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INTELLECTUAL PROPERTY RIGHTS - JOINT OWNERSHIP OF FOREGROUND IP LICENSE TO BUYER OF BACKGROUND IP AND EXCLUSIVE LICENSE FOR SPACE APPLICATIONS

1. INTELLECTUAL PROPERTY

“Intellectual Property” means all inventions, discoveries and improvements; all technical data including, but not limited to drawings, specifications, process information, technical reports and all other documented information and the like; and all computer software and related documentation. “Intellectual Property” also includes all common law and statutory rights to the foregoing, including but not limited to, patents, copyrights, mask work registrations, and the like.

2. FOREGROUND INTELLECTUAL PROPERTY

“Foreground Intellectual Property” means all Intellectual Property generated in relation to Work under this contract.

3. BACKGROUND INTELLECTUAL PROPERTY

“Background Intellectual Property” means all Intellectual Property relating to the Work performed under this contract and/or to practice any Foreground Intellectual Property.

4. WORK

“Work” means all labor, services, acts (including tests to be performed), items, materials, articles, data, documentation, equipment, matters and things to be furnished, and rights to be transferred under this contract.

5. OWNERSHIP OF INTELLECTUAL PROPERTY

- (a) Foreground Intellectual Property created by Seller in performance of the Work for the contract shall be the joint property of Seller and Buyer.
- (b) Foreground Intellectual Property created by Buyer or its agents shall be the sole property of Buyer.
- (c) Foreground Intellectual Property created jointly by Seller and Buyer shall be the joint property of Seller and Buyer.

6. RIGHTS GRANTED TO BUYER

Seller agrees to and does hereby grant Buyer an irrevocable, nonexclusive, royalty-free, paid-up worldwide license to use any Background Intellectual Property to practice and have practiced Foreground Intellectual Property and to make, have made use and sell products. Seller further agrees to and does hereby grant Buyer an irrevocable, exclusive,

royalty-free, paid-up worldwide license to use any Foreground Intellectual Property to make, have made use and sell products for space applications.

7. INVENTION DISCLOSURES AND REPORTS

For any Foreground Intellectual Property constituting an invention created by Seller, except those that are obviously unpatentable under the patent laws of the United States, Seller shall furnish to the Buyer a written disclosure of each invention within three (3) months after completion or first actual reduction to practice, whichever occurs first under this contract and, in any event, prior to completion of the contract. This disclosure shall be sufficiently complete in technical detail to convey a clear understanding of the nature, purpose, operation, and to the extent known, the physical chemical or electrical characteristics of the invention to one skilled in the art to which the invention pertains together with a written statement making an election as to whether a United States patent application claiming the invention will be filed by or on behalf of Seller. If to the best of Seller's Knowledge and beliefs, no invention has been conceived and/or first actually reduced to practice under this contract, Seller shall so certify to Buyer.

8. DOMESTIC FILING

In connection with each subject invention referred to in Section 6 above:

- (a) If Seller has elected to file a United States patent application claiming such invention, Seller shall within six (6) months after the election file or cause to be filed such application in due form, shall notify Buyer of such filing, and deliver to Buyer, within two months after such filing or within two months of the first written disclosure of such invention if a patent application previously has been filed, a duly executed license, in triplicate, fully confirmatory of all rights to which Buyer is entitled under this clause; if Seller does not file or cause to be filed such application, he shall so notify Buyer within the six-month period.
- (b) If Seller has elected not to file or cause to be filed a United States patent application claiming such invention, or has made the contrary election but not filed or caused to be filed such application within six (6) months after the election, Seller shall:
 - (1) Inform Buyer in writing, as soon as practicable, of the date and identity of any public use, sale, or publication of such invention made by or known to Seller or of any contemplated publication by Seller;
 - (2) Upon request, convey to Buyer Seller's entire right, title and interest in such invention by delivering to Buyer such duly executed instruments (prepared by Buyer) of assignment and application, and such other papers as are deemed necessary to vest in Buyer the entire right, title and interest aforesaid, and the right to apply for and prosecute patent application covering such invention

throughout the world, subject to the reservation of a non-exclusive and royalty-free license to Seller.

- (c) The Seller shall furnish promptly to Buyer upon request an irrevocable power of attorney to inspect and make copies of each United States application filed by or on behalf of Seller covering any such invention.
- (d) In the event Seller, or those other than Buyer deriving rights from Seller, elects not to continue prosecution of any such United States patent application filed by or on behalf of Seller, Seller shall so notify Buyer not less than 30 days before the expiration of the response period, and upon written request, deliver to Buyer such duly executed instruments (prepared by Buyer) as are deemed necessary to vest in Buyer the entire right, title, and interest in such invention and the application, subject to the reservation as specified in paragraph (b)(2) of this clause.

9. FOREIGN FILING

Buyer may elect to file an application for patent on a subject invention in any foreign country not intended to be filed in by Seller in which case Buyer will retain title and will grant Seller an irrevocable, non-exclusive and royalty-free license to practice and have practiced the subject invention in such country.

10. BUYER'S RIGHT TO ASSIGN

Buyer shall have the right to assign any or all of the rights and licenses, and whenever the word "Buyer" is used in this article it shall be deemed to include Buyer and its successor and assigns.

11. EMPLOYEE AGREEMENTS

Seller agrees to obtain the necessary agreements with personnel assigned to this contract to enable the grant and/or performance of all rights and obligations to which Buyer is entitled under this and the other clauses to the contract.

12. CONTRACT ISSUED UNDER A HIGHER-TIER CONTRACT

In the event that this contract is issued under a higher-tier contract, the rights granted to Buyer additionally include the right to grant sub-licenses of the scope set forth hereinabove to the extent required in said higher-tier contract.

13. SURVIVAL OF RIGHTS

All right granted Buyer shall survive termination or expiration of the contract for any reason.