

ARTICLE VII

Forms of Cooperative Activity

1. Cooperation under this Agreement may include, but is not limited to, any of the following:
 - a. coordinated research Projects and joint research Projects;
 - b. joint task forces to examine emergent homeland/civil security challenges;
 - c. joint studies, projects, and scientific or technical demonstrations;
 - d. joint organization of field exercises, scientific seminars, conferences, symposia, and workshops;
 - e. training of scientists and technical experts;
 - f. visits and exchanges of scientists, engineers, or other appropriate personnel;
 - g. exchanges or sharing of scientific and technological information and Equipment and Material;
 - h. exchange of information on practices, laws, regulations, standards, methods, and programs relevant to cooperation under this Agreement; and
 - i. joint agreement for the use of laboratory facilities and Equipment and Material, for conducting scientific and technological activities including research, development, testing, and evaluation.
2. Nothing in paragraph 1 shall preclude the Parties from facilitating other forms of Cooperative Activity that they may agree upon.

ARTICLE VIII

Projects

1. Cooperative Activity under this Agreement shall normally be implemented in the form of Projects to be conducted pursuant to Project Arrangements.
2. Project Arrangements shall contain the following terms and conditions for each Project:
 - a. its scope;
 - b. its duration;

- c. the manner in which it will be funded;
- d. specific details of any transfer of Equipment and Material and the identity of personnel and/or organizations, if any, to be committed to the Project;
- e. any specific provisions for terminating Participant involvement;
- f. the dispute resolution process;
- g. whether the use of Classified Information will be required;
- h. any safety measures to be followed including, where appropriate, specific procedures for dealing with hazardous or dangerous material;
- i. any applicable cost sharing provisions;
- j. its cost ceiling;
- k. the applicable exchange rate; and
- l. any necessary technical annexes.

3. The Parties shall ensure that all Project Arrangements are consistent with the provisions of this Agreement. In the case of any inconsistency, the terms of the Agreement shall prevail.

ARTICLE IX

Participants

1. Subject to the provisions of this Article, a Party may engage a Participant to carry out work relating to Cooperative Activity on its behalf. The engagement of any Participant in the implementation of any Cooperative Activity shall require the non-sponsoring Party's prior review and written approval.
2. Before engaging a Participant to carry out work, a Party must enter into a written agreement with the Participant ("a sponsorship arrangement") unless such an agreement exists already.
3. The Party engaging a Participant shall ensure that the Participant agrees to:
 - a. carry out any work relating to Cooperative Activity in accordance with the terms of this Agreement; and
 - b. report to that Party's Agreement Director on a periodic basis.

4. The Parties' Agreement Directors shall jointly determine the frequency and scope of the reporting requirement referred to in paragraph 3(b) of this Article.

5. In the event that a question arises with respect to a Participant and/or its activities under this Agreement, the Parties shall consult to consider the Participant's role in Cooperative Activity. If either Party objects to a Participant's continued participation and requests its termination, the Party that sponsored the Participant shall give the request sympathetic consideration.

6. Nothing in this Agreement or any Project Arrangement precludes a Party who has sponsored a Participant from suspending a Participant's activities or replacing the Participant in one or more of its Project Arrangements.

ARTICLE X

Contracting

1. If a Party determines that a Contract is necessary or desirable to fulfill its responsibilities in support of Cooperative Activity, that Party shall contract in accordance with its respective national laws, regulations, procedures and its international obligations.

2. Where a Party contracts to carry out work in support of Cooperative Activity under this Agreement, it shall be solely responsible for its own Contracts, and the other Party shall not be subject to any liability arising from such Contracts without its written consent.

3. Each Party or its Contracting Agency shall negotiate to obtain the rights for both Parties to use and disclose Project Foreground Information as specified in Article XIII (Intellectual Property Management) and to obtain the rights contained in Article XIV (Publication of Research Results) unless the other Party agrees in writing that they are unnecessary in a particular case. Each Party's Contracting Agency shall insert into its Contracts, and require its subcontractors to insert in subcontracts, suitable provisions to satisfy the requirements of Article XII (Information Security), Article XIII (Intellectual Property Management), Article XIV (Publication of Research Results), and Article XVII (Third Party Sales and Transfers) of this Agreement.

ARTICLE XI

Finance

1. Subject to the availability of funds for Cooperative Activity and to the provisions of this Article XI, each Party shall bear its own costs of discharging its responsibilities under this Agreement and its associated Project Arrangements.

2. Save as provided in paragraph 1, this Agreement creates no standing financial commitments.

3. The Parties may agree to share costs for Cooperative Activity. Detailed descriptions of the financial provisions for Cooperative Activity, including the total cost of the activity and each Party's cost share, shall be agreed between the Parties in Project Arrangements in accordance with paragraph 4 of this Article.

4. At the commencement of each Project, the Parties shall establish the equitable share of the total costs, including overhead costs and administrative costs. They shall also establish a cost target, a cost ceiling, and the costs of claims to be borne by each Party in the Project. In determining each Party's equitable share of total costs, the Parties may take into account:

- a. funds provided by one Party to the other for work under this Agreement ("financial contributions") and
- b. material, manpower, use of Equipment and Material and facilities provided for the performance of work under this Agreement ("non-financial contributions") to directly support Agreement efforts. The Parties also recognize that prior work can constitute a non-financial contribution.

5. The following costs shall be borne entirely by the Party incurring the costs and are not included in the cost target, cost ceiling, or Project costs:

- a. costs associated with any unique national requirements identified by a Party; and/or
- b. any costs not expressly stated as shared costs or any costs that are outside the scope of this Agreement.

6. A Party shall promptly notify the other if available funds are not adequate to undertake activities arising as a result of this Agreement. If a Party notifies the other that it is terminating or reducing its funding for a Project, both Parties shall immediately consult with a view toward continuation on a changed or reduced basis. If this is not acceptable to both Parties, then the provisions of paragraph 5 of Article XIX (Entry Into Force, Duration, Amendment, and Termination) of this Agreement shall apply.

7. Each Party shall be responsible for any audit of its activities in support of Cooperative Activity, including the activities of any of its Participants. Each Party's audits shall be in accordance with its own national practices. For Project Arrangements where funds are transferred from one Party to the other Party, the receiving Party shall be responsible for the internal audit regarding administration of the other Party's funds in accordance with national practices. Audit reports of such funds shall be promptly made available by the receiving Party to the other.

8. The US dollar shall be the reference currency for the Agreement and the fiscal year for any Project shall be the US fiscal year.

ARTICLE XII

Information Security

1. All exchanges of information and Equipment and Material, including Classified Information, between the Parties and between Parties and Participants shall be carried out in accordance with the applicable laws and regulations of the Parties including those relating to the unauthorized transfer or re-transfer of such information and Equipment and Material.

2. Classified Information:

a. All Classified Information provided or generated pursuant to this Agreement and any of its Project Arrangements shall be stored, handled, transmitted, and safeguarded in accordance with the Agreement Between the Government of the United States of America and the Government of Great Britain and Northern Ireland Relating to the Safeguarding of Classified Information of April 14, 1961, as amended ("the General Security Agreement").

b. Each Party shall ensure that access to Classified Information is limited to those persons who possess requisite security clearances and have a specific need for access to the Classified Information in order to participate in Cooperative Activity established pursuant to this Agreement.

c. Each Party shall ensure that it incorporates the provisions of this Article XII into Project Arrangements. In addition, if either Party deems it necessary Project Arrangements shall include:

i) detailed provisions dealing with the prevention of unauthorized transfer or retransfer of information and Equipment and Material; and/or

ii) detailed distribution and access restrictions on information and Equipment and Material.

d. Each Party shall take all lawful steps available to it to ensure that Classified Information provided or generated pursuant to this Agreement is protected from further disclosure, unless the other Party consents to such disclosure.

e. Classified Information shall be transferred only through official government-to-government channels or through channels approved by

both Parties. Such Classified Information shall be given the equivalent level of classification in the country of receipt as it was given in the country of origin and shall be marked with a legend containing the country of origin, the conditions of release, and the fact that the information relates to this Agreement.

- f. The Parties shall investigate all cases in which it is known or where there are reasonable grounds for suspecting that Classified Information provided or generated pursuant to this Agreement has been lost or disclosed to unauthorized persons. Each Party shall promptly and fully inform the other of the details of any such occurrences, and of the final results of the investigation and of the corrective action taken to preclude recurrences.
- g. Unless both Parties agree in writing that it is unnecessary in a particular case, Contractors, prospective Contractors, subcontractors, or private sector Participants that are determined by either Party to be under financial, administrative, policy or management control of nationals or entities of any country which is not a Party to this Agreement may only participate in a Contract or subcontract requiring access to Classified Information that has been classified on grounds of national security if enforceable measures are in effect to ensure that the nationals or entities of that country do not have access to such Classified Information.
- h. Information or Equipment and Material provided or generated pursuant to this Agreement may not be classified any higher than the "SECRET" level.

3. Controlled Unclassified Information: The nature and amount of the Controlled Unclassified Information to be acquired and disseminated pursuant to this Agreement shall be consistent with the objectives of this Agreement and the following guidelines and procedures:

- a. Controlled Unclassified Information shall be used by the receiving Party only for the purposes directly related to Cooperative Activity design and implementation;
- b. Access to Controlled Unclassified Information shall be limited to those personnel of the receiving Party whose access is necessary for the permitted use under this Agreement;
- c. All lawful steps shall be taken, which may include national classification where appropriate, to keep Controlled Unclassified Information free from unauthorized disclosure, including requests under any public access provisions;
- d. Controlled Unclassified Information provided under this Agreement is to be marked by the Party providing it with a legend containing the

country of origin, the conditions of release, the fact that it relates to this Agreement and a statement to the effect that access to the information is controlled; and

- e. Controlled Unclassified Information provided or generated pursuant to this Agreement shall be stored, handled, and transmitted in a manner that ensures proper control. Prior to authorizing the release of Controlled Unclassified Information to any Participant, the authorizing Party shall ensure the Participant is legally required to control such information in accordance with the provisions of this Article.

4. Business Confidential Information:

- a. Each Party shall safeguard and protect identified Business Confidential Information that is furnished or is created pursuant to this Agreement. The Parties shall treat Business Confidential Information in accordance with Section III of Annex I to the Agreement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland concerning the Agreement on the Annex on Intellectual Property Rights of November 29, 1995.
- b. The Parties shall ensure that any Participants are legally required to control and safeguard Business Confidential Information in accordance with the provisions of this Article.

ARTICLE XIII

Intellectual Property Management and use of Information

1. General: Both Parties recognize that successful collaboration depends on full and prompt exchange of information necessary for carrying out Cooperative Activities. The Parties intend to acquire sufficient Project Information and/or rights to use such information to enable the development of technologies, prototype equipment, and other activities included in a Project. The nature and amount of information to be acquired and disclosed shall be consistent with this Agreement and the terms of individual Project Arrangements.

2. Allocation of Rights and Exploitation: The allocation and protection of Intellectual Property created or used under this Agreement shall be governed by the provisions of Annex I to the Agreement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland concerning the Agreement on the Annex on Intellectual Property Rights of November 29, 1995.

3. Government Background Information:

a. Disclosure: Unless a Project Arrangement provides otherwise, each Party shall disclose to the other Project Background Information in its possession or control, provided that:

- 1) the Project Background Information is necessary to or useful in the implementation of a proposed or existing Project established pursuant to this Agreement. The Party in possession or control of the information shall determine whether it is "necessary to" or "useful in" establishing new Projects or implementing existing ones;
- 2) the Project Background Information may be made available without adversely affecting the rights of holders of Intellectual Property Rights or Proprietary Information; and
- 3) disclosure is consistent with national disclosure policies, laws, and regulations of the furnishing Party.

b. Use: Unless a Project Arrangement provides otherwise, Government Project Background Information disclosed by one Party to the other may be used without charge by the other Party for Project purposes; however, the furnishing Party shall retain all its rights with respect to such Project Background Information. Where the use of Government Project Background Information is necessary to enable the use of Project Foreground Information, such Project Background Information may be used by the receiving Party for homeland/civil security purposes unless the provisions of the applicable Project Arrangement provide otherwise.

4. Participant Furnished Project Background Information:

a. Disclosure: Unless a Project Arrangement provides otherwise, Project Background Information furnished by a Participant sponsored by one Party shall be made available to the other Party provided the following conditions are met:

- 1) the Project Background Information is necessary to or useful in the Agreement. The Party in possession or having control of the information shall determine whether it is "necessary to" or "useful in" a Project;
- 2) the Project Background Information may be made available without adversely affecting the rights of holders of Proprietary Information or Intellectual Property Rights; and

3) disclosure is consistent with national disclosure policies, laws, and regulations of the furnishing Party.

b. Use: Project Background Information furnished by Participants may be subject to restrictions by holders of Intellectual Property Rights. In the event that it is not subject to restrictions preventing its use, it may only be used by the Parties for Project purposes. If a Party wants to use Participant furnished Project Background Information for purposes other than the Project, (including without limitation sales to Third Parties), then the requesting Party must obtain any required licenses from the owner or owners of the rights to that information.

5. Project Foreground Information: The Parties shall use their best efforts to establish Project Arrangements that enable both Parties to make use of any resulting Project Foreground Information without charge for its homeland/civil security needs. The allocation and protection of Intellectual Property shall be governed by the provisions of the Agreement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland concerning the Agreement on the Annex on Intellectual Property Rights of November 29, 1995.

ARTICLE XIV

Publication of Research Results

1. The Parties agree that the provisions of paragraph A of Section II of the Agreement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland concerning the Agreement on the Annex on Intellectual Property Rights of November 29, 1995 shall apply to the publication of any research results created under this Agreement.

2. Publication Review: The Parties agree that publication of the results may be one of the goals of this Agreement to stimulate further research in the public or private sector. In order to protect the rights of the Parties, including to avoid prejudice to the holders of Intellectual Property Rights and Proprietary Information, each Party shall transmit to the other for its review any material containing such results and intended for publication, or otherwise disclosed, at least sixty (60) working days before such material is submitted to any editor, publisher, referee or meeting organizer, or is otherwise disclosed. In the absence of an objection by the other Party within that sixty-day period the publication or other disclosure may proceed. It is the responsibility of each Party to coordinate with its sponsored Participants who work under a Project Arrangement to determine whether all potential Intellectual Property or Proprietary Information interests have been properly considered.

3. Affiliation: The sponsorship and financial support of the Parties for Cooperative Activity shall not be used in any public statement of a promotional nature or used for commercial purposes without the express written permission of both Parties.

4. Publicity and Acknowledgements: All publications relating to the results of the Projects established pursuant to this Agreement shall include as applicable a notice indicating that the underlying investigation received financial support from the Government of the United States and/or the Government of the United Kingdom of Great Britain and Northern Ireland. Two copies of such publications shall be sent to the Agreement Directors by the individual or entity that is the author of the publications.

ARTICLE XV

Entry of Personnel and Equipment and Material

1. With respect to Cooperative Activity under this Agreement, each Party, in accordance with its laws and regulations, and as appropriate, shall facilitate:

- a. prompt and efficient entry into and exit from its territory of appropriate Equipment and Material, instrumentation, and Project Information;
- b. prompt and efficient entry into and exit from its territory, and domestic travel and work of, persons participating on behalf of the Parties or Participants in the implementation of this Agreement;
- c. prompt and efficient access, as appropriate, to relevant geographical areas, information, Equipment and Material and institutions, for persons participating on behalf of the Parties, or Participants, in the implementation of this Agreement; and
- d. mutual logistic support.

2. Customs duties, import and export taxes, and similar charges shall be administered in accordance with each Party's respective laws and regulations. Insofar as existing laws and regulations permit, each Party shall use their best efforts to ensure that readily identifiable duties, taxes and similar charges, as well as quantitative or other restrictions on imports and exports, are not imposed in connection with Projects carried out under this Agreement.

ARTICLE XVI

Research Safety

1. The Parties shall establish and implement policies and practices to ensure and provide for the safety of its employees, the public, and the environment during the conduct of Cooperative Activities subject to applicable national laws and regulations. If any Cooperative Activity involves the use of dangerous or hazardous materials, the Parties shall establish and implement an appropriate safety plan.
2. Without prejudice to any existing arrangements under the Parties' national laws, the Parties shall take appropriate steps to protect the welfare of any subjects involved in Cooperative Activities. Such steps may include the provision of medical treatment and, where appropriate, financial relief.

ARTICLE XVII

Third Party Sales and Transfers

Neither Party shall:

1. sell, transfer title to, disclose, or transfer possession of Project Foreground Information, or equipment incorporating Foreground Information, to a Third Party without the prior written consent of the other Party; or
2. permit any such sale, disclosure, or transfer by others, including by the owner of the item, without the prior written consent of the other Party. Such sales and transfers shall be consistent with Article XIII (Intellectual Property Management).

ARTICLE XVIII

Dispute Resolution

1. Except as provided in paragraph 4 (a) of Article XII (Information Security), paragraph 2 of Article XIII (Intellectual Property Management), and paragraph 1 of Article XIV (Publication of Research Results), all questions or disputes between the Parties that cannot be resolved by the Agreement Directors arising under or relating to this Agreement shall be submitted to the Executive Agents. Such questions and disputes shall be resolved only by consultation between the Parties and shall not be referred to a national court, an international tribunal, or to any other person or entity for resolution.
2. Each Party shall ensure that any agreement that it enters into with a Participant includes provisions for dispute resolution.

ARTICLE XIX

Entry into Force, Duration, Amendment, and Termination

1. This Agreement shall enter into force upon signature by both Parties.
2. The Agreement may be amended in writing by the mutual consent of the Parties. This Agreement shall remain in force unless terminated in writing by either Party, with such termination taking effect six months from the date of the written notice of termination.
3. This Agreement may also be terminated by the mutual written agreement of the Parties.
4. Unless otherwise agreed, termination of this Agreement shall not affect the validity or duration of any Cooperative Activity previously undertaken pursuant to it.
5. The respective rights and responsibilities of the Parties (and Participants) under Article XII (Information Security), Article XIII (Intellectual Property Management), Article XIV (Publication of Research Results) and Article XVII (Third Party Sales and Transfers) shall continue notwithstanding the termination or expiry of this Agreement. In particular, all Classified Information exchanged or generated under this Agreement shall continue to be protected in the event of the termination or expiry of the Agreement.

IN WITNESS WHEREOF, the undersigned, duly authorized by their respective Governments, have signed this Agreement.

DONE, in duplicate, at *London*
2004.

on this *8th* day of *December*

For the Government of the
United States of America:

For the Government of the
United Kingdom of Great Britain
and Northern Ireland: