

- (a) The subcontract price includes certain amounts for royalties payable by the Seller or subcontractors or both, which amounts have been reported to the Company.
- (b) The term "royalties" as used in this clause refers to any costs or charges in the nature of royalties, license fees, patent or license amortization costs, or the like, for the use of or for rights in patents and patent applications in connection with performing this subcontract or any subcontract at any tier. The term also includes any costs or charges associated with the access to, use of, or other right pertaining to data that is represented to be proprietary and is related to the performance of this subcontract or the copying of such data or data that is copyrighted.
- (c) The Seller shall furnish to the Company, before final payment under this subcontract, a statement of royalties paid or required to be paid in connection with performing this subcontract and subcontracts hereunder together with the reasons.
- (d) The Seller will be compensated for royalties reported under paragraph (c) of this clause, only to the extent that such royalties were included in the subcontract price and are determined by the Department of Energy (DOE) to be properly chargeable to the Government and allocable to the subcontract. To the extent that any royalties that are included in the subcontract price are not, in fact, paid by the Seller or are determined by DOE not to be properly chargeable to the government and allocable to the subcontract, the subcontract price shall be reduced. Repayment or credit to the Government shall be made as DOE directs. The approval by DOE of any individual payments or royalties shall not prevent the Government from contesting at any time the enforceability, validity, scope of, or title to, any patent or the proprietary nature of data pursuant to which a royalty or other payment is to be or has been made.
- (e) If, at any time within 3 years after final payment under this subcontract, the Seller for any reason is relieved in whole or in part from the payment of the royalties included in the final subcontract price as adjusted pursuant to paragraph (d) of this clause, the Seller shall promptly notify DOE of that fact and shall reimburse the Government in a corresponding amount.
- (f) The substance of this clause, including this paragraph (f), shall be included in any subcontract in which the amount of royalties reported during negotiation of the subcontract exceeds \$250.
-