

ACT IP

DOECAA Meeting
Denver, CO
April 26, 2012

What is ACT?

- Agreement for Commercializing Technology - New Laboratory Technology Transfer Mechanism that allows the Laboratory M&O Contractor to put its own resources at risk, or those of its parent company, to provide more flexible terms and conditions for sponsors wanting to do work with our Labs
- Authorized by same legal authority as Work for Others (WFO)

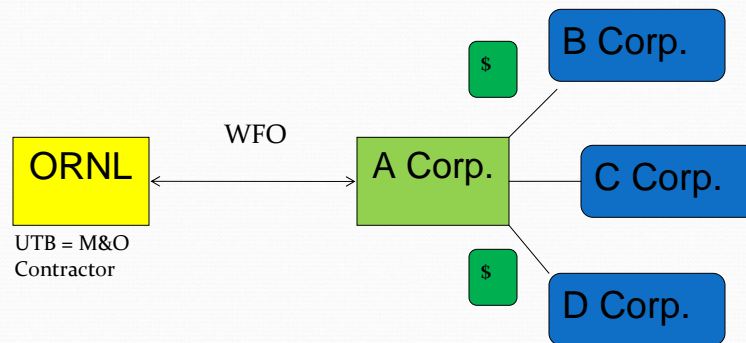
Sponsored Work under WFO Agreements



WFO Provisions

- Sponsor pays full cost recovery (no Fed. \$)
- IP Rights disposition
 - Per class patent waiver, sponsor has right to elect to own new inventions (“subject inventions”)
 - Government use license
 - U.S. Preference
 - Sponsor may itself commercialize inventions or may license; royalties belong to sponsor
 - Sponsor may mark Lab-generated data as proprietary and remove it from the Lab
 - Where sponsor does not elect to own inventions, they stay at the Lab, as do licensing royalties

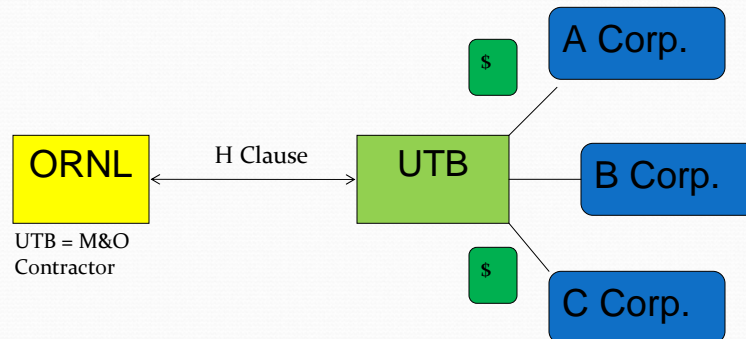
Sponsored Work



Factors Discouraging Some Sponsors

- Advance Payments
- Indemnity
- Promised Performance vs. Best Efforts
- Certain Reserved Government Rights in IP

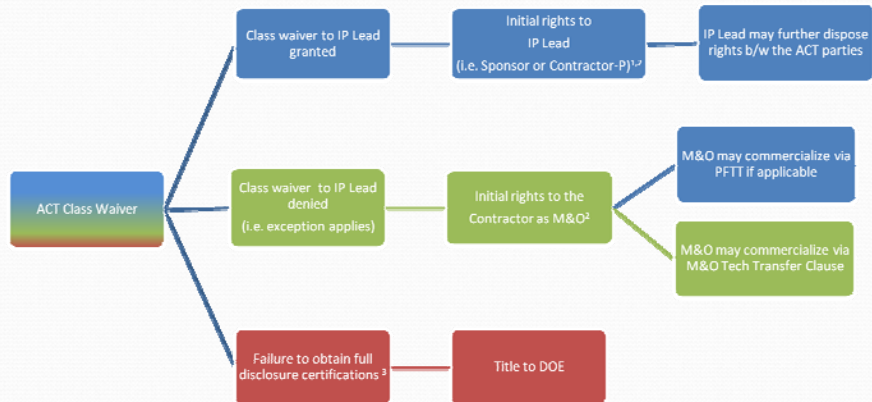
Sponsored Work under ACT



IP Rights under ACT

- Who initially owns subject inventions?
Parties choose IP lead. Rights are waived to IP Lead.
- Reserved Government rights in inventions and data:
ACT contains two basic options
 - (a) standard NFWFO model
 - (b) Narrowed Government use license in inventions, but expanded Government rights in data

Title to Subject Inventions under ACT



¹ If the IP Lead declines to elect title or discontinues prosecution, secondary rights reside with the M&O Contractor

² If the M&O Contractor declines to elect title or discontinues prosecution, rights reside with DOE

³ The ACT class waiver is contingent upon compliance with the OCI requirements described in the ACT H Clause including obtaining certifications from ACT parties that they have been fully informed about the availability of WFO agreements and CRADAs in addition to ACT

Option (b)

- Narrowed Government license in inventions limited to R&D
- Data rights
 - Data protection for up to 5 years (like a CRADA), during which time data may be used at Lab
 - Data protection for up to 5 years, extendable w/ DOE approval
- Approval by local Patent counsel; consultation w/ cognizant Program Office. Waiver provides for blanket approvals/denials.

Rights in Inventions retained by the Contractor

- As part of its compensation for assuming risk, M&O Contractor can negotiate a share in ownership of subject inventions *outside of its capacity as operating contractor for the Laboratory (i.e. privately owned)*
- Contractor would pay for all patent costs and commercialization costs out of its own funds
- Where successor contractor comes to lab, outgoing Contractor must assign those inventions for which it has not made a certain threshold investment in commercialization
- Royalties

QUESTIONS