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Office of Research and Technology Applications (ORTA)



- The mission of the Office of Research & Technology Applications (ORTA) is to facilitate access of federally-funded Research and Development (R&D) efforts by private industry, academia, state and local governments, and non-profit organizations. This is accomplished primarily through marketing, technical outreach, cooperative research and development, and the licensing of intellectual property.
- Technology transfer is a process where Federal Government technologies and products developed are provided to potential users in a manner that encourages and accelerates their commercial applications. These include CRADAs and PLAs.



Agreements Administered By the ARL ORTA Office



- CRADAs
- Patent License Agreements
- Test Service Agreements
- Software Release Agreements (AR 5-11)
- Joint Ownership Agreements
- Material Transfer Agreements
- NDAs



Today's Basic Rules of Play



- All technical questions to ARL's technical experts.
- All licensing, legal, and administrative questions to the ARL's administrative staff.



Licensing of ARL Intellectual Property



- *Description:* ARL is authorized to license its intellectual property to private industry and other entities. Licenses are a means of achieving wider use of inventions created by ARL scientists. Once a patent application has been filed for an invention, that invention can be licensed for commercial development and use. This Patent License Agreement (PLA) may be non-exclusive, partially exclusive or exclusive. Regardless of the type of license negotiated, the government retains its rights to use an invention and to grant nonexclusive research licenses. Royalties are negotiated on a case-by-case basis, and take many factors into account, such as market size, exclusivity, or whether additional technology development is needed. The laboratory may provide technical assistance on a reimbursable basis, if needed to further develop the technology.
- *Authority:* PLAs are authorized by 15 U.S.C. 3710a. The governing regulation is AR 70-57, Military-Civilian Technology Transfer, dated 26 February 2004.
- *When a PLA is Appropriate:* A PLA is appropriate to use when a company or other entity desires to license an ARL patent or patent application for commercialization or research purposes. There are three types of licenses that may be negotiated:
 - An exclusive license restricts the use of an invention to a single licensee.
 - A partially exclusive license allows multiple licensees, but restricts the use of the invention by any single licensee to a particular geographic area or to a particular use.
 - A nonexclusive license can be issued to any number of licensees.
- *Who May Participate?:*
 - Private corporations (U.S. or foreign)
 - Nonprofit and not-for-profit institutions (U.S. or foreign)
 - State and local governments (U.S.)



Benefits of Licensing Government Technology



- Maximize the use of Government (ARL) technology in the private sector
- Stimulate research
- Make available new products and processes
- Create new industries and job opportunities
- Benefit the U.S. economy
- Provide royalty income to ARL and the inventors
- Provide a return on investment to the taxpayer in the form of superior technologies and re-investment of revenue streams



The Generic Licensing Process



- The potential licensee completes an ARL patent license application for the relevant patent(s) and submits the application(s) to the ARL ORTA Office.
- The application shall include a plan for developing/marketing the invention and a proposal for terms and conditions of the license.
- The application will be evaluated for legal sufficiency (Licenses shall comply with 35 U.S.C. 209 and 37 C.F.R. 404).
- The application will be evaluated relative to applications submitted by other parties interested in licensing the intellectual property.
- If the application is for an exclusive or partially exclusive license, public notice of the proposed license is given in the Federal Register for 15 days to give the public an opportunity for written objection to such a license.
- Terms and conditions are negotiated with the proposed licensee.
- Upon receipt of executed copies of the license from the licensee, the Director of the ARL signs the copies.
- The license is now in effect.



What are the Most Significant Considerations Involving a Patent License Granted by the U.S. Government?



- Licensee must submit a plan for developing/marketing the invention.
- Licensee must submit periodic reports on the development/marketing of the invention.
- The Government retains a nonexclusive, nontransferable, irrevocable, paid-up, worldwide license for Governmental purposes.
- U.S. Preference - No grant to any person of an exclusive license to use or sell an invention in the U.S. unless the person agrees that any products embodying the invention or produced through use of the invention will be manufactured substantially in the U.S.
- March-in-Rights - U.S. Government may require Exclusive Licensee to grant a nonexclusive, partially exclusive or exclusive license, or may grant such license itself.
- U.S. Government may terminate license if licensee is not executing the development/marketing plan.
- U.S. Government may terminate license if licensee is in breach of the agreement assuring U.S. Preference.
- U.S. Government may terminate license to meet requirements for public use specified by Federal regulations issued after the date of the license.
- No royalties are due from licensee on products distributed to or used by the U.S. Government.
- No member of or delegate to Congress shall share in any benefit of the license.
- There will be no grant of an exclusive or partially exclusive license if the license is inconsistent with antitrust laws, such as concentrating technology in certain sections of the country.
- For a domestic (U.S.) exclusive and partially exclusive license - license shall give the U.S. Government the right to require the licensee to grant sublicenses to fulfill health and safety needs.
- For domestic and foreign exclusive and partially exclusive licenses - U.S. Government has an irrevocable, royalty-free right to practice the invention for Governmental purposes on behalf of any foreign government or international organization pursuant to an existing or future treaty with the United States.
- For domestic and foreign exclusive and partially exclusive licenses - license is subject to any license in force at the time of the grant of such exclusive or partially exclusive license.

The business plan portion of the license application is an area of significant emphasis within the document. A detailed description of applicant's plan for development or marketing of the invention, or both, should include:

- (1) A statement of the time, nature and amount of anticipated investment of capital and other resources which applicant believes will be required to bring the invention to practical application;
- (2) A statement as to applicant's capability and intention to fulfill the plan, including information regarding manufacturing, marketing, financial, and technical resources;
- (3) A statement of the fields of use for which applicant intends to practice the invention; and
- (4) A statement of the geographic areas in which applicant intends to manufacture any products embodying the invention and geographic areas where applicant intends to use or sell the invention, or both.



- Download from this web page:
<http://www.arl.army.mil/batteryday>
- Applications shall be postmarked
NLT 15 April 2011
- Mail to the ARL ORTA Office (slide #2)



Cooperative Research and Development Agreements (CRADA)



- *Description:* A Cooperative Research and Development Agreement (CRADA) is a written agreement between one or more federal laboratories and one or more non-federal parties under which the government, through its laboratories, provides personnel, facilities, equipment or other resources with or without reimbursement (but not funds to non-federal parties). The non-federal parties provide personnel, funds, services, facilities, equipment or other resources to conduct specific research or development efforts that are consistent with the mission of the laboratory.
- *Authority:* CRADAs are authorized by 15 U.S.C. 3710a and implemented by Executive Order 12591 (10 April 1987). The governing Army regulation is AR 70-57, Military-Civilian Technology Transfer, dated 26 February 2004.
- *When a CRADA is Appropriate:* CRADAs provide an easy way to collaborate with ARL. CRADAs allow ARL researchers to exchange technical expertise with non-federal partners, and to accept reimbursement for research conducted under the CRADA. CRADAs also protect a researcher's rights and those of ARL to inventions the researcher may make. CRADAs are appropriate when ideas, staff, materials, and equipment are to be exchanged over a period of time for the purpose of collaboration and/or an invention may result. Funds may be provided to ARL under a CRADA.
- *Who May Participate in CRADAs:* CRADAs must involve at least one non-federal party. In addition to ARL scientists, the other participants in a CRADA may be one or more of the following:
 - Private corporations (U.S. or foreign)
 - Nonprofit and not-for-profit institutions (U.S. or foreign)
 - State and local governments (U.S.)
 - Other federal agencies (U.S.)



Test Service Agreements



- *Description:* Department of Defense laboratories may make available to any person or entity (including universities), on a reimbursable basis, laboratory services for the testing of materials, equipment, models, computer software, and other items.
- *Authority:* 10 U.S.C 2539b authorizes the directors or commanders of government laboratories, centers, or other facilities to make available to any person or entity, at a prescribed fee, the services of the government facility for the testing of materials, equipment, models, computer software, and other items.
- *When A TSA is Appropriate:* A TSA should be used if the service is to be provided by the laboratory with no technical collaboration by the partner. The service performed must legitimately be the testing of materials, equipment, models, computer software, or other items. A TSA is not appropriate for research studies or investigations nor does it authorize the sale of products, only services. The entity requesting the laboratory's services must establish in writing that provision of the services will not constitute undue competition with the private sector and that the service requested does not involve expansion of laboratory capabilities or facilities, even if the requesting entity offers to finance the expansion.
- *Who May Participate in a TSA:* The legislation defines "person or entity" to be an individual, partnership, corporation, association, state, local, or tribal government, or an agency or instrumentality of the United States. Thus, the only limitation on participants is that they may not be agencies of foreign governments.