

**STRATEGY
RESEARCH
PROJECT**

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**TECHNOLOGY TRANSFER POLICY APPLIED TO THE
U.S. ARMY MILITARY HISTORY INSTITUTE COLLECTION**

BY

**LIEUTENANT COLONEL WILLIAM F. BELL
United States Army**

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USAWC STRATEGY RESEARCH PROJECT

Technology Transfer Policy Applied to the U.S. Army
Military History Institute Collection

by

LTC William F. Bell

COL William T. Vossler
Project Advisor

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U.S. Army War College
CARLISLE BARRACKS, PENNSYLVANIA 17013

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ABSTRACT

AUTHOR: LTC William F. Bell

TITLE: Technology Transfer Policy Applied to the U.S. Army
Military History Institute Collection

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Beginning in 1980, Congress passed a number of public laws to encourage the cooperative development of commercial products between the federal government and private companies. This cooperative process is called technology transfer. The main point of the laws is to allow commercial vendors and the organizations of the federal government to enter into cooperative research and development agreements (CRADAs) that enable both partners to the agreement to maximize their resources. Until now, these laws had only been applied to federal laboratory inventions and technical data. This paper applies those same laws to other intellectual properties of the federal government by developing a policy for the U.S. Army Military History Institute for the broad commercial development of their collection. This policy has broad application throughout the Department of Defense.

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ACKNOWLEDGEMENTS

The development of this policy would not have been possible without the initial suggestions of Gary Hacker, National Imagery and Mapping Agency, and advice of William Randolph, Intellectual Property Division, Office of the Judge Advocate General. A very special thanks to MAJ Mark Seitsinger, Post Judge Advocate General, Carlisle Barracks, whose assistance and time were invaluable to the completion of the project.

OVERVIEW

Beginning in 1980, Congress passed a number of laws to encourage cooperation between the federal government and private enterprise. This cooperative process is called technology transfer. The main thrust of the laws is to allow commercial vendors and the organizations of the federal government to enter into cooperative research and development agreements (CRADAs) that enable both partners to the agreement to maximize their resources. These laws, collectively found in Chapter 63, United States Code Title 15, Commerce and Trade, embody a number of innovative concepts, to include protection of the commercial vendors information from Freedom of Information Act requests for five years and the award of royalties to the federal agency partner to the agreement. This is key because the royalties do not go back to the Treasury of the United States, but stay with the federal organization. Furthermore, the government is not allowed to count those royalties as part of the organizations operating budget. This provides a strong incentive to federal agencies to seek these cooperative agreements. An additional advantage to the federal organization is the free use of the product that is the outcome of the agreement.

These technology transfer laws have been widely used by many of the federal agencies that engage in research and development. Until now, however, these laws had only been applied to federal laboratory inventions, patents, and technical data. To state this

another way, previously the policy had only been applied to "patent-able" items and not to "copyright-able" ones. Within the Department of the Army, only the Corps of Engineers has applied these laws to permit commercial development of geology/hydrology data. This paper applies those same laws to the much broader concept allowed by the laws of "other intellectual properties" of the federal government. This includes "copyright-able" items.

Also included in this paper are techniques for patent licensing agreements as another way the MHI could capitalize on technology transfer laws. These agreements have been available to federal agencies for some time. In the course of developing this paper, it became apparent that there existed the potential for MHI to apply for patents on some of their document handling procedures. These could be subsequently licensed to other parties with royalty provisions that are similar to those found in CRADAs.

U.S. Army Military History Institute

The U.S. Army Military History has a very large collection of historical documents, books, papers, and photographs. In many respects it is the "attic" of the Army. In June 1994 a company called Continuum Productions contacted the MHI². Continuum was interested in entering into a cooperative agreement with MHI to create a CD-ROM of selected pictures from their Civil War photograph collection. Despite a series of meetings and correspondences between the two organizations, the project was

abandoned. A review of the file correspondence indicates that the project failed because the MHI did not have a policy or procedure to handle such requests. Individuals at the MHI resisted the proposal because there was no perceived benefit to the MHI³. Furthermore, memorandums in the file from telephone conversations with the National Archives and the Library of Congress indicate that those organizations also did not have cooperative commercial access policies⁴. The Intellectual Property Division Office of the Judge Advocate General confirmed that the technology transfer statutes continue to be used only for cooperative ventures involving inventions or technical data. Although the attached policy was developed for the U.S. Army Military History Institute for the commercial development of portions of their collection, it has broad application throughout the Department of Defense and the rest of the federal government. The laws pertain to any federal institutions that engage in research and/or development as part of their charter⁵. In this regard, historical research counts as much as hard science research⁶.

Policy Development

The development of the policy for MHI proceeded in four distinct phases. First, a survey of U.S. Codes and Public Laws was done to ensure the legality of applying these laws to the MHI. The list of those that were applicable is in the bibliography. Army regulations were surveyed to ascertain if any specific prohibitions existed. Second, a number of federal

agencies were contacted on how they applied the technology transfer statutes. The Federal Laboratory Consortium (FLS), a nation-wide network of organizations that engage in technology transfer, was an invaluable resource in this regard⁷. The Internet was particularly useful in collecting the policies of federal agencies⁸. Third, the policy was drafted. The Intellectual Property Division of the Office of the Judge Advocate General was used extensively during the drafting process. A key issue was in delineating the differences between this policy and a request under the Freedom of Information Act. Fourth, the policy was coordinated and published. The most difficult part of the coordination process was with the royalty provisions of the policy and with the designation of the MHI as a federal laboratory by the Army.

Conclusion

The policy will be published as Carlisle Barracks Memorandum Number 870-2 Technology Transfer Policy (attached.) It is intended to be a single source document for any agency desiring to engage in technology transfer. This policy is easily adaptable to a wide range of federally owned, intellectual properties.

Word count: Base paper 1514

Attached policy 18993

Total 20507

ENDNOTES

¹ Technology Innovation, U.S. Code Title 15, sec. 3710a.(a) (1994).

² Barbara Schultz, General Editor, Continuum Productions, letter to Randy Hackenburg, Assistant Curator, U.S. Army Military History Institute, 30 June, 1994.

³ Michael Winey, "Continuum Impact on Staff of Special Collection," memorandum for LTC James McLean, MHI Deputy Director, 24 August 1994.

⁴ Michael Winey, "Contact with National Archives on Continuum Group," memorandum for COL Bowman, MHI Director, 22 August 1994.

⁵ As an aside, the Federal Laboratory Consortium states that any such organization is also automatically a member of the FLC. This is important as the statutes specifically apply to FLC members.

⁶ "Question: What is a DoD Laboratory?" 20 October 1997; available from <http://www.dtic.dla.mil/lablink/faq/950321307_msg0.html>.

⁷ The FLS website is at <http://www.fedlabs.org>.

⁸ "Techtransit," 20 October 1997; available from <http://www.dtic.dla.mil/techtransit/index.html>.

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Freedom of Information Act. United States Code Title 5, sec. 552 (1966).

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Bayh-Dole Act of 1980. Public Law 96-571.
Small Business Innovation Development Act of 1984. Public Law 97-219.
Cooperative Research Act of 1984. Public Law 98-462.
Trademark Clarification Act of 1984. Public Law 98-620
Federal Technology Transfer Act of 1986. Public Law 99-502.
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National Institute of Standards and technology Authorization Act for FY 1989. Public Law 100-519.
Water resources Development Act of 1988. Public Law 100-676.
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Intermodal Surface Transportation Efficiency Act of 1991. Public Law 102-240.
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National Department of Defense Authorization Act of 1993. Public Law 102-25.
National Department of Defense Authorization Act of 1993. Public Law 102-484.
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National technology Transfer and Advancement Act of 1995. Public Law 104-113.

Standards of Ethical Conduct for Employees of the Executive
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issued by the Office of Government Ethics in Volume 57,
Number 153 of the Federal Register). February 3, 1993.

DEPARTMENT OF THE ARMY
USAWC & CARLISLE BARRACKS
CARLISLE, PENNSYLVANIA 17013

CBks Memorandum
Number 870-2

April 7, 1998

Historical Activities
TECHNOLOGY TRANSFER POLICY

1. Purpose.

a. The purpose of this memorandum is to outline the United States Army Military History Institute (MHI) policy for both formal and informal agreements between commercial companies and the MHI. The MHI is a member of the Federal Laboratory Consortium (FLC). Recent legislation allows for a wide range of technology transfer agreements between FLC members and commercial entities. Some of these mechanisms may include, but are not limited to, joint research, cooperative agreements, cooperative research and development agreements (CRADA), patent licensing agreements, technical meetings, and information dissemination (see Appendix A -Mechanisms of Technology Transfer.) The main focus of this policy will be on CRADAs and patent licensing agreements.

b. It is not the intention of this policy to replace or in any way inhibit requests for information under the Freedom of Information Act (FOIA). All agencies of the United States government are required to disclose records upon receipt of a written request, unless the records are otherwise protected. There is a substantial difference between FOIA requests and technology transfer agreements. An agency receiving a FOIA request provides data, but an agency under a technology transfer or CRADA agreement openly assists the requester in the development of the requester's intended product.

c. CRADAs offer substantial benefits to the MHI and the private, commercial companies. By entering into a CRADA, the MHI and the non-federal partners can optimize their resources and cost-effectively perform research by sharing the costs and mutually benefiting from the results. The Non-federal partner agrees to provide resources including, but not limited to, equipment, personnel, services, and facilities. The MHI agrees to provide similar resources, but not funds. Among the benefits are:

- (1) Enable both partners to optimize their budgets and resources.
- (2) Provide a means of sharing technical expertise, ideas, and information. The MHI will protect any proprietary information brought into the CRADA by the partner.
- (3) Allow the partners to agree to share intellectual property emerging from the effort.
- (4) Permit the MHI and federal government to protect information emerging from the CRADA from disclosure for up to five years (see Appendix B - Intellectual Property Mechanisms.)

2. References. Appendix C.

3. Scope. This policy will cover all agreements between the MHI and private vendors for the cooperative development of the resources of the MHI.

4. Policy. It is the policy of the MHI, as a member of the Federal Laboratory Consortium (FLC), to openly assist in the cooperative commercial development and marketing of the MHI collection when it is clearly in the best interests of the MHI and the greater public interest to do so in accordance with law and regulation.

a. CRADAs.

(1) The starting point for this policy is a request by a commercial entity to cooperate in the development of a product or service that will be sold by the company for a net profit. If the entity requesting cooperation is not-for profit (NFP) or an educational organization, it can also conduct sales of items cooperatively developed and pay royalties.

(2) If a commercial company is proposing a cooperative project, following criteria should be used to evaluate if a CRADA is appropriate to the project. Note that the MHI is not obligated to participate in a CRADA.

(a) The project could have benefit to the MHI.

(b) The project is within the scope of the work of the MHI.

(c) The ability and commitment of the company to commercialize the product.

(d) The potential benefit for the taxpayer.

(e) Small business considerations.

(3) The proposing partner must be advised of several requirements that the MHI and Government will require. These are:

(a) There can be no transfer of funds from the MHI to the commercial entity.

(b) The MHI must at least be granted a nonexclusive, irrevocable, paid-up, worldwide license to use or have used the product or derivatives of the product for governmental purposes.

(c) The company and MHI will negotiate intellectual property rights and royalties.

(d) Although the company may hold all copyrights developed as a result of the CRADA effort, the MHI will be granted a worldwide, nonexclusive, irrevocable, paid-up license to use or have used items so developed for governmental purposes.

(e) It will be the responsibility of the commercial entity to obtain clear permission for use of any intellectual property held by the MHI but not solely owned by the government.

(4). The MHI and the commercial entity will jointly draft the CRADA. The CRADA is an agreement that specifies the responsibilities of the partners to the agreement. A Statement of Work is normally attached as part of the CRADA. The CRADA will generally include, but are not limited to the following (Example CRADA is at Appendix D):

(a) The specific parties involved.

(b) The desired outcome of the agreement.

- (c) Where and under what conditions the work will be accomplished.
- (d) Who is responsible for supervising the work effort.
- (e) The responsibilities for reporting.
- (f) The time limits for the effort.
- (g) The rights to information and the publication of that information.
- (h) Royalty payments from the sale of the finished product.
- (i) Copyright and patent ownership, as well as protections for proprietary information.
- (j) Licensing agreements for the product developed.
- (k) Payment of funds to the MHI as reimbursements for services, if required.
- (l) Other legal protections and statements as required.

(5). The CRADA, as well as all proposed changes or modifications, will be reviewed by the Carlisle Barracks Legal Office as well as the U. S. Army Intellectual Property Law Division (Appendix H - Points of Contact List) before the signing of any agreement. It is further recommended that a representative of the Carlisle Barracks Legal Office be present during all agreement negotiations. The Director, MHI is the approving authority for all CRADAs.

(6). As the royalties from the CRADA product belong to the MHI and not the Treasury of the United States, coordination must be done with the local finance office for the establishment of separate accounts. The royalties may be used for incidental expenses, further training or education, or research consistent with the mission of the MHI. Non-royalty funds from the CRADA may be used to hire personnel to work on the CRADA who will not be subject to full time equivalent restrictions.

b. Patent Licensing Agreements.

(1) Patent licensing agreements are appropriate when the MHI has patented, or has applied for patents, on processes, procedures, or methods used in performing its mission. U.S. Government agencies are permitted to hold patents and license their use. Furthermore, as with CRADAs, royalties received from patent licensing agreements stay with the licensee and are not forwarded to the Treasury of the United States. There is an example of a generic patent license agreement at Appendix L.

(2) MHI will use the same criteria listed for CRADAs at paragraph 4a(2) to determine whether or not to enter into a patent licensing agreement.

5. Terms. Appendix E.

6. Responsibilities

a. Director, MHI.

(1) Decides what CRADAs or patent licensing agreements to be entered into by the MHI.

(2) Will give special consideration to small business firms.

(3) Allocates the rights of other intellectual property, which may be developed under the CRADA or patent licensing agreement.

(4) Protects the information developed from the CRADA or patent licensing agreements as well as trade secret, or commercial or financial information from the non-federal party participating in the CRADA or patent licensing agreements.

(5) Assigns responsibilities for monitoring agreements.

(6) Obtains legal reviews when needed.

(7) Responsible for the proper security and proper use of royalty and non-royalty funds received as part of the CRADA or patent licensing agreements.

(8) Designates a Principal Investigator to be responsible for the execution of the CRADA and SOW.

(9) Maintains a record of all agreements.

b. Principal Investigator (for CRADAs.)

(1) Appointed by the Director, MHI and is responsible to the Director for all facets of the CRADA and SOW

(2) Represents MHI in all meetings, conferences, and other coordinations with the commercial partner.

(3) Ensures that each member of the project team avoids personal conflict of interests and signs the Collaborator Employee Conflict of Interest Statement (Appendix J.).

(4) Ensures the protection of proprietary information IAW the CRADA.

(5) Prepares reports on the progress of the CRADA as required.

(6) Ensures public notification of the proposed project through the Commerce Business Daily or other concerned sources.

c. Post Judge Advocate General (JAG), Carlisle Barracks.

(1) Reviews draft Statements of Work (SOW), draft CRADAs, changes to existing SOWs or CRADAs, or patent licensing agreements for legality and compliance with this policy.

(2) Coordinates the approval of draft Statements of Work (SOW), draft CRADAs, changes to existing SOWs or CRADAs, or patent licensing agreements with the Intellectual Property Division, Office of the Judge Advocate General.

(3) Reviews all proposed changes to this policy.

(4) Present at all meetings with the non-federal partner and represents the MHI in any disputes with the non-federal partner.

d. Intellectual Property Division, Office of the Judge Advocate General.

Reviews all draft Statements of Work (SOW), draft CRADAs, changes to existing SOWs or CRADAs or patent licensing agreements for legality as required.

e. Director Resource Management, Carlisle Barracks.

Develops royalty processing and accessing procedures for MHI.

| |
|---|
| Proponent for this policy is Director U.S. Army Military History Institute--- |
|---|

FOR THE COMMANDER:

CHARLES C. WARE
Colonel, IN
Chief of Staff

Encl

Appendix A -Mechanisms of Technology Transfer

Appendix B -Intellectual Property Mechanisms

Appendix C - References.

Appendix D - Example CRADA.

Appendix E - Terms.

Appendix F - Technology Transfer Legislative History.

Appendix G - FLC Administrative Contacts.

Appendix H - DOD Points of Contact.

Appendix I - CRADA Flow Chart

Appendix J - MHI Cooperative Research and Development Agreement Tracking
Form

Appendix K - Collaborator Employee Conflict of Interest Statement

Appendix L - Example Patent Licensing Agreement

Appendix M - Legal Opinion of the General Counsel, Secretary of the Army
(Published separately)

DISTRIBUTION:

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Appendix A Mechanisms of Technology Transfer

Note: Modification of the original creation by the Federal Lab Consortium

| Mechanism | Description | Features and Characteristics |
|---|---|---|
| Collegial Interchange Conference, Publication | The informal and free exchange of information among colleagues | *Includes: -presentation at professional and technical conferences -publication in professional magazines *Caution should be taken to avoid premature disclosure of information that may be subject of a patent or copyright application or proprietary data |
| Consulting to the Federal Laboratory | A party outside the laboratory provides advice and/or information | *Formal written contract, generally short term and specific *Consultant certifies that no intellectual property conflicts exist. |
| Consulting by Laboratory Personnel | Consultation provided to a private sector party by laboratory personnel to further technology transfer | *Laboratory must approve of the laboratory personnel consulting arrangement *Conflict of interest must be avoided *Intellectual property aspects require care |
| Exchange Program | A transfer of personnel either to the laboratory from another party or from the laboratory to another party to exchange expertise and information | Usually for a period of up to one year. |
| Contract | A contract is an acquisition instrument entered into between the government and a contractor for the contractor to provide supplies or services to the government | *Can be used to fund R&D that may eventually be transferred to the private sector *Allocation of patent rights and copyrights determined by the type of contractor performing the work *Large businesses may frequently obtain waiver of inventions Nonprofit organizations or small businesses may obtain title to inventions |
| Cost-Shared Contract | A contract is entered into between the government and a contractor in which costs associated with the work are shared as specified in the contract | * Includes in-cash and in-kind arrangements * Must be of mutual benefit to industry and government * Commercially valuable data may be protected for a limited period of time * Advance waivers frequently not granted unless the contractor shares at least 20% of the total contract cost |
| Grant and Cooperative Agreement | Grants and Cooperative Agreements are entered into solely by the government with a recipient whereby money or property is transferred to the | * Government can enter into these agreements * Less involvement between the government and recipients than acquisition instruments |

| | | |
|--|--|--|
| | recipient to support or stimulate research | |
| Cooperative Research and Development Agreement (CRADA) | A CRADA is an agreement between one or more federal laboratories and one or more nonfederal parties under which the government, through its laboratories, provides personnel, facilities, or other resources with or without reimbursement (but not funds to nonfederal parties). The nonfederal parties provide funds, personnel, services, facilities, equipment, or other resources to conduct specific research or development efforts that are consistent with the laboratory's mission | <ul style="list-style-type: none"> * Requirement that no funds leave the laboratory * Not subject to 31 USC6303-6305 terms for procurement contracts, grants, or cooperative agreements * Rights to inventions and other intellectual property are negotiated as part of the agreement * Certain data generated by the federal laboratory may be protected up to five years |
| Licensing from the Government to the Private Sector | Licensing is the transfer of less-than-ownership rights in intellectual property to a third party, to permit the third party to use intellectual property | <ul style="list-style-type: none"> * Required that a major portion of the royalties return to the laboratory * Preference for U.S. industry and small businesses * Subject to conflict-of-interest consideration * Nonexclusive licenses preferred over exclusive licenses * Potential licensee must present plans to commercialize the invention * Government obtains a nonexclusive, royalty-free worldwide license to the invention |
| Licensing from the Private Sector to the Government | Licensing is the transfer of less-than-ownership rights in intellectual property to a third party, to permit the third party to use intellectual property | <ul style="list-style-type: none"> * Government may utilize private inventions for government purposes subject to payment of just compensation * Must follow existing procurement rules and instructions |
| Small Business Innovation Research (SBIR) | The SBIR program is federally funded to promote small business participation in government programs | <ul style="list-style-type: none"> * 2-year confidentiality limit on data * Contractor may obtain title to inventions |
| Use of User Facilities | User facilities are unique, complex, experimental scientific facilities including equipment | <ul style="list-style-type: none"> * Includes Designated User Facilities and Other User Resources * Research may be conducted on a proprietary or nonproprietary basis * For proprietary R&D, full cost recovery |

| | | |
|---|---|---|
| | and expertise at a government laboratory designated by the government for use by the technical community, universities, industry, other laboratories, and other government entities | is required. Patent rights generally go to inventor and proprietary data of the user can be protected * For nonproprietary R&D, title to inventions goes to the user but data generated are freely available * If funded under another government contractor or international agreement, users are subject to those intellectual property clauses |
| Small Business Technology Transfer (STTR) Program | An award-contracting program targeted for small businesses to form Cooperative Agreements with qualified non-profit organizations | * Appropriate for non-profit colleges and universities; non-profit research institutions; contractor-operated federally funded R&D centers * Five federal agencies -- Defense, Energy, Health & Human Services, NSF, NASA * Modeled after SBIR and based on CRADA |
| Work for Others | Contract between an Agency and a non-federal partner for contract R&D to be performed by a Federal laboratory or facility | * A unique Federal capability that works for commercial benefit * Work must fit within mission and priorities of the Federal establishment * In most cases, all cost are recovered from the non-Federal partner |

Table from FLC Web Site

**Appendix B
Intellectual Property Mechanisms**

Note: Modification of the original creation by the Federal Lab Consortium

| Method | Description | Term | Subject |
|--------------------------|--|-------------------|---|
| Non-disclosure agreement | Binds a party receiving proprietary information from disclosing that information | Usually 3-5 years | Any confidential information disclosed during the interaction that is not public or received through other legitimate means |
| CRADA protection | Binds the government from releasing research information obtained under a CRADA | Up to 5 years | Sensitive or proprietary information received or developed while working under a CRADA |
| Mask Works | A series of related images, however fixed or encoded, having or representing the predetermined, three-dimensional pattern of metallic, insulating, or semiconductor material present or removed from the layers of a semiconductor chip product; and in which series the relation of the images to one another is that each image has the pattern of the surface of one form of the semiconductor chip product. (17 USC 901(a) (2)). | | |
| Patent | Serves as a contract between the government and an inventor whereby, in exchange for the inventor's complete disclosure of the invention, the government gives the inventor the right to exclude others from making, using, or selling the invention | Up to 20 years | Process, machine, manufacture, composition of matter, original design, certain agricultural plants |
| Statutory Invention | Allows federal agencies to secure | N/A | Process, machine, manufacture, |

| | | | |
|-------------------------------------|--|----------------------------------|---|
| Registration (SIR) | protection of the government's rights in inventions without the normally required patent examination process -- serves as a publication | | composition of matter, original design, certain agricultural plants |
| Copyright | Provides exclusive right granted by the U.S. government to the authors, composers, artists, or their assignees to copy, exhibit, distribute, or perform their works | Life of individual plus 50 years | Products of the mind which are produced in tangible expressions, writings, paintings, movies, music, sculpture, computer software |
| Trade secret | Provides the right to withhold any commercial formula, device, pattern, process, or information that affords a business person an advantage over others who do not know it | As long as secrecy is maintained | Any commercial formula, device, pattern, process, or information that is secret, substantial, or valuable |
| Trademark, trade Name, Service Mark | Establishes a unique expression to identify goods or services for commercial purposes | As long as use is continuous | Word, name, symbol, device, numeral, picture, or any combination of them |

Table from FLC Web Site

Appendix C References

General Order 28, HQDA, dated 1 Nov 85.

MSG, DAMO-ZA, Subject: "U.S. Army Military History Institute," dated 091525Z Dec 85.

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Water Resources Development Act of 1988. Public Law 100-676.
National Competitiveness Technology Transfer Act of 1989. Public Law 101-189.
Defense Authorization Act of FY 1991. Public Law 101-510.
Intermodal Surface Transportation Efficiency Act of 1991. Public Law 102-240.
American Preeminence Act of 1991. Public Law 102-245.
Small Business Technology Transfer (STTR) Program 1992. Public Law 102-564.
National Department of Defense Authorization Act of 1993. Public Law 102-25.
National Department of Defense Authorization Act of 1993. Public Law 102-484.
National Department of Defense Authorization Act of 1994. Public Law 103-160.
National Technology Transfer and Advancement Act of 1995. Public Law 104-113.

Freedom of Information Act. United States Code Title 5, section 552 (1966).

Conflict of Interest. United States Code Title 18. Sections 203-209 and 1905. (1992).

Standards of Ethical Conduct for Employees of the Executive Branch. 5 C.F.R. Part 2635 (as found in the final rule issued by the Office of Government Ethics in Volume 57, Number 153 of the Federal Register). February 3, 1993.

Appendix D
CRADA Example

Following is an example of a CRADA between the MHI and XYZ COMPANY from the development of a software product. Although the example CRADA contains most of the required elements for any type CRADA, it must be noted that each CRADA will be individual and different. Several elements in this example may not be applicable. The specifics are for illustration only (ex. Statement of Work Commercial and Technology Transfer Plan. Each elements of the CRADA must be negotiated and agreed to by both parties with legal review at every step.

**COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENT
FOR
[PRODUCT TITLE]
BETWEEN
XYZ COMPANY
AND
U.S. ARMY MILITARY HISTORY INSTITUTE**

XYZ COMPANY:

Mr. John Doe
[title]
[address]
[phone number]

U.S. ARMY MILITARY HISTORY INSTITUTE:

COL Vossler
Director, U.S. Army Military History
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717/245-4945/3979

The purpose of this AGREEMENT is to establish a cooperative effort between The U. S. Army Military History Institute (MHI) and XYZ COMPANY in order to develop *[purpose for the agreement. This is usually a several sentence narrative description.]* This work falls within the mission of MHI.

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XYZ COMPANY

And

U.S. ARMY MILITARY HISTORY INSTITUTE

COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENT

This Cooperative Research and Development Agreement ("CRADA"), is entered into and by and between the U.S. Army Military History Institute, Carlisle, Pennsylvania, hereinafter referred to as **MHI**, and **XYZ COMPANY**, [address], hereinafter referred to as **XYZ COMPANY**, the effective date of which is *mmm dd, yyyy*.

WHEREAS, the Congress in enacting the Stevenson-Wydler Technology Innovation Act of 1980, as amended by the Federal Technology Transfer Act of 1986, Public Law No. 99502, October 20, 1986 and the National Technology Transfer and Advancement Act of 1995, Public Law No. 114-103, March 7, 1996, has found that Federal laboratories' developments should be made accessible to private industry, state and local Governments, and has declared that one of the purposes of the Act is to improve the economic, environmental, and social well being of the United States by stimulating the utilization of Federally-funded technology developments by such parties; and

WHEREAS, the Federal Technology Transfer Act of 1986 as amended, among other technology transfer improvements, has provided each Federal agency the authority to permit the Director of Government-operated Federal Laboratories to enter into Cooperative Research and Development Agreements (CRADAs) with Federal or non-Federal entities, including private firms and organizations for the purpose of providing to, or obtaining from, collaborating parties, personnel, services, property, facilities, or equipment toward the conduct of specified research and development efforts which may include the disposition of patent rights in the inventions which may result from such collaborations; and,

WHEREAS, **MHI** has performed substantial research and development with respect to [product], hereinafter referred to as "the Technology"; and

WHEREAS, **MHI** possesses scientific skills, facilities, special equipment, information, computer software, and know-how pertaining to the Technology; and

WHEREAS, **MHI** desires to pursue the development of the Technology with the objective of developing improvements in the technology while benefiting from the use of new platforms developed by **XYZ COMPANY**; and

WHEREAS, it is the intention of the parties hereto that research and development of the [product], should be to their mutual benefit and the benefit of the people of the United States; and,

WHEREAS, the collaborative research to be conducted under this **CRADA** will be cooperatively planned and conducted;

NOW, THEREFORE, the parties hereby agree as follows.

Article 1. Definitions

As used in this **CRADA**, the following terms shall have the following meanings and such meanings should be equally applicable to both the singular and plural forms of the, terms defined.

1.1 "**CRADA**" - means this Cooperative Research and Development Agreement.

1.2 "**PARTIES**" - means all signatories to this **CRADA**.

1.3a "**INTELLECTUAL PROPERTY RIGHTS**" - means and includes inventions and copyright under Title 17, P.L. 94-533, 17 US Code Section 101 et seq.

1.3b "**INVENTION**" - means any invention or discovery which is or may be patentable 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. 7321 et seq.).

1.4 "**MADE**" - in relation to any invention means the conception or first actual reduction to practice of such invention.

1.5 "**PROPRIETARY INFORMATION**" - means information that embodies trade Secrets; developed at private expense or financial information which is privileged or confidential under the Freedom of Information Act 5 USC § 552 (c) (4), provided that such information:

(a) is not generally known or available from other sources without obligations concerning its confidentiality;

(b) has not been made available by the owners to others without obligation concerning its confidentiality;

(c) is not already available to the Government without obligation concerning its confidentiality,

(d) has not been developed independently by persons who had no access to the Proprietary Information, and

(e) can lawfully be withheld from disclosure under Freedom of Information Act, 5 U.S.C. 552.

1.6 "SUBJECT DATA" - means all recorded information first produced in the performance of this CRADA.

1.7 "SUBJECT INVENTION" - means any invention made in the performance of work under this CRADA.

1.8a "COMPUTER DATABASE" - means a collection of recorded data in a form capable of being processed by a computer. The term does not include computer software.

1.8b "COMPUTER PROGRAM" - means a set of instructions, rules or routines recorded in a form that is capable of causing a computer to perform a specific operation or series of operations.

1.9 "SUBJECT SOFTWARE" - means computer programs, source code, source code listings, object code listings, design details, algorithms, processes, flowcharts, formulae, and related material that would enable the software to be reproduced, recreated, or recompiled from the OSHA GUIDE data files. Computer software does not include computer database or computer software documentation.

1.10 "COMPUTER SOFTWARE DOCUMENTATION" - means owner's manuals, user's manuals, installation instructions, operating instructions, and other similar items, regardless of storage medium, that explain the capabilities of the computer software or provide instructions for using the software.

1.11 "STATEMENT OF WORK (SOW)" - means the enclosure to this document which comprises the statement of work.

1.12 "PRINCIPLE INVESTIGATOR" - means the person designated respectively by each party to this CRADA who will be responsible for the conduct of the agreement and SOW.

Article 2. Collaborative Research

2.1 **Statement of Work.** Collaborative research performed under this CRADA shall be performed in accordance with the Statement of Work ("SOW") attached hereto as Enclosure 1. Each party agrees to participate in the collaborative research and to utilize such personnel, resources, facilities, equipment, skills, know-how, and information as it considers necessary, consistent with its own policies, missions and requirements.

2.2 **Review of Work.** Periodic conferences shall be held between MHI and XYZ COMPANY to review the progress of work. It is understood that: the nature of this collaborative research is such that completion within the period of performance specified, or within the limits of financial support allocated, cannot be guaranteed. Accordingly, it is agreed that all collaborative research is to be performed on a best effort basis.

2.3 **Technical Management.** MHI agrees to assign the work to be performed under this CRADA to the *[specific office within the MHI]*. The work will be performed under the

supervision of *[insert name]* as principal investigator, who has the responsibility for the scientific and technical, conduct of this project. The principal investigator for **XYZ COMPANY** is Mr. John Smith, who has the responsibility for the scientific and technical conduct of this project at **XYZ COMPANY**. If any of the principal investigators are unable to serve as technical managers during the term of the **CRADA**, **XYZ COMPANY** or **MHI** will advise the other in writing of a successor.

2.4 Scope Change. If at any time either principal investigator determines that the research data dictate a substantial change in the direction of the work, the party shall promptly notify the other party and the parties shall make a good faith effort to agree on any necessary change to the SOW.

2.5 Final Report. **MHI** and **XYZ COMPANY** shall prepare a written report within three (3) months after expiration of this **CRADA**. This report shall set forth the technical progress made, identifying such problems as may have been encountered, and establishing goals and objectives requiring further effort. The ultimate responsibility for timely completion of said reports shall be **MHI's** principal investigator. In addition, a portion of the results not including **PROPRIETARY INFORMATION** may be prepared for publication in a journal or conference, as appropriate, by **XYZ COMPANY** or **MHI** with co-authorship, as appropriate.

2.6 MHI Salary and Travel. **MHI** shall provide support to **MHI** personnel in performance of this **CRADA**.

2.7 XYZ COMPANY Salary and Travel. **XYZ COMPANY** shall provide support to **XYZ COMPANY** personnel in performance of this **CRADA**.

Article 3. Data Rights and Publication

3.1 MHI agrees:

It will maintain the model(s) and associated equipment, as well as know-how with respect thereto provided to it by **XYZ COMPANY** in trust and confidence and not use or disclose such material, information, developments and know-how with respect thereto, or provide the material or information therein or any parts thereof to any third party without the expressed written approval of **XYZ COMPANY** in accordance with Article 4 **Proprietary Information and Protected CRADA Information**. In such case **XYZ COMPANY** will place a proprietary legend on the proprietary data.

It is further agreed:

a. That all **Subject Data** which is compiled under this **CRADA** with respect to the *[project product]* shall be prepared, analyzed, shared and mutually interchanged by the parties.

h. That the results of the research herein outlined may be published jointly by **XYZ COMPANY** and **MHI**, or by either of these organizations separately, but manuscripts prepared for publication by either shall be submitted to the other party for suggestions and approval at least

(90) days prior to publication and no publication shall be made by either party which would cause loss of any right to apply for and obtain patents throughout the world.

Article 4. Proprietary Information and Protected CRADA Information

4.1 If proprietary information is disclosed to a party, it shall be identified, orally, as such at the time of disclosure, and confirmed in writing within 15 days as being proprietary information.

4.2 Each party agrees not to disclose proprietary information to anyone, other than other **CRADA** parties without the written approval of the providing party. Pursuant to 15 USC 3710a (7) (A), **MHI** shall not disclose to third parties any trade secrets or commercial or financial information obtained from **XYZ COMPANY** in the performance of this **CRADA** that is privileged or confidential, under the meaning of 5 USC § 552 (c) (4).

4.3 All proprietary information shall be returned to the provider thereof at the conclusion of this **CRADA** at the provider's expense.

4.4 **Protected CRADA information.** Pursuant to 15 USC § 3710a (c) (7) (B), with respect to information resulting from the performance of this **CRADA** that would be a trade secret or commercial or financial information that is privileged or confidential if the information had been obtained from **XYZ COMPANY**, **MHI** may provide appropriate protection against the dissemination of such information, including exemption from chapter 5 of Title 5 of the United States Code.

a. Each party may designate as protected **CRADA** information any subject data produced by its employees; and with the agreement of the party initially developing the information, mark any subject data produced by that party's employees. All such designated protected **CRADA** information shall be appropriately marked.

b. For a period of five years from the date protected **CRADA** information is produced, the parties agree not to further disclose such information except:

- (1) as necessary to perform this **CRADA**;
- (2) as provided in Article 3, Data Rights and Publication;
- (3) as requested by **MHI** to be provided to other government facilities for government use only with the same protection in place; or
- (4) as mutually agreed by the parties in advance,

c. The obligations of (b) above shall end sooner for any information which shall become publicly known without the fault of any party, shall come into a party's possession without breach by that party of the obligations of (b) above, or shall be independently developed by a party's employees who did not have access to protected **CRADA** information.

4.5 **MHI** shall have unlimited rights in all subject data produced or provided by the parties under this **CRADA**, except for information which is disclosed in a subject invention disclosure being considered for patent information or marked as being copyrighted, protected **CRADA** information, or proprietary information.

Article 5. Copyrights

5.1 **XYZ COMPANY Employee Software.** Title to any copyright in software and software documentation written solely by **XYZ COMPANY** employees and sub-contractors in the course of performance of this **CRADA**, and all compilations and derivative works made by **XYZ COMPANY** employees and sub-contractors shall be held by **XYZ COMPANY**. **XYZ COMPANY** agrees to grant to the U.S. Government a nonexclusive, irrevocable, paid-up license to use or have used, modify, prepare derivative works, reproduce, distribute, perform, display, throughout the world, by or on behalf of the U.S. Government for government purposes.

5.2 **Joint Employee Software.** Title to any copyright in software written jointly by **XYZ COMPANY** and **MHI** employees in the course of performance of this **CRADA** shall be held by **XYZ COMPANY**. **XYZ COMPANY** agrees to grant to the U.S. Government a royalty free, nonexclusive, irrevocable, paid-up license to use or have used, modify, prepare derivative works, reproduce, distribute, perform, display, throughout the world by, or on behalf of the U.S. Government for government purposes.

5.3 **MHI Employee Software.** **MHI** Employee Software, software written solely by **MHI** employees in the course of performance of this **CRADA** is considered to be the property of **MHI**. **MHI** agrees to grant to **XYZ COMPANY** a non-exclusive, irrevocable, paid-up license to use said software.

5.4 **Limited Scope.** **XYZ COMPANY** shall retain ownership in any software or algorithms to which **XYZ COMPANY** has title.

Article 6. Royalties

6.1 **Royalties to MHI.** In this or any foreign country in which **XYZ COMPANY** obtains title to a patent or other intellectual property rights grant, on any invention made jointly by **MHI** and **XYZ COMPANY** employees, **XYZ COMPANY** shall pay to **MHI** a royalty of 15% of the net sales price received on the **SUBJECT SOFTWARE** [*Note that 15% is the minimum royalty. It could be negotiated to be higher.*], for each new or upgrade involving **SUBJECT SOFTWARE**, or any processes or information covered in whole or in part by this **CRADA**, or other intellectual property rights grant in this or any foreign country sold by **XYZ COMPANY**, **XYZ COMPANY** licensees, **XYZ COMPANY** sub-licensees, or any third party duly authorized through or by **XYZ COMPANY**. Net sales means the amount billed or invoiced on sales, less:

(1) Customary trade, quantity or cash discounts, including allowances or credits on amount of retroactive price reductions and nonaffiliated brokers' or agents commissions actually allowed and taken;

(2) Amounts repaid or credited by reason of rejections or returns; and

(3) Any freight or other transportation costs, insurance charges, duties, tariffs and all sales and excise taxes based directly on sales or turnover or delivery of material produced under **this CRADA**.

6.2 Schedule of Payments. XYZ COMPANY shall report and pay royalties accrued for sales made subject to such royalties, to include sales by its licensees and sub-licensees, not later than sixty (60) calendar days after each calendar half year ending June 30th and December 31st. If no royalties are due, the report shall so state. Sales shall be considered to be made when billed out. Royalties paid on sales, which are not accepted by the customer, shall be credited to XYZ COMPANY. Royalty payments not received by the Government by the due date shall be subject to interest charges computed at ten percent per annum. Sales between XYZ COMPANY and its licensees and sub-licensees shall not be deemed sales and shall not be included in computing net sales. No royalty shall be payable under this CRADA for direct sales by XYZ COMPANY or its licenses or sub-licenses to the United States Government or any of its agencies for governmental purposes.

6.3 Payment of Royalties. Royalties shall be payable in United States dollars, paid by check to the Centralized Disbursing Officer. On the statement accompanying the check, it should be noted that the statement is for royalties or licensing fees, and the patent number(s) or name(s) of the software licensed should be identified. In the case of one company paying royalties on more than one item of software or more than one patent which may have been licensed under more than one agreement, separate royalty checks are required for each royalty being paid under each agreement with the licensee. All royalty checks are to be mailed to the following address:

Centralized Disbursing Officer
DFAS-IN CENTRALIZED DISBURSING OFFICE
8899 E. 56TH STREET
INDIANAPOLIS, IN 46249-0833

Copies of royalty record should be mailed to:

Domestic Technology Transfer Program
U.S. Army Research Laboratory
ATTN: AMSRL-TT-API (James Wanko)
2800 Powder Mill Road
Adelphi, MD 20783-1197

Director, USAMHI
22 Ashburn Drive

U.S. Army War College and Carlisle Barracks
Carlisle, PA 17013

The transmittal of royalty payments will identify this **CRADA** by the title given on the Cover Page.

Article 7. Inventions and Patents

7.1 Reporting. **MHI** shall promptly report to **XYZ COMPANY** each **SUBJECT INVENTION** reported to **MHI** by its employees. **XYZ COMPANY** shall promptly report to **MHI** each **SUBJECT INVENTION** reported to **XYZ COMPANY** by any of its employees.

7.2 XYZ COMPANY Employee Inventions. **MHI**, on behalf of the U.S. Government, waives any ownership rights the U. S. Government may have in **SUBJECT INVENTIONS** made by **XYZ COMPANY** employees and agrees that **XYZ COMPANY** shall have the option to retain title in any such employee **SUBJECT INVENTION** and to obtain patents therein. **XYZ COMPANY** shall notify **MHI** within ninety (90) days upon making this election and shall have the right to timely file patent applications on such **SUBJECT INVENTION** at its own expense. **XYZ COMPANY** agrees to grant to the U. S. Government on its employee's **SUBJECT INVENTIONS** a royalty free, non-exclusive, irrevocable, paid-up license in the patents covering **SUBJECT INVENTIONS** to practice or have practiced, throughout the world by, or on behalf of the U.S. Government and such other rights as are specified herein. Such non- exclusive license shall be evidenced by a Confirmatory License Agreement prepared by **XYZ COMPANY** in a form satisfactory to **MHI**.

7.3 MHI Employee Inventions. **MHI**, on behalf of the U. S. Government, shall have the initial option to retain title to each **SUBJECT INVENTION** made by its employees and to obtain patents therein. **MHI** shall notify **XYZ COMPANY** within ninety (90) days upon making this selection and shall have the right to timely file patent applications on such **SUBJECT INVENTION** at its own expense. **MHI** agrees to grant to **XYZ COMPANY** on its employees' **SUBJECT INVENTIONS** the option to obtain an exclusive license or sub-license for a pre-negotiated field of use in the patents covering **SUBJECT INVENTIONS** to practice or have practiced throughout the world subject: to the reservation of an irrevocable, paid-up license to practice, and to have practiced on behalf of the U.S. Government, the **SUBJECT INVENTION** and subject to such other terms and conditions as are specified by **MHI** in such exclusive license. Such exclusive license shall be evidenced by a Confirmatory License Agreement: prepared by **MHI**.

7.4 Joint Employee Inventions. **MHI**, on behalf of the U. S. Government shall have the initial option to retain title to each **SUBJECT INVENTION** made jointly by any **PARTNER** and **MHI** employees. In the event that **MHI** informs **XYZ COMPANY** that it elects to retain title to such joint **SUBJECT INVENTION**, **XYZ COMPANY** agrees to assign to **MHI** whatever right, title and interest **XYZ COMPANY** has in and to such joint **SUBJECT INVENTION**. **MHI** agrees to timely file patent applications on such **SUBJECT INVENTION** at its own expense. **MHI** agrees to grant to **XYZ COMPANY** a non-exclusive license for the **SUBJECT INVENTION** made. The

grant to **XYZ COMPANY** of an exclusive license shall be subject to reasonable royalty terms or a one-time lump sum fee to be negotiated in accordance with paragraph 7.5.1.

7.5 Exclusive License.

7.5.1 Exclusive License Terms. Upon filing of a patent application on a **SUBJECT INVENTION** by **MHI**, **MHI** shall have the option of permitting **XYZ COMPANY**, upon **XYZ COMPANY** request, to acquire a limited term exclusive license in the resulting patents at reasonable royalty rates or a one-time lump sum fee upon the execution of an exclusive license agreement containing the terms and conditions as agreed to by the parties. The specific royalty rate or lump sum fee and term of exclusivity shall be negotiated in good faith promptly after the **SUBJECT INVENTION** is filed in the U. S. Patent and Trademark Office. **XYZ COMPANY** interest in obtaining a limited term exclusive license must be communicated by written notice to **MHI** within six (6) months from the date the U.S. Patent Application is so filed. **MHI** shall notify **XYZ COMPANY** of the filing date within 30 days of filing the patent application.

7.5.2 Extension of Exclusive Licenses. Requests by **XYZ COMPANY** for extensions of a limited term exclusive license may be filed at any time prior to the expiration of the limited term exclusive license already in existence.

7.5.3 Royalty Rate Disputes. If the parties cannot mutually agree on what shall be a reasonable royalty rate on an exclusive license based on a patent resulting from any **SUBJECT INVENTION**, **MHI** shall have the right to convert the exclusive license grant given to **XYZ COMPANY** in paragraphs 7.5.1, 7.5.2, and 7.5.3 to non-exclusive status and thereafter grant other non-exclusive licenses on the patent resulting from any **SUBJECT INVENTION** to third parties.

7.6 Non-exclusive Licenses. **MHI** agrees that **XYZ COMPANY** shall be entitled to a non-exclusive, irrevocable, paid-up, license to practice or have practiced, throughout the world by, or on behalf of **XYZ COMPANY**, the patents covering such **SUBJECT INVENTIONS** made by **MHI** employees. Such non-exclusive license shall be evidenced by a confirmatory license agreement.

7.7 Filing of Patent Applications. The party having the right to retain title and file patent applications on a specific **SUBJECT INVENTION** may elect to file patent applications thereon provided it so advises the other party within 90 days from the date it reports the **SUBJECT INVENTION** to the other party. Thereafter, the other party may elect to file patent applications on such **SUBJECT INVENTION** and the party initially reporting such **SUBJECT INVENTION** agrees to assign its right title and interest in such **SUBJECT INVENTION** to the other party and cooperate with such party in the preparation and filing of patent applications thereon. The assignment of the entire right title and interest to the other party pursuant to this paragraph shall be subject to the retention by the party assigning title of a royalty free, non-exclusive irrevocable, paid-up license to practice, or have practiced, the **SUBJECT INVENTION** throughout the world.

7.8 Patent Expenses. The expenses attendant to the filing of patent applications as specified above, shall be borne by the party filing the patent application. Each party shall provide the other

party with copies of the patent applications it files on any SUBJECT INVENTION along with the power to inspect and make copies of all documents retained in the official patent application files by the applicable patent office.

7.9 Maintenance Fees. The fees payable to the U. S. Patent and Trademark Office in order to maintain the patent's enforcement will be payable by the owner of the patent, at that party's option. In the event that MHI is the owner of the patent and XYZ COMPANY holds an exclusive license in said patent, XYZ COMPANY shall pay all maintenance fees for said patent. If XYZ COMPANY elects not to pay the maintenance fee, XYZ COMPANY must relinquish their exclusive license rights in said patent and must give MHI reasonable notification so as to permit MHI the option of paying said fee. In the event that XYZ COMPANY elects not to pay the maintenance fee and MHI elects to exercise its option to pay said fee, XYZ COMPANY will retain a non-exclusive, irrevocable paid-up license in said patent.

7. 10 March-In Rights.

a) If MHI assigns, title or grants an exclusive license to such an invention, the Government shall retain the right- (i) to require XYZ COMPANY to grant to a responsible applicant a nonexclusive, partially exclusive, or exclusive license to use the invention in the applicant's licensed field of use, on terms that are reasonable under the circumstances; or (ii) if the XYZ COMPANY fail to grant such a license, to grant the license itself.

(b) The Government may exercise its right retained under subparagraph (a) only in exceptional circumstances and only if the Government determines that-- (i) the action is necessary to meet health or safety needs that are not reasonably satisfied by the XYZ COMPANY; (ii) the action is necessary to meet requirements for public use specified by Federal regulations, and such requirements are not reasonably satisfied by the XYZ COMPANY; This determination is subject to administrative appeal and judicial review under section 203(2) of title 35, United States Code.

Article 8. Representations and Warranties

8.1 Representations and Warranties of MHI. MHI hereby represents and warrants to XYZ COMPANY as follows:

8. 1.1 Organization. MHI is a Federal Laboratory of the United States Army and is an Agency of the Government of the United States whose substantial purpose is the performance of research, development, or engineering by employees of said Government.

8.1.2 Mission. The performance of the activities specified by this CRADA are consistent with the mission of MHI.

8.2 Representations and Warranties of XYZ COMPANY. XYZ COMPANY hereby represents and warrants to MHI as follows:

8.2.1 Corporate Organization. XYZ COMPANY, as of the date hereof, is a corporation duly organized, validly existing and in good, standing under the laws of the State of [state].

8.2.2 Power and Authority. XYZ COMPANY has the requisite power and authority to enter into this CRADA and to perform according to the terms thereof.

8.2.3 Due Authorization. The Board of Directors and stockholders of XYZ COMPANY has taken all actions required to be taken by law, XYZ COMPANY Certificate or Articles of Incorporation, its bylaws or otherwise, to authorize the execution and delivery of this CRADA.

Article 9. Termination

9.1 Termination by Mutual Consent. XYZ COMPANY and MHI may elect to terminate this CRADA, or portions thereof, at any time by mutual consent. In such an event, the parties shall specify the disposition of all property, patents, any other results of work accomplished or in progress, performed under this CRADA.

9.2 Termination by Unilateral Action.

9.2.1 Written Notice. Either party may unilaterally terminate this entire CRADA at any time by giving the other party written notice, not less than 30 days prior to the desired termination date. If XYZ COMPANY unilaterally terminates this CRADA, any exclusive license entered into by the parties shall be simultaneously terminated unless the parties agree to retain such exclusive license.

9.2.2 Data Rights. If XYZ COMPANY unilaterally terminates this entire CRADA pursuant to Article 9.2. 1, XYZ COMPANY shall return to MHI any and all subject data developed by MHI in XYZ COMPANY's possession and XYZ COMPANY will retain no rights to publish said data developed by MHI after the effective date of XYZ COMPANY's unilateral termination.

9.2.3 New Commitments. MHI shall make no new commitments after receipt of a written termination notice from XYZ COMPANY and shall, to the extent feasible, cancel all outstanding commitments and contracts by the termination date,

9.2.4 Obligations. All obligations to protect PROPRIETARY INFORMATION from unauthorized use or disclosure shall survive any termination or expiration of this CRADA and the obligation to grant licenses to MHI shall also survive.

Article 10. Liability

10.1 Property. The U.S. Government shall not be responsible for damages to any property of **XYZ COMPANY** provided to **MHI** or acquired by **XYZ COMPANY** pursuant to this **CRADA**.

10.2 Injuries and Damages During Performance of the Work. Each **PARTY** assumes liability for the negligent actions of its employees or agents that are the cause of injuries or damage that occur during the performance of this **CRADA**.

10.3 No Warranty. Except as specifically stated herein, **MHI** and **XYZ COMPANY** make no express or implied warranty as to any matter whatsoever, including the conditions of the research or any invention or product or data exchanged, whether tangible or intangible, without limitation, made, or developed under this **CRADA**, or the ownership, merchantability, or fitness for a particular purpose of the research or any invention or product.

10.4 Indemnification. **XYZ COMPANY** agrees to indemnify and hold harmless the U.S. Government, and its agent and employees from and against: all losses, claims, damages, expenses or liability of any kind, including attorney's fees arising out of or in connection with this **CRADA**, except that **MHI** shall be responsible for losses, claims, damages, expenses arising out of any act or omission of its employees or agents in connection with the performance of work under this **CRADA**.

10.5 Force Majeure. Neither party shall be liable for any unforeseeable event beyond its reasonable control not caused by the fault or negligence of such party, which causes such party to be unable to perform its obligations under this **CRADA** and which it has been unable to overcome by the exercise of due diligence, including, but not limited to, flood, drought, earthquake, storm, fire, pestilence, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, strikes, labor dispute, or failure, threat of failure, or sabotage of the **XYZ COMPANY**'s facilities, or any order or injunction made by a court or public agency. In the event of the occurrence of such force majeure event, the party unable to perform shall promptly notify the other party. It shall further use its best efforts to resume performance as quickly as possible and shall suspend performance only for such period of time as is necessary as a result of the force majeure event.

Article 11. Miscellaneous

11.1 Officials Not to Benefit. No member of, or delegate to the United States Congress, or resident commissioner, shall be admitted to any share or part of this **CRADA**, nor to, any benefit that may arise therefrom, but this provision shall not be construed to extend to this **CRADA** if made with a corporation for its general benefit.

11.2 Governing Law. The construction validity, performance and effect of this **CRADA** for all purposes shall be governed by the laws applicable to the Government of the United States.

11.3 Export Control Laws. XYZ COMPANY is hereby placed on notice that an export license from the Department of Commerce may be required, before exporting data or commodities to, a foreign person within the United States. The controlling laws are the Export Administration Acts of 1979 and 1981, 50 USC 2401-2420 and the implementing regulations at 15 CFR 768799.

11.4 Entire CRADA. This CRADA constitutes the entire CRADA between. The parties concerning the subject matter hereof and supersede any prior understanding or written or oral Agreement relative to said matter.

11.5 Headings. Titles and headings of the, Sections and Subsections of this CRADA are for the convenience of references only and do not form a part of this CRADA and shall in no way affect the interpretation thereof.

11.6 Waivers. None of the provisions of this CRADA shall be considered waived by any party hereto unless such waiver is given in writing to all other parties. The failure of any party to insist upon strict performance of any of the terms and conditions hereof, or failure or delay to exercise any rights provided herein or by law, shall not be deemed. a waiver of any rights of any party hereto.

11.7 Severability. The illegality or invalidity of any provisions of this CRADA shall not impair, affect or invalidate the other provisions of this CRADA.

11.8 Amendments. If either party desires a modification in this CRADA, the parties shall, upon reasonable notice of the proposed modification by the party desiring the change, confer in good faith to determine the desirability of such modification. Such modification shall not be effective until all the parties sign a written amendment hereto by their representatives duly authorized to execute such amendment.

11.9 Title to Property. The purchase or use of any property to carry out this CRADA does not affect the ownership rights that would otherwise apply. Property purchased by MHI with funds provided by XYZ COMPANY shall be the property of MHI. However, property directly provided under this CRADA by either party, regardless of who uses the property in the performance of the work, shall remain the property of the providing party unless other disposition is mutually agreed upon in writing by the parties. The party holding the title to the equipment is responsible for the maintenance of the equipment and the costs of transportation to and from the site where it will be used.

11. 10 Assignment. Neither this CRADA nor any rights or obligations of any party hereunder shall be assigned or otherwise transferred by either party without the prior written consent of the other party except that XYZ COMPANY may assign this CRADA to the successors or assignees of a substantial portion of XYZ COMPANY's business interests to which this CRADA directly pertains. However, it is understood that MHI and the U.S. Government will maintain all trade secrets developed hereunder in trust and confidence without disclosure to third parties

during the term hereof and thereafter so long as such trade secrets are not rightfully in the public domain.

11. 11 **Notices.** All notices pertaining to or required by this **CRADA** shall be in writing and shall be signed by an authorized representative and shall be delivered by hand or sent by certified mail, return, receipt requested, with postage prepaid, or by private overnight delivery service addressed as follows:

If to **XYZ COMPANY**:

Mr. John Doe
[title]
[address]

If to **MHI**:

COL Vossler
Director, U.S. Army Military History Institute
22 Ashburn Drive
USAWC & CARLISLE BARRACKS
CARLISLE, PENNSYLVANIA 17013
717/245-3972

Any party may change such address by notice given to the other party in the manner set forth above.

11. 12 **Independent Contractors.** The relationship, of the parties to this **CRADA** is that of independent contractors, and not as agents of each other or as joint ventures or partners. Each party shall maintain sole and exclusive control over its personnel and operations.

11. 13 **Use of Name or Endorsements.** **XYZ COMPANY** shall not use the name of **MHI**, or the U.S. Army, or the U.S. Government on any product or service which is directly or indirectly related to either this **CRADA** or any patent license or assignment agreement which implements this **CRADA** unless permission has been obtained from the appropriate Public Affairs approving authority. **MHI** shall assist in obtaining such approval as appropriate. By entering into this **CRADA**, **MHI** does not directly or indirectly endorse any product or service provided, or to be provided, by the **XYZ COMPANY**, its successors, assignees, or licensees. **XYZ COMPANY** shall not in any way imply that this **CRADA** is an endorsement of any such product or service.

11. 14 **Covenant Against Contingent Fees.** **XYZ COMPANY** warrants that no person or selling agency has been employed or retained to solicit or secure this **CRADA** upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by **XYZ**

COMPANY for the purpose of securing business. For breach or violation of this warranty, **MHI** shall have the right to annul this **CRADA** without liability, or, in its discretion, to add to the, **CRADA** price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

11.15 Intellectual Property Rights. It is the responsibility of **XYZ COMPANY** to negotiate and secure rights to materials held by the **MHI** but not solely owned by either the **MHI** or the Government. Any required fees paid for use of said materials is the responsibility of **XYZ COMPANY**.

Article 12. Drug-Free Workplace

During the performance of this **CRADA**, **XYZ COMPANY** shall be required to comply with the intent of the Drug-Free Workplace Act of 1988, 41 USC §701, et seq., which requires the establishment of a drug-free workplace.

Article 13. Alternative Dispute Resolution

13.1 Settlement. Any dispute arising under this **CRADA** which cannot be readily resolved shall be submitted jointly by the signatories of this **CRADA** with each party agreeing to seek in good faith to resolve the issue through negotiation or other forms of non-binding alternative disputes resolution mutually acceptable to the parties. A joint decision of the signatories or their designees shall be the disposition of such a dispute.

13.2 Continuation of Work. Pending the resolution of any dispute or claim pursuant to this Article, the parties agree that performance of all obligations shall be pursued diligently.

Article 14. Equal Opportunity

14.1 Equal Opportunity. During the performance of this **CRADA**, **XYZ COMPANY** shall comply with Executive Order 11246, as amended, and the rules, regulations, and, orders of the Secretary of Labor concerning equal employment opportunity.

14.2 Disputes. Notwithstanding any other clause in this **CRADA**, relative to this Article 14 will be generated by the procedures in 41 CFR 60-1. 1.

Article 15. Agency Review

15.1 Authority. All prior reviews and approvals required by regulations or law have been obtained by **MHI** prior to the execution of this **CRADA**. The **MHI** official executing this **CRADA** has the requisite authority to do so. Notwithstanding the delegation of authority to, execute this **CRADA** to the individual designated, the Secretary of the Army has reserved to, the Assistant Secretary of the Army (Research, Development and Acquisition) the opportunity provided by 15 USC § 3710a (c)(5)(A), to, disapprove or require the modification of this **CRADA** within 30 days of the date it is presented to him or her by **MHI**.

15.2 **Ratification.** In the event that the Assistant Secretary of the Army (Research, Development and Acquisition) exercises the authority reserved by paragraph 15.1, **XYZ COMPANY** shall have the 30 days from notification of the, required modification to ratify the modifications or terminate the **CRADA**.

15.3 **Effective Date.** This **CRADA** shall enter into force as of the date of the last signature of the parties.

Article 16. Duration of CRADA and Effective Date

16.1 **Duration of CRADA.** It is mutually recognized that the development program cannot be rigidly defined in advance, and that the contemplated time periods for completion of each phase are good, faith guidelines, subject to adjustment by mutual agreement, to fit circumstances as the development program proceeds. In no case will this **CRADA** extend beyond 5 Year(s) from the date of this **CRADA**, unless it is revised in accordance with Article 11.8 of this **CRADA**. It is further agreed that the provisions of Articles 4, 6, 7, 10 and paragraphs 11.3, 11.12, and 11.13 of Article 11 shall survive the termination of this **CRADA**.

Witness Whereof, the parties have caused this **CRADA** to be executed by their duly authorized representative as follows:

For **XYZ COMPANY**

Mr. John Doe
[title]
[address]

DATE

For U.S. ARMY MILITARY HISTORY INSTITUTE:

COL Vossler
Director, U.S. Army Military History Institute
22 Ashburn Drive
USAWC & CARLISLE BARRACKS
CARLISLE, PENNSYLVANIA 17013

DATE

Enclosure 1

**CRADA STATEMENT OF WORK CRADA
(SOW)**

[Title of the project]

Objective of the project: To *[this must be a complete statement of the intended outcome of the CRADA.]* This product will then be co-marketed by both **XYZ COMPANY** and **MHI** to all interested third parties.

Description of the product to be produced by the project: *[This will be a complete and detail description of the product to be produced by the CRADA.]*

Principal Investigators for XYZ COMPANY: Mr. *[Name of Responsible Individual]*
[title]
[address]
[phone number]

Principal Investigator for MHI: *[Name of Single Individual]*
XXXXXX, U.S. Army Military History Institute
22 Ashburn Drive
USAWC & CARLISLE BARRACKS
CARLISLE, PENNSYLVANIA 17013
717/245-3972

R&D Team from XYZ COMPANY: *[Add names and titles of onsite POCs]*

R&D Team from MHI. *[Add names and titles of onsite POCs]*

MHI research, development and demonstration actions during life of the CRADA. **MHI** will provide **XYZ COMPANY** copies of all of the content to be included in the *[PROJECT PRODUCT]-XYZ* in a Microsoft Word 6.0 or later format *[Another format could also be specified if desired, like Adobe acrobat .PDF format.]* by no later than six weeks of signing of the **CRADA**. All content of this manual will be the responsibility of **MHI**. When **XYZ COMPANY** submits to **MHI** the copy of the new *[PROJECT PRODUCT]*, **MHI** will review and approve the completed copy of the new *[PROJECT PRODUCT]*. **MHI** will provide updates to **XYZ COMPANY** during the life of the **CRADA**.

XYZ COMPANY research, development and demonstration actions during life of the CRADA: XYZ COMPANY will convert MHI provided content into the electronic format to be used for the [PROJECT PRODUCT]. This will include the, electronic formatting, hypertext linking and any and all requirements to meet or exceed the design specifications used in the XYZ COMPANY REG-XYZ COMPANY™ Library. XYZ COMPANY will then submit to MHI a copy of the new [PROJECT PRODUCT] for their review and approval. Upon approval from MHI, XYZ COMPANY will then publish the [PROJECT PRODUCT] on their REG-XYZ COMPANY™ Library. The CD-ROM product will be sold to interested third parties as a stand alone product or as an add on to the other REG-XYZ COMPANY™ Library products. Additionally, XYZ COMPANY will provide a site license to, MHI at their Carlisle Barracks, Carlisle, PA location for the REG-XYZ COMPANY™ Library. This will include the [PROJECT PRODUCT].

Milestones for accomplishing the defined actions, activities and tasks, by calendar month and year:

MHI will provide XYZ COMPANY the MS Word copies of the [PROJECT PRODUCT] information on or before six weeks following the signing of this CRADA.

XYZ COMPANY will provide a completed copy of the [PROJECT PRODUCT] for final review, comments and approval on or before sixteen weeks following the receipt of the [PROJECT PRODUCT].

MHI will provide review comments and/or approval of the [PROJECT PRODUCT] on or before four weeks after receipt of review copy.

XYZ COMPANY will begin distribution of the [PROJECT PRODUCT] with the shipment of the first quarterly edition of REG-XYZ COMPANY™ Library CD-ROM available following the approval of MHI, provided it is 30 days prior to the calendar end of the quarter. If it is less than thirty days prior to the end of the calendar quarter, XYZ COMPANY will include those changes in the next regularly scheduled update release of the REG- XYZ COMPANY [product].

Subsequent Updates: MHI will provide updates to XYZ COMPANY in the same format described above and XYZ COMPANY will update the [PROJECT PRODUCT] to incorporate these changes. XYZ COMPANY will incorporate these changes in the next REG-XYZ COMPANY™ Library CD-ROM following the release of these changes to XYZ COMPANY from MHI as long as it is 30 days prior to the calendar end of the quarter. If it less than thirty days prior to the end of the Calendar quarter, XYZ COMPANY will then include those changes in the next regularly scheduled update release of the REGXYZ COMPANY™ Library. XYZ COMPANY will. also include a separate section which will highlight changes to the [PROJECT PRODUCT] content in the same fashion as the REG-XYZ COMPANY™ Library product.

Commercialization and Technology Transfer Plan: XYZ COMPANY currently has over 8,000 "ship to" locations in our subscription data base and will ship out almost 4,000 CD-ROM's each quarter. XYZ COMPANY will use the same marketing programs for the [PROJECT

PRODUCT] as currently done for all other **XYZ COMPANY** regulatory compliance products. **XYZ COMPANY** also currently has 3 technical support persons and 7 customer support/sales persons. They have 3 full time people who handle shipping and distribution of their products along with 2 administrative persons. **XYZ COMPANY** intends to use all of the same personnel and systems currently used by **XYZ COMPANY** to provide sales and support in distributing the *[PROJECT PRODUCT]*. This should provide easy access to all private or public parties that may be interested in obtaining the *[PROJECT PRODUCT]*. **MHI** will also help in this process by advising all current or future users of the **OSHA GUIDE** of its availability through **XYZ COMPANY**.

Appendix E Terms

Cooperative Research and Development Agreement (CRADA) means any agreement between one or more Federal laboratory and one or more non-Federal parties under which the Government, through its laboratories, provides personnel, services, facilities, equipment, intellectual property, or other resources with or without reimbursement (but not funds to non-Federal parties) and the non-federal parties provide funds, personnel, services, facilities, equipment, intellectual property, or other resources toward the conduct of specified research or development efforts which are consistent with the missions of the laboratory; except that such agreement does not include a procurement contract or cooperative agreement as those terms are used in sections 6303, 6304, and 6305 of Title 31.

Federal Laboratory means a facility or group of facilities owned, leased, or otherwise used by a Federal agency, a substantial purpose of which is the performance of research, development, or engineering by employees of the Federal Government.

Federal Laboratory Consortium (FLC) is nationwide network of Federal laboratories that provides the forum to develop strategies and opportunities for linking technology with the mission and the marketplace. The mission of the FLC is to promote and facilitate the rapid movement of federal laboratory research results and technologies into the mainstream of the U.S. economy.

Proprietary Information means information that embodies trade secrets developed at private expense or financial information, which is privileged or confidential under the Freedom of Information Act.

Technology Transfer is the process by which existing knowledge, facilities or capabilities developed under federal R&D funding are utilized to fulfill public and private needs.

Appendix F Technology Transfer Legislative History.

Stevenson-Wydler Technology Innovation Act of 1980 (PL 96-480)[15 USC 3701-3714]

Focused on dissemination of information.
Required Federal Laboratories to take an active role in technical cooperation.
Established Offices of Research and Technology Application at major federal laboratories.
Established the Center for the Utilization of Federal Technology (in the National Technical Information Service).

Bayh-Dole Act of 1980 (PL 96-517)

- Permitted universities, not-for-profits and small businesses to obtain title to inventions developed with governmental support.
Provided early on intellectual property rights protection of invention descriptions from public dissemination and FOIA.
Allowed government-owned, government-operated (GOCO) laboratories to grant exclusive licenses to patents.

Small Business Innovation Development Act of 1982 (PL 97-219)

Required agencies to provide special funds for small business R&D connected to the agencies' missions.
Established the Small Business Innovation Research Program (SBIR)

Cooperative Research Act of 1984 (PL 98-462)

Eliminated treble damage aspect of antitrust concerns of companies wishing to pool research resources and engage in joint precompetitive R&D.
Resulted in Consortia: Semiconductor Research Corporation (SRC) and Microelectronics and Computer Technology Corporation (MCC), among others.

Trademark Clarification Act of 1984 (PL 98-620)

Permitted decisions to be made at the laboratory level in government-owned, contractor-operated (GOCO) laboratories as to the awarding licenses for patents.
Permitted contractors to receive patent royalties for use in R&D, awards, or for education.
Permitted private companies, regardless of size, to obtain exclusive licenses.
Permitted laboratories run by universities and non-profit institutions to retain title to inventions within limitations.

Japanese Technical Literature Act of 1986 (PL 99-382)

Improved the availability of Japanese science and engineering literature in the U.S.

Federal Technology Transfer Act of 1986 (PL 99-502)

Made technology transfer a responsibility of all federal laboratory scientists and engineers.
Mandated that technology transfer responsibility be considered in employee performance evaluations.

Established principle of royalty sharing for federal inventors (15% minimum) and set up a reward system for other innovators.

Legislated a charter for Federal Laboratory Consortium for Technology Transfer and provided a funding mechanism for that organization to carry out its work.

Provided specific requirements, incentives and authorities for the Federal Laboratories.

Empowered each agency to give the director of GOCO laboratories authority to enter into cooperative R&D agreements and negotiate licensing agreements with streamlined headquarters review. •

Allowed laboratories to make advance agreements with large and small companies on title and license to inventions resulting from Cooperative R&D Agreements (CRDAs) with government laboratories.

Allowed Directors of GOGO laboratories to negotiate licensing agreements for inventions made at their laboratories.

Provided for exchanging GOGO laboratory personnel, services, and equipment with their research partners.

Made it possible to grant and waive rights to GOGO laboratory inventions and intellectual property.

Allowed current and former federal employees to participate in commercial development, to the extent there is no conflict of interest.

Malcom Baldrige National Quality Improvement Act of 1987 (PL 100-107)

Established categories and criteria for the Malcom Baldrige National Industry Award.

Executive Orders 12591 and 12618 (1987): Facilitating Access to Science and Technology

Promoted the commercialization of science and technology.

Omnibus Trade and Competitiveness Act of 1988 (PL 100-418)

Placed emphasis on the need for public/private cooperation on assuring full use of results and resources.

Established centers for transferring manufacturing technology.

Established Industrial Extension Services within states and an information clearinghouse on successful state and local technology programs.

Changed the name of the National Bureau of Standards to the National Institute of Standards and Technology and broadened its technology transfer role.

Extended royalty payment requirements to non-government employees of federal laboratories. •

Authorized Training Technology Transfer centers administered by the Department of Education.

National Institute of Standards and Technology Authorization Act for FY 1989 (PL 100-519)

Established a Technology Administration within the Department of Commerce.

Permitted contractual consideration for rights to intellectual property other than patents in cooperative research and development agreements.

Included software development contributors eligible for awards.

Clarified the rights of guest worker inventors regarding royalties.

Water Resources Development Act of 1988 (PL 100-676)

• Authorized Army Corps of Engineers laboratories and research centers to enter into cooperative research and development agreements.

Allowed the Corps to fund up to 50% of the cost of the cooperative project.

National Competitiveness Technology Transfer Act of 1989 (PL 101-189)(included as Section 3131 et seq. of DoD Authorization Act for FY 1990)

Granted GOCO federal laboratories opportunities to enter into CRADAs and other activities with universities and private industry, under essentially the same ways as highlighted under the Federal Technology Transfer Act of 1986.

Allowed information and innovations, brought into, and created through cooperative agreements to be protected from disclosure.

Provided a technology transfer mission for the nuclear weapons laboratories.

Defense Authorization Act for FY1991 (PL 101-510)

Established model programs for national defense laboratories to demonstrate successful relationships between federal government, state and local governments, and small businesses.

Provided for a federal laboratory to enter into a contract or memorandum of understanding with a partnership intermediary to perform services related to cooperative or joint activities with small businesses.

Provided for development and implementation of a National Defense Manufacturing Technology Plan.

Intermodal Surface Transportation Efficiency Act of 1991 (PL 102-240)

Authorized the Department of Transportation to provide not more than 50% of the cost of CRADAs for highway research and development.

Encouraged innovative solutions to highway problems and stimulated the marketing of new technologies on a cost shared basis of more than 50% if there is substantial public interest or benefit.

American Preeminence Act 1991 (PL 102-245)

Extended FLC mandate, removed FLC responsibility for conducting a grant program, and required the inclusion of the results of an independent annual audit in the FIC Annual Report to Congress and the President.

Included intellectual property as potential contributions under CRADAs.

Required the Secretary of Commerce to report on the advisability of authoring a new form of CRADA that permits federal contributions of funds.

Allowed laboratory directors to give excess equipment to educational institutions and nonprofit organizations as a gift.

Small Business Technology Transfer (STTR) Program 1992 (PL 102-564)

Established a 3-year pilot program - Small Business Technology Transfer (STTR), at DoD, DoE, HHS, NASA, and NSF.

Directed the Small Business Administration (SBA) to oversee and coordinate the implementation of the STTR Program.

Designed the STTR similar to the Small Business Innovation Research SBIR program.

Required each of the five agencies to fund cooperative R&D projects involving a small company and a researcher at a university, federally-funded research and development center, or nonprofit research center.

National Department of Defense Authorization Act for 1993 (PL 102-25)

Facilitated and encouraged technology transfer to small businesses.

National Department of Defense Authorization Act for FY 1993 (PL 102-484)

Established the DoD Office of Technology Transition

Extended the streamlining of small business technology transfer procedures for non-federal laboratory contractors.

Directed DoE to issue guidelines to facilitate technology transfer to small businesses.

Extended the potential for CRADAs to some DoD-funded Federally Funded Research and Development Centers (FFRDCs) not owned by the government.

National Department of Defense Authorization Act for 1994 (PL 103-160)

Broadened the definition of a laboratory to include weapons production facilities of the DoE.

National Technology Transfer and Advancement Act of 1995 (PL 104-113) [also known as the "Morella Act"]

Appendix G.
FLC Administrative Contacts.

National Contacts

FLC Chair
Mr. C. Dan Brand
HHS/FDA-National Center for Toxicological
Research
3900 NCTR Road - HFT 200
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Jefferson, AR 72079-9502
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Email: dbrand@nctr.fda.gov

FLC Vice Chair
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FLC Washington D.C. Representative
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FLC Program Director
Mr. George Linstead
FLC Management Support Office
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224 W. Washington, #3
Sequim, WA 98382-0545
Phone: 360-683-1005 Fax: 360-683-6654
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FLC Locator
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FLC Management Support Office
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andy@zvn.com

Regional Contacts

Far West Region
Dr. Mike Sullivan
Naval Air Warfare Center - Weapons Division (PM)
Code 529120E (Bldg. 50)
521 9th Street
Point Mugu, CA 93042-5001
805-989-9208 805-989-7855 Fax
Email: op913d1@technet1.jcte.jcs.mil

FLC Farwest Regional Support
Ms. Mona Oge
SWTTC - World Trade Center (SD)
1250 6th Ave Suite 110
San Diego, CA 92101
619-685-1486 619-238-8255 Fax
Email: admstaff@swttc.org

Mid-Atlantic Region
Mr. Richard Dimmick
Army/ARL-Advanced Computer and Info. Sciences
Dir.
Attn: AMSRL-TT-TA
Aberdeen Proving Ground, MD 21005-5425
410-278-6955 410-278-5820 Fax
298-6955 DSN
Email Dimmick@arl.army.mil

Mr. Michael Rausa
Army/ARL-Survivability/Lethality Analysis Dir.
Attn: AMSRL-CS-TT
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Aberdeen Proving Ground, MD 21005-5425
410-278-5028 410-278-5820 Fax
298-5028 DSN
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Mid-Continent Region
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DOE-National Renewable Energy Laboratory
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Golden, CO 80401
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FLC Mid-Continent Regional Support
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UALR Small Business Development Ctr.
100 Main Suite 401
Little Rock, AR 72201
501-324-9047 #310 501-324-9049 Fax
Email: alkerksieck@ualr.edu

Midwest Region
Mr. Larry Fradkin
EPA-Office of TT & Reg. Support
26 W. Martin Luther King Drive
M/S 173
Cincinnati, OH 45268
513-569-7960 513-569-7132 Fax
Email: fradkin.larry@epamail.epa.gov

FLC Midwest Regional Support
Ms. Jean Fredette
c/o IAMS
1111 Edison Drive
Cincinnati, OH 45216
513-948-2010 513-948-2109 Fax
Email: fredette@iams.org

Northeast Region
Ms. Dorry Tooker
DOE-Brookhaven National Laboratory
Office of Technology Transfer

Building 475D
Upton, NY 11973
516-344-2078 516-344-3729 Fax
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FLC Northeast Regional Support
Ms. Julie Chambliss
UTRS, Inc.
950 N. Kings Hwy. #208
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609-667-6770 609-667-7586 Fax
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Southeast Region
Mr. Jerry Jones
Air Force/AFRL-Munitions Directorate
AFRL/MNOB
101 W. Eglin Blvd., Suite 141
Eglin AFB, FL 32542-6810
904-882-8591 #1303 904-882-8594 Fax
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University of Florida
1 Progress Boulevard, Box 24
Alachua, FL 32615
904-462-3913 904-462-3898 Fax
Email: c-johnsrud@ufl.edu

Appendix H.
DoD Points of Contact.

Defense Technology Transfer Working Group

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Room 3D129, Pentagon
Washington, DC 20301-3010
DDDR&E
Phone: (703) 697-9215
FAX: (703) 693-7042
Email davisl@am.omega

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AFMC TTO/TTR
4375 Chidlaw Rd., Suite 6
Wright-Patterson AFB, OH 45433-5006
Air Force
Phone: (513) 257-3998
FAX: (513) 476-2138
Email sharp@ttosmtp.wpafb.af.mil

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5203 Leesburg Pike
Falls Church, VA 22041-3466
ODDDR&E
Phone: (703) 681-5459
FAX: (703) 681-3722
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Hammer, Guy
Room 1E149, Pentagon
Washington, DC 20301-3010
BMDO
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AMSRL-CS-TT
Army Research Laboratory
2800 Powder Mill Road
Adelphi, MD 20783-1197
Army
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drewk@onrhq.onr.navy.mil
Alt: Groves, Nancy
Navy
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FAX: (703) 696-4884
Email grovesn@onrhq.onr.navy.mil

Hwang, Phillip Q.
NIMA
Phone: (301) 227-3334
Email hwangp@nima.mil

Appler, Dave
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Ft. Belvoir, VA
DTIC
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FAX: (703) 767-9161
Email dappler@dtic.mil

DoD SERVICE POINTS OF CONTACT

U.S. Army Intellectual Property Law Division

William W. Randolph
U.S. Army Intellectual Property Law Division
901 North Stuart Street
ATTN: JALS-IP
Arlington, VA 22203-1837
Phone: (703) 696-8120/8121
Fax: (703) 696-8116

ARMY ORTA POCs

Army Domestic Transfer Program
Mr. James Wanko, (acting), Manager
U.S. Army Research Lab, AMSRL-TT-AP
2800 Powder Mill Road
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COM:(301) 394-2529
DSN:290-4210
FAX:(301) 394-5818
Email: jwanko@arl.mil

NAVY ORTA POCs

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Ms. Katherine Drew, Manager
Office of Naval Research, ONR 36
800 N. Quincy St.
Arlington, VA 22217-5660
COM:(703) 696-5992
FAX: (703) 696-4884
Email: drewk@onrhq.onr.navy.mil

AIR FORCE ORTA POCs

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Mr. Tim Sharp
AFMC TTO/TTR
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Wright Patterson AFB OH 45433-5006
513-257-3998
FAX: 513-476-2138
Email sharp@ttosmpt.wpafb.af.mil

CARLISLE BARRACKS POCs

MHI

COL William T. Vossler
Director
U.S. Army Military History Institute
U.S. Army War College and Carlisle Barracks
Carlisle, PA 17013
Phone: (717)-245-4134/3012
Email: vosslerw@carlisle-emh2.army.mil

Legal Counsel

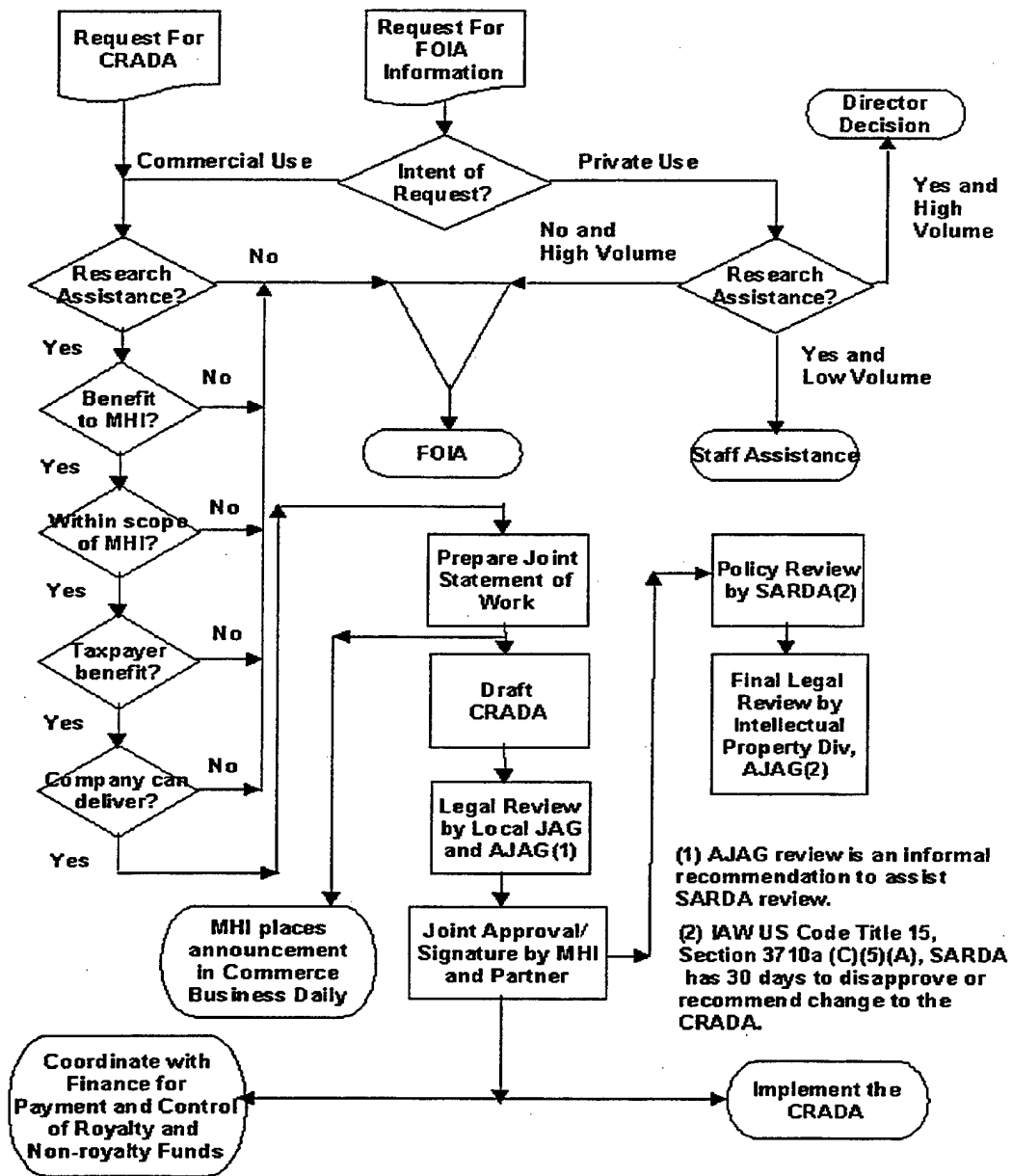
MAJ Mark Seitsinger
Post Judge Advocate General
U.S. Army War College and Carlisle Barracks
Carlisle, PA 17013
Phone: (717) 245-4940/3979
Email: seitsinm@carlisle-emh2.army.mil

Finance and Accounting

Nancy Mallein
Chief, Financial management Division
Directorate of Resource Management
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Carlisle, PA 17013
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Email: malleinn@carlisle-emh2.army.mil

Appendix I

CRADA Flow Chart



The SARDA review will be done by Mr. James Wanko, (acting), Manager U.S. Army Research Lab, AMSRL-TT-AP and the AJAG reviews will be done by William W. Randolph U.S. Army Intellectual Property Law Division (see DOD POC list at Appendix H.)

Appendix J
MHI Cooperative Research and Development
Agreement Tracking Form

Military History Institute

COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENT

This is an example of how MHI might internally track the CRADAs. It could also be used to determine specific areas where CRADAs exist, as well as the overall value of the CRADA.

1. Proposal Number: _____
 2. Effective Date: _____
 3. Agreement Number: _____
 4. MHI Project Officer: _____
 5. Total Amount of Contribution: _____
 6. Collaborating Party Name and Address: _____
 7. Administrative Office: _____
 8. Cognizant MHI Project Office: _____
 9. Accounting and Appropriation Data: _____
 10. Payment Will Be Made By: _____
 11. Authority: _____
 12. Starting Date: _____
 13. Duration (Months): _____
 14. Payment Schedule: _____
 15. Principal Investigator(s): _____
 16. Project Description: _____
-

Appendix K
Collaborator Employee Conflict
of Interest Statement

CRADA Identification Number: MHI-CR-98-***
Collaborator: ***
Collaboration Project Title: ***

Collaborator Employee
Conflict of Interest Statement

As used in this Conflict of Interest Statement, the term "MHI" and "Collaborator" refer to the specific organizations that are proposed as signatories of this Cooperative Research and Development Agreement.

I understand that I, my spouse, and other relatives living with me may not engage in activities or relationships that present a real or potential conflict of interest. This includes:

Financial interests that can be directly affected by MHI.

Offer or promise of employment to MHI employees.

Non official relationships with MHI that have or may have a real or potential personal benefit.

There may be activities or relationships (past, present, or planned in the future) with MHI other than those listed above that may raise a concern of real or apparent conflicts of interest. Such activities or relationships should be briefly described below. In the event that I become aware of any possible conflict of interest, I must notify the MHI Director as soon as possible.

Signature of Collaborator Employee _____

Date: _____

Printed Name: _____

Organization: _____

CBks (MHI) One-Time Form 98-002 Feb 98

Appendix L
Draft Patent Licensing Agreement

The following draft patent licensing agreement is presented only as a generic example and is not intended for use as presented. It is a patented license agreement of a fictitious old photograph and document handling procedure for which MHI already has obtained a patent. In this example, XYZ Company is licensed to develop products using this patented process. PhotoDocs, Inc is presented as a subsidiary of XYZ Company. MHI is also directing in the agreement that ABC Company is sublicensed by XYZ Company.

PATENT LICENSE AGREEMENT

The United States Army Military History Institute (hereinafter "LICENSOR") as the representative of the United States of America and XYZ Company (hereinafter "XYZ"), a USA corporation, having a place of business located at Room 3705, Carlisle Road, Carlisle, PA, USA, and PhotoDocs, Inc. hereinafter "Ph.D."), a corporation existing under the laws of the State of Pennsylvania and having its principal place of business at 007 Steelers Island Blvd., Pittsburgh, Pennsylvania 15xxx (called "PHD and Ph.D.") hereinafter jointly called "LICENSEE"), hereby agree as follows:

Article I

Background

1.00 The United States of America is the owner by assignments recorded in the United States Patent and Trademark Office of the entire right, title and interest to the methods and processes described and claimed in the LICENSED PATENTS (as defined below), which pertain to methods of handling and digitizing old photographs and documents (OPHADP).

1.01 Under the authority of the Federal Technology Transfer Act, Title 15 of the United States Code, Section 3701a, LICENSOR has custody of the methods and processes described and claimed in, and the right to issue licenses under, the LICENSED PATENTS.

1.02 LICENSOR desires that LICENSED METHODS and LICENSED PRODUCTS claimed in the LICENSED PATENTS be brought to the POINT OF PRACTICAL APPLICATION in the shortest possible time and be made available to the U.S. public, thereby serving the public interest and broadening the potential supply base for LICENSOR and other Government agencies.

1.03 LICENSEE desires to obtain an exclusive license to be granted by LICENSOR under the LICENSED PATENTS for the purpose of selling products for use in the LICENSED METHODS.

Article II

Definitions

2.00 Terms in this Agreement (other than names of parties and Article headings) which are set forth in upper case letters have the meanings established for such terms in the succeeding paragraphs of this Article II.

2.01 LICENSED PATENTS means the U.S. and foreign patents, patent applications and related patent properties identified in Exhibit A and in addition:

(a) any United States patents that issue from the above-identified patent application;

(b) any foreign patent applications corresponding to the above identified patent applications and any patents that subsequently issue from such foreign patent applications;

(c) any divisional or continuation applications that may be filed that are based on the above identified patent applications and any patents that issue on such divisional or continuation applications;

(d) any reissued patents or reexamined patents or extensions that correspond to the above identified patent applications, subject to Paragraph 11.00 in Article XI;

(e) all rights of priority in the above identified patent applications; and

(f) all United States and foreign continuation-in-part patent applications and issued patents based upon the above identified patent applications (and the corresponding patent properties described in subparagraphs a) - e) above) to the extent that they contain claims that are supported by the specifications of the above identified patent applications.

LICENSOR shall have the duty to update this Agreement from time to time to incorporate additional patent properties that are related to or based upon the LICENSED PATENTS, as described above, if any are filed or issued.

2.02 LICENSED METHODS means to the methods and of handling and digitizing old photographs and documents that are claimed in the LICENSED PATENTS.

2.03 LICENSED PRODUCTS means processes or methods as claimed in the LICENSED PATENTS.

2.04 LICENSED AREA means the United States of America, its territories and possessions and those countries identified in Exhibit A in which LICENSED PATENTS are pending or in force. Such identified countries shall no longer be considered to remain in the LICENSED AREA when the last of the LICENSED PATENTS in a given country has expired and/or has been declared invalid and/or unenforceable by a court of competent jurisdiction from which no appeal was or can be taken.

2.05 ROYALTY AREA means the countries within the LICENSED AREA in which any of the LICENSED PATENTS have issued as patents and remain in force.

2.06 LICENSOR'S REPRESENTATIVE means the United States Army Military History Institute.

2.07 The POINT OF PRACTICAL APPLICATION means the development of products used in the methods claimed in the LICENSED PATENTS under such conditions as to establish that the methods are being utilized and that their benefits are, as permitted by law or Government regulations, available to the U.S. public on reasonable terms.

2.08 AFFILIATES means:

(a) Any company either owned or controlled (either directly or indirectly) by LICENSEE to the extent of at least fifty percent (50%) of its issued and voting capital (or otherwise having the power to control its general activities), as well as any other company so owned or controlled (directly or indirectly) by any such company which is owned or controlled by LICENSEE;

(b) Any company either owning or controlling (either directly or indirectly) at least fifty percent (50%) of the issued and voting capital of LICENSEE (or otherwise having the power to control its general activities), as well as any other company so owned or controlled (directly or indirectly) by any such company which owns or controls LICENSEE;

(c) Any partnership, joint venture or other entity, either owned or controlled (either directly or indirectly) by LICENSEE to the extent of fifty percent (50%) or more of its voting power (or otherwise having the power to control its general activities), as well as any other company, partnership, joint venture or other entity which is so owned or controlled (directly or indirectly) by any such partnership, joint venture or other entity which is owned or controlled by LICENSEE; or

(d) Any partnership, joint venture or other entity, either owning or controlling (either directly or indirectly) at least fifty percent (50%) or more of the voting power of LICENSEE (or otherwise having the power to control its general activities), as well as any other company, partnership, joint venture or other entity so owned or controlled

(directly or indirectly) by any such partnership, joint venture or other entity which owns or controls LICENSEE.

2.09 NET SALES shall mean the gross amounts invoiced by LICENSEE or its AFFILIATES or sublicensees for commercial sales of the products created using the methods of handling and digitizing old photographs and documents that are claimed in the LICENSED PATENTS in the ROYALTY AREA that are attributable to i) independent customers and ii) LICENSED METHODS or LICENSED PRODUCTS claimed under the LICENSED PATENTS, less the deductions set forth in Paragraph 2.09(a) below.

(a) The following deductions apply to NET SALES:

(i) prompt payment or other trade or quantity discounts actually allowed and taken in such amounts as are customary in the trade;

(ii) commissions actually paid or allowed to distributors and agents who are independent third parties other than such parties who are solely performing detailing functions;

(iii) amounts repaid or credited by reason of timely rejections or returns;

(iv) sales, added value or other taxes actually paid or withheld;

(v) transportation and delivery charges, including insurance premiums actually incurred; and

(vi) the costs and expenses of LICENSEE referred to in Paragraph 8.01.

(b) NET SALES does not include any promotional transfers of products created using the methods of handling and digitizing old photographs and documents that are claimed in the LICENSED PATENTS in any given country in the ROYALTY AREA before formal marketing approval is granted in that country; nor does NET SALES include transfers of products created using the methods of handling and digitizing old photographs and documents that are claimed in the LICENSED PATENTS at any time for research purposes or any reason among or between LICENSEE. Its AFFILIATES or sublicensees except as provided for in Paragraph 4.01 (a).

2.10 OPHADP means the methods of handling and digitizing old photographs and documents, any and all generic improvements and/or enhancements thereto, and all modifications, fragments, analogs and synthetic derivatives thereof.

2.11 END USER means any person licensed to use LICENSED PRODUCTS or LICENSED METHODS for his/her own personal use, or any entity licensed to use

LICENSED PRODUCTS or LICENSED METHODS in the regular conduct of its own business and not for licensing to other entities or individuals.

Article III

License Grant

3.00 LICENSOR grants to LICENSEE and AFFILIATES of LICENSEE an exclusive license under the LICENSED PATENTS to make and have made, to use and have used, to sell and have sold, to offer for sale and to import into the United States any LICENSED PRODUCTS and to practice and have practiced the LICENSED METHODS described and claimed therein throughout the LICENSED AREA. These licenses may be sublicensed by LICENSEE or its AFFILIATES, subject to Paragraphs 9.01 to 9.06 of Article IX of this Agreement.

3.01 LICENSOR agrees to provide LICENSEE with reasonable access to laboratory and historical data and records, to the extent that any such data or records exist regarding LICENSED PATENTS, LICENSED METHODS and LICENSED PRODUCTS and agrees to permit LICENSEE to utilize any and all such data for purposes of seeking regulatory approval to market LICENSED PRODUCTS developed under the LICENSED PATENTS.

Article IV

Royalties and Payments

4.00 LICENSEE shall pay LICENSOR the following royalties:

(a) One and one-half percent (1 ½%) product sales royalty based on NET SALES by LICENSEE, its AFFILIATES or sublicensees. In the event that LICENSEE's revenue under a sublicense is based on the products derived from the methods of handling and digitizing old photographs and documents by LICENSEE or its AFFILIATES to the sublicensees rather than on royalties from the sublicensee's sales to an END USER, no additional royalty shall be due to LICENSOR with respect to that sublicensee's NET SALES to an END USER.

(b) A signing royalty of \$XX,XXX to be paid within thirty (30) days of the date when this Agreement has been executed by both parties

(c) A minimum annual royalty until the year of the first commercial sale of \$XX,XXX due on December 31 for each such calendar year and payable by the following March 1. The first such minimum annual royalty shall be due on December 31, 1998 for calendar year 1998.

4.01 In case the periodic royalties due from LICENSEE do not aggregate a minimum of \$XX.XXX at each anniversary of the date of the first commercial sale in the ROYALTY AREA, LICENSEE shall, at the next-occurring semiannual royalty payment date specified in Paragraph 4.03 of this Article IV, make up the deficiency of the royalties actually paid to such minimum sum.

LICENSERS duty to pay the minimum aggregate royalties, as is provided for in this section, shall not apply and such royalties shall not be due, in the event that LICENSEE is not able to achieve the minimum aggregate royalties due to the presence of a patent owned or controlled by a third party which could be infringed by LICENSERS practice of the: LICENSED METHODS or LICENSEE'S manufacture, use or sale of LICENSED PRODUCTS.

4.02 Royalties shall be payable in United States dollars, paid by check made payable to:

" DFAS-IN CENTRALIZED DISBURSING OFFICE"

and mailed to:

Centralized Disbursing Officer
DFAS-IN CENTRALIZED DISBURSING OFFICE
8899 E. 56TH STREET
INDIANAPOLIS, IN 46249-0833

On the statement accompanying the check, LICENSEE shall identify the inventor by his name (i.e., John Doe) and the LICENSED PATENTS by their respective U.S. Patent Applications Serial Nos. and it should be noted that the money is for *royalty income*.

4.03 LICENSEE shall pay royalties accrued as the result of NET SALES made subject to such royalties during each half calendar year ending on June 30 or December 31, respectively, on the following September 1st or March 1st. LICENSEE shall submit with its payment the written report required in Article V, Paragraph 5.0 1, of this Agreement. If no royalties are due, the report shall so state. Sales shall be considered to be made, for purposes of this paragraph and Paragraph 4.01 above, when invoiced, except that upon any termination of this Agreement, all shipments made on or prior to the day of such termination which have not been billed out prior thereto shall be considered as sold (and therefore subject to royalty).

4.04 LICENSEE shall pay within sixty (60) days from any termination of this Agreement all royalties (including minimum royalties) accrued or accruable for payment at the time of any such termination.

4.05 Royalty payments not received by LICENSOR by the due date shall be subject to interest charges computed at 5% per annum.

4.06 No royalty shall be payable under this Agreement for direct sales of LICENSED PRODUCTS by LICENSEE or any AFFILIATES or sublicensees to the United States Government or to any of its agencies for governmental purposes.

4.07 Only one royalty shall be payable under this Article IV regardless of how many claims of the LICENSED PATENTS cover LICENSED METHODS and LICENSED PRODUCTS or their use.

4.08 LICENSEE may elect to surrender its rights in any country or countries in the LICENSED AREA under the LICENSED PATENTS upon sixty (60) days written notice to LICENSOR and owe no subsequent royalty for sales in that country.

Article V

Reports and Records

5.00 LICENSEE shall provide within sixty (60) days of the end of each calendar year a written progress report detailing its efforts to bring the LICENSED METHODS and LICENSED PRODUCTS to the POINT OF PRACTICAL APPLICATION. No further annual progress reports will be required after notification of the first commercial sale of products attributable for use under the LICENSED PATENTS unless otherwise requested by LICENSOR,

5.01 Concurrently with each payment of royalties as required in Article IV of this Agreement, or at the time such payments are due although no royalties have accrued, LICENSEE shall submit a written report setting forth for the period of accrual of such royalties the amount of NET SALES by LICENSEE, its AFFILIATES and sublicensees in the ROYALTY AREA, and amount of royalties due thereon. If no royalties are due LICENSOR for any report period, the report shall so state.

5.02 The reports required under this Article V shall also be made within sixty (60) days of the termination of this Agreement.

5.03 LICENSEE agrees to keep records showing the NET SALES under the license granted in this Agreement in sufficient detail to enable the royalties payable hereunder by LICENSEE to be determined, and further agrees to permit its books and records so kept to be examined from time to time to the extent necessary to verify the reports provided for in this Article V, such , examination to be made at the expense of LICENSOR by any auditor appointed by LICENSOR who shall be acceptable to LICENSEE, or, at the option and expense of LICENSEE, by a certified public accountant appointed by LICENSOR.

Article VI

Government Approval Authority

6.00 All prior reviews and approvals required by regulations or law have been obtained by LICENSOR prior to the execution of this Agreement. LICENSOR official executing this Agreement has the requisite authority to do so. Notwithstanding the delegation of authority to execute this Agreement to the individual designated, the Secretary of the Army has reserved to the Assistant Secretary of the Army (Research, Development and Acquisition) the opportunity provided by 15 United States Code Section 3710a (c) (5) (A), to disapprove or require the modification of this Agreement within thirty (30) days of the date it is presented to him or her by the LICENSOR official executing this Agreement. Provided, however, that no modification of this Agreement shall be effective against LICENSEE unless LICENSEE has given prior written approval of the modification.

Article VII

LICENSEE Performance

7.00 LICENSEE shall expend reasonable efforts and resources, consistent with sound business judgment, to carry out the development and marketing of the licensed invention and to bring the LICENSED METHODS and LICENSED PRODUCTS to the POINT OF PRACTICAL APPLICATION, and thereafter during the term of this Agreement to continue to make the benefits of such methods and processes reasonably accessible to the public in the United States and its territories.

7.01 After bringing LICENSED METHODS and LICENSED PRODUCTS to the POINT OF PRACTICAL APPLICATION, LICENSEE agrees to make the use of PRODUCTS pursuant to the LICENSED METHODS and LICENSED PRODUCTS available to the U.S. public on reasonable terms during the term of this Agreement. LICENSEE shall promptly report any discontinuance of its making the benefits of the LICENSED PATENTS reasonably accessible to the U.S. public.

7.02 Failure to comply with the terms of this Article VII shall be cause for modification or termination of this Agreement in accordance with the provisions of Article X below.

Article VIII

Enforcement and Prosecution

8.00 LICENSOR and LICENSEE shall notify each other promptly in writing of any infringement of any of the LICENSED PATENTS which becomes known to either of them. LICENSEE shall notify LICENSOR promptly of any action taken in accordance with this Article VIII to eliminate such infringement.

8.01 LICENSEE is authorized pursuant to the provisions of Chapter 29 of Title 35, United States Code, or other statutes:

(a) To bring suit in its own name or, if required by law, jointly with LICENSOR, at its own expense and on its own behalf, for infringement of any of the LICENSED PATENTS;

(b) In any such suit, to enjoin infringement and to collect for its use, damages, profits, and awards of whatever nature recoverable for such infringement; and

(c) To defend any challenge to the validity of LICENSED PATENTS arising in the course of litigation for infringement or arising independently thereof.

LICENSEE may collect for its own use all damages, profits and awards of whatever nature are recoverable for such infringement, except that LICENSOR shall be paid a royalty at the rate designated in Article IV, Paragraph 4.00 based on that portion of LICENSEE's recovery of damages attributable to infringing sales.

8.02 In the event LICENSOR shall bring to the attention of LICENSEE any licensed infringement of the LICENSED PATENTS and LICENSEE shall not, within twelve (12) months,

(a) Secure cessation of the infringement;

(b) Have commenced licensing or settlement negotiations with any such unlicensed infringer, or

(c) Enter suit against the infringer,

LICENSOR shall thereafter have the right to sue for the infringement at LICENSOR'S own expense, and to collect for its own use all damages, profits and awards of whatever nature recoverable for such infringement.

8.03 LICENSOR and LICENSEE mutually agree to furnish technical and other necessary assistance to each other in conducting any litigation necessary to enforce the LICENSED PATENTS against others or to defend LICENSED PATENTS. Reasonable expenses for such assistance will be paid by the party requesting such assistance. LICENSEE shall have the authority to settle any suit under Paragraph 8.01, except as to questions of validity of any claim of LICENSED PATENTS in which case LICENSOR's approval is required, said approval not to be unreasonably withheld.

8.04 LICENSEE may, at its option, take responsibility for prosecuting LICENSED PATENTS either in-house or with the assistance of outside counsel reasonably acceptable to LICENSOR. LICENSOR agrees to provide LICENSEE with any necessary powers of attorney or other forms of authorization in order to do so. LICENSEE agrees to consult with LICENSOR on substantive matters regarding the prosecution and maintenance of LICENSED PATENTS and to provide LICENSOR with a copy of all substantive

communications received from or submitted to relevant patent authorities within the LICENSED AREA.

Article IX

Reservation of Rights

9.00 The license granted in Article III of this Agreement shall be subject to the irrevocable, royalty-free right of the Government of the United States to practice and have practiced on behalf of the United States the LICENSED METHODS and LICENSED PRODUCTS.

9.01 Notwithstanding the restrictions on sublicensing imposed upon LICENSEE Article III, Paragraph 3.00, LICENSOR reserves the right to require LICENSEE to grant sublicenses to responsible applicants on reasonable terms to the extent that the LICENSED PATENTS are required for public use by government regulations, welfare or safety needs. Any decision by LICENSOR to require such a sublicense may be appealed by LICENSEE under the procedures set forth in Article XI.

9.02 In order to facilitate the efforts of LICENSEE hereunder to bring LICENSED METHODS and LICENSED PRODUCTS to the POINT OF PRACTICAL APPLICATION, LICENSOR agrees to permit LICENSEE to grant sublicenses upon prior written approval so long as LICENSOR is notified sixty (60) days in advance in writing by LICENSEE. LICENSOR's approval shall be presumed to have been given if no indication to the contrary has been made by LICENSOR within that 60 day period. In the event that this Agreement is terminated, LICENSOR may accept the sublicensees as direct LICENSEES of LICENSOR subject to the terms and conditions of this Agreement. LICENSOR agrees to accept ABC Company, of Tokyo, Japan as a sublicensee of LICENSEE.

9.03 Sublicense rights shall be granted only to third parties that can reasonably demonstrate a strong capability and specific plan for the effective development and marketing of the LICENSED PRODUCTS and LICENSED METHODS, which shall benefit LICENSEE's and LICENSOR's mutual purposes and which shall be in accordance with LICENSOR's and LICENSEE's intent to rapidly commercialize the LICENSED PRODUCTS and LICENSED METHODS.

9.04 Within thirty (30) days after the execution of any future sublicense agreement, as authorized herein, LICENSEE shall forward to LICENSOR a fully executed copy of such sublicense agreement, except where such agreement has a confidentiality provision. In addition to providing LICENSOR with a copy of the executed sublicense agreement, should such sublicense agreement be written in a language other than English, LICENSEE shall provide LICENSOR with an English translation of the sublicense agreement.

9.05 Each future sublicense shall make reference to this Agreement including the rights retained by the Government. Each future sublicense agreement shall also include a provision stating that the sublicense agreement shall automatically be modified or terminated, in whole or in part, upon any modification or termination, in whole or in part, of this Agreement. Such modification or termination of the sublicense agreement shall be consistent with and reflect the modifications or termination of this Agreement.

9.06 In addition to all other royalties payable hereunder, and specifically excluding amounts that may be received from ABS Company which already has received a license under LICENSEE's technology, LICENSEE shall pay to LICENSOR a "passthrough royalty" on all payments from a sublicensee for grants of future sublicenses for the LICENSED PATENTS by LICENSEE to any sublicensee where such payments and considerations are exchanged for rights granted pursuant to this Agreement. This pass-through royalty shall be twenty-five percent (25%) of all such payments and considerations, but shall specifically exclude sublicensee purchases of LICENSOR's stock, research and development funding and performance milestone payments.

Article X

Term, Termination and Effective Date

10.00 The term of this Agreement begins on the date when it has been executed by both parties. Unless sooner terminated or otherwise modified as provided for in this Article X the term of this Agreement shall run for the full life of the last of the LICENSED PATENTS to expire and/or be declared invalid and/or unenforceable by a court of competent jurisdiction from which no appeal has been or can be taken. The life of the LICENSED PATENTS, shall also include any term of extension as provided for by the applicable laws, including Title 35, Chapter 14, United States Code. The effective date is the date on which LICENSOR'S REPRESENTATIVE signs the Agreement; LICENSOR'S REPRESENTATIVE shall be the last to sign. After signatures are obtained from each party, one copy of this document must be submitted to the Army Domestic Technology Transfer Program Manager at the following address:

Army Domestic Technology Transfer Program Manager
ATTN: James Wanko, AMSRL-CS-TT
U.S. Army Research Laboratory
2800 Powder Mill Road
Adelphi, MD 20793-1197

and another copy of the signed document must be submitted to the Judge Advocate General (JAG) at the following address:

Department of the Army
Office of the Judge Advocate General
Intellectual Property Law Division

901 North Stuart Street
Arlington, Virginia 22203-1837

Receipt of these copies by the Program Manager and the JAG commences a thirty (0) day period within which the Agreement may be disapproved or modification required. If no notice of disapproval or required modification is received from the reviewing authority during the review period, this Agreement shall enter into force as of the date of the signature of LICENSOR'S REPRESENTATIVE. If notice of required modification is received, LICENSEE shall have the right either to accept the modification, reject the modification and allow the Agreement not to become effective, or request changes in the modification acceptable to it at its option.

10.01 LICENSOR may modify or terminate this license, in whole or in part, if,

(a) LICENSEE fails to meet the obligations set forth in Article VII above

(b) LICENSOR determines that such action is necessary to meet requirements for public use specified by federal regulations issued after the date of this Agreement and such requirements are not reasonably satisfied by LICENSEE;

(c) LICENSEE has willfully made a false statement of, or willfully omitted, a material fact in the license application or in any report required by this Agreement;

(d) LICENSEE commits a substantial breach of a covenant or agreement contained in this Agreement;

(e) LICENSEE defaults in making any payment or report required by this Agreement;

(f) LICENSEE is adjudged a bankrupt or has its assets placed in the hands of a receiver or makes any assignment or other accommodation for the benefit of creditors; or

(g) LICENSEE is adjudged to have misused any of the LICENSED PATENTS.

LICENSEE retains the right to terminate this Agreement in the event that it disagrees with any modification thereof made by LICENSOR under this section and no relief satisfactory to it has been forthcoming upon request for the same under Paragraph 11.06, Any such termination must be made in writing.

10.02 LICENSEE shall have the right to terminate this license Agreement if, at any time, based upon the determination of LICENSEE, the development, sale and marketing of products for use pursuant to the LICENSED METHODS and LICENSED PRODUCTS are not economically feasible to LICENSEE, said right being exercisable with thirty (30) days written notice to terminate given by LICENSEE to LICENSOR.

10.03 Upon expiration or termination of this Agreement, neither party shall be obligated to the other, except as set forth in section 10.05 hereof, provided that all payments then due are first made to LICENSOR, and statements and payments with respect to NET SALES after the expiration or termination are thereafter made in accordance with this Agreement.

10.04 Prior to any modification or termination of this Agreement, LICENSOR shall furnish LICENSEE a written notice of intention to modify or terminate, and LICENSEE shall be allowed sixty (60) days after the date of such notice to remedy any breach or default of any covenant or agreement of this Agreement or to show cause why this Agreement should not be modified or terminated.

10.05 The word "termination" and cognate words, such as term and "terminate", used in this Article VII and elsewhere in this Agreement, are to be read, unless the contrary is specifically indicated, as omitting from their effect LICENSEE'S obligation to provide a report as specified in Article V, Paragraph 5.00 of this Agreement, which survives expiration to the degree necessary to permit its complete fulfillment or discharge:

(a) LICENSORS obligation to supply a terminal report as specified in Article V, Paragraph 5.02, of this Agreement;

(b) LICENSOR'S right to receive or recover and LICENSEE'S obligation to pay royalties (including minimum royalties) accrued or accruable for payment at the time of any termination as specified in Article IV, Paragraph 4.04 of this Agreement;

(c) LICENSEE'S obligation to maintain records and LICENSOR'S right to conduct a final audit as provided in Article V of this Agreement; and

(d) Any cause of action or claim of LICENSOR accrued or to accrue because of any breach or default by LICENSEE.

Article XI

General

11.00 This Agreement shall extend to any reissued or reexamined patent which may be derived from the LICENSED PATENTS, provided that LICENSOR has custody of the rights thereto and is able to grant a license without incurring liability to third parties. This Agreement shall not apply to the rights to any other invention, patent, or patent application of LICENSOR or LICENSEE.

11.01 This Agreement shall not be transferred or assigned by LICENSEE to any party other than to an AFFILIATE or a successor or assignee of the entire business interest of LICENSEE, without the approval of LICENSOR'S REPRESENTATIVE, except that LICENSEE may assign this Agreement without approval of LICENSOR'S

REPRESENTATIVE as part of a transfer of substantially all of its business assets relating to LICENSED PATENTS.

11.02 This Agreement does not confer any immunity from or defenses under the U.S. Antitrust Laws, or the U.S. export laws nor does it confer immunity from a charge of patent misuse in the U.S. Furthermore, LICENSEE'S acquisition and exercise of rights hereunder are not immunized from the operation of any state or federal law by reason of the grant. This Agreement does not constitute an endorsement by LICENSOR of any METHODS or LICENSED PRODUCTS and LICENSEE shall not state or imply that such endorsement exists as a result of this Agreement. LICENSEE may publicly identify the existence and general effect of this Agreement and may make whatever submissions regarding this Agreement may be appropriate to the U.S. Securities and Exchange Commission and other governmental entities.

11.03 LICENSOR makes no warranty, express or implied, regarding the patentability or validity of the LICENSED PATENTS and representations whatsoever with regard to the scope of the LICENSED PATENTS or that the LICENSED PATENTS may be exploited without infringing other patents.

11.04 LICENSEE agrees to maintain the LICENSED PATENTS in force during the term of this Agreement by paying, when due, any fees required by applicable law.

11.05 LICENSOR assumes no liability resulting from LICENSEE'S exercise of its rights under this Agreement or from LICENSOR'S exercise of its rights under this Agreement including modification or termination thereof

11.06 The parties agree to attempt to resolve any dispute arising under this Agreement by agreement of the persons designated as points of contact in Paragraph 11.07 of this Agreement, or their successors performing the same function. Both designated points of contact shall act in good faith in jointly disposing of any dispute. LICENSEE may thereafter pursue any available administrative or legal remedies.

11.07 The parties shall notify each other of any changes in name, address, or business status, and any notice, payment or report required to be given under the provisions of this Agreement shall be considered duly given if mailed by first class mail, postage prepaid or if shipped by a recognized express/overnight delivery service provider addressed as follows:

a. If to LICENSOR:

Army Domestic Technology Transfer Program Manager
ATTN: James Wanko, AMSRL-CS-TT
U.S. Army Research Laboratory
2800 Powder Mill Road
Adelphi, MD 20783-1197

b. If to LICENSEE:

Jane Doe
President and Chief Executive Officer
XYZ Company Room
3705, Carlisle Road,
Carlisle, PA USA 17xxx

11.08 The interpretation and application of the provisions of this Agreement shall be governed by the laws of the United States as interpreted and applied by the federal courts in the District of Columbia, United States of America.

11.09 This Agreement constitutes the entire understanding between the parties and neither party shall be obligated by any condition or representation other than those expressly stated herein or as may be subsequently agreed to by the parties hereto in writing. This Agreement may be signed by the parties in counterpart Agreements.

11.10 In the event any provision of this Agreement is declared void or unenforceable or becomes unlawful in its operation, such provision shall not affect the rights and obligations of the parties with regard to the remaining provisions of this Agreement which shall continue as binding. The unlawful or unenforceable provision shall be substituted by a lawful or enforceable provision if such a substituted provision is agreed to by the parties.

11.11 The waiver of any breach or non-enforcement or any provision of this Agreement shall not be construed to constitute a waiver of any other breach or provision hereof
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11.12 The parties hereto shall not be liable in any manner for the failure or delay in fulfillment of all or any part of this Agreement by reasons, directly or indirectly, of any causes or circumstances beyond their control, including Acts of God, Governmental order or restrictions, war, war-like conditions, hostilities, sanctions, mobilization, embargo, detention, revolution, riot, looting, strike, lockout, plague or other epidemics, fire or flood.

11.13 LICENSOR shall treat as confidential business information all information provided by LICENSEE in connection with its application for this License Agreement and any subsequent reports or submissions made pursuant thereto.

IN WITNESS THEREOF, each of the Parties hereto has caused this Agreement to be executed in duplicate originals by its duly authorized officers or representatives.

U.S. Army

Date: _____

By:
COL William T. Vossler

Director
U.S. Army Military History Institute

XYZ Company.

Date: _____

Jane Doe
President and CEO
XYZ Company

EXHIBIT A

Licensed Patent Applications and Patents

| Patent No.: | Application Serial Nos. |
|-------------------|-------------------------------------|
| S. Africa 92/6964 | U.S. SN 07/878,372 (filed 5/4/92) |
| Taiwan NI-66154 | U.S. SN 08/145,660 (filed 11/14/93) |
| | U.S. SN 08/844,349 (filed 4/18/97) |
| | Indonesia No. P-004712 |
| | Japan No. 506083/93 |
| | Japan No. 6-34589/94 |
| | Malaysia No. P1920163 |
| | Mexico No. 925240 |
| | Philippines No. 44927 |
| | PCT US92/07556 |
| | Australia No. 26447/92 |
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Appendix M
Legal Opinion of the General Counsel
Secretary of the Army

(Published separately)