the above-identified Subject Invention.

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

Signed this 3 day of February, 2003

(SEAL)

By: Alexis P. Malozemoff  
Alexis P. Malozemoff, Chief Technical Officer  
American Superconductor Corporation  
Two Technology Drive  
Westborough, MA 01581

## APPENDIX B

### INTELLECTUAL PROPERTY PROVISIONS

#### I. RIGHTS IN DATA

##### (a) Definitions

"Data" as used in this Appendix B means recorded information, regardless of the form or medium in which it may be recorded.

"Technical Data" as used in this Appendix B means Data (other than computer software) of a scientific or technical nature which are first produced in the performance of this Agreement or which are delivered in accordance with the Agreement.

"Applied Research Data" as used in this Appendix B means Technical Data first produced in the performance of this Agreement which has near term commercial value and is necessary to commercialize the High Temperature Superconductivity Technology.

"Basic Research Data" as used in this Appendix B means all other Technical Data first produced in the performance of this Agreement.

"Limited Access Rights" as used in this Appendix B means the rights of the Government, the Contractor, or the Participant in Applied Research Data as set forth in the Limited Access Rights Notice.

"Limited Access Rights Notice" as used in this Appendix B means the following notice:

##### Limited Access Rights

This Limited Access Rights Data produced under Cooperative Agreement No. \_\_\_\_\_ as authorized by the U.S. Department of Energy is provided for use in performance of work under Government contracts on a need to know basis for Government purposes for a period of 2 years from \_\_\_\_\_ (date of notification to DOE Contracting Officer) the period not to exceed 2 years after termination of the work under the cooperative agreement so long as such Data is maintained in confidence during such period and may not be used, duplicated, or disclosed to others for any other purposes without the express written permission of the Participant. Upon expiration of the withholding period set forth here in this legend the Government shall have Unlimited Rights in this Data.

"Limited Rights" as used in this Appendix B means rights in Data, products or materials (other than computer software) developed at private expense that embody trade secrets or are commercial or financial and confidential or privileged.

"Limited Rights Notice" as used in this Appendix B means the following notice:

### Limited Rights

This material contains Limited Rights Data furnished under Cooperative Agreements No. \_\_\_\_\_ with Martin Marietta Energy Systems, Inc., under Contract No. DE-AC05-84OR21400 with the U.S. Department of Energy with the express limitations that this material shall not be disclosed to any third party, duplicated, or used for any purpose other than performance of or as required by the above identified contracts without the advance written approval of American Superconductor Corporation.

"Unlimited Rights" as used in this Appendix B means the rights of the Government, the Contractor, or Participant 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, and to have or permit others to do so.

#### (b) Allocation of Rights

- (1) Except as provided for Data subject to Limited Access Rights or Limited Rights in accordance with paragraphs (g), (h), and (j) below, the Government shall have Unlimited Rights in:
  - (i) any Technical Data first produced in the performance of this Cooperative Agreement;  
and
  - (ii) all other Data delivered under this Cooperative Agreement.
- (2) The Participant shall have the right to:
  - (i) use, release to others, reproduce, distribute, or publish any Technical Data, unless provided otherwise in this Appendix B;
  - (ii) protect from unauthorized disclosure and use those Data which are subject to Limited Access Rights or Limited Rights to the extent provided in this Appendix B;
  - (iii) substantiate use of, add or correct Limited Access Rights Notice, or Limited Rights Notice and to take other appropriate action, in accordance with this Appendix B; and
  - (iv) withhold Data in accordance with this Appendix B.

#### (c) Release, Publication and Use of Data

- (1) The Participant shall have Unlimited Rights in all Technical Data, except to the extent such Technical Data is subject to the export control or national security laws or regulations.
- (2) The Participant agrees that to the extent it receives or is given access to Data (other than Applied Research Data first produced in the performance of this Agreement) necessary for the performance of this Agreement which contain restrictive markings, the Participant shall treat the Data in accordance with such markings unless otherwise specifically authorized in writing by the Contractor.
- (3) Contractor agrees to provide Participant ninety (90) days notice of Contractor's intent to publish anything resulting from this Agreement along with a copy of the proposed publication for Participant review to determine if any Data subject to Limited Access Rights or Limited Rights were included. Contractor agrees to provide Participant ninety (90) days notice of intent to create any bar to patenting or anything resulting from this Agreement.

(d) Subcontracting

Participant shall not subcontract in any form without the advance written approval of the Contractor.

(e) Relationship to Patents

Nothing contained in this Agreement shall imply a license to the Government or Contractor under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government.

(f) Inspection

The Participant agrees, except as may be otherwise specified in this Appendix B for specific Technical Data items listed as not subject to this paragraph, that the Contracting Officer or an authorized representative may, up to 3 years after acceptance of all items to be delivered under this Agreement, inspect at the Participant's facility any Technical Data withheld pursuant to this Appendix B, for purposes of verifying the Participant's assertion pertaining to the Limited Rights or Limited Access Rights status of the Technical Data. Where the Participant whose Technical Data are to be inspected demonstrate 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 alternative inspector.

(g) Protection of Data Subject to Limited Rights

- (1) If Data qualifies as subject to Limited Rights and the Participant desires to continue protection of such Data, the Participant may withhold such Data and not furnish them to the Government under this Agreement. As a condition to this withholding, the Participant shall identify the Data being withheld and furnish form, fit, and function Data in lieu thereof. Limited Rights Data that are formatted as a computer database for delivery to the Government is to be treated as Data subject to Limited Rights and not restricted computer software.
- (2) The Contractor will not disclose any Data, product, or material that is provided by the Participant and is identified as Data subject to Limited Rights to any third party, except that the Contractor may disclose such Data to the Government to the extent required by the Contractor's Contract No. DE-AC05-84OR21400 with the DOE and to any of its personnel other than those working at the Facility who need to know such Data in order to fulfill the Contractor's obligations to the Government, provided that the Contractor makes such disclosure subject to prohibition against further use or disclosure.
- (3) The Contractor will use any Technical Data only for Government purposes, and will not use any such Technical Data in any commercial manner whatsoever. The Contractor will use any Data, products, or materials that are provided by the Participant and are identified as Data subject to Limited Rights only as required for the performance of this Agreement, and will not use any such Data, products, or materials in any commercial manner whatsoever.
- (4) Any Data, products or materials which substantially duplicate or otherwise divulge Data which would be subject to Limited Rights shall be subject to Limited Rights upon notification of Contractor by Participant to so mark such Data or upon marking such Data by Participant.

(h) Limited Access Data of Participant

Notwithstanding any other provision of this Appendix B, the Participant may, to the extent it elects to retain exclusive rights in Applied Research Data (excluding Basic Research Data) first produced by the Participant in the performance of this Cooperative Agreement, mark such Applied Research Data with the Limited Access Rights Notice in accordance with the terms of this Appendix B, and agrees to:

- (1) notify Contractor of any Applied Research Data upon which the Participant will place the Limited Access Rights Notice;
- (2) provide a statement by a responsible official of the Participant that withholding of such Applied Research Data by use of the Limited Access Rights Notice is:
  - (a) necessary in order to commercialize the HTSC technology which is the subject of this Agreement; and
  - (b) not being used as an alternative to obtaining patent protection of any invention disclosed in such Applied Research Data;
- (3) distribute promptly to DOE and others (pursuant to a DOE approved distribution list) a generic abstract of such Applied Research Data which has been marked with the Limited Access Rights Notice;
- (4) grant a royalty-free license to DOE to use or have used the Applied Research Data in performing work or having work performed in other DOE contracts under the conditions expressed in the Limited Access Rights Notice; and
- (5) in accordance with paragraph (j) below, the Participant and Contractor agree that the Participant has the right to request that the Contractor mark Applied Research Data first produced by the Contractor in the performance of this Cooperative Agreement and that Contractor shall mark such Applied Research Data solely in accordance with Participant's request.

(i) Freedom of Information Act Procedure

- (1) Notwithstanding any provision in this Agreement, it is understood that DOE cannot waive any statutory obligation to disclose any information which it may be obligated to disclose under 5 USC Section 552 (the Freedom of Information Act). However, it is recognized that certain Data may be furnished by the Participant to the Contractor under this Agreement which is deemed by the Participant to be exempt from disclosure pursuant to 10 CFR Section 1004.10 (b) (4) in that it contains "trade secrets and commercial or financial information obtained from a person and privileged or confidential" and is submitted under the Limited Rights Notice.
- (2) If a demand is made of the DOE for any Data which has been submitted by the Participant to the Contractor marked with the Limited Rights Notice, DOE agrees to promptly notify Participant of any such demand and agrees to use its best efforts to prevent disclosure of any such Data marked with the Limited Rights Notice and determined by DOE to come within the exemption of 10 CFR Section 1004.10 (b) (4) except as required by a court of competent jurisdiction.

(j) Limited Access Rights Data of Energy Systems

The Contractor's Contract No. DE-AC05-84OR21400 with the DOE allows the Contractor the right to mark Applied Research Data first produced by Contractor in the performance of this Cooperative Agreement with the Limited Access Rights Notice, subject to the Government license right. Contractor agrees to exercise this right solely for and only upon the request of Participant. Participant shall make its request by marking, or requesting the Contractor to mark, Applied Research Data first produced by Contractor with the Limited Access Rights Notice and agrees to:

- (1) notify Contractor of any Applied Research Data upon which the Participant will place or request the Contractor to place the Limited Access Rights Notice;
- (2) provide a statement by a responsible official of the Participant that withholding of such Applied Research Data by use of the Limited Access Rights Notice is:
  - (a) necessary in order to commercialize the HTSC technology which is the subject of this agreement; and
  - (b) not being used as an alternative to obtaining patent protection of any invention disclosed in such Applied Research Data;
- (3) distribute promptly to DOE and others (pursuant to a DOE approved distribution list) a generic abstract of such Applied Research Data, which has been marked with the Limited Access Rights Notice; and
- (4) grant a royalty-free license to DOE to use or have used the Applied Research Data in performing work or having work performed in other DOE contracts under the conditions expressed in the Limited Access Rights Notice.

II. **PATENT RIGHTS WAIVER (Small Business and Nonprofit)**

(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.

"Subject Invention" means any invention of the Participant conceived or first actually reduced to practice in the performance of work under this subcontract.

"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.

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

"Small Business Firm" means a small business concern as defined at Section 2 of Public Law 85-536 (15 USC § 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standards 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.



"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 USC § 501(c)] and exempt from taxation under section 501 (a) of the Internal Revenue Code [26 USC § 501 (a)] or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute.

(b) Allocation of Principal Rights

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

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

- (1) The Participant will disclose each Subject Invention to the Department of Energy (DOE) within 2 months after the inventor discloses it in writing to Participant personnel responsible for patent matters. The disclosure to DOE shall be in the form of a written report and shall identify the subcontract under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding, to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological, or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale, or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to the DOE, the Participant will promptly notify the DOE of the acceptance of any manuscript describing the invention for publication or of any sale or public use planned by the Participant.
- (2) The Participant will elect in writing whether or not to retain title to any such invention by notifying the DOE within 12 months of disclosure to the Participant; provided, that in any case where publication, on sale, or public use has initiated the 1-year statutory period wherein valid patent protection can still be obtained in the United States, the period for election of title may be shortened by DOE to a date that is no more than sixty (60) days prior to the end of the statutory period.
- (3) The Participant will file its initial patent application on an elected invention within 2 years after election or, if earlier, prior to the end of any statutory period within which valid patent protection can be obtained in the United States after a publication, on sale, or public use. The Participant will file patent applications in additional countries within either 10 months of the corresponding initial patent application or 6 months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications where such filing has been prohibited by a Secrecy Order.
- (4) Requests for extension of the time for disclosure to DOE, election, and filing may, at the discretion of DOE, be granted.

(d) Conditions When the Government May Obtain Title

The Participant will convey to DOE, upon written request, title to any Subject Invention.

- (1) If the Participant fails to disclose or elect the Subject Invention within the times specified in (c) above, or elects not to retain title;

- (2) In those countries in which the Participant fails to file patent applications within the times specified in paragraph (c) above; provided, however, that if the Participant has filed a patent application in a country after the times specified in paragraph (c) above, but prior to its receipt of the written request to DOE, the Participant continue to retain title in that country.
- (3) In any country in which the Participant decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceeding on, a patent on a Subject Invention.

(e) Minimum Rights to Participant

- (1) The Participant shall retain an irrevocable, nonexclusive, royalty-free license throughout the world in each Subject Invention to which the Government obtains title except if the Participant fails to disclose the Subject Invention within the times specified in paragraph (c) above. The Participant's license extends to its domestic subsidiaries and affiliates, if any, within the corporate structure of which the Participant is a party and includes the right to grant sublicenses of the same scope to the extent the Participant was legally obligated to do so at the time the subcontract was awarded. The license is transferable only with the approval of DOE except when transferred to the successor of that party of the Participant's business to which the invention pertains.
- (2) Subject to (e) (1), above, the Participant'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 in the Federal Property Management Regulations. This license will not be revoked in that field of use or the geographical areas in which the Participant has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of DOE to the extent the Participant, its licensees, or its domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.
- (3) Before revocation or modification of the license, DOE will furnish the Participant a written notice of its intention to revoke or modify the license, and the Participant will be allowed thirty (30) days (or such other time as may be authorized by DOE for good cause by the Participant) after the notice to show cause why the license should not be revoked or modified. The Participant has the right to appeal, in accordance with applicable regulations in the Federal Property Management Regulations concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of its license.

(f) Participant Action to Protect the Government's Interest

- (1) The Participant 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 to which the Participant elects to retain title; and
  - (ii) convey title to DOE when requested under paragraph (d) above, and to enable the Government to obtain patent protection throughout the world in that Subject Invention.

- (2) The Participant agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the Participant each Subject Invention made under contract in order that the Participant can comply with the disclosure provisions of paragraph (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. This disclosure format should require, as a minimum, the information required by subparagraph (c) (1) above. The Participant shall instruct such employees through employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.
- (3) The Participant will notify DOE of any decision not to continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than thirty (30) days before the expiration of the response period required by the relevant patent office.
- (4) The Participant agrees to include, within the specification of any United States patent application and any patent issuing thereon covering a Subject Invention, the following statement: "This invention was made under Cooperative Agreement No. HTSPC-001 with Martin Marietta Energy Systems, Inc., acting under contract DE-AC05-84OR21400 with the Department of Energy. The Government has certain rights in this invention."

**(g) Subcontracts**

- (1) The Participant will include this clause, suitably 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 domestic nonprofit organization. The subcontractor will retain all rights provided for the Participant in this clause, and the Participant will not, as part of the consideration for awarding the subcontract, obtain rights in the subcontractor's Subject Inventions.
- (2) The Participant will include in all other subcontracts, regardless of tier, for experimental, developmental, or research work the patent rights clause required by 41 CFR 9-9.107-5(a) or 41 CFR 9-9.107-6, as appropriate, modified to identify the parties.
- (3) In the case of subcontracts, at any tier, DOE, the company, the subcontractor, and the Participant agree that the mutual obligations of the parties created by this clause constitute a contract between the subcontractor and DOE with respect to those matters covered by this clause.

**(h) Reporting Utilization of Subject Inventions**

The Participant 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 Participant 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 Participant, and such other Data and information as DOE may reasonably specify. The Participant also agrees to provide additional reports as may be requested by DOE in connection with any march-in proceedings undertaken by DOE in accordance with paragraph (j) of this clause. To the extent Data or information supplied under this paragraph is considered by the Participant, its licensee or assignee to be privileged and confidential and is so marked, DOE agrees that, to the extent permitted by 35 USC § 202 (c) (5), it will not disclose such information to persons outside the Government.

(i) Preference for United States Industry

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

(j) March-in Rights

The Participant agrees that with respect to any Subject Invention in which it has acquired title, DOE has the right in accordance with the procedures in OMB Circular A-124 and DOE regulations at 48 CFR 27.304-1 (g) to require the Participant, an assignee, or exclusive licensee or Subject Invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the Participant, 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 Participant 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 Participant, 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 Participant, assignee, or licensees; or
- (4) such action is necessary because the agreement required by paragraph (i) of this clause has not been obtained or waived or because a licensee of the exclusive right to use or sell any Subject Invention in the United States is in breach of such agreement.

(k) Special Provisions for Contracts with Nonprofit Organizations

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

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

- (2) The Participant may not grant exclusive licenses under United States patents or patent applications in Subject Inventions to persons other than small business firms for a period in excess of the earlier of:
  - (i) five years from first commercial sale or use of the invention; or
  - (ii) eight years from the date of the exclusive license excepting that time before regulatory agencies necessary to obtain premarket clearance, unless on a case-by-case basis, DOE approves a longer exclusive license. If exclusive field of use licenses are granted, commercial sale or use in one field of use will not be deemed commercial sale or use as to other fields of use, and a first commercial sale or use with respect to a product of the invention will not be deemed to end the exclusive period to different subsequent products covered by the invention.
- (3) The Participant will share royalties collected on a subject invention with the inventor; and
- (4) The balance of any royalties or income earned by the Participant with respect to Subject Inventions, after payment of expenses (including payments to inventors) incidental to the administration of Subject Inventions, will be utilized for the support of scientific research or education.

(I) Communications

Communications on matters relating to this clause may be addressed to Ivan L. Ericson, Patent Counsel, Martin Marietta Energy Systems, Inc., Post Office Box 2009, Oak Ridge, Tennessee 37831-8014. Telephone (615) 574-2222, Facsimile (615) 576-5436.