

RESTRICTIONS ON SALE OR TRANSFER OF TECHNOLOGY TO FOREIGN FIRMS  
OR INSTITUTIONS

1. IN ORDER TO PROMOTE THE NATIONAL SECURITY INTERESTS OF THE UNITED STATES AND TO EFFECTUATE THE POLICIES THAT UNDERLIE THE REGULATIONS CITED ABOVE, THE PROCEDURES STATED IN SUBPARAGRAPHS 2, 3 AND 4 BELOW SHALL APPLY TO ANY TRANSFER OF TECHNOLOGY. FOR PURPOSES OF THIS PARAGRAPH, A TRANSFER INCLUDES A SALE OF THE COMPANY THAT INCLUDES A TRANSFER OF TECHNOLOGY, AND SALES OR LICENSING OF TECHNOLOGY. TRANSFERS DO NOT INCLUDE:
  - A. SALES OF PRODUCTS OR COMPONENTS, OR
  - B. LICENSES OF SOFTWARE OR DOCUMENTATION RELATED TO SALES OF PRODUCTS OR COMPONENTS, OR
  - C. TRANSFER TO FOREIGN SUBSIDIARIES OF SUBCONTRACTOR FOR PURPOSES RELATED TO THIS AGREEMENT, OR
  - D. TRANSFER WHICH PROVIDES ACCESS TO TECHNOLOGY TO A FOREIGN FIRM OR INSTITUTION WHICH IS AN APPROVED SOURCE OF SUPPLY OR SOURCE FOR THE CONDUCT OF RESEARCH UNDER THIS AGREEMENT PROVIDED THAT SUCH TRANSFER SHALL BE LIMITED TO THAT NECESSARY TO ALLOW THE FIRM OR INSTITUTION TO PERFORM ITS APPROVED ROLE UNDER THIS AGREEMENT
2. SUBCONTRACTOR SHALL PROVIDE TIMELY NOTICE TO DARPA OF ANY PROPOSED TRANSFERS FROM SUBCONTRACTOR OF TECHNOLOGY DEVELOPED UNDER THIS AGREEMENT TO FOREIGN FIRMS OR INSTITUTIONS. IF DARPA DETERMINES THAT THE TRANSFER MAY HAVE ADVERSE CONSEQUENCES TO THE NATIONAL SECURITY INTERESTS OF THE UNITED STATES, SUBCONTRACTOR, ITS VENDORS, AND DARPA SHALL JOINTLY ENDEAVOR TO FIND ALTERNATIVES TO THE PROPOSED TRANSFER WHICH OBVIATE OR MITIGATE POTENTIAL ADVERSE CONSEQUENCES OF THE TRANSFER BUT WHICH PROVIDE SUBSTANTIALLY EQUIVALENT BENEFITS TO TIMET.
3. IN ANY EVENT, SUBCONTRACTOR SHALL PROVIDE WRITTEN NOTICE TO DARPA OF ANY PROPOSED TRANSFER TO A FOREIGN FIRM OR INSTITUTION AT LEAST SIXTY (60) CALENDAR DAYS PRIOR TO THE PROPOSED DATE OF TRANSFER. SUCH NOTICE SHALL CITE THIS ARTICLE AND SHALL STATE SPECIFICALLY WHAT IS TO BE TRANSFERRED AND THE GENERAL TERMS OF THE TRANSFER. WITHIN THIRTY (30) CALENDAR DAYS OF RECEIPT OF SUBCONTRACTOR'S WRITTEN NOTIFICATION, THE DARPA SHALL ADVISE TIMET WHETHER IT CONSENTS TO THE PROPOSED TRANSFER. IN CASES WHERE DARPA DOES NOT CONCUR OR SIXTY (60) CALENDAR DAYS AFTER RECEIPT AND DARPA PROVIDES NO DECISION, SUBCONTRACTOR MAY REQUIRE TIMET TO UTILIZE THE PROCEDURES UNDER ARTICLE VI, DISPUTES, OF THE PRIME CONTRACT. NO TRANSFER SHALL TAKE PLACE UNTIL A DECISION IS RENDERED.
4. IN THE EVENT A TRANSFER OF TECHNOLOGY TO FOREIGN FIRMS OR INSTITUTIONS WHICH IS NOT APPROVED BY DARPA TAKES PLACE, SUBCONTRACTOR SHALL (A) REFUND TO DARPA FUNDS PAID BY IT FOR THE DEVELOPMENT OF THE TECHNOLOGY AND (B) THE GOVERNMENT SHALL HAVE A NON-EXCLUSIVE, NONTRANSFERABLE, IRREVOCABLE, PAID-UP LICENSE TO PRACTICE OR HAVE PRACTICED ON BEHALF OF THE UNITED STATES THE TECHNOLOGY THROUGHOUT THE WORLD FOR GOVERNMENT AND ANY AND ALL OTHER PURPOSES, PARTICULARLY TO EFFECTUATE THE INTENT OF THIS AGREEMENT. UPON REQUEST OF THE GOVERNMENT, SUBCONTRACTOR SHALL PROVIDE WRITTEN CONFIRMATION OF SUCH LICENSES.