**ATTACHMENT 2:**

**ARPA-E INTELLECTUAL PROPERTY PROVISIONS**

**FOR COOPERATIVE AGREEMENT WITH DOMESTIC UNIVERSITIES**

**AND NONPROFIT ORGANIZATIONS**

**INCLUDING ENHANCED U.S. COMPETITIVENESS**

1. 2 CFR 200.315 Intangible Property
2. 37 CFR 401.14 Patent Rights (Nonprofit Organizations)
3. Enhanced U.S. Competitiveness
4. Subawards

NOTE: In reading these provisions, any reference to “*Contractor*” shall mean “*Recipient*,” and any reference to “*contract*” or “*subcontract*” shall mean “*award*” or “*subaward*.”

NOTE: Please refer to Attachment 4 (ARPA-E Reporting Checklist and Instructions) for guidance on complying with the intellectual property reporting obligations referenced herein.

A Non-Federal Entity is subject to the intellectual property requirements at 2 CFR 200.315.

1. **Intangible Property (2 CFR 200.315)**
2. Title to intangible property (see 2 CFR 200.59) acquired under a Federal award vests upon acquisition in the non-Federal entity. The non-Federal entity must use that property for the originally authorized purpose, and must not encumber the property without approval of the Federal awarding agency. When no longer needed for the originally authorized purpose, disposition of the intangible property must occur in accordance with the provisions in § 200.313 Equipment paragraph (e).
3. The non-Federal entity may copyright any work that is subject to copyright and was developed, or for which ownership was acquired, under a Federal award. The Federal awarding agency reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.
4. The non-Federal entity is subject to applicable regulations governing patents and inventions, including government-wide regulations issued by the Department of Commerce at 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Awards, Contracts and Cooperative Agreements.”
5. The Federal government has the right to:
6. Obtain, reproduce, publish, or otherwise use the data produced under a Federal award; and

(2) Authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

1. Freedom of Information Act (FOIA).
2. In response to a Freedom of Information Act (FOIA) request for research data relating to published research findings produced under a Federal award that were used by the Federal government in developing an agency action that has the force and effect of law, the Federal awarding agency must request, and the non-Federal entity must provide, within a reasonable time, the research data so that they can be made available to the public through the procedures established under the FOIA. If the Federal awarding agency obtains the research data solely in response to a FOIA request, the Federal awarding agency may charge the requester a reasonable fee equaling the full incremental cost of obtaining the research data. This fee should reflect costs incurred by the Federal agency and the non-Federal entity. This fee is in addition to any fees the Federal awarding agency may assess under the FOIA (5 U.S.C. 552(a)(4)(A)).
3. Published research findings means when:
   1. Research findings are published in a peer-reviewed scientific or technical journal; or
   2. A Federal agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law. “Used by the Federal government in developing an agency action that has the force and effect of law” is defined as when an agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.
4. Research data means the recorded factual material commonly accepted in the scientific community as necessary to validate research findings, but not any of the following: preliminary analyses, drafts of scientific papers, plans for future research, peer reviews, or communications with colleagues. This “recorded” material excludes physical objects (e.g., laboratory samples). Research data also do not include:
   1. Trade secrets, commercial information, materials necessary to be held confidential by a researcher until they are published, or similar information which is protected under law; and
   2. Personnel and medical information and similar information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, such as information that could be used to identify a particular person in a research study.
5. **Standard Patent Rights Clauses (37 CFR 401.14)**
6. 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.*).

*Subject invention* means any invention of the *contractor* conceived or first actually reduced to practice in the performance of work under this *contract,* provided that in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act, 7 U.S.C. 2401(d)) must also occur during the period of *contract* performance.

*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 Pub. L. 85-536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standards for small business concerns involved in government procurement and subcontracting at 13 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 U.S.C. 501(c) and exempt from taxation under section 501(a) of the Internal Revenue Code (25 U.S.C. 501(a)) or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute.

1. Allocation of Principal Rights

The *Contractor* may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 203. With respect to any subject invention in which the *Contractor* 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.

1. Invention Disclosure, Election of Title and Filing of Patent Application by *Contractor*
   * 1. The *contractor* will disclose each subject invention to the *Federal Agency* within two months after the inventor discloses it in writing to *contractor* personnel responsible for patent matters. The disclosure to the agency 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 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 *agency,* the *Contractor* will promptly notify the *agency* of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the *contractor.*
     2. The *Contractor* will elect in writing whether or not to retain title to any such invention by notifying the *Federal agency* within two years of disclosure to the *Federal agency.* 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 the *agency* to a date that is no more than 60 days prior to the end of the statutory period.
     3. The *contractor* will file its initial patent application on a subject 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 United States after a publication, on sale, or public use. The contractor 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.
     4. Requests for extension of the time for disclosure, election, and filing under subparagraphs (1), (2), and (3) may, at the discretion of the agency, be granted.
2. Conditions When the Government May Obtain Title

The *contractor* will convey to the *Federal agency,* upon written request, title to any subject invention:

1. If the *contractor* fails to disclose or elect title to the subject invention within the times specified in (c), above, or elects not to retain title; provided that the *agency* may only request title within 60 days after learning of the failure of the *contractor* to disclose or elect within the specified times.
2. In those countries in which the *contractor* fails to file patent applications within the times specified in (c) above; provided, however, that if the *contractor* has filed a patent application in a country after the times specified in (c) above, but prior to its receipt of the written request of the *Federal agency,* the *contractor* shall continue to retain title in that country.
3. In any country in which the *contractor* 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.
4. Minimum Rights to *Contractor* and Protection of the *Contractor* Right to File
5. The *contractor* will retain a nonexclusive royalty-free license throughout the world in each subject invention to which the Government obtains title, except if the *contractor* fails to disclose the invention within the times specified in (c), above. The *contractor's* license extends to its domestic subsidiary and affiliates, if any, within the corporate structure of which the *contractor* is a party and includes the right to grant sublicenses of the same scope to the extent the *contractor* was legally obligated to do so at the time the *contract* was awarded. The license is transferable only with the approval of the *Federal agency* except when transferred to the successor of that party of the *contractor's* business to which the invention pertains.
6. The *contractor's* domestic license may be revoked or modified by the *funding Federal agency* 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 *agency* licensing regulations (if any). This license will not be revoked in that field of use or the geographical areas in which the *contractor* 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 the *funding Federal agency* to the extent the *contractor,* its licensees, or the domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.
7. Before revocation or modification of the license, the *funding Federal agency* will furnish the *contractor* a written notice of its intention to revoke or modify the license, and the *contractor* will be allowed thirty days (or such other time as may be authorized by the *funding Federal agency* for good cause shown by the *contractor*) after the notice to show cause why the license should not be revoked or modified. The *contractor* has the right to appeal, in accordance with applicable regulations in 37 CFR Part 404 and *agency* regulations (if any) concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of the license.
8. *Contractor* Action to Protect the Government's Interest
9. The *contractor* agrees to execute or to have executed and promptly deliver to the *Federal agency* all instruments necessary to (i) establish or confirm the rights the Government has throughout the world in those subject inventions to which the *contractor* elects to retain title, and (ii) convey title to the *Federal agency* when requested under paragraph (d) above and to enable the government to obtain patent protection throughout the world in that subject invention.
10. The *contractor* 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 *contractor* each subject invention made under *contract* in order that the *contractor* 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 (c)(1), above. The *contractor* 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.
11. The *contractor* will notify the *Federal agency* of any decisions 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 days before the expiration of the response period required by the relevant patent office.
12. The *contractor* 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 (identify the Federal agency). The government has certain rights in the invention.”
13. Subcontracts
14. The *contractor* will include this clause, suitably modified to identify the parties, in all subcontracts, regardless of tier, for experimental, developmental or research work to be performed by a small business firm or domestic nonprofit organization. The subcontractor will retain all rights provided for the *contractor* in this clause, and the *contractor* will not, as part of the consideration for awarding the subcontract, obtain rights in the subcontractor's subject inventions.
15. The *contractor* will include in all other subcontracts, regardless of tier, for experimental developmental or research work the patent rights clause required by 2 CFR 910.362(c)
16. In the case of subcontracts, at any tier, when the prime award with the Federal agency was a contract (but not a grant or cooperative agreement), the *agency,* subcontractor, and the contractor agree that the mutual obligations of the parties created by this clause constitute a contract between the subcontractor and the Federal agency with respect to the matters covered by the clause; provided, however, that nothing in this paragraph is intended to confer any jurisdiction under the Contract Disputes Act in connection with proceedings under paragraph (j) of this clause.
17. Reporting on Utilization of Subject Inventions

The *Contractor* 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 *contractor* 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 contractor, and such other data and information as the *agency* may reasonably specify. The *contractor* also agrees to provide additional reports as may be requested by the *agency* in connection with any march-in proceeding undertaken by the *agency* in accordance with paragraph (j) of this clause. As required by 35 U.S.C. 202(c)(5), the *agency* agrees it will not disclose such information to persons outside the government without permission of the *contractor.*

1. Preference for United States Industry

Notwithstanding any other provision of this clause, the *contractor* 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 the *Federal agency* upon a showing by the *contractor* 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.

1. March-in Rights

The *contractor* agrees that with respect to any subject invention in which it has acquired title, the *Federal agency* has the right in accordance with the procedures in 37 CFR 401.6 and any supplemental regulations of the *agency* to require the *contractor,* an assignee or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the *contractor,* assignee, or exclusive licensee refuses such a request the *Federal agency* has the right to grant such a license itself if the *Federal agency* determines that:

1. Such action is necessary because the *contractor* 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 *contractor,* 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 *contractor,* 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.
5. Special Provisions for *Contracts* with Nonprofit Organizations

If the *contractor* is a nonprofit organization, it agrees that:

1. Rights to a subject invention in the United States may not be assigned without the approval of the *Federal agency,* except where such assignment is made to an organization which has as one of its primary functions the management of inventions, provided that such assignee will be subject to the same provisions as the *contractor;*
2. The *contractor* will share royalties collected on a subject invention with the inventor, including Federal employee co-inventors (when the agency 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 *contractor* with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, will be utilized for the support of scientific research or education; and
4. It will make efforts that are reasonable under the circumstances to attract licensees of subject invention that are small business firms and that it will give a preference to a small business firm when licensing a subject invention if the *contractor* determines that the small business firm has a plan or proposal for marketing the invention which, if executed, is equally as likely to bring the invention to practical application as any plans or proposals from applicants that are not small business firms; provided, that the *contractor* 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 contractor. However, the contractor agrees that the Secretary may review the contractor's licensing program and decisions regarding small business applicants, and the contractor will negotiate changes to its licensing policies, procedures, or practices with the Secretary when the Secretary's review discloses that the contractor could take reasonable steps to implement more effectively the requirements of this paragraph (k)(4).
5. Communication

All communications required by this Patent Rights Clause should be sent to iEdison at <https://s-edison.info.nih.gov/iEdison/>.

1. Electronic Filing

Unless otherwise specified in the award, the information identified in the Attachment 2 may be electronically filed.

1. **Enhanced U.S. Competitiveness**
   1. The Recipient agrees that any products embodying any elected subject invention or produced through the use of any elected subject invention will be manufactured substantially in the United States for any use or sale in the United States or outside of the United States, unless the Recipient can show to the satisfaction of DOE that it is not commercially feasible to do so. (Baseline U.S. Manufacturing Commitment)
   2. The U.S. Manufacturing Plan submitted as part of the Application process is incorporated in this agreement as an Addendum to this Attachment 2 and shall be binding on the Recipient. In the event DOE agrees to foreign manufacture or to a revision of the U.S. Manufacturing Plan, there will be a requirement that the Government’s support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government’s investment, etc. The Recipient further agrees to make the above condition binding on any assignee or licensee of, or any entity acquiring rights to, any elected subject invention, including subsequent owners of Recipient acquiring a controlling interest, and including subsequent assignees and licensees.
   3. If the Recipient or a licensee of the Recipient fails to comply with the foregoing U.S. manufacturing requirement then:

(1) the Recipient shall and hereby forfeits and assigns all rights to all Subject Inventions under the award to the United States, including all pending U.S. and foreign patent applications and all U.S. and foreign patents that cover any Subject Invention, without compensation;

1. the Recipient shall and hereby assigns to DOE all licenses that grant any rights to any Subject Inventions to an unaffiliated third party[[1]](#footnote-1) that is in compliance with the domestic manufacturing requirement of this provision;
2. all licenses, not subject to (2), that grant any rights to any Subject Inventions shall immediately be terminated without compensation from DOE; and
3. the Recipient shall not be entitled to the license provided in the minimum rights provision of the standard Patent Rights clause or any other license to the Subject Inventions, unless the United States grants a license through a separately agreed upon licensing agreement.
   1. The Recipient may request a waiver or modification of this U.S. Competitveness Provision. Such waivers or modifications will be granted only when (1) the Recipient demonstrates, with quantifiable data, that manufacturing in the United States is not commercially feasible and (2) a waiver or modification would best serve the interests of the United States and the general public.

* 1. The Recipient agrees that it will not license (on an exclusive or nonexclusive basis), assign, or otherwise transfer any Subject Invention to any entity unless that entity agrees to these same requirements. Subject to any other provision regarding Change in Ownership in this Agreement, in the event that the Recipient or other such entity receiving rights in the Subject Invention undergoes a change in ownership amounting to a controlling interest, the Recipient shall ensure continual compliance with these requirements and shall inform DOE, in writing, of the change in ownership within 6 months of the change.

(End of Clause)

**4. Subawards**.

(a) Small Business Subawardees: The Recipient shall incorporate all of the intellectual property provisions found in Attachment 2 (Domestic Small Businesses INCLUDING ENHANCED U.S. COMPETITIVENESS) of the ARPA-E Model Cooperative Agreement (published at <http://arpa-e.energy.gov/>) in all subawards with domestic small businesses. In incorporating the above-referenced intellectual property provisions, the Recipient shall expressly require compliance with their terms and conditions, expressly including the terms related to the U.S. Manufacturing Plan.

(b) University and Nonprofit Organization Subawardees: The Recipient shall incorporate all of the intellectual property provisions found in Attachment 2 (Domestic Universities and Nonprofit Organizations INCLUDING ENHANCED U.S. COMPETITIVENESS) of the ARPA-E Model Cooperative Agreement (published at <http://arpa-e.energy.gov/>) into all subawards with domestic universities or domestic nonprofit organizations. In incorporating the above-referenced intellectual property provisions, the Recipient shall expressly require compliance with their terms and conditions, expressly including the terms related to the U.S. Manufacturing Plan.

(c) Large Business and Foreign Entity Subawardees:

(1) If a large business receiving a subaward provides cost sharing of at least 20% under its subaward the Recipient shall incorporate all of the intellectual property provisions found in Attachment 2 (Large Businesses)—Waiver (Patent Rights) INCLUDING ENHANCED U.S. COMPETITIVENESS IN SUBAWARDSof the ARPA-E Model Cooperative Agreement (published at <http://arpa-e.energy.gov/>) into its subaward with the large business.

(2) If a large business receiving a subaward does not provide cost sharing of at least 20% under its subaward or a foreign entity receiving a subaward, the Recipient shall incorporate all of the intellectual property provisions found in Attachment 2 (Large Businesses)—No Waiver (Patent Rights) INCLUDING ENHANCED U.S. COMPETITIVENESS IN SUBAWARDS of the ARPA-E Model Cooperative Agreement (published at <http://arpa-e.energy.gov/>) into its subaward with the large business or foreign entity. Upon request to Patent Counsel for good cause shown, the right to use the Attachment 2 (Large Businesses)—Waiver (Patent Rights) INCLUDING ENHANCED U.S. COMPETITIVENESS IN SUBAWARDS in the award to the large business or foreign entity may be granted.

(3) In incorporating the above-referenced intellectual property provisions, the Recipient shall expressly require compliance with their terms and conditions, expressly including the terms related to the U.S. Manufacturing Plan.

(d) Subaward Unlimited Rights Data List: For any subaward/subcontract with a for-profit entity (including subcontracts with for-profit vendors) for experimental, developmental or research work, the Recipient will insert at paragraph (g)(4) under the Rights in Data clause found in Attachment 2 of the ARPA-E Model Cooperative Agreement for Domestic Small Businesses or in the appropriate Attachment 2 of the ARPA-E Model Cooperative Agreement for Large Businesses, the following list of types of data:

[Insert data list here]

(End of Clause)

1. An "affiliate" of, or a person "affiliated" with, a specified person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. [↑](#footnote-ref-1)