Principles to Guide Bioenergy Research Center (BRC)
Intellectual Property Negotiations
Draft of 8/01/07

Overarching Principle:

DOE will require that each BRC have an Intellectual Property (IP) Management Plan that ensures and facilitates compliance with federal IP law and policy, the public interest regarding dissemination of scientific reports/results, and the rapid transfer of technology for the development of cellulosic ethanol and other biofuels.

For purposes of expediting development of the IP management plan, DOE has developed the following draft set of principles that the plan should address.

1. **Title to Inventions and Other IP:**

    a. The statutes governing disposition of title to new inventions under Government agreements will be followed:

    i. The Bayh-Dole Act, 35 U.S.C. 200 et seq., requires that Universities, Non-Profits and small business who are participating under a funding agreement will have the option to retain title to their own employees' inventions.

    ii. The Federal Non Nuclear Energy Act of 1974, 42 U.S.C. 5908, will govern disposition of title for all other parties, regardless of whether they receive government funding and requires that the Government obtains title to new inventions unless a waiver is granted. DOE regulations at 10 C.F.R. 784 address the factors that are considered in the granting of waivers, including whether the waiver is needed to secure participation, private investment being made or likely to be made, the commercial position of the waiver requestor, etc.

iii. Inventions made by employees of LBNL and ORNL will be subject to the M&O contract terms and conditions with respect to ownership of inventions made by lab employees. The M&O contract generally provides that the contractor operating LBNL or ORNL has the right to elect to retain title to inventions made by their lab employees.

b. The agreement shall provide the capability for the BRC to license other forms of IP such as copyright in software and bailment of biological materials.

2. **IP Licensing**

a. Core technical areas will be established for each BRC. They will by defined for each BRC by the Office of Science using suggestions from each BRC. For the core technical areas, the plan must provide for a simplified means to negotiate IP licenses for all IP arising from the activities of the BRC.



b. Licensing in fields other than the core fields shall be at the discretion of the party owning the invention.

c. The plan must address how the costs of protecting IP will be covered.

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d. The BRC will not enter into or be subject to any licensing arrangements which provide preferential licensing to any third party without prior approval by DOE.

e. Credible business plans shall be required for all commercial licensing. The business plan for an exclusive license shall be more rigorous than for a nonexclusive license.

f. For industrial participants in a BRC who intend to utilize their own IP in their own commercial activities, the plan should provide that their IP shall be available for licensing by the Center in the core technical field if the industrial participant is not meeting a contractually agreed to business plan to commercialize such inventions.

g. The IP management plan must include a means to distribute the benefits (royalties and equity) after expenses of any licensing in the field of the core technologies among appropriate team members, but 60% of such benefits after expenses from the licensing of IP in the field of the core technologies shall remain under the control of the BRC and be used to further the efforts of the BRC and consistent with the statutory and contractual requirements governing the use of royalties. The inventor's share shall of royalties shall come from the 40% retained by the owner of the licensed technology according to their policies for sharing royalties with their inventor/employees. Licensing benefits from licensing in fields other than the core technologies must inure to the owner of the licensed technology. Inclusion of this provision assumes that the BRCs may survive after the initial five-year effort either with further federal funding or as a private entity. The plan should be strongly supportive of being able to continue a BRC even without federal funds. If a BRC is not continued then the plan should provide for a distribution of residual benefits to the owner of the licensed IP.

h. Subject to DOE approval and the institution of appropriate safeguards, each BRC may propose the establishment of a program of entrepreneurial leave allowing employees to take their technologies private.

i. Subject to DOE approval, each BRC must have a conflicts of interest management plan so that IP rights

and license benefits do not inappropriately interfere with BRC operations or with collaborations with other BRCs. A point of reference for identifying areas of concern that might be addressed in such a plan can be found in the Technology Transfer Mission clause at DEAR 970.5227-3(d).

j. Licensing and partnering shall be conducted in a manner that maximizes benefit to the US economy and provides fairness of opportunity with respect to third party access to lab partnering and licensing opportunities.

3. **Ownership of Technical Data**

a. All technical data produced or acquired by the BRC shall be owned by the Government and be transferred or disposed of as DOE directs, subject to all participants in the activities of a BRC having being provided with the usual rights of use of technical data they produce and respect for proprietary data.

b. In the course of negotiations a list will be developed of the types of data first produced by the BRC that must be immediately released to the public.

c. Each BRC must assure that technical data will be appropriately shared among team members and with other BRCs.

d. Each BRC must cooperate with DOE in sharing information with any DOE advisory committee assisting DOE in the evaluation of BRC activities.

4. **Access to BRC as a Research Collaboration and/or User facility**

a. Each BRC shall have an approved plan for providing access to the BRC by users and research collaborators.

5. **Reporting to DOE**

a. Each BRC must have a system for assuring all new inventions are reported to DOE. Such reporting shall be in a timely manner. Each BRC must have a system for periodically reporting all technology transfer transactions to DOE.

b. Each BRC's performance in managing IP and transferring technology will be appraised by DOE on a periodic basis.