

**NONEXCLUSIVE PATENT LICENSE AGREEMENT**

**Between**

**Alliance for Energy Innovation, LLC**

**And**

**[COMPANY NAME]**

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 Alliance for Energy Innovation, LLC (hereinafter "Alliance"), Management and Operating Contractor for the National Laboratory of the Rockies (hereinafter “NLR”) located at 15013 Denver West Parkway, Golden, Colorado 80401 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:**

Alliance manages and operates NLR under authority of its Prime Contract No. DE-AC36-08GO28308 (hereinafter "Prime Contract") with the United States Government as represented by the Department of Energy (hereinafter "DOE");

Researchers at NLR have developed certain inventions pertaining to [Description of the technology], as part of their employment at NLR, and which were conceived or first reduced to practice in the performance of work at NLR under the above Prime Contract. Pursuant to the terms of the Prime Contract and existing laws of the United States, Alliance acquired rights in and to the patent rights covering such inventions;

Licensee is a [TYPE of BUSINESS] business located in [NAME of STATE], and has worked closely with NLR on [DEFINE the TECHNICAL PARTNERSHIP TYPE] related projects, and the Parties intend to, or have entered into a Cooperative Research and Development Agreement related to this Agreement to develop commercial prototypes that embody the inventions;

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

Alliance 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.

## TERMS & CONDITIONS:

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

### 1. **Definitions.**

1.1 “Affiliate” of a Party means any person or entity that, at any time during the term of this Agreement, directly or indirectly controls, is controlled by, or is under common control with such Party, where “control” means ownership of fifty percent (50%) or more of the voting power of the outstanding voting securities (but only as long as such person or entity meets these requirements). Affiliates shall exclude any Foreign Entity of Concern.

1.2 “Change in Control” means a change, directly or indirectly, of the power to direct the management or policies of Licensee whether such power is exercised through one or more intermediary companies or pursuant to an agreement, written or oral, and whether such power is established through ownership or voting of securities, or common directors, officers, or stockholders, or voting trusts, holding trusts, or debt holdings, or contract, or any other direct or indirect means.

1.3 “Control” and “Controlled” mean having twenty five percent (25%) or more of board membership, ownership of fifty percent (50%) or more of the voting power of the outstanding voting securities (but only as long as such person or entity meets these requirements).

1.4 “DOE Country of Risk” means those countries defined, at the time of the relevant transaction, by DOE as Foreign Countries of Risk. At the time of execution of this License Agreement, the DOE Countries of Risk include Russia, China, Iran, North Korea and Belarus.

1.5 “Field of Use” means the field of use as defined in Exhibit B, “Fields of Use and Financial Considerations,” which is attached to this Agreement and hereby incorporated into this Agreement by reference.

1.6 “Government” shall mean the federal government of the United States of America.

1.7 “Influence” and “Influenced” mean the power to substantially influence the management of an entity through having twenty five percent (25%) or more of board membership, or ownership of twenty five percent (25%) or more of the voting power of the outstanding voting securities (but only as long as such person or entity meets the requirements).

1.8 “Licensed Patents” means Alliance’s United States and foreign patents and patent applications listed in Exhibit A, which, is attached to this Agreement and hereby incorporated into this Agreement by reference. Any United States and foreign patents issuing from the patent applications listed in Exhibit A will be added to Exhibit A upon issuance. Licensed Patents shall also include divisions, continuations (excluding continuations-in-part claiming new subject matter), reissues and re-examinations of the patents and patent applications as they arise.

1.9 “Licensed Product(s)” means any material, composition, or other product or service, the manufacture, use, import, offer to sell or sale of which would constitute, but for the license granted to Licensee herein, an infringement of a claim of the Licensed Patents (infringement shall include, but is not limited to, direct, contributory, or inducement to infringe).

1.10 “Net Sales” means the gross selling price of Licensed Products as invoiced by Licensee to purchasers for Licensed Products sold during a particular accounting period. Net Sales excludes the following items, but only as they pertain to the making, using, selling or importing of Licensed Products: actual costs Licensee incurred due to returns of Licensed Products, freight, and import, export, excise or sales taxes (excluding income taxes), costs of transportation insurance incurred in the sales of Licensed Products. When Licensed Products are used or transferred, but not sold by Licensee, Net Sales shall mean the fair market value of the Licensed Products as if they were sold to an unrelated third party in similar quantities.

1.11 “Patenting Costs” means any past or ongoing costs incurred or to be incurred, including but not limited to government fees and attorneys’ or other legal personnel fees, in the course of preparing, filing, prosecuting and maintaining any of the Licensed Patents, including continuations, re-examinations, reissues, appeals, *inter partes* reviews, post-grant reviews, covered business method reviews, and supplemental examinations.

## 2. Grants.

2.1 Grant. Subject to Alliance’s rights in the Licensed Patents and the terms and conditions of this Agreement, Alliance hereby grants to Licensee, and Licensee accepts, a nonexclusive right and license, subject to certain Government rights set forth below in Section 2.3, to make, have made, use, import (subject to Section 2.4), or sell, the Licensed Products worldwide, in the Field of Use and subject to the geographic patent coverage of the Licensed Patents.

2.2 Government Rights. The right and license granted in Section 2.1 is subject to the following Government rights: (a) the Government has a paid-up, royalty-free, worldwide, nontransferable, irrevocable license to practice or have practiced by or on behalf of the Government the inventions covered by the Licensed Patents, and (b) the DOE’s march-in rights as required by the Prime Contract and 35 U.S.C. § 203.

2.3 U.S. Manufacture. Licensee agrees that any Licensed Products shall be substantially manufactured in the United States.

2.4 Patent Marking. Licensee shall mark all Licensed Products made or sold in the U.S. with “Patent Pending” prior to patent issuance and with the appropriate patent number(s) upon issuance in accordance with 35 U.S.C. §287(a) and will mark all Licensed Products made or sold in other countries in accordance with laws and regulations then applicable in each such country. Licensee acknowledges that it will be liable to Alliance for infringement damages lost due to improper or defective patent marking.

2.5 Affiliates. Subject to the terms and conditions of this License Agreement, Affiliates receiving rights to the Licensed Patents as of the Effective Date of this License Agreement are the following named organizations, if any:

Additional Affiliates may receive rights to the Licensed Patents by amending this Agreement at the approval of Alliance.

### **3. Financial Obligations and Commercialization Plan.**

3.1 Commercialization. In consideration of the rights and license granted herein, Licensee will diligently proceed with the development, manufacture, marketing, and sale of Licensed Products in quantities sufficient to meet market demand and agrees to the provisions of Exhibit B and the provisions of Exhibit C, which are attached to this Agreement and hereby incorporated into this Agreement by reference.

3.2 No Royalties for Government Sales. Licensee shall owe no royalties to Alliance on any acquisitions involving Government funds if such sales reflect a discount that is greater than or equal to the amount Licensee would owe to Alliance under this license, because of the Government's retained license in the Licensed Patents.

3.3 Sales Reports. Licensee shall report the Net Sales price paid by the purchaser for acquisitions or use of the Licensed Products involving Government funds under the Records, Reports, and Royalty Payments Section of this Agreement. This report will also include (a) a Government control number (if available); and (b) identification of the Government agency for each sale.

3.4 Termination Reporting. Upon termination of this Agreement for any reason whatsoever, Licensee shall report and pay to Alliance, within thirty (30) days of such termination, any financial obligations including, but not limited to, fees, payments, royalties, reimbursements, interest, and other forms of consideration, due and owing Alliance.

### **4. Records, Reports, and Royalty Payments.**

4.1 Annual Report. Licensee shall provide Alliance with a written report certified by an officer of Licensee that complies with the requirements of Section 3.3, Exhibit B and Exhibit D of this Agreement no later than thirty (31) days after the end of each calendar year for the life of this Agreement that identifies the following information for the immediately preceding calendar year: (a) all Net Sales of the Licensed Products made by Licensee in U.S. Dollars itemized by domestic and/or foreign rights that are subject to this Agreement including acquisitions involving Government funds and all export Net Sales, and if none to so indicate; (b) amount of each payment due Alliance for upfront fees, minimum annual royalties and continuous royalties based on Net Sales of Licensed Products and (c) a certification, made by an officer of Licensee, that Licensee is complying with the substantial U.S. Manufacturing requirements of this Agreement. Licensee shall provide, along with the annual written report the full payment due in U.S. Dollars, for the preceding

calendar year, pursuant to the terms of this Agreement.

4.2 Records and Audit. Licensee agrees to: (a) keep adequate and sufficiently detailed records to demonstrate Licensee's compliance with the obligations of this Agreement (including the requirements of Exhibits B and C), including financial records to demonstrate its financial capability; (b) within forty-eight (48) hours provide such records for inspection and copying by Alliance's authorized representatives, with reasonable notice, at any time during Licensee's regular business hours; and (c) make any records required to be generated or maintained under this Agreement available for inspection by Alliance's authorized representatives for three (3) years after the last royalty period to which the records refer. In the event an examination of Licensee's records reveals: (i) noncompliance with the terms of this Agreement or (ii) an underpayment of more than five percent (5%) over twelve (12) months of the accurate amounts due hereunder, Licensee shall pay all costs incurred by Alliance related to the examination or records in addition to paying the balance due, plus any applicable interest at the rate specified in Section 4.3 herein below.

4.2.1 Licensee agrees that it shall also provide Alliance with any additional records that Alliance reasonably determines are necessary to verify any records that Licensee is required to generate or maintain to fulfill the requirements listed in Exhibits B and C.

4.2.2 Licensee agrees to make any records that it is required to generate or maintain under the terms of this Agreement available for inspection by Alliance's authorized representatives for three (3) years after the last royalty period to which the records refer.

4.2.3 At all times during the term of this Agreement, Licensee shall maintain the financial capability to meet the Diligence Obligations of this Agreement. Upon request of Alliance, Licensee will provide any requested assurances and disclosures, including, but not limited to, financial records that will demonstrate its financial capability.

4.3 Development and Commercialization. During the effective term of this Agreement, Licensee shall provide a written report, such as the template report found in Exhibit D, on or before January 31st of each year describing the Licensee's progress during the preceding year toward achievement of the activities described in Exhibit C. Such report shall include, at a minimum, information sufficient to enable Alliance to satisfy relevant reporting requirements of the U.S. government and to ascertain Licensee's progress toward meeting the Diligence Obligations of this Section 5 and Exhibit C. Alliance retains the right to updated Exhibit D in order to comply with Government reporting requirements.

4.4 Late Payments. If Licensee fails to make any payment to Alliance that may be required under this Agreement within the time period prescribed for such payment, then the unpaid amount shall bear interest at the rate of one-and-one half percent (1.5%) per month, or other authorized statutory rate, if higher, from the date when the payment was due until payment in full, with interest, is made. Should Licensee have need to delay a payment when due, Alliance will consider Licensee's needs as presented, in writing to Alliance at the address set forth in Section 12.1, by Licensee and received by Alliance thirty (30) days before the required reporting and payment date. Under such conditions, Alliance may, at its sole discretion, extend the date upon which an annual

payment is required.

4.5 Currency. Licensee shall make all financial payments to the order of Alliance in U.S. dollars in accordance with Exhibit B and Section 4.2 above.

## **5. Diligence.**

5.1 Diligence Obligations. During the term of this Agreement, Licensee must utilize its best efforts in diligently proceeding with the development, manufacture, sale, and other commercial exploitation of the Patent Rights, and in creating a supply of and demand for Licensed Products. "Reasonable best efforts" for the purpose of this paragraph includes, but is not limited to, adherence to the activities described in Exhibit C.

5.2 Failure to Meet Diligence Obligations. If Licensee fails to adhere to the diligence obligations set forth in Section 5 or Exhibit C, Alliance may terminate this Agreement or, at the sole discretion of Alliance, amend the license granted herein in accordance with the termination provisions set forth in Section 10 of this Agreement.

## **6. Infringement by Third Parties.**

6.1. Notice. If either Party becomes aware of any actual or potential infringement of the Licensed Patents within the Field of Use, such Party shall promptly notify the other Party in writing of such fact and any relevant details. In the event any Licensed Patents are infringed by an unlicensed third party, Licensee and Alliance shall have the right to abate or prevent such infringement, subject to DOE approval, as follows:

6.1.1 Action by Alliance. Alliance shall have the exclusive right, but not the obligation, to take appropriate action in connection with any proceeding or suit to abate or to prevent an infringement. Before commencing any action to abate or to prevent the infringement, Alliance will first consult with the DOE, as required by the Litigation and Claims provision of the Prime Contract between DOE and Alliance, and in the event DOE authorizes Alliance to undertake an infringement suit, Alliance shall further consult with Licensee to determine if Licensee also wishes to enter into such suit. Licensee shall have the right to be represented by counsel at the suit proceedings and to participate therein at its own cost, but shall not have the right to control the suit. Licensee agrees to cooperate with, and give reasonable assistance to, Alliance in abating or preventing an infringement.

6.1.2 Costs. The cost and expenses of all suits brought by Alliance under Section 5.1.1 above shall be equally shared by Alliance and each non-exclusive licensee entering into the suit, out of any settlement amount, damages or other monetary awards recovered in favor of Alliance. Regardless of Licensee's participation in such suit, other than for reimbursement of Alliance approved costs and expenses of participation incurred by Licensee, Alliance shall be entitled to receive and retain for its own use and benefit any settlement amount or remaining damages awarded in such suit.

6.1.3 Cooperation. Each party agrees to cooperate fully in any action under this Article 6 that is controlled by the other party, provided that the controlling party reimburses the cooperating party promptly for any costs and expenses incurred by the cooperating party, including reasonable attorneys' fees, in connection with providing such assistance. Each party shall always have the right to be represented by counsel of its own selection and at its own expense in any suit instituted under this Article 6.

6.2 No Responsibility of Alliance and Government. Alliance and the Government shall not be liable for any costs or losses incurred as a result of an action for infringement brought against Licensee as a result of Licensee's exercise of any right granted under this Section 6, and Licensee shall indemnify and hold Alliance, the Government, their officers, employees and agents harmless against all liability, expenses and costs, including attorneys' fees incurred as a result of any such suit.

## **7. Representations and Warranties.**

7.1 Alliance represents and warrants that Alliance can grant the rights, licenses, and privileges granted by this Agreement.

7.2 Alliance represents and warrants that Alliance has no actual knowledge of any infringement claims filed against Alliance for practicing the Licensed Patents anywhere in the world.

7.3 Except as set forth in this Section 6, Alliance makes **NO REPRESENTATIONS OR WARRANTIES**, express or implied, with regard to infringement of any Licensed Patents.

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

7.5 Licensee acknowledges it may be subject to criminal liability under U.S. laws for Licensee's failure to obtain any required export licenses.

7.6 Licensee represents that it is not a Foreign Entity of Concern.

## **8. Limitations of Warranties, Indemnification and Insurance.**

8.1 Neither NLR, Alliance, the DOE, the Government nor persons acting on their behalf will be responsible for any injury to or death of persons, or damage to or destruction of any property, or for any other loss, damage, or injury of any kind whatsoever resulting from Licensee's manufacture, use, importation or sale of the Licensed Patents or Licensed Products, in whatever form furnished hereunder, absent any negligent act or omission on the part of NLR, Alliance, DOE and/or the Government.

**8.2 THE PARTIES AGREE THAT NEITHER NLR, ALLIANCE, DOE, THE GOVERNMENT, NOR PERSONS ACTING ON THEIR BEHALF MAKE ANY WARRANTY, EXPRESS OR IMPLIED:**

**8.2.1 WITH RESPECT TO THE MERCHANTABILITY, ACCURACY, COMPLETENESS, OR USEFULNESS OF ANY LICENSED PATENTS, PATENT APPLICATIONS, ISSUED PATENTS, LICENSED PRODUCTS, OR NLR PROTECTED INFORMATION FURNISHED HEREUNDER;**

**8.2.2 THAT THE USE OF ANY LICENSED PATENTS, PATENT APPLICATIONS, ISSUED PATENTS, LICENSED PRODUCTS, OR NLR PROTECTED INFORMATION MAY NOT INFRINGE ANY PRIVATELY OWNED RIGHTS;**

**8.2.3 THAT ANY LICENSED PATENTS, PATENT APPLICATIONS, ISSUED PATENTS, LICENSED PRODUCTS, OR NLR PROTECTED INFORMATION FURNISHED HEREUNDER WILL NOT RESULT IN INJURY OR DAMAGE WHEN USED FOR ANY PURPOSE; OR**

**8.2.4 THAT ANY LICENSED PATENTS, PATENT APPLICATIONS, ISSUED PATENTS, LICENSED PRODUCTS, OR NLR PROTECTED INFORMATION FURNISHED HEREUNDER WILL ACCOMPLISH THE INTENDED RESULT OR ARE SAFE OR FIT FOR ANY PURPOSE, INCLUDING THE INTENDED OR PARTICULAR PURPOSE;**

**8.2.5 NLR, DOE, ALLIANCE AND THE GOVERNMENT HEREBY SPECIFICALLY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, FOR ANY LICENSED PATENTS, PATENT APPLICATIONS, ISSUED PATENTS, NLR PROTECTED INFORMATION, OR LICENSED PRODUCTS MANUFACTURED, USED, OR SOLD BY LICENSEE.**

**8.2.6 NEITHER NLR, DOE, ALLIANCE NOR THE GOVERNMENT SHALL BE LIABLE FOR LOST PROFITS, LOST SAVINGS, SPECIAL, CONSEQUENTIAL, INCIDENTAL OR OTHER INDIRECT DAMAGES IN ANY EVENT, EVEN IF SUCH PARTY IS MADE AWARE OF THE POSSIBILITY THEREOF.**

8.3 Except for any liability resulting from any negligent acts or omission of NLR, the DOE, the Government or Alliance, Licensee shall indemnify and hold harmless NLR, the DOE, the Government and Alliance, and their officers, employees, and agents, for all damages, costs, and



expenses, including attorneys' fees, arising from death, personal injury or property damage to third parties occurring as a result of the commercialization and utilization of the Licensed Patents by Licensee, including but not limited to, the making, using, selling, or exporting of Licensed Products by or on behalf of Licensee, its assignees, or licensees which was derived from the work or activities performed under this Agreement. This indemnification shall include, but not be limited to, indemnification for any product liability resulting from the commercialization and utilization of the Licensed Patents by Licensee. The indemnity set forth in this Section 8.3. shall apply only if Licensee shall have been informed as soon as practical by NLR, Alliance and/or the DOE or the Government of the action alleging such claim and shall have been given an opportunity, to the extent afforded by applicable laws, rules, or regulations, to participate in and control its defense, and NLR, Alliance and/or the DOE or the Government shall have provided reasonably available information and reasonable assistance (at Licensee's costs) as requested by Licensee. No settlement for which Licensee shall be responsible shall be made without Licensee's consent unless required by final decree of a court of competent jurisdiction.

8.4 Beginning at the time when any Licensed Products are being distributed or sold (including for the purpose of obtaining regulatory approvals) Licensee shall, at its sole cost and expense, procure and maintain commercial general liability insurance in amounts not less than \$X,000,000 per incident and \$X,000,000 annual aggregate, and Licensee shall have the Government and Alliance, its officers, employees and agents named as additional insureds. Such commercial general liability insurance shall provide (i) product liability coverage; (ii) broad form contractual liability coverage for Licensee's indemnification under this Agreement; and (iii) coverage for litigation costs. The minimum amounts of insurance coverage required shall not be construed to create a limit of Licensee's liability with respect to its indemnification obligations under this Agreement.

8.5 Licensee shall provide Alliance with written evidence of such insurance upon Alliance's written request. Licensee shall provide Alliance with written notice of at least fifteen (15) days before a material change in such insurance.

8.6 Licensee shall maintain such commercial general liability insurance beyond the expiration or termination of this Agreement during (a) the period that any Licensed Products are practiced or processes covered by this Agreement are being commercially distributed or sold by Licensee or agent of Licensee; and (b) the five (5) year period immediately after such period described in subsection (a).

## **9. Reimbursement of Patent Costs and Technical Assistance.**

9.1 Responsibility for Patenting. Alliance is the owner of the Licensed Patents and shall have exclusive responsibility for the preparation, filing, prosecution and maintenance of the Licensed Patents, including choice of patent counsel. However, Alliance shall keep Licensee informed of patent prosecution, will seek Licensee's comments and suggestions prior to taking material actions for the same, and will take all reasonable prosecution actions recommended by Licensee that would expand the scope of the rights sought. Licensee shall cooperate with Alliance 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.

9.2 Past Patenting Costs. Within ninety (90) days after the Effective Date, Licensee shall reimburse Alliance for Patenting Costs incurred by Alliance prior to the Effective Date in an amount equal to [**Amount in U.S. dollars**].

9.3 Ongoing Patenting Costs. Licensee will reimburse Alliance for all Patenting Costs for all Licensed Patents as listed in Exhibit A accruing on and after the Effective Date of this Agreement. In the case where Licensed Patents are licensed to other licensees, Licensee will reimburse Alliance for actual Patenting Costs on a *pro rata* basis with other licensees for said nonexclusively Licensed Patents. 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.

9.4 Failure to Pay Patenting Costs. If Licensee declines to pay in full any Patenting Costs within the period specified in Section 8.3 which are necessary to the protection of certain rights at issue or if Licensee enters a case under the Bankruptcy Code of 1978, Alliance shall have the right to (i) abandon some or all of such rights at Alliance's sole discretion, or (ii) incur those costs at its own expense; in either case, Alliance may exclude such rights from the licenses granted hereunder. In such event, Alliance shall be free to license such rights to third parties without further obligation to Licensee.

9.5 Technical Assistance. Alliance agrees, upon the written request of Licensee, to assist Licensee in obtaining technical assistance from NLR subject to the availability of the required resources and under the appropriate agreements. Licensee shall pay the full cost in accordance with the Prime Contract with the Government for such technical assistance.

## **10. Term of Agreement and Early Termination.**

10.1 Term. Subject to early termination as set forth in this Section and the terms and conditions set forth in Exhibits B and C, this Agreement shall be effective for as long as the Licensed Patents are enforceable.

10.2 Right to Terminate with Cure Period. Either Party shall have the right to terminate this Agreement with cause and without judicial resolution upon written notice to the other after the non-breaching Party notifies the asserted breaching Party of a breach of any provision of this Agreement, unless otherwise specified herein as an event that is subject to immediate termination, and the asserted breach has not been cured by the asserted breaching Party within sixty (60) calendar days from receipt of such notice ("Cure Period"). If at the end of the Cure Period the asserted breach has not been cured and there remains a dispute or controversy, the Parties may agree to seek to resolve the matter through the use of the procedures set forth in Section 19.1 below. If Alliance is the non-breaching Party under this Section 9.2, then Licensee shall, within thirty (30) calendar days, owe Alliance all payments due, including but not limited to then appropriate Patenting Costs reimbursements, if applicable, milestones payments and continuous royalties due or the pro rata portion of any minimum annual royalties due at the end of the calendar

year of such termination, whichever is greater. Licensee acknowledges and agrees that Alliance shall be entitled to seek any additional remedies available at law to Alliance for Licensee's breach of this Agreement.

10.3 Termination for Loss of Patents. This Agreement shall terminate automatically upon a final adjudication of invalidity, unenforceability, or the extinguishment of all Licensed Patents, for any reason.

10.4 Early Termination. If Licensee fails to satisfy the requirements of article 2.3, 19.2, Exhibits B, C, or D then Alliance shall have the right to terminate this Agreement at its sole discretion with thirty (30) days written notice to Licensee, in accordance with its early termination requirements.

10.5 Termination for Improper Transfer. Alliance, at its sole discretion, may immediately terminate this Agreement upon any attempted transfer of Licensee's interest in this Agreement, in whole or in part, to any other party except as may be otherwise permitted by the terms of this Agreement.

10.6 Termination for Actions of Licensee. Licensee agrees that this Agreement shall automatically terminate if Licensee attempts, in any way, to pledge its rights under this Agreement as collateral to a third party or fails to report a Change in Control event to Alliance and DOE according to Section 19.3.

10.7 Termination for Bankruptcy. Licensee will notify Alliance at least ten (10) business days prior to voluntarily filing for bankruptcy. Alliance may terminate this Agreement upon notice to Licensee if Licensee becomes insolvent, is adjudged bankrupt, applies for judicial or extra-judicial settlement with its creditors, makes an assignment for the benefit of its creditors, voluntarily files for bankruptcy or has a receiver or trustee (or the like) in bankruptcy appointed by reason of its insolvency, or in the event an involuntary bankruptcy action is filed against Licensee and not dismissed within ninety (90) days, or if Licensee becomes the subject of liquidation or dissolution proceedings or otherwise discontinues business. Licensee further agrees that, after such order for relief being entered, or after any judicial proceeding to dissolve Licensee, after entry of corporate receivership, or the like, in the event that the assets of Licensee become controlled by a Foreign Entity of Concern, Alliance, at its sole discretion may immediately terminate this Agreement by means of a written notice to Licensee.

10.8 Termination by Licensee. Licensee may terminate this Agreement without cause if Licensee provides Alliance with sixty (60) days prior notice and pays Alliance: (a) all Patenting Cost reimbursement, as applicable, and all upfront fees due at the time of termination; and (b) all accrued continuous royalties due at the end of the accounting period of such termination.

10.9 Reporting Obligations on Termination. Upon termination of this Agreement for any reason whatsoever, Licensee shall report and pay to Alliance, within thirty (30) days of such termination, any financial obligations including, but not limited to, fees, payments, royalties, reimbursements, interest, and other forms of consideration, due and owing Alliance.

10.10 Breach of Country of Risk. Licensee agrees that it is a breach of this Agreement if

Licensee becomes a Foreign Entity of Concern.

10.11 Breach of Foreign Entity of Concern. Alliance, at its sole discretion, may immediately terminate this Agreement if Licensee is or becomes a Foreign Entity of Concern or is or becomes Controlled or Influenced by a Foreign Entity of Concern.

## **11. Rights of Parties after Termination.**

11.1 Responsibility for Actions Prior to Termination. Neither Party shall be relieved of any obligation or liability under this Agreement arising from any act or omission committed prior to the termination date.

11.2 Inventory After Termination. From and after any termination of this Agreement, Licensee and its Sublicensees, if any, shall have the right to sell only those Licensed Products in Licensee's inventory at the time of termination, provided that Licensee has satisfied all financial obligations and reporting requirements required by this Agreement. Except as otherwise provided in this Section, Licensee shall not exercise any of the rights granted under this Agreement after it is terminated.

11.3 Transfer of Rights. 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. On any termination, Licensee shall duly account to Alliance and transfer to it all rights to which Alliance may be entitled under this Agreement.

11.4 Survival. The following Sections are intended to survive the termination of this Agreement: 2.4 (if applicable), 3, 4, 7, 8, 9, 10, 11, 15, 16, 17, 19, and 20.

## **12. Force Majeure.**

12.1 No failure or omission by Alliance or by Licensee in the performance of any obligation under this Agreement shall be deemed a breach of this Agreement or create any liability if the same shall arise from acts of God, acts or omissions of the 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, pandemic, quarantine, or transportation embargoes. The circumstances surrounding such failure or omission shall be communicated to the affected Party in writing within fifteen (15) business days of such event. Notwithstanding the above, the following shall not be considered a force majeure event: compliance by Licensee with rules, regulations, or orders of any governmental authority of a Foreign Entity of Concern, or any office, department, agency, or instrumentality thereof, that results in a failure or omission by Licensee in the performance of any obligation of this Agreement. Notwithstanding the above, the following shall not be considered a force majeure event: compliance by Licensee with rules, regulations, or orders of any governmental authority of a DOE Country of Risk, or any instrumentality thereof, that results in a failure or omission by Licensee in

the performance of any obligation of this Agreement.

12.2 Should the Licensee receive notice that the DOE Country of Risk list has been amended to include one or more additional countries that subsequently prompts Licensee to provide notice under this Section 12 of a force majeure event, the Parties agree to meet within fifteen (15) business days to discuss compliance with the revised list in accordance with the terms of this Agreement. Unless otherwise negotiated, the Parties agree that it is a breach of this Agreement if compliance with this Agreement due to DOE Country of Risk list addition(s) is not achieved within 6 months of such meeting.

### 13. Notices and Payments.

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

If to Alliance:

National Laboratory of the Rockies  
Attn: Technology Transfer Office  
15013 Denver West Parkway  
Golden, CO 80401

Facsimile No.  
(303) 384-7499  
Telephone No.  
(303) 275-4435  
E-mail Contact

technology.transfer@NLR.gov

If to Licensee:

Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Facsimile No.

\_\_\_\_\_  
Telephone No.

\_\_\_\_\_  
E-Mail Contact

13.2 All financial obligations due to Alliance shall be sent to:

National Laboratory of the Rockies  
Attn: Royalty Cashier MS: RSF 041  
15013 Denver West Parkway  
Golden, CO 80401

All such payments shall be accompanied by documentation identifying this Agreement, including the License Agreement Number and the names of the Parties. A copy of all financial obligations shall be sent to NLR's Technology Transfer Office at the above address in Section 12.1. **Alliance will NOT send invoices for payments due on a fixed schedule. It is Licensee's responsibility to make all payments in accordance with this Agreement and all late payments will be charged interest in accordance with Section 4.3 of this Agreement.**

13.3 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; (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 or (e) sent by electronic mail to the other Party with electronic confirmation of receipt..

**14. Non-Abatement of Royalties.**

Alliance and Licensee acknowledge that certain of the Licensed Patents may expire prior to the conclusion of the term of this Agreement. However, Alliance and Licensee agree that the royalty rates provided for in Exhibit B shall be uniform and undiminished for as long as any claim of, or other intellectual property right in, any of the Licensed Patents are enforceable except as otherwise provided in this Agreement.

**15. Confidential Information.**

15.1 The Parties agree that all information, marked by Licensee as “Proprietary” or Alliance as “NLR Protected Information” and forwarded to one by the other for the purposes of this Agreement (a) are to be received in strict confidence, (b) are to be used only for the purposes of this Agreement, and (c) are not to be disclosed by the recipient Party, its agents or employees without the prior written consent of the other Party, except to the extent that the recipient Party can establish competent written proof that such information:

15.1.1 was in the public domain at the time of disclosure;

15.1.2 later became part of the public domain through: (A) no act or omission of the recipient, its employees, agents, successors or assigns and (B) no breach by a third party with an obligation of confidentiality to the disclosing Party;

15.1.3 was lawfully disclosed to the DOE or recipient Party by a third party having the right to disclose it;

15.1.4 was already known by the DOE or recipient Party at the time of disclosure which can be shown by competent evidence;

15.1.5 was independently developed by the DOE or recipient Party without the utilization of the other Party’s protected property and information; or

15.1.6 is required by law or regulation to be disclosed, provided however, that the disclosing Party shall first give the recipient written notice and adequate opportunity to

object to such order for disclosure or to request confidential treatment.

**16. Waivers.**

16.1 The failure of Alliance at any time to enforce any provisions of this Agreement or to exercise any right or remedy shall not be construed to be a waiver of such provisions or of such rights or remedy or the right of Alliance thereafter to enforce each and every provision, right or remedy.

16.2 The waiver of a specific breach hereunder may be effectuated only by a written document, signed by the waiving Party, and delivered to the breaching Party. Such formal waiver shall not constitute a waiver of any other breach.

**17. Entire Agreement and Legal Amendments.**

17.1 The Parties expressly understand and agree that this instrument contains the entire agreement between the Parties with respect to the subject matter of this Agreement and that all prior representations, warranties, or agreements relating to this subject matter have been merged into this instrument and are thus superseded in totality by this Agreement. This Agreement may be amended only by a written instrument signed by the duly authorized representatives of both of the Parties.

17.2 The Parties agree that if any part, term, or provision of this Agreement shall be found illegal or in conflict with any valid controlling law, the validity of the remaining provisions shall not be affected thereby.

17.3 In the event the legality of any provision of this Agreement is brought into question because of a decision by a court of competent jurisdiction of any country in which this Agreement applies, Alliance, by written notice to Licensee, may revise the provision in question or may delete it entirely so as to comply with the decision of said court.

**18. Headings.**

The headings for the Sections set forth in this Agreement are strictly for the convenience of the Parties hereto and shall not be used in any way to restrict the meaning or interpretation of the substantive language of this Agreement.

**19. Assignment and Change in Control.**

19.1 Licensee acknowledges and agrees that Alliance may transfer this Agreement and all rights, duties and obligations hereunder, to the DOE or a successor management and operating contractor of NLR as may be required under the Prime Contract with DOE.

19.2 Licensee may assign this entire Agreement or any of its rights hereunder, upon the prior written authorization of Alliance, in connection with the sale of all or a material portion of any subsidiary, division, or business unit of Licensee, whether by merger, sale of assets, or sale of stock. Licensee is prohibited from assigning to any Foreign Entity of Concern. Any such assignment made without the prior written authorization of Alliance is null and void. Licensee must be in good standing with all terms and conditions of this Agreement, the new assignee must agree in writing to be bound by this Agreement, and Licensee will submit written documentation of such to Alliance prior to the assignment. Prior to any assignment constituting a 'covered transaction under the Committee on Foreign Investment in the United States (CIFIUS) rules, Licensee shall submit any required notifications to CIFIUS.

19.3 Licensee shall notify Alliance in writing of any Change in Control within ninety (90) business days of such Change in Control. The notice shall provide sufficient detail to uniquely identify the new controlling entity. As stated in Section 10.6, failure to notify Alliance of a Change in Control will result in automatic termination of this Agreement.

19.4 If Licensee becomes Controlled or Influenced by a Foreign Entity of Concern, Licensee shall notify Alliance of each such occurrence within thirty (30) business days of becoming aware of such occurrence, including identifying the entity holding such Control or Influence and the nature and extent of such entity's Influence (e.g., board membership and how many seats; ownership of voting securities, what type of voting securities, and how much of the outstanding voting securities; etc.) and Alliance may, in its sole discretion, immediately terminate this Agreement.

## **20. Disputes and Governing Laws.**

20.1 This Agreement, and the rights and liabilities of the Parties with respect to this Agreement and its subject matter, shall be governed by the laws of the State of Colorado, without reference to the principles of conflicts of laws thereof. Any dispute arising out of or relating to this Agreement or its subject matter not settled by the Parties may be resolved only by the courts of the State of Colorado, or if subject matter jurisdiction exists, by the United States federal courts, with venue in the County of Denver (in the case of state court) or in the U.S. District Court for the District of Colorado (in the case of federal court). Each of the Parties hereby consents to the jurisdiction of such courts over it in any action involving any such dispute. Each of the Parties agree not to commence or maintain a legal proceeding involving any such dispute in any forum except a court of the State of Colorado located in Denver County or the United States District Court for the District of Colorado (other than to enforce a judgment obtained in such courts) and agrees not to contest the venue of any action involving any such dispute in the County of Denver or the District of Colorado, as the case may be, nor to assert in any such court the doctrine of forum non conveniens, or the like.

20.2 If any provisions of this Agreement are held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability will not affect any other provisions of this



Agreement. This Agreement will be construed as if the invalid, illegal, or unenforceable revision were never in this Agreement.

20.3 Alliance will release information concerning this Agreement if required by law.

**21. Non-Use of Names.**

In publicizing or promoting anything made, used, offered for sale, sold or imported under this Agreement, Licensee shall not use the name of Alliance, NLR or DOE or otherwise refer to any organization related to Alliance or DOE, except with the prior written approval of Alliance and DOE. By entering into this Agreement, Alliance neither directly nor indirectly endorses any product or service provided, or to be provided, by Licensee whether directly or indirectly related to this Agreement. However, Licensee may state that it licensed from Alliance one or more of the patents and/or patent applications comprising the Licensed Patents, and Alliance may state that it licensed to Licensee one or more of the patents and/or patent applications comprising the Licensed Patents, and may further include (i) Alliance inventor names, (ii) invention titles and summaries, (iii) technology field of use, and (iv) the type and extent of the license, but may not include terms and conditions of this Agreement unless such disclosure is required by law, rule or regulation.

**22. Counterparts.**

This Agreement may be executed in separate counterparts, each of which so executed and delivered shall constitute an original, but all such counterparts shall together constitute one and the same instrument. Any such counterpart may comprise one or more duplicates or duplicate signature pages, any of which may be executed by less than all of the Parties, provided that each Party executes at least one such duplicate or duplicate signature page. The Parties stipulate that a photo static copy of an executed original will be admissible in evidence for all purposes in any proceeding as between the Parties.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed in their respective names by their duly authorized representatives.

For **Alliance**

By: \_\_\_\_\_

Name: (typed) \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

For **Licensee**

By: \_\_\_\_\_

Name: (typed) \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A: LICENSED PATENTS**

NLR ROI No.	Country	Title	Patent/Patent Application No.	Filing/Issue Date

**Initials**

Alliance: \_\_\_\_\_ Licensee: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

## **EXHIBIT B: FIELDS OF USE AND FINANCIAL CONSIDERATIONS**

- A. **Fields of Use:** Using the Licensed Patents to make, use, import and sell the Licensed Products in the field of:
- B. **Upfront Fee:** An up-front cash payment of [**AMOUNT**] ([**Amount in U.S. dollars**]) in U.S. dollars due within 30 days of the Effective Date. If such payment is not timely received, this Agreement shall be null, void and without effect.
- C. **Continuous Royalty Rate Structure:**

Throughout the term of the Agreement, Licensee shall pay annually, in accordance with Section 4.2 of this Agreement, to Alliance a running royalty of [**Percentage**] (**X%**) on all Net Sales of Licensed Products sold by or on behalf of Licensee as defined in the table below:

**Table 1: Continuous Royalty Rates for Net Sales of Licensed Products**

Accounting Period	Continuous Royalty	Due Date

- D. **Minimum Annual Royalty Payments:**

For the [year] calendar year and each subsequent calendar year during the term of this Agreement, Licensee shall pay to Alliance a minimum annual royalty payment in the amount of [**MAR amount**] ([**Amount in U.S. dollars**]) in U.S. dollars annually. [ALT: ...Licensee shall pay to Alliance annually the applicable Minimum Annual Royalty defined by Table X below.] Licensee shall make such payment to Alliance within thirty days of the beginning of the calendar year for which it is due. For each calendar year, that year's Minimum Annual Royalty payment shall be fully creditable against continuous royalties paid to Alliance, under Exhibit B, Article C above, for such calendar year, but shall not be creditable against any other payment due under this Agreement, including past or future continuous royalties that may be or become due.

**Table X: Minimum Annual Royalties**

Calendar Year	Min. Royalties (USD)	Due Date

- E. **Performance Milestone Payments:**  
Licensee shall pay to Alliance the following performance milestone amounts:

- (a) A milestone payment of [PAYMENT AND CONDITION FOR PAYMENT];
- (b) A milestone payment of [PAYMENT AND CONDITION FOR PAYMENT]; and
- (c) A milestone payment of [PAYMENT AND CONDITION FOR PAYMENT].

**Alliance will NOT send invoices for payments due on a fixed schedule. It is Licensee's responsibility to make all payments in accordance with this Agreement and all late payments will be charged interest in accordance with Section 4.3 of this Agreement.**

### **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 Alliance Prime 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**

Alliance: \_\_\_\_\_

Licensee: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT C: DEVELOPMENT AND COMMERCIALIZATION PLAN**

Licensee shall use commercially reasonable efforts to bring the Licensed Products to market through a thorough, vigorous and diligent commercialization program, which program shall include but not be limited to the development, marketing, promotion, distribution and sale of Licensed Products. In partial satisfaction of such obligations, Licensee represents and warrants that it will invest in the development of the technology and market for Licensed Products by committing Licensee's resources, at a minimum, to the following requirements:

- 1) **Technical Milestones:**
  1. Achieve [technical milestone event #1] on or before [DATE];
  2. Achieve [technical milestone event #2] on or before [DATE]; and
  3. Achieve [technical milestone event #3] on or before [DATE].
- 2) **Market Milestones:**
  1. Achieve [market milestone event #1] on or before [DATE];
  2. Achieve [market milestone event #2] on or before [DATE]; and
  3. Achieve [market milestone event #3] on or before [DATE].

Progress and substantiation of Licensee meeting these development and commercialization requirements shall be provided to Alliance in the form of a report to be presented in writing no later than thirty (30) days from the end of each calendar year.

**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 Alliance Prime 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

Alliance: \_\_\_\_\_ Licensee: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

**EXHIBIT D: SAMPLE REPORT FORM****NOTICE**

Licensee shall provide Alliance with a written report certified by an officer of the company that complies with the requirements of this Agreement no later than thirty (30) days after the end of each calendar year for the life of this Agreement.

Licensee Name:

Reporting Period: January 1, 202# - December 31, 202#

**Net Sales of Licensee:**

Description of Licensed Products	Units of Sales	Net Sales (US\$)	Royalties Owed (US\$)
Other Financial Obligations/Payments:			

**Government Sales:**

U.S. Government Sales of Licensed Products (if any):

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

**U.S. Manufacture:**

Has Licensee complied with the U.S. Manufacture provisions of the license? Please include the name(s) and location(s) of your U.S. manufacturing facilities?. What is the total number of products manufactured at each location? What is the first date of manufacturing of the commercial product?

**Product Name:**

What is the name of the commercial product?

**Commercial Sales:**

What was the calendar year of the first commercial sale?

**U.S. Jobs:**

Approximate number of new U.S.-based jobs created because of commercialization efforts during the Reporting Period.

**U.S. Companies:**

Number of new U.S.-based companies created from the commercialization efforts during the reporting period.

**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:**

NAME OF COMPANY OFFICER hereby certifies that Licensee is complying with the substantial U.S. Manufacturing requirement of Section 2.4 of this Agreement.

Chief Executive/Financial Officer Name:

Licensee Name

Licensee Agreement Ref#:

Licensee Address: