



Intellectual Property Management Plan Guidance

When an Intellectual Property (IP) Management Plan is required for a selected project, the selectee must submit the plan as part of its Post Submission Materials and Documents requirements. Selectees should only submit this information when requested by the cognizant Grants and Agreements Officer.

The following guidance is provided to assist selectees in preparing and executing an Intellectual Property Management Plan. This guidance should not be considered an exhaustive listing of acceptable approaches. Each selectee is encouraged to use its own discretion to independently develop and submit an Intellectual Property Management Plan that it believes will best address the team's objectives as long as that plan does not conflict with the terms of the Department of Energy's (DOE) Office of Clean Energy Demonstration (OCED) award.

What is the purpose of the Intellectual Property Management Plan?

The award IP clauses will set forth the treatment of and obligations related to IP rights between the Government, the Recipient, and the rest of the team. The purpose of an Intellectual Property Management Plan is to set out the rules and procedures on how IP matters will be addressed between and among team members. Each team should familiarize itself with the award IP clauses and the information in this document to develop an Intellectual Property Management Plan for the project. The Intellectual Property Management Plan should focus on promoting the project objectives and commercialization beyond the project and reducing the likelihood of misunderstandings or disputes among team members around intellectual property matters. It is up to the team to determine the best approach for the project as long as that approach does not conflict with the terms of the award.

What should be included in Intellectual Property Management Plan?

As explained in more detail below, elements of the Intellectual Property Management Plan may include definitions, confidential information, background intellectual property, foreground intellect property, publications and dissemination of project results, commercialization efforts, changes in membership, dispute resolution and government rights reference.

- **Definitions**

The Intellectual Property Management Plan should include a definition section to ensure that the team members have a common understanding of important IP language and terminology used throughout. To avoid confusion or inconsistency the Intellectual Property Management Plan should use the same terms and definitions used in the OCED award.

For example, the following terms are defined in the OCED award: invention; made; nonprofit organization; practical application; small business firm; subject invention; computer data bases; computer software; data, form, fit, and function data; limited rights; limited rights data; protected data; protected rights; restricted computer software; restricted rights; technical data; and unlimited rights data. The definitions for these terms will be listed in the OCED award and are listed in [2 CFR Part 910 Appendix A to Subpart D - Patent and Data Provisions](#).

This guidance document does not supersede Federal laws and regulations. This OCED guidance document is for informational purposes only and is not a requirements document. If there are inconsistencies between this OCED guidance document and any specific program or project document, the specific OCED program or project document should be relied upon as it is the controlling document.



- **Treatment of Confidential Information**

The sharing of confidential information among team members may be essential for the success of the team. In order to encourage such sharing, it is important that the members understand how and in what conditions confidential information will be shared. The Intellectual Property Management Plan should include provisions for the treatment of confidential information, such as requirements to identify or share confidential information, and obligations to protect or restrict use of confidential information. Alternatively, rather than having the confidentiality provisions as part of the Intellectual Property Management Plan, a separate non-disclosure agreement may be used. However, at a minimum, the Intellectual Property Management Plan should reference any separate non-disclosure agreement.

- **Background IP**

A common concern for any entity joining a demonstration project team is how its participation may impact its pre-existing intellectual property (i.e., background IP). Therefore, it is important for the Intellectual Property Management Plan to discuss the treatment of background IP. This depends on the objectives of the team and the concerns of the individual team members. For example, the Intellectual Property Management Plan may not require the owner of the background IP to identify or grant any rights to another team member or take any other action regarding its background IP. If that is the case, the Intellectual Property Management Plan should be explicit on this point.

Alternatively, the Intellectual Property Management Plan may require one or more of the following: (1) identification of background IP in certain circumstances, (2) licensing the background IP to the extent necessary for the team to conduct its work, and (3) licensing the background IP to the extent necessary to allow members to commercialize foreground IP developed by the team.

- **Foreground IP**

Foreground IP is the IP developed or generated from the work of the demonstration project team. Foreground IP includes subject inventions (i.e., inventions made in the performance of the OCED award), software, other copyrightable works and rights in data generated by the team. In general, the Intellectual Property Management Plan should identify and establish: (1) the different types of foreground IP; (2) the owner of the foreground IP; (3) any obligations of the owner or inventing party regarding the foreground IP (e.g., to disclose the foreground IP to the team, take certain steps to protect the foreground IP, or make the foreground IP available or provide access to the team under certain conditions); and (4) any obligations of the team regarding the foreground IP (e.g., non-disclosure obligations or providing financial or other support to obtain and maintain protection of the foreground IP).

With regards to obligations of the owner of the foreground IP, access to foreground IP by the other team members may be a primary motivator for potential members to participate in the team. Therefore, the Intellectual Property Management Plan should provide clear instructions on this point. For example, here is a non-exhaustive list of different approaches to foreground IP:

- Each member gets an irrevocable and royalty free license to all foreground IP;
- Each member may obtain a license to foreground IP; the availability and terms of the license, including possible royalties, is based on the level of dues or other support provided by the member;
- Each member gets a limited license (e.g., research only) to foreground IP and an option to negotiate a broader license (e.g., for commercial purpose) based on the level of dues or other support provided by the member; or
- No member gets any rights to foreground IP based on their membership with the team or consortium; members must negotiate licenses with the member who owns the foreground IP.

In general, for-profit members are likely to be the members providing the most financial support to the team. In exchange for this support, they will prefer irrevocable royalty-free licenses to any foreground IP and limit the ability to license the foreground IP beyond the team as much as possible to increase the value of its license. Non-profit and university members are more likely to be the members that develop the foreground IP. They are likely to want as much flexibility as possible to negotiate licenses for use, including in and out of the team, to maximize monetization of the foreground IP. The team will need to determine the best approach for itself regarding access and control to foreground IP and document their decisions in the Intellectual Property Management Plan.



For subject inventions, the Intellectual Property Management Plan should address who is responsible for pursuing and paying the cost of patent protection (e.g., the inventing party, members receiving a license, the team).

- **Publication/Dissemination**

Depending on the nature of the team, the team may want to encourage or be required to publish or disseminate some of its work to the public. In such cases, the Intellectual Property Management Plan should explain each individual's requirements in this area.

The Intellectual Property Management Plan should further provide a pre-publication review process to ensure that the team has an opportunity to examine any publications from a member that might impact the rights of the team (e.g., inadvertent release of proprietary information).

- **Commercialization Efforts**

The Intellectual Property Management Plan should explain how the team will support the commercialization of the technology developed by the team. For example, the team may take a centralized approach of bundling IP for marketing and licensing purposes. Alternatively, the team may take a decentralized approach and rely on the individual members to commercialize the technology from their own commercial activities or licensing efforts. A third way would be to combine both approaches.

In some cases, the team may limit the commercialization of the technology to its members through its licensing arrangement as a way to encourage membership. However, in order to prevent underutilization of certain technologies, the team may consider requiring all licenses to be conditioned on commercialization milestones that would allow the technology to be reopened or marketed outside of the team if those milestones are not achieved.

- **Change of Membership**

The Intellectual Property Management Plan should address how IP rights are impacted by a change of membership in the team. For example, the Intellectual Property Management Plan needs to discuss (1) what rights or access, if any, a new member has to any of the pre-existing foreground IP; (2) does a member retain any of its rights or licenses that it obtained as a member of the team when its membership ends; (3) does a member retain any of its rights or licenses to IP when the licensor of the IP leaves the team; (4) is a member obligated to comply with its confidentiality obligations after it leaves the team; and (5) any other IP rights or considerations that could be impacted by a change in membership status.

If it is not address in another document or agreement, the Intellectual Property Management Plan may also set requirements on who may become a new member or whether approval is required by existing members prior to a new member joining. An existing member may object to a new potential member, who is a direct competitor, especially if the Intellectual Property Management Plan requires sharing and access to other members IP.

- **Dispute Resolution**

The Intellectual Property Management Plan should provide for a dispute resolution process for members to resolve issues related to IP. Preferably, the process would require that the members first attempt to settle the dispute themselves, then use mediation, arbitration and finally going to court if necessary.

- **Government Rights Reference**

It is important to ensure that the Intellectual Property Management Plan is consistent with the IP provisions of the OCED award, including the rights provided to the Government regarding IP. It is also important for the members to be aware of the Government's rights. Therefore, it may be helpful to reference the Government rights in the Intellectual Property Management Plan. For example, the Intellectual Property Management Plan could attach the IP provisions of the award terms and conditions or summarize the rights directly in the plan. Federally funded IP, especially subject inventions, may have certain U.S. manufacturing requirements.