



U.S. DEPARTMENT OF
ENERGY

THE TECHNOLOGY TRANSFER WORKING GROUP
LICENSING GUIDE
AND SAMPLE LICENSE

2024
UPDATE



Dear Prospective Licensee,

So, you want to commercialize groundbreaking technology—thank you for taking this leap! We at the U.S. Department of Energy (DOE) know this is not an easy endeavor and want to help by making it more straightforward to access the innovations being developed at the DOE national laboratories and facilities. We are committed to supporting visionaries like you, ready to tackle the challenges of bringing these ideas to market.

Through the Energy Policy Act of 2005, the DOE Technology Transfer Working Group (TTWG) is chartered to improve technology transfer and commercialization activities across DOE in close coordination with the DOE Office of Technology Transitions (DOE-OTT). As a result, TTWG and DOE-OTT are excited to present the updated 2024 licensing guide, along with a sample license, to convey the kinds of provisions you should expect when engaging with DOE national labs and facilities in licensing some of the transformative intellectual property developed by their brilliant research staff.

Intellectual property from DOE national laboratories and facilities is ready and waiting for your engagement. Managed and licensed directly by the originating lab or facility, these technologies are just a step away from contributing to your business success. The DOE-OTT's Lab Partnering Service offers a comprehensive database of available technologies. Dive into this resource to discover technologies that align with your strategic business needs and start engaging directly with the relevant lab's technology transfer offices. In addition, many of the DOE national laboratories identify technologies available for licensing on their web sites.

Obtaining a license is essential for accessing commercialization rights to patented and copyrighted intellectual property. While licensing terms vary across labs and facilities, our foundational goal remains steadfast—to equip businesses like yours with the necessary tools to transform these innovations into products and services that drive economic growth.

This updated guide and sample license aim to demystify the licensing process, making it more understandable and navigable, especially for small businesses and entrepreneurs. It marks a clear path through the complexities of federal technology licensing.

We appreciate the contribution of the TTWG members across the DOE laboratory complex, whose efforts have made this resource possible. Your decision to engage with DOE's technology transfer efforts marks a critical step toward deploying world-class research for global benefit—a key process that underscores America's leadership in technological innovation.

Thank you for your commitment to advancing technology with us. We look forward to supporting your endeavors to bring innovative solutions to the marketplace.

Sincerely,



Dr. Vanessa Chan
Chief Commercialization Officer
Director, Office of Technology Transitions
U.S. Department of Energy



Mariann Johnston
Deputy Program Manager
Los Alamos National Laboratory
FY24 Chair, U.S. DOE Technology Transfer Working Group

TTWG Licensing Committee (2024)

Eric Payne (Chair)	National Renewable Energy Laboratory
Jennifer Caldwell	Oak Ridge National Laboratory
Poorni Upadhyia	Brookhaven National Laboratory
Hemant Bhimnathwala	Argonne National Laboratory
Julienne Krennrich	Ames National Laboratory
Jasbir Kindra	Lawrence Berkeley National Laboratory
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Chris Wright	Princeton Plasma Physics Laboratory
Joel Sikora	Sandia National Laboratories
Despina Milathianaki	SLAC National Accelerator Laboratory
Byron Sohovich	Savannah River National Laboratory
Marla Schuchman	Thomas Jefferson National Accelerator Facility
Andy Myers	Kansas City National Security Campus

Technology Transfer Websites for the DOE Laboratories

Ames National Laboratory	https://www.ameslab.gov/work-us
Argonne National Laboratory	https://www.anl.gov/partnerships/commercialization-programs
Brookhaven National Laboratory	http://www.bnl.gov/techtransfer/
Fermi National Accelerator Laboratory	https://partnerships.fnal.gov/
Idaho National Laboratory	https://inl.gov/technology-deployment/
Kansas City National Security Campus	https://kcncsc.doe.gov/technologies/licensing-technologies
Lawrence Berkeley National Laboratory	https://www.lbl.gov/engage/partner-with-us/
Lawrence Livermore National Laboratory	https://ipo.llnl.gov/
Los Alamos National Laboratory	https://www.lanl.gov/feynmancenter
National Energy Technology Laboratory	https://netl.doe.gov/business/tech-transfer/licensing
National Renewable Energy Laboratory	https://www.nrel.gov/workingwithus/licensing.html
Oak Ridge National Laboratory	https://www.ornl.gov/technology-transfer
Pantex Plant	https://pantex.energy.gov/mission/technology-development-and-transfer
Pacific Northwest National Laboratory	https://www.pnnl.gov/licensing-technology-transfer
Princeton Plasma Physics Laboratory	https://innovation.pppl.gov/
Sandia National Laboratories	https://ip.sandia.gov/
Savannah River National Laboratory	https://www.srnl.gov/partner-with-us/industry-partners/
SLAC National Accelerator Laboratory	https://partnerships.slac.stanford.edu/
Thomas Jefferson National Accelerator Facility	https://www.jlab.org/techtransfer
Y-12 National Security Complex	https://www.y12.doe.gov/technologies

Introduction

The U.S. Department of Energy (DOE) and National Nuclear Security Administration DOE Laboratories (“DOE Laboratories”) perform world-class fundamental research and applied R&D. Scientific advancements emanating from this research can impact and drive the global marketplace, strengthening U.S. competitiveness, supporting economic development in our communities, and protecting U.S. economic and national security. Breakthrough technologies and scientific innovation often result in the creation of patents, copyrights or both types of intellectual property (IP) that may support business, create domestic jobs, and help transfer technology to the marketplace. The DOE Laboratories eagerly work with companies to license such IP so that these technologies become products, services, and consumer goods that benefit the public.

License agreements are the legal instrument by which the DOE Laboratories grant access to their IP. As a general rule, DOE Laboratories license rights for inventions in a patent application or issued patent, and they license copyrights for software. Most DOE Laboratories have a technology transfer office with professionals committed to transferring their technologies to the private sector. Although the technology transfer offices at DOE Laboratories have much in common, each Laboratory has developed its own approach to licensing technology and licensing strategy. Because of DOE IP policies and the unique set of laws and policies governing the licensing of federally funded research, licensing agreements for technology developed at DOE Laboratories have some terms and conditions that may not be present in a license agreement between private entities. The purpose of this document is to describe a “typical” DOE Laboratory IP license agreement, providing prospective licensees with an understanding of the terms and conditions found in most of these agreements.

History

Prior to 1980, the U.S. government had accumulated 28,000 patents, and fewer than 5% were commercially licensed. Through a series of landmark legislative acts in the 1980s—including the Bayh-Dole Act, the Stevenson-Wydler Act, the Federal Technology Transfer Act, and the National Competitiveness Technology Transfer Act—universities and contractors operating DOE Laboratories were authorized to retain title to inventions created with federal funding. In addition, they were able to pursue patent protection for inventions and license those patents and patent applications to third parties. The enabling laws and agency-specific policies and practices were designed to protect domestic interests in critical energy technologies to promote national economic

security. These protections are reflected in the DOE Laboratories' license agreements.¹ Today the DOE Laboratories annually develop more than 2,000 new inventions, receive more than 650 U.S. patents, and execute more than 300 new license agreements. In 2020, the DOE reported more than 2,500 active license agreements from its Laboratories and Facilities.

Laboratory and Facility Management and Operating Contractors

Most DOE Laboratories are government-owned, contractor-operated (GOCO) facilities, meaning they are owned by DOE but managed by companies, universities, or university consortia under management and operating (M&O) contracts. (The sole exception is the National Energy Technology Laboratory which is a government-owned, government-operated, or GOGO, facility.) Among many other things, the M&O contracts establish the requirements for the M&O contractor to obtain title and license DOE technologies. License agreements for DOE Laboratory and Facility technologies are between the M&O contractor and the licensing entity (licensee). In most cases, when an M&O contractor for a Laboratory/facility changes, the departing contractor assigns its ownership of the Laboratory technologies to the successor contractor.

Typical License Business Terms

The terms of each license agreement vary commensurately with the market value of each technology and the common licensing practices of the relevant industrial sector. Some of the more common terms are described below:

Monetary Terms. Licenses typically have at least these four monetary terms:

- License issue fee, due upon execution of the agreement;
- Running royalty, most commonly based on a percentage of sales;
- Minimum annual royalties or milestone payments; and
- Patent cost reimbursements, which may include expenses incurred for patent filing, patent prosecution and maintenance, and governmental patent office fees (e.g., filing fees, issue fees, maintenance fees, and annuities).

In some cases, DOE Laboratories are able to accept company equity in lieu of cash for a portion of these payments.

¹ Department of Energy Determination of Exceptional Circumstances. 2021. "Department of Energy Determination of Exceptional Circumstances Under the Bayh-Dole Act to Further Promote Domestic Manufacture of DOE Science and Energy Technologies." June 3, 2022. <https://www.energy.gov/gc/determination-exceptional-circumstances-decs>

Performance Requirements. Licenses also contain performance requirements for the licensee. These are mutually agreed upon milestones that reflect the licensee's expected progress toward the development of the technology into a product and/or service. These requirements ensure that technologies developed at the DOE Laboratories are diligently commercialized and that the public ultimately enjoys the benefits provided by the product or service.

Business / Commercialization Plan Requirements. Most DOE Laboratories require a business and commercialization plan to be provided by a licensee prior to negotiating a license. This business plan typically contains details about the general business opportunity, market, set of commercialization milestones (technical, company, and market), and resources required to achieve those milestones. In many cases, the business and commercialization plan provided by the licensee supports and justifies license terms such as the performance requirements of the license, the type of license granted, and the field of use for the license.

Field of Use. Licenses are often limited by defined fields of use. This means the technology is licensed according to the licensee's intended use or the anticipated market. Technology transfer offices work closely with prospective licensees to determine a reasonable field of use that supports the company's business plan and commercialization strategy.

Exclusivity. Licenses may be exclusive, co-exclusive, partially exclusive, or non-exclusive. In any of these cases, the license will normally be granted for a specific field of use. An invention may be licensed exclusively to more than one company in clearly separate fields of use or may be co-exclusively licensed to a limited number of companies. In some cases, exclusivity may be limited by field of use, time, or territory.

How do DOE Laboratories Choose a Licensee?

DOE Laboratories seek licensees who are most able to develop products or services to bring a technology to market. The criteria typically used to qualify a licensee are:

- R&D capabilities
- Financial resources
- Management commitment
- Experience in relevant markets
- Manufacturing capabilities in the United States.

Government Required Terms and Practices

As noted above, because DOE Laboratories are government-owned, their business policies and licensing terms can differ from those found in the private sector. Some of

the requirements stem from statutes governing all federally funded research, and some stem from statutes, regulations, or policies unique to the DOE.

Licensing Requirements Based on U.S. Law and DOE Regulations and Policies

Preference for Small Business. Assuming all factors are equal, the laws governing the disposition of inventions developed using federal funds include an obligation to provide preferential consideration to U.S. small businesses if such companies demonstrate the capacity and commitment to commercialize the technology.

Requirement for Substantial Manufacturing in the U.S. for Products. Under DOE requirements, products produced under licenses for IP developed with federal funding must be substantially manufactured in the U.S. The intent of these requirements is to ensure that the taxpayers' investment in research and development at DOE Laboratories benefits the U.S. economy, for example, through job creation and investments benefitting the U.S. economy. Waivers may be considered by the DOE if domestic manufacturing of the product is not commercially feasible or if attempts to find a U.S. manufacturer have been unsuccessful.

Government March-In Rights. Under limited circumstances, generally relating to an urgent national need and a licensee's inability to commercialize an invention to meet that need, the U.S. government retains the right to grant a license to a technology developed under federal funding. However, 35 U.S.C. § 203 provides that an exclusive licensee will first be provided the right to sublicense the exclusively licensed technology prior to the government exercising its march-in-rights. While this required provision may be a source of concern to prospective licensees, in practice the U.S. government has never exercised this right.

Government Use Rights. All licenses of IP developed under federal funding must grant the U.S. government non-exclusive rights to use such IP by or on behalf of the U.S. government. This means that if a licensee of an invention sells a patent-protected product to the U.S. government or is contracted by the U.S. government to perform a service that requires the use of the invention, the U.S. government is not obligated to pay royalties on such sales or services. In addition, a company that is contracted by the U.S. government to supply a product or service requiring the use of a federally funded invention may use the invention without an obligation to have a license. For example, the government may issue a contract to supply the U.S. Army with a vaccine that is covered by a DOE Laboratory patent. Such "Government Use" does not require a license from the DOE Laboratory that invented the vaccine.

Conflicts of Interest. Public Law 101-189 (National Competitiveness Technology Transfer Act of 1989) contemplated that the agencies would address conflict of interest in their technology transfer activities. DOE included specific provisions in the Technology Transfer Clause in all DOE management and operating laboratory contracts in which the contractor was given the authority to conduct technology transfer. These provisions require the contractors to have implementing procedures, approved by the DOE Contracting Officer, that seek to avoid employee and organizational conflicts of interest in the conduct of technology transfer activities. The procedures include a requirement that the contractor must get approval from the DOE Contracting Officer prior to the assignment, exclusive licensing, or option for exclusive licensing of any intellectual property to (1) an individual who has been a Laboratory employee in the previous two years or (2) the company in which the individual is a principal.

Licensing Requirements Based on DOE Policies

Fairness of Opportunity. DOE policy requires DOE Laboratories to take reasonable measures to ensure widespread public notice of opportunities to license inventions developed with DOE funding.

U.S. Competitiveness. The DOE requires its DOE Laboratories to consider each license agreement's specific benefits to U.S. competitiveness. The requirement for U.S. competitiveness can be satisfied by either substantially manufacturing products in the U.S. or by having a business unit in the U.S. that provides significant economic and technical benefits to the U.S. The DOE Laboratory or Facility must evaluate several factors to determine whether a licensee meets the U.S. competitiveness requirement. If the technology transfer officer at the DOE Laboratory or Facility concludes that the U.S. competitiveness requirement will not be met, the officer must obtain DOE approval to proceed with the license agreement, particularly in the case of an exclusive license agreement.

Export Control. All DOE Laboratories are required to include an export control clause in their license agreements. This clause simply states that the licensee agrees to comply with export control laws designed to protect items and information important to the U.S. The provision does not impose additional requirements beyond laws and regulations.

Product Liability. Companies licensing DOE-funded IP are required to indemnify the licensor while carrying product liability insurance at appropriate levels to cover commercial activities related to the commercialization of licensed products.

Controls to Protect Domestic Economic and National Security. Because of significant economic and national security interests in DOE-funded technical solutions, DOE Laboratories must protect the IP being licensed from unauthorized foreign acquisition and use. Licensees are required to report any change in control of their organization and any transfer or attempt to transfer the license may be disapproved or prohibited when the entity acquiring control or license rights presents an unmanageable national or economic security risk, particularly with respect to critical and emerging technologies.

Anti-collateral. DOE Laboratories cannot allow licensing agreements for DOE-funded IP to be pledged by the licensees as collateral to secure financing. Accordingly, lenders cannot take financial security interests in DOE Laboratory issued licenses.

Compliance. Because DOE Laboratories are stewards of publicly funded innovations, they must ensure each company granted rights to DOE-funded IP is actively and diligently pursuing the commercialization and deployment of licensed patents. Licensing agreements will include specific commitments by licensees to effectively deploy inventions of the licensed patents. Agreements also contain monitoring and compliance terms to ensure licensors have visibility into these commitments as well as conditions that enable either termination of the license or claw back of the licensed IP if commercialization has not been achieved.

About the Sample License

This sample license is for illustrational and discussion purposes only and is not the exact license agreement that you will find at any of the DOE Laboratories or Facilities. The sample license is intended to provide prospective licensees with an example of the basic provisions that may be included in a non-exclusive license.

Typical Terms of a DOE Laboratory or Facility License

Preamble

The first paragraph of the contract simply identifies the parties to the agreement, the nature of the parties, and the effective date of the agreement.

Background

Sometimes called the Recitals, the Background clause introduces the nature of the contractual relationship and does not contain legally binding terms. In some agreements, this clause begins with the word "Whereas."

Article 1: Terms and Conditions

This is simply the formal statement that the parties agree to be legally bound by the terms and conditions of the agreement.

Article 2: Definitions

To streamline the contract language, important terms are defined at the beginning. The first letter of defined terms is capitalized. The Definitions section is important because it contains several potentially negotiable contract terms. Some of the most common definitions in license agreements are Accounting Period, Effective Date, Field of Use, Licensed Products, Licensed Processes, Gross Sales, Net Sales, Licensed Patents, Patent Costs, and Royalties.

Article 3: Grant

The Grant clause specifies the rights transferred to the licensee. A licensee should consider whether the rights provided under the Grant clause support its business model and the anticipated use of the licensed patents. The grant of rights may include an extension of rights to Affiliates or sublicensing rights, though the right to grant sublicenses is typically only granted in exclusive licenses and will include additional terms and conditions. The Grant in the sample license includes all rights protected by the licensed patents (make, have made, use, sell, etc.) but may be limited to a field of use. Some agreements may grant only a subset of these rights. For example, a research-only license will grant only the right to make and to use licensed products for internal research purposes.

Article 4: Consideration and Financial Obligations

Article 4 describes the licensee's obligations under the license agreement. Typically, these obligations include financial obligations (execution fee, minimum royalties, running royalties, and patent reimbursement) as well as diligence obligations to meet milestones defined in the license agreement (Exhibit C, "Diligence for Licensed Patent" in the sample license). In the sample license, the financial obligations are defined in Exhibit B, and the Report Schedule and Form are included in Exhibit D. Obligations under the agreement may have due dates that are tied to the Accounting Period, or they may have specific annual, semiannual, or quarterly due dates. Article 4 notes that the licensee will not owe royalties for licensed products purchased by the U.S. government because the U.S. government already has access to the technology through its government license rights. The licensee therefore agrees to reduce the price to the U.S. government by the amount of the royalty it would otherwise owe. This also applies to sales to entities contracted by the U.S. government to provide such products or services.

Provisions for interest on late payments are typically included in DOE Laboratory or Facility licenses to encourage timely payment.

Article 5: Patent Prosecution and Reimbursement

The sample license assigns responsibility to the DOE Laboratory or Facility contractor for preparing, filing, prosecuting, and maintaining the licensed patents, and it stipulates that the licensee(s) will reimburse the DOE Laboratory or Facility for incurred patent expenses. While this is standard practice among the DOE Laboratories Facilities, each Laboratory may have its own practice for patent reimbursement. For example, the DOE Laboratory Facility contractor may choose to license the same patents non-exclusively to more than one licensee. In this case, the contractor may require that each licensee reimburse patent costs on a pro-rata basis with the other licensees.

Article 6: Conditions of Grant

Article 6 calls out several required terms imposed on the licensee by federal law or DOE policy. These terms are typically non-negotiable.

U.S. Competitiveness. As described above, DOE requires its DOE Laboratories to demonstrate the specific economic benefit of a license to the U.S. economy. The sample license includes the requirement to substantially manufacture licensed products covered by relevant Laboratory-owned patents or patent applications in the U.S. Other considerations include whether the licensee has a business unit in the U.S. and provides a significant economic and technical benefit to the U.S. economy.

Markings. U.S. patent laws allow for recovery of patent infringement damages for the period of time after an infringer had actual or constructive notice of the infringed patent. Actual notice can be provided by way of a letter after infringement has begun and been discovered. Constructive notice can be provided before actual notice by marking a patented product with an applicable patent number, thereby extending the period for which damages can be recovered. For this reason, most DOE Laboratory or Facility licenses require licensed products to be marked "patent pending" for not-yet-issued patents or the word "patent" or abbreviation "pat" followed by the issued patent number. Under the America Invents Act (signed into law on September 16, 2011), patent owners may now comply with patent marking requirements by marking their products with the address of a web page that identifies patent numbers in association with the marked product.

Advertising/Financing. The Conditions of Grant article typically defines the conditions under which licensed rights may be used as advertisements or as collateral.

Change in Control. The license agreement will include a requirement that the licensee report any change in control of their organization to the DOE Laboratory or Facility

licensing the IP. This is an important tool to help the DOE and DOE Laboratories understand where the benefits of technology licenses are ultimately realized.

[Article 7: Records, Reports, and Royalty Payments](#)

Article 7 of the sample license defines recordkeeping requirements for verification of royalty calculations. It also includes reporting requirements such as the licensee's compliance with the U.S. substantial manufacturing requirement.

[Article 8: Breach and Termination](#)

Article 8 describes the circumstances under which the license may expire or be terminated. The agreement automatically terminates when all licensed patents expire or are invalidated. In general, the DOE Laboratory or Facility may terminate the agreement for financial and material breaches. The licensee, on the other hand, typically may terminate the agreement with a written notice for any reason at any time. In the sample license, the licensee is required to provide 60-day written notice prior to termination. Also, the licensee must pay all outstanding royalties and provide reports.

[Article 9: Infringement](#)

The Infringement Article addresses the actions that are required in the event of third-party infringement or suspected infringement of the licensed patents.

Some DOE Laboratories include provisions that establish the ground rules for pursuing legal action against infringers of the licensed patents. For example, the DOE Laboratory or facility may reserve the first option to take action with DOE approval but will not be obligated to take action on behalf of the licensee. With an exclusive license, a Laboratory or facility may opt to not take action. In this case, the licensee may have the option to file suit. The article may also define how the costs and proceeds of any legal action will be shared.

[Article 10: Exportation of Technical Information](#)

This provision reminds licensees of obligations to comply with all applicable export control laws and regulations. It requires the licensees to indemnify the Laboratory or facility against any penalties incurred if the licensee is found to have violated those laws and regulations.

[Article 11: Disclaimer](#)

All licenses include a disclaimer stating that the DOE Laboratory or Facility and DOE do not make any representations or warranties regarding the licensee's exercise of granted rights. This is standard licensing practice and must be included in a DOE Laboratory or Facility license.

Article 12: Representations and Warranties

While the specific representations and warranties vary between DOE Laboratories, they generally include warranties that they can grant licenses to the IP.

Article 13: Product Liability Indemnity

DOE M&O contracts require that all technology transfer agreements include a provision requiring the licensee to indemnify the U.S. government and the M&O contractor for all damages, costs, and expenses arising from personal or property damage related to the use of the licensed patents. Although the contract language may vary slightly from laboratory to laboratory, product liability indemnification is a required part of the license agreement. The DOE Laboratory or Facility may also require a licensee to acquire and maintain insurance for its activities related to the licensed patents and the agreement.

Article 14: Notice

Article 14 in the sample license identifies points of contact and provides instructions for communications and notifications.

Article 15: Entire Agreement and Legal Amendments

Article 15 addresses amendments and establishes priorities for resolving conflicts with other agreements.

Article 16: Successors and Assigns

Because DOE periodically may select a new M&O contractor to manage a DOE Laboratory or Facility, license agreements must address assignment of IP to a successor M&O contractor or DOE. In either case, the provisions of the license agreement will normally remain in effect. The licensed rights cannot be assigned for the benefit of creditors of the licensee. In the event of an impending bankruptcy by the licensee, the license will be terminated prior to licensee's initiating bankruptcy proceedings.

Article 17: Disputes and Governing Laws

As with most contracts, license agreements normally identify the jurisdiction and process for resolving disputes.

Article 18: Use of Names

Normally, licensees are not permitted to name the government, DOE, licensing DOE Laboratory or Facility, or inventors in its advertising and marketing materials. Exceptions to this prohibition typically require prior written approval by the DOE Laboratory or Facility.

Article 19: Miscellaneous

This article includes provisions that clarify interpretation of certain aspects of the agreement.

Article 20: Offer

The final article contains signature blocks for executing the agreement. The license is not in effect until both parties have signed the agreement. Some DOE Laboratories or Facilities also require receipt of the execution fee before the agreement is binding.

Exhibits

In the sample license, the information specific to a particular transaction is contained in the exhibits. However, in some licenses, this information is integrated into the body of the agreement, in which case the entire agreement should be considered confidential.

Exhibit A

Intellectual Property: Licenses list the IP (licensed patents) in an exhibit to the agreement or in the body of the agreement.

Exhibit B

License Fees: License fees, payments, and other considerations are often defined in an exhibit to the agreement. Normally, this exhibit is deemed confidential data not to be disclosed to any third party without the consent of the licensee and licensor.

Exhibit C

Diligence for Licensed Patent: Performance milestones are often defined in this exhibit. The milestones can range from completion of specific development efforts to specific commitments tied to product sales. As with the license financial terms exhibit, the performance exhibit is normally deemed confidential.

Exhibit D

Report Schedule and Form: Many licenses provide a form for reporting sales and for calculating royalties due under the agreement. This exhibit is normally deemed confidential.

DISCLAIMER FOR SAMPLE LICENSE

This sample license is for illustrational and discussion purposes only. The license is included as one of several components of this Licensing Guide for prospective licensees of technology developed at National Laboratories and facilities operated on behalf of the U.S. Department of Energy (DOE). It is meant to provide prospective licensees with an example of the basic provisions that may be included in a nonexclusive license. Not all provisions are necessarily applicable to every licensing deal. However, to provide the most comprehensive guide, we have included many of the provisions that could be part of a nonexclusive license. Therefore, this sample license is not the exact license agreement that you will find at any DOE Laboratory or facility.

Except where indicated below, the language and terms in a license are negotiable. Certain licensing terms are required by DOE to meet legislative requirements, as indicated in this sample license and further outlined in the Licensing Guide. While the intent of these required provisions is generally the same among different Laboratories and facilities, the language and breadth of the provisions may vary greatly. For the specifics on licensing intellectual property from an individual Laboratory and facility, we encourage you to contact its technology transfer office. The Licensing Guide includes a table with links to the technology transfer websites for the Laboratories and facilities.

NONEXCLUSIVE COMMERCIAL PATENT LICENSE AGREEMENT

(Reference #XXXX)

This license agreement (hereinafter "Agreement"), which shall be effective on the date it is executed by the last Party to sign (the "Effective Date") below, is between [LABORATORY/FACILITY OPERATOR] (hereinafter "Licensor"), Management and Operating Contractor for the [DOE LABORATORY/FACILITY], and [COMPANY NAME] (hereinafter "Licensee"), a for-profit company organized and existing under the laws of the State of [NAME of STATE] and having a principal place of business at [COMPANY ADDRESS], hereinafter referred to individually as "Party" and jointly as "Parties."

BACKGROUND

Licensor manages and operates [DOE LABORATORY/FACILITY] under authority of its Prime Contract No. [M&O CONTRACT REFERENCE] (hereinafter "Prime Contract") with the United States Government as represented by the U.S. Department of Energy (hereinafter "DOE");

Licensee is a [TYPE of BUSINESS] business located in [NAME of STATE], and as applicable, has worked closely with [DOE LABORATORY/FACILITY] on [DEFINE the TECHNICAL PARTNERSHIP TYPE], and related projects;

Licensee is interested in acquiring certain rights to Licensor's inventions and plans to expand its current line of [TYPE] products by developing and commercializing a [PRODUCT LINE] based on such inventions; and

Licensor is willing to grant such rights so that the inventions will be developed and be used to the fullest extent possible for the benefit of the general public.

ARTICLE 1

SAMPLE TERMS & CONDITIONS

THEREFORE, in consideration of the foregoing premises, covenants, and agreements contained herein, the Parties agree to be bound as follows:

SAMPLE LICENSE FOR ILLUSTRATIONAL AND DISCUSSION PURPOSES ONLY

ARTICLE 2 DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth below:

- 2.1 “Accounting Period” means the period from January 1 through December 31 of each year, with the first Accounting Period beginning on the Effective Date.
- 2.2 “Change in Control” means any event representing a change in ownership amounting to a controlling interest in Licensee.
- 2.3 “Dispose,” “Dispose of,” or “Disposition” means the sale, lease, or other transfer of Licensed Products or Licensed Processes.
- 2.4 “DOE Country of Risk” means those countries defined, at the time of the relevant Change in Control transaction, by DOE as Foreign Countries of Risk. At the time of execution of this Agreement, the DOE Countries of Risk are Russia, China, Iran, and North Korea.
- 2.5 “Effective Date” means the date of the signature of the last Party to sign this Agreement.
- 2.6 “Field(s) of Use” means and is limited to _____.
- 2.7 “Government” means the Federal Government of the United States of America.
- 2.8 “Gross Sales” means the U.S. dollar value of all consideration to which Licensee is entitled for the Disposition of Licensed Products and the U.S. dollar value of all consideration to which the Licensee is entitled for the practice of Licensed Processes. In the event Licensee does not ultimately Dispose of Licensed Products, or Licensee Disposes of Licensed Products for less than fair market value, the fair market value of such Licensed Products (as if there had been a fair market value Disposition to an unaffiliated third party) shall be included in Gross Sales.
- 2.9 “Licensed Patents” means each patent and patent application listed in Exhibit A owned by [LABORATORY/FACILITY OPERATOR], and any patents issuing in any country at any time from such application and any divisions, continuations, continuations-in-part (excluding those claims in such applications claiming new subject matter) thereof, and all reissues, reexaminations, inter partes reviews, post-grant reviews, or extensions of any such patents, and all patent applications corresponding to any of the foregoing. The term “Licensed Patents” does not include any patent found to be unenforceable or invalid by a

SAMPLE LICENSE FOR ILLUSTRATIONAL AND DISCUSSION PURPOSES ONLY

final decision by a Court of competent jurisdiction from which no appeal has or can be taken as of the date of the Court's finding; provided, however, that Licensee shall pay any such royalties that accrued before such decision or that are based on another patent or claim not involved in such decision.

2.10 "Licensed Processes" means any use or service that use, practice, Disposal of, or offer for sale of which, but for the license granted in this Agreement, would infringe or contribute to the infringement of a claim of a Licensed Patent.

2.11 "Licensed Products" means any device, apparatus, product, compound, composition of matter, product by process, kit, system, material or algorithm, the manufacture, use, Disposal of, offer for sale, or import of which, but for the license granted in this Agreement, would infringe or contribute to the infringement of a claim of a Licensed Patent.

2.12 "Net Sales" means the Gross Sales less the total of the following deductions:

- (a) sales tariffs, duties, and/or taxes, except for taxes on income, imposed on the Licensed Products manufactured in the United States;
- (b) outbound transportation prepaid or allowed; and
- (c) amounts allowed or credited on returns.

The foregoing deductions must all be directly attributable to the sale of Licensed Products and actually identified on an invoice for such Licensed Products.

2.13 "Patent Costs" means the verifiable costs related to the preparation, filing, prosecution, re-examinations, reissues, appeals, post grant challenges, derivation proceedings, annuities, and maintenance of U.S. and foreign Licensed Patents.

2.14 "Royalty" and "Royalties" mean the payments owed to Licensor based on Net Sales as specified in Exhibit B.

2.15 "Term" means the period of time starting on the Effective Date and continuing until expiration of the last to expire of the Licensed Patents, subject to the terms of Article 8.

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ARTICLE 3

GRANT

- 3.1 Licensors grants to Licensee, and Licensee accepts for the Term of this Agreement, a nonexclusive, nontransferable, royalty-bearing commercial license under the Licensed Patents to make, have made, use, offer to sell, sell, Dispose of, and import the Licensed Products in the Field of Use. All other rights not expressly granted in this License Agreement are reserved by the Licensor.
- 3.2 Licensee acknowledges that no license is granted or implied hereunder and shall not make, have made, offer to sell, sell, Dispose of, or import the Licensed Products outside the Field of Use. Licensee agrees that its making, having made, using, offering to sell, selling, Disposing of, and importing the Licensed Products outside the Field of Use is a breach of this Agreement and is an infringement of the Licensed Patents.
- 3.3 Licensee's nonexclusive commercial license is subject to, and will in no way restrict, the Government's nonexclusive, nontransferable, irrevocable, paid-up license to practice or to have practiced for or on behalf of the United States the Licensed Patents throughout the world, pursuant to 35 USC § 202(c)(4) and the DOE's march-in pursuant to 35 U.S.C. § 203.

ARTICLE 4

CONSIDERATION AND FINANCIAL OBLIGATIONS

- 4.1 In consideration for the grant of this commercial license, Licensee agrees to comply with all the provisions of this Agreement, to pay all fees, Royalties, costs, and all other consideration within the time periods and as otherwise specified in Exhibit B of this Agreement for the Term, and to satisfy the requirements of the Development and Commercialization Plan set forth in Exhibit C. Prompt payment of all amounts due to Licensor and satisfaction of the requirements of Exhibits C and D for the Diligence for Licensed Patent are material to this Agreement.
- 4.2 Licensee will pay to Licensor an Execution Fee in the amount specified in Exhibit B, which is nonrefundable and not creditable against any Royalties and is not an advance on Royalties. Exhibit B specifies when the Execution Fee is due and payable. In the event of termination of this Agreement, the entire unpaid balance of the Execution Fee, and any

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applicable accrued Royalties or Annual Minimum Royalties, will be due and payable on or before the effective date of termination.

- 4.3 Under this Agreement, a Licensed Product is considered Disposed of and a Licensed Process is considered practiced when invoiced, or if not invoiced, when delivered to or performed for a third party. But when the last Licensed Patent covering a Licensed Product or Licensed Process expires or when the Agreement terminates, any shipment or service made on or before the day of that expiration or termination that has not been invoiced before is considered Disposed of (and therefore subject to Royalty under this Agreement).
- 4.4 All payments will be made to Licensor in U.S. dollars either by check or wire transfer. If payments are made by wire transfer, such transfers shall be in accordance with the following wire instructions, unless and until written notice is provided by Licensor of a change in the wire instructions:
- [PROVIDED BY DOE LABORATORY/FACILITY]
- 4.5 Licensee will owe no Royalties to Licensor for Dispositions of Licensed Products or Licensed Processes either directly to the U.S. Government or to parties contracted by the U.S. Government to provide products or services which involve the use of or are covered under the Licensed Patents. In such transactions, Licensee shall reduce the amount charged for a Licensed Product Disposed of or for use of Licensed Process by an amount equal to the Royalty otherwise due to Licensor. Licensee will report all Gross Sales received from such Dispositions and shall include the U.S. Government control or contract number and the identification of the Government agency in the written report for the pertinent Accounting Period/reporting period using Royalty Report Sample included in EXHIBIT D.
- 4.6 In the event Licensee fails to make any payment due to Licensor within the time period prescribed for such payment under this Agreement, the unpaid or overdue amount will bear interest at the rate of _____ (___%) per month from the date payment was due until payment in full, with interest, is made. In addition, Licensee agrees to reimburse

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Licensors for any costs or expenses, including attorney's fees, incurred by Licensors in collection of such overdue payments.

ARTICLE 5

PATENT PROSECUTION AND REIMBURSEMENT

- 5.1 Licensors is the owner of the Licensed Patents and, in its sole discretion, shall have exclusive responsibility for the preparation, filing, prosecution, and maintenance of the Licensed Patents, including choice of patent counsel. As requested, Licensee shall cooperate with Licensors to ensure that the claims for each Licensed Patent reflects and will reflect, to the extent practicable and to the best of Licensee's knowledge, all items of commercial interest to Licensee that are contemplated to be sold or procedures to be practiced under this Agreement.
- 5.2 Licensee will reimburse Licensors for Patent Costs for all Licensed Patents as listed in Exhibit A accruing on and after the Effective Date of this Agreement. Invoices for such costs will not exceed actual costs and are due and payable no later than thirty (30) days after receipt of invoices by Licensee.
- 5.3 If Licensee elects not to pay its share of expenses incurred by Licensors under Section 5.2 for a particular Licensed Patent, on a country-by-country basis, Licensee shall so notify Licensors in writing. Licensee shall be obligated to reimburse Licensors for its share of expenses for such Patent Costs up to the date Licensors receives such written notification, as well as any additional costs Licensors may incur if it abandons such Licensed Patent, and at that time, Licensee's rights related to such Licensed Patents in the applicable country(ies) shall be terminated, and such Licensed Patents in such country(ies) shall be removed from this Agreement.
- 5.4 Licensee shall promptly notify Licensors of any change in its status as a micro or small entity as defined in 35 U.S.C. 123 to allow Licensors to determine the appropriate fees to be paid at the United States Patent & Trademark Office. A "small business concern" as used in this paragraph is as defined by the U.S. Patent and Trademark Office (37 C.F.R. 1.27 (a)(2) and 13 C.F.R. 121.802).

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ARTICLE 6

CONDITIONS OF GRANT

- 6.1 Licensee agrees that any Licensed Product for use or sale shall be substantially manufactured in the United States.
- 6.2 Licensee will mark all Licensed Products in accordance with the statutes of the United States relating to marking of patented articles. Any such marking may indicate that Licensee has a license from Licensor. Otherwise, Licensee is prohibited from using Licensor's name or the name [LABORATORY/FACILITY OPERATOR] in any such marking or any advertising, promotion, or commercialization of Licensed Products or Licensed Processes without written approval of Licensor.
- 6.3 Licensee will not pledge its rights under this Agreement for any reason, including as security to obtain financing, without the prior written approval of Licensor. The Parties agree that any such pledge by Licensee without such approval by Licensor shall be an automatic, material, and incurable breach of the Agreement resulting in immediate termination of the Agreement effective as of the attempt by Licensee to make such pledge.

ARTICLE 7

RECORDS, REPORTS, AND ROYALTY PAYMENTS

- 7.1 Licensee will keep and make available to Licensor for audit, inspection, and copying by Licensor or its designee, including an accounting firm, adequate and sufficiently detailed records to enable Licensee's financial obligations required under this Agreement to be determined readily and accurately. Licensee will maintain these records for a period of five (5) years after the end of the last Accounting Period/reporting period to which the records refer. In the event an examination of Licensee's records reveals (a) noncompliance with the terms of this Agreement or (b) an underpayment of more than five percent (5%) of the correct Royalty amount, Licensee will pay all costs incurred by Licensor related to the examination of records in addition to paying the balance due, plus any applicable interest at the rate specified in Article 4.6.

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7.2. Licensee shall provide Licensor with a written report for each Accounting Period during the Term of this Agreement, no later than thirty (30) days after the end of each Accounting Period/reporting period, which identifies for such Accounting Period/reporting period:

- (a) the total Gross Sales by Licensee itemized by Licensed Patent;
- (b) the total amount of Royalties due to Licensor, and royalty rate/fee used in the calculation;
- (c) the total amount of sales tariffs, duties, and/or taxes imposed on the Licensed Products manufactured in the United States;
- (d) the total outbound transportation costs prepaid or allowed; and
- (e) the total amounts allowed or credited on returns.
- (d) other information included in Exhibit D Annual Report Form.
- (e) manufacturing location of Licensed Product.
- (f) any Change in Control that has occurred.

The first such report will include this information for all Licensed Products and Licensed Processes Disposed of between the Effective Date and the end of the first Accounting Period/reporting period.

7.3 The due date for payment of Royalties for each Accounting Period/reporting period is the due date for submittal of each report. If either the report or the Royalty payment is not received by Licensor on or before the due date, the payment will be considered late.

7.4 Licensee will submit an annual written report to Licensor within thirty (30) days after the date of any termination or expiration of this Agreement which contains the same information required in Article 7.2 above for Licensed Products and Licensed Processes made, used, or Disposed of prior to such expiration or termination that were not previously reported to Licensor and the information outlined in Exhibit D Annual Report Form. At the time this report is submitted, Licensee will pay to Licensor all Royalties and any other consideration due Licensor.

ARTICLE 8

BREACH AND TERMINATION

- 8.1 This Agreement shall become effective as of the Effective Date, shall run to the end of the term of the last-to-expire Licensed Patent, and shall thereupon expire unless previously terminated in accordance with the following provisions of this Article 8.
- 8.2 This Agreement may be terminated by Licensor for any material breach of the Agreement by the Licensee. Such termination will be effective thirty (30) days after written notice specifying the breach to the Licensee. If the specified breach is cured before the effective date of termination, the Agreement will not be terminated.
- 8.3 Licensee's failure to either (1) make payment to Licensor of Royalties or other consideration in accordance with Exhibit B of this Agreement or (2) satisfy the requirements of Exhibit C for the Diligence is considered a breach of the Agreement and Licensor may, at its sole discretion, terminate this Agreement under Section 8.3 or reduce Licensee's rights without any reduction in any of the payments due from Licensee, including but not limited to Royalties.
- 8.4 In addition to termination, in the event of a material breach by Licensee, Licensor may pursue any rights and remedies available to it by law.
- 8.5 This Agreement will not be terminated for any breach that is the result of an act of God, acts or omissions of any government or agency thereof, compliance with rules, regulations, or orders of any governmental authority or any office, department, agency, or instrumentality thereof, fire, storm, flood, earthquake, accident, acts of the public enemy or terrorism, war, rebellion, insurrection, riot, sabotage, invasion, quarantine, restriction, transportation embargoes, or failures or delays in transportation.
- 8.6 Any termination of this Agreement will not impact Licensor's ownership interest, if any, in Licensee.
- 8.7 The rights and remedies granted herein, and any other rights or remedies which the Parties may have, either at law or in equity, are cumulative and not exclusive of others.
- 8.8 Neither Party will be relieved of any obligation or liability under this Agreement arising from any act or omission committed prior to the termination date. Upon termination, Licensee will execute any documents necessary to achieve the transfer to Licensor of all

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rights to which Licensor may be entitled under this Agreement.

- 8.9 Licensee may terminate this Agreement for any reason if Licensee provides Licensor with sixty (60) calendar days prior notice of its intent to terminate and pays Licensor all Patent Costs owed at the time of termination, if applicable, and all other fees, Annual Minimum Royalties, Royalties, and any other consideration due under Exhibit B in, or at the end of, the year of termination, whichever is greater.
- 8.10 This Agreement will terminate automatically upon a final adjudication of invalidity, unenforceability, or the extinguishment of all Licensed Patents, for any reason.
- 8.11 Expiration or termination of this Agreement will be without prejudice to any rights that may have accrued to the benefit of a Party prior to such expiration or termination. The following provisions shall survive any expiration or termination of this Agreement: Sections 4.1, 4.5, 4.6, 5.3, 7.1 7.4 and 8.12 and Articles 2, 10, 11, 12, 13, 14, 15, and 17.

ARTICLE 9 INFRINGEMENT

- 9.1 Licensee shall promptly give notice in writing to Licensor of any known actual or suspected infringement of the Licensed Patents and shall provide Licensor with reasonable evidence of such infringement.
- 9.2 Licensor shall have the primary right, but not the obligation, to take appropriate action in connection with any proceeding or suit to abate or to prevent an infringement.

ARTICLE 10 EXPORTATION OF TECHNICAL INFORMATION

Licensee represents and warrants that it shall not export from the United States, directly or indirectly, any technical information (or the direct product thereof) furnished to Licensee either directly or indirectly by Licensor without first complying with all requirements of the Export Administration Regulations, including the requirement for obtaining any export license, if applicable. Licensee agrees to indemnify, defend, and hold harmless Licensor, its officers, agents, and employees from all liability involving the violation of such export regulations, either

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directly or indirectly, by Licensee. Licensee acknowledges it may be subject to criminal liability under U.S. laws for Licensee's failure to obtain any required export licenses.

ARTICLE 11 DISCLAIMER

NEITHER LICENSOR, THE DOE, NOR PERSONS ACTING ON THEIR BEHALF MAKE ANY WARRANTY, EXPRESS OR IMPLIED: (1) WITH RESPECT TO THE MERCHANTABILITY, ACCURACY, COMPLETENESS, OR USEFULNESS OF ANY SERVICES, MATERIALS, LICENSED PATENTS, OR INFORMATION FURNISHED HEREUNDER; (2) THAT THE USE OF ANY SUCH SERVICES, MATERIALS, LICENSED PATENTS, OR INFORMATION WILL NOT INFRINGE PRIVATELY OWNED RIGHTS; (3) THAT THE SERVICES, MATERIALS, LICENSED PATENTS, OR INFORMATION FURNISHED HEREUNDER WILL NOT RESULT IN INJURY OR DAMAGE WHEN USED FOR ANY PURPOSE; OR (4) THAT THE SERVICES, MATERIALS, OR INFORMATION FURNISHED HEREUNDER WILL ACCOMPLISH THE INTENDED RESULTS OR ARE SAFE FOR ANY PURPOSE, INCLUDING THE INTENDED OR PARTICULAR PURPOSE. FURTHERMORE, LICENSOR AND THE DOE HEREBY SPECIFICALLY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, FOR ANY PRODUCTS MANUFACTURED, USED, OR SOLD BY LICENSEE. NEITHER LICENSOR NOR THE DOE SHALL BE LIABLE FOR CONSEQUENTIAL, SPECIAL, OR INCIDENTAL DAMAGES IN ANY EVENT.

ARTICLE 12 REPRESENTATIONS AND WARRANTIES

- 12.1 Licensor makes no representation or warranty, either expressed or implied, and no representation or warranty shall be implied, with respect to the License herein granted other than that Licensor has the right to grant said license.
- 12.2 Nothing in this Agreement may be construed as:
 - 12.2.1 a warranty or representation by Licensor as to the validity or scope of any of Licensor's rights in Licensed Patents;
 - 12.2.2 a warranty or representation that anything made, used, sold, or otherwise Disposed of under any license granted in this Agreement is or will be free from infringement of any patents other than Licensed Patents;
 - 12.2.3 a grant by implication, estoppel, or otherwise of any license or rights under any patents of Licensor other than Licensed Patents, regardless of whether such patents are dominate or subordinate to Licensed Patents; or

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12.2.4 an obligation to furnish any information not provided in Licensed Patents.

ARTICLE 13

PRODUCT LIABILITY INDEMNITY

Except for any liability resulting from any negligent act or omission of the Licensor, Licensee indemnifies the U.S. Government and the Licensor, and their officers, employees, and agents, for all damages, costs, and expenses, including attorneys' fees, arising from personal injury or property damage occurring as a result of the commercialization and utilization of the Licensed Patents by Licensee. The indemnity set forth in this Paragraph shall apply only if the Licensee shall have been informed as soon and as completely as practical by the Licensor and/or the U.S. Government of the action alleging such claim and shall have been given an opportunity, to the maximum extent afforded by applicable laws, rules, or regulations, to participate in and control its defense, and the Licensor and/or the U.S. Government shall have provided all reasonably available information and reasonable assistance requested by the Licensee. No settlement for which the Licensee would be responsible shall be made without the Licensee's consent unless required by final decree of a court of competent jurisdiction.

ARTICLE 14

NOTICES

14.1 All notices and reports shall be addressed to the Parties as follows:

If to Licensor:

_____ Facsimile

_____ E-Mail XXX@XXX.XXX

_____ Phone

If to Licensee:

Name and/or Title

(XXX) XXX-XXXX

Company Name

Facsimile

Address 1

(XXX) XXX-XXXX

Address 2

Phone

City, State, ZIP

E-Mail XXX@XXX.XXX

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- 14.2 All stock certificates, if any, will be sent to the address for notices.
- 14.3. Any notice, report, or any other communication required or permitted to be given by one Party to the other Party by this Agreement shall be in writing and either: (a) served personally on the other Party; (b) sent by express, registered, or certified first-class mail, postage prepaid, addressed to the other Party at its address as indicated above, or to such other address as the addressee shall have previously furnished to the other Party by proper notice; (c) delivered by commercial courier to the other Party; or (d) sent by facsimile to the other Party at its facsimile number indicated above or to such other facsimile number as the Party shall have previously furnished to the other Party by proper notice, with machine confirmation of transmission.

ARTICLE 15

ENTIRE AGREEMENT AND LEGAL AMENDMENTS

This Agreement constitutes the entire understanding between the Parties hereto with respect to the Licensed Patents, and any modification of this Agreement shall be in writing and shall be signed by a duly authorized representative of each Party. This Agreement supersedes any previous representations, agreements, or understandings, whether oral or written. There are no understandings, representations, or warranties with respect to the subject matter hereof, except as herein expressly set forth, and no rights are granted hereunder except as expressly set forth herein. Any conflict between this Agreement and any other prior agreements shall be resolved in favor of the terms of this Agreement except where the other prior agreement is a Cooperative Research and Development Agreement (“CRADA”) in which case, the confidentiality terms of the CRADA executed on [\[insert date\]](#) in Articles [_insert numbers_](#) and any of its amendments shall control.

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ARTICLE 16

SUCCESSORS AND ASSIGNS

- 16.1 This Agreement is binding upon and shall inure to the benefit of Licensor, its successors, and assigns. Any attempt by Licensee to assign this Agreement is void unless Licensee obtains the prior written consent of Licensor. Licensee is prohibited from assigning this Agreement to any entity operating, organized or headquartered in, or controlled or owned (directly or indirectly) by an entity in a DOE Country of Risk or any entity that is violating sanctions imposed by, or that is sanctioned, at any level, by, the U.S. Government, including by the Department of Treasury, Office of Foreign Assets Control (“OFAC”).
- 16.2 Licensee will promptly inform Licensor of its intention to file a voluntary petition in bankruptcy. In the event of bankruptcy by Licensee, it is the intention of the Parties that this license will be construed to be an executory contract and Licensor may terminate this Agreement upon notice to Licensee if Licensee becomes insolvent, is adjudged bankrupt or files for bankruptcy.
- 16.3 Licensor may assign its rights in this Agreement to the DOE or its designee without consent of Licensee.
- 16.4 Licensee shall notify Licensor and DOE in writing of any Change in Control within thirty (30) business days of such Change in Control. Failure to notify Licensor and DOE of a change in control constitutes a material breach and will result in automatic termination of this Agreement without an opportunity to cure.
- 16.5 Licensee’s rights under this Agreement and the license herein granted shall not be pledged or assigned for the benefit of creditors of Licensee.

ARTICLE 17

DISPUTES AND GOVERNING LAWS

- 17.1 This Agreement shall be construed, interpreted, and applied in accordance with the laws of the United States and of the State of [NAME OF STATE], without reference to choice of law provisions.

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17.2 Any controversies or disputes arising out of or relating to this Agreement that cannot first be resolved by the Parties' authorized representatives may be sent to non-binding third-party mediation.

ARTICLE 18

NON-DISCLOSURE AND USE OF NAMES

The Parties may disclose the existence of this Agreement, but shall not disclose any of the terms, including without limitation any of the Exhibits, to any third party without the express written consent of the other party, except for Licensor as required by its Prime Contract with the U.S. Department of Energy or Licensor's other Government obligations. Neither the granting of the license herein by Licensor nor the acceptance of license fees or Royalties hereunder by Licensor shall constitute Licensor's approval of, or acquiescence in, advertising or other business practices of Licensee, nor an approval of or acquiescence in any use of the corporate name of Licensor, or any use of the name [DOE LABORATORY/FACILITY], or any use of the name(s) of the inventors of the Licensed Patents, or of the names of any agencies of the U.S. Government, in connection with the manufacture, advertising, use, or sale of Licensed Products or Licensed Processes, and Licensor hereby expressly reserves all rights of actions with respect thereto. Licensee must obtain prior written approval from Licensor before using Licensor's name in any advertising, press release, or other business materials to be publicly distributed by Licensee.

ARTICLE 19

MISCELLANEOUS

- 19.1 The headings of the several articles are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.
- 19.2 This Agreement is not binding upon the Parties until it is signed below on behalf of each Party.
- 19.3 If a court of competent jurisdiction holds any provision of this Agreement invalid, illegal, or unenforceable in any respect, this Agreement must be construed as if that invalid, illegal, or unenforceable provision is severed from the Agreement, provided, however,

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that the Parties shall negotiate in good faith to substitute enforceable provisions that most nearly effect the Parties' intent in entering into this Agreement.

**ARTICLE 20
OFFER**

The offer to execute this Agreement shall expire if this Agreement is not signed by Licensee and returned to Licensor on or before _____.

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

(LICENSOR NAME)

By: _____

Name: (typed): _____

Title: _____

Date: _____

(LICENSEE NAME)

By: _____

Name: (typed): _____

Title: _____

Date: _____

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EXHIBIT A: INTELLECTUAL PROPERTY

LICENSED PATENTS

Lab ID Number	Country	Title	Application Number/ Patent Number	Filing/ Issue Date

SAMPLE

Initials

Licensor: _____

Date: _____

Licensee: _____

Date: _____

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EXHIBIT B: LICENSE FEES

A. Execution Fee:

The **Execution Fee** is \$ _____, payable within thirty (30) days of the Effective Date. The Execution Fee is nonrefundable and is not an advance against Earned Royalties or Carbon Credits. If such Execution Fee is not timely received by Licensor, this Agreement shall be null and void without effect.

B. Royalty:

Licensee will pay Licensor a **Royalty** of _____ percent (___%) of the Net Sales for Licensee's Dispositions of Licensed Products and Licensed Processes. Royalties will be paid on an (annual/semiannual/quarterly) basis for the duration of the Agreement, within thirty (30) days of the end of the Accounting Period/reporting period.

C. Minimum Royalty:

If Royalties [*and proceeds from Carbon Credits*] paid by Licensee pursuant to this Agreement for the Accounting Period/reporting period do not total the annual amounts shown below as **Annual Minimum Royalties** on the year-end dates shown, Licensee shall within thirty (30) days of such year-end date pay to Licensor the difference between such amounts and the Annual Minimum Royalties, according to the following schedule:

Date	Annual Minimum Royalties
Dec 31, 201_ - 201_	\$ _____
Dec 31, 201_ and thereafter	\$ _____

F. Merger or Acquisition:

In the event of a merger, acquisition, or joint venture of or with a third party by Licensee (a "merger"), a license transfer fee of \$ _____ will be due and paid to Licensor immediately upon such merger.

F. [Equity Taken Structure:]

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G. [Carbon Credits:

Licensee will pay Licensor ___% of the proceeds from the sale or transfer of greenhouse gas emission allowances and offsets received by Licensee for the use or sale of Licensed Products and Licensed Processes.]

NOTICE

This Exhibit contains financial and commercial information that is BUSINESS SENSITIVE and the Parties hereby agree not to use or disclose this Exhibit to any third party without the advance written approval of the other Party, except: (1) to those necessary to enable the Parties to perform under this Agreement; (2) as may be required by the Licensor’s Contract with the DOE under the same restrictions as set forth herein; or (3) in event of breach of any provision of this Agreement by either Party, to those deemed necessary by the non-breaching Party to enforce the non-breaching Party’s rights under the Agreement.

Initials

Licensor: _____

Date: _____

Licensee: _____

Date: _____

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EXHIBIT C: DILIGENCE FOR LICENSED PATENT

- A. Within thirty (30) days after the end of each Accounting Period/reporting period, Licensee shall furnish Licensor with a written report on the progress of its efforts during the preceding Accounting Period/reporting period to develop and commercialize the Licensed Patents. The report shall also contain a discussion of intended efforts and sales projections for the year in which the report is submitted.

- B. Licensee shall meet [TECHNICAL MILESTONES] for Licensed Products or Licensed Processes.

- C. Licensee shall make a first sale of Licensed Products or Licensed Processes prior to December 31, _____.

- D. Licensee shall make the following minimum Sales:
Date Units/\$ Sales
Dec 31, 201_ # or \$
Dec 31, 201_ and beyond # or \$

In the event Licensee fails to fulfill the diligence requirements above, Licensor may reduce the license rights or terminate the license by providing written notice of thirty (30) days to Licensee.

NOTICE

This Exhibit contains financial and commercial information that is BUSINESS SENSITIVE and the Parties hereby agree not to use or disclose this Exhibit to any third party without the advance written approval of the other Party, except: (1) to those necessary to enable the Parties to perform under this Agreement; (2) as may be required by the Licensor’s Contract with the DOE under the same restrictions as set forth herein; or (3) in event of breach of any provision of this Agreement by either Party, to those deemed necessary by the non-breaching Party to enforce the non-breaching Party’s rights under the Agreement.

Initials

Licensor: _____

Date: _____

Licensee: _____

Date: _____

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EXHIBIT D: ANNUAL REPORT FORM

NOTICE

Licensee will submit a Royalty report to Licensor reporting the Disposition of Licensed Products and Licensed Processes and Royalty information shown below for the previous Accounting Period/reporting period within one (1) month of the end of the Accounting Period/reporting period.

Annual Royalty Report for

Date:

Time Period:

Licensee Name:

License Number: **Reference #XXXX**

Production and Royalties Information:

Description of Licensed Products and/or Licensed Processes	Units of Sales	Net Sales (US\$)	Royalties Due (US\$)

U.S. Manufacture:

Has Licensee complied with the U.S. Manufacture provisions of the license? Please include the location of your U.S. manufacturing facilities.

Update on Exhibit C Development and Commercialization Activities:

Have the development and commercialization activities for the reporting period been completed?

Change in Control:

During the reporting period, has there been any change in Licensee's ownership amounting to a Change in Control? If so, please provide detailed information.

Certification of Compliance with U.S. Manufacturing Requirements:

NAME OF COMPANY OFFICER hereby certifies that Licensee is complying with the substantial U.S. Manufacturing requirement of this Agreement.

Job Creation:

Approximate number of new U.S.-based jobs created because of commercialization efforts during the reporting period:

U.S. Government Sales of Licensed Products and Licensed Processes:

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U.S. Government Agency:

Contract No. _____

How the benefit of the royalty-free sale was passed to the U.S. Government:

Note: Payment of the royalties and other fees, along with the form noted on this page, should be made out to:

Chief Financial Officer
[LABORATORY/FACILITY OPERATOR]
[DOE LABORATORY/FACILITY]
RE: License Fee, Reference #XXXX
Licensee Address

NOTICE

This Exhibit contains financial and commercial information that is BUSINESS SENSITIVE and the Parties hereby agree not to use or disclose this Exhibit to any third party without the advance written approval of the other Party, except: (1) to those necessary to enable the Parties to perform under this Agreement; (2) as may be required by the Licensor’s Contract with the DOE under the same restrictions as set forth herein; or (3) in event of breach of any provision of this Agreement by either Party, to those deemed necessary by the non-breaching Party to enforce the non-breaching Party’s rights under the Agreement.

Initials

Licensor: _____

Date: _____

Licensee: _____

Date: _____



U.S. DEPARTMENT OF
ENERGY

THE TECHNOLOGY TRANSFER WORKING GROUP
LICENSING GUIDE
AND SAMPLE LICENSE

2024
UPDATE