

ACT Agreements

DOE Patent Counsel Conference

September 13, 2011

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)

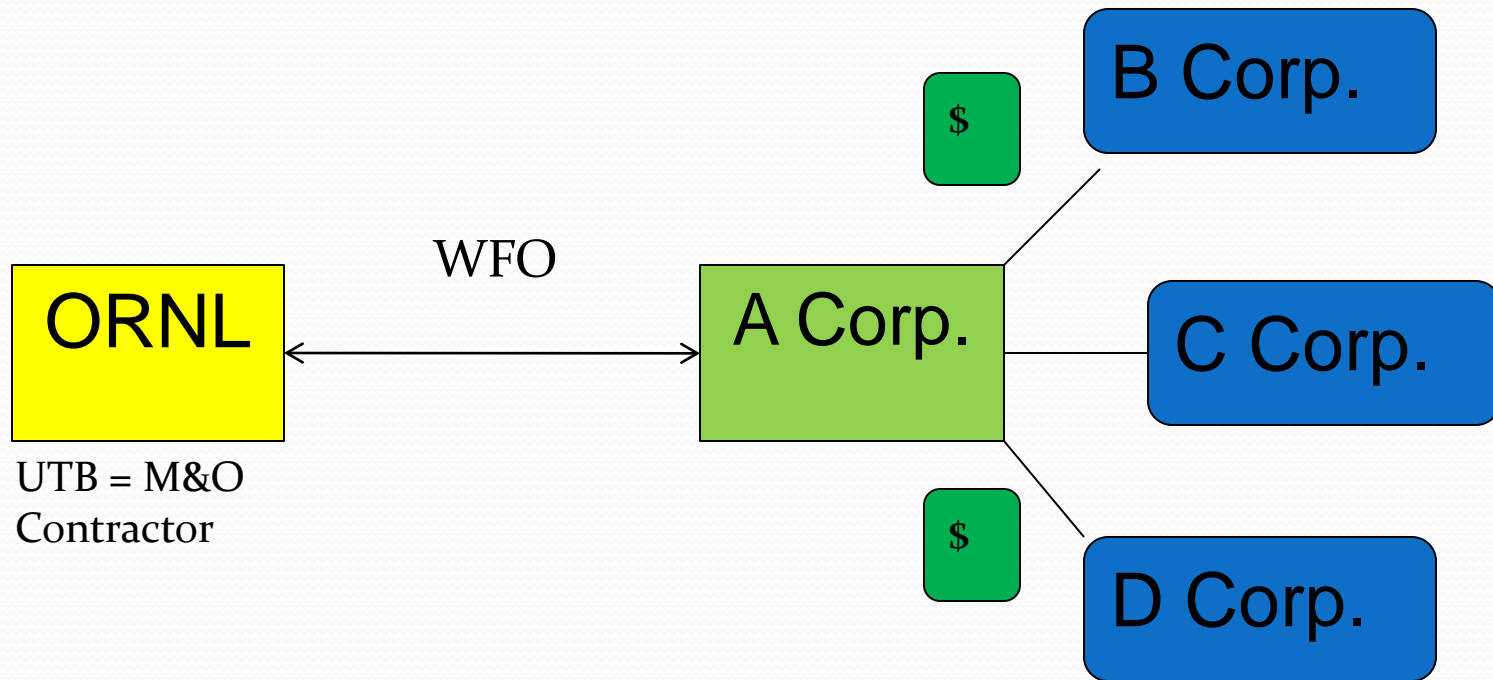
Sponsored Work under WFO Agreements



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
- April 2011 Decision by the Secretary

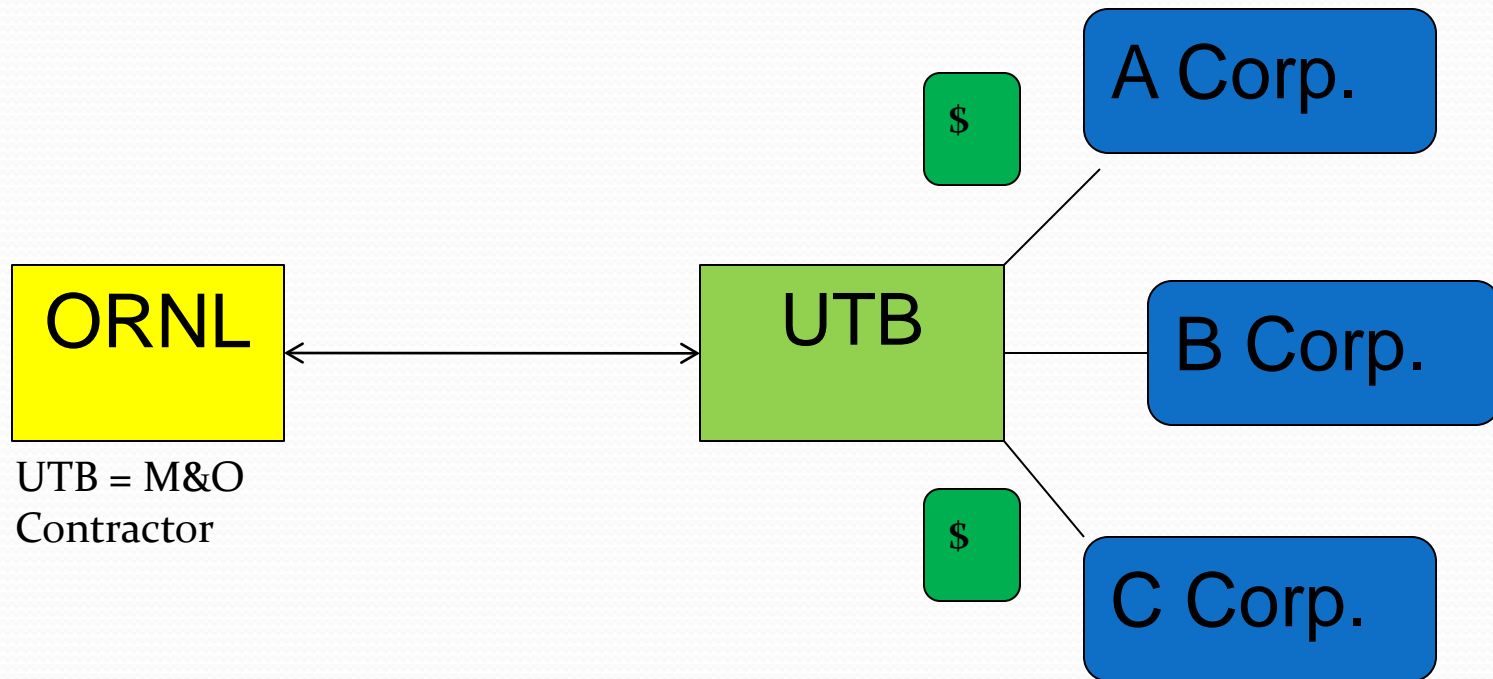
Sponsored Work



Factors Discouraging Some Sponsors

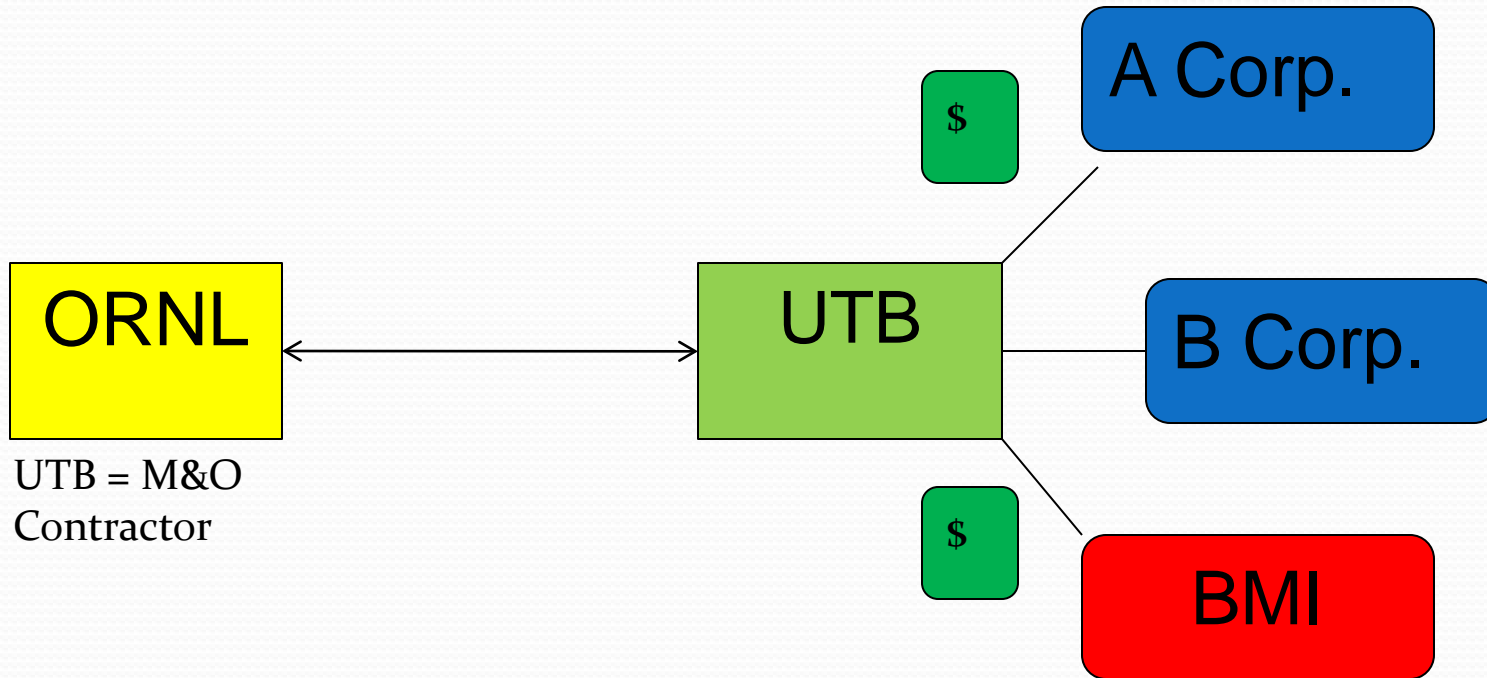
- Advance Payments
- Indemnity
- Promised Performance vs. Best Efforts
- Certain Reserved Government Rights in IP

Sponsored Work under ACT



ACT Contractor Sponsored Work

Contractor Parent / Affiliate Involvement
- OCI Considerations Managed



IP Rights under ACT

- Who initially owns subject inventions?
Parties choose IP lead
- Reserved Government rights in inventions and data:
proposing that ACT contain two options
 - (a) NFWFO model
 - (b) Narrowed Government use license in inventions, but expanded Government rights in data

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

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?

Next Steps

- Action Memo with IP issues for the Secretary
- Other issues, such as OCI mitigation, liability and indemnity, approval process, will be dealt with in the implementation phase. Joint NLDC/DOE task force working on H Clause for pilot program for limited number of labs

QUESTIONS