

determination on filing patent applications, nor delay in filing such application; however, in the event EPRI, in good faith, has not made its determination and the UNIVERSITY desires to file patent applications in order to publish the Foreground Invention, the UNIVERSITY may, upon notifying EPRI, file patent applications at its own expense. EPRI shall, within nine (9) months of the filing of the United States patent application, notify the UNIVERSITY of those foreign countries in which it intends to file patent applications and shall file such applications prior to the expiration of any applicable convention dates.

8.1 (c) The UNIVERSITY hereby grants EPRI an exclusive revocable (but only for cause) license under any patent obtained above including the right to grant sublicenses thereunder. The term of the exclusive license shall extend for five (5) years from the date of filing of the patent application on any Foreground Invention. The exclusive license shall automatically extend for three (3) year increments throughout the life of the patent, provided, however, if the UNIVERSITY determines at any time after the initial five (5) year period that, in its sole opinion, the exclusive license should be terminated it shall so notify EPRI in writing. If upon receipt of such notification, EPRI demonstrates to the UNIVERSITY that it has made diligent efforts towards the further development or commercialization of the Foreground Invention during the previous period, the exclusive license shall continue. EPRI shall submit a written report to the UNIVERSITY which includes a reporting of licenses granted, contacts or negotiations with prospective licensees, and such other information as EPRI determines is necessary to demonstrate its commercialization activities. If the parties fail to agree that EPRI has made diligent efforts towards commercialization of the Foreground Invention, any such dispute will be resolved in accordance with the provisions of Article 18, "Arbitration".

8.1 (d) In the event EPRI elects not to file a patent application in the United States on any Foreground Invention or if EPRI elects not to file foreign applications in any country then the UNIVERSITY may, at its own expense, file such applications in the United States or in those countries not selected by EPRI. The UNIVERSITY shall have the sole right to license such Foreground Inventions without sharing of royalties with EPRI.

8.1 (e) The net royalty income earned on the licensing of patents by EPRI under its exclusive license shall be equally apportioned between EPRI and the UNIVERSITY. Net royalty shall be the gross royalties received less the cost of patent applications and administrative expenses directly related to the licensing of said inventions.

8.1 (f) In the event EPRI's exclusive license is revoked in accordance with subarticle 8.1(c) above, then EPRI's exclusive license shall automatically convert to an irrevocable, nonexclusive, paid-up license with the unlimited right to sublicense. EPRI shall determine the terms of any such sublicenses which terms may include royalties. EPRI agrees to share equally with the UNIVERSITY net royalties resulting from such licensing. UNIVERSITY agrees to share equally with EPRI net royalties resulting from any nonexclusive licenses issued by the UNIVERSITY.

8.2 The UNIVERSITY reserves for itself a revocable (but only for cause), nonexclusive, paid-up license, but excluding the right to sublicense, to practice any Foreground Invention in its internal use for research purposes. In the event the UNIVERSITY uses a Foreground Invention for the benefit of a third party, the UNIVERSITY shall notify said party of EPRI's proprietary interest in the Foreground Invention.

8.3 No claim or compensation other than that provided in Article 3 or Subarticles 8.1 and 8.2 above, shall be asserted by the UNIVERSITY or its employees with respect to any invention or discovery made, conceived, or first reduced to practice in the course of or under this Agreement.