

# Mechanisms *for* Partnering



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# Mechanisms for Partnering

## with Oak Ridge National Laboratory

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*Partnerships* – It's our name, but it also represents our driving philosophy and commitment. Oak Ridge National Laboratory (ORNL) has an aggressive program designed to provide technology-based solutions to organizations ranging from startups to Fortune 100 companies to academic institutions. Underlying this philosophy is our belief that strong partnerships with U.S. industry are the best way to share technological know-how with the private sector. Regardless of the activity – executing a license, entering into a Cooperative Research and Development Agreement (CRADA) or Work for Others (WFO) agreement, or interacting with an industry or university through other means – we are committed to outcomes that create win-win opportunities for the external organization as well as the laboratory. We welcome the opportunity to explore ways that our collective interests can unite to strengthen the competitiveness of our nation and its research enterprise.

ORNL offers U.S. companies a range of mechanisms for accessing federally developed technology, and this guide describes the most commonly used of these. The partner's or sponsor's goals, the funding sources for the agreement, and ORNL's strategic business objectives determine the most appropriate agreement type. This guide outlines the features and advantages of each.

Please contact us if you'd like more information about any of our partnering mechanisms or to discuss other ways to conduct business with the laboratory.

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## Cooperative Research and Development Agreement

Definition	Protection of Generated Information	Rights in Intellectual Property	Industry Resource Commitment	Laboratory Resource Commitment	DOE Approval Required?
This agreement enables industry, academia, and nonprofit entities to collaborate with the laboratory for the purpose of joint research and development (R&D) activities.	Commercially valuable but unpatentable information generated under a CRADA may be protected for up to 5 years.	Rights to intellectual property (IP) generated under a CRADA are negotiated separately. The industry partner receives first right to negotiate a license for any new laboratory IP developed under the CRADA.	The cost is shared through contributions of personnel, equipment, services, facilities, and funds by both the government through laboratory funding and the industry partner's own resources.	When program dollars are available, the laboratory shares the cost. In the absence of program dollars, the industry partner is responsible for the full cost of the project.	Yes

- A CRADA requires R&D participation by industry partners.
- It is sometimes accompanied by a license or option agreement.
- The Department of Energy (DOE) must approve a Joint Work Statement and the CRADA before work is initiated.
- Each party has the right to elect title to the IP created or invented by its employees.
- The laboratory cannot pay out funds to the industry partner.
- The U.S. government retains a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States any IP developed under the CRADA.

## Licensing Agreement

Definition	Protection of Generated Information	Rights in Intellectual Property	Industry Resource Commitment	Laboratory Resource Commitment	DOE Approval Required?
UT-Battelle, LLC, grants a license for commercial or noncommercial use of laboratory-developed IP. Government-use rights are reserved to the U.S. federal government.	Not applicable	The agreement grants rights under patents, copyrights, maskworks, or trademarks to use laboratory inventions and software.	Negotiated royalties, fees, and patent cost reimbursement	Limited technical assistance may accompany granting of license rights but would be defined under a separate WFO agreement or CRADA paid for by the licensee.	Not normally, but may be required in certain circumstances involving a foreign licensee or a potential conflict of interest.

- A license may be exclusive or nonexclusive and will be limited by the field of use.
- The U.S. government has a nonexclusive, nontransferable, irrevocable, paid-up, worldwide license to practice or have practiced laboratory-developed inventions.
- The U.S. government has a “march-in right” to require the licensee to grant a nonexclusive, partially exclusive, or exclusive license to a responsible applicant or applicants under 35 U.S.C. 203 and in accordance with 48 CFR 27.304-1(g).
- Licensees and sublicensees must indemnify, hold harmless, and defend UT-Battelle, LLC, and the U.S. government against any and all claims, suits, losses, damage, costs, fees, and expenses resulting from or arising out of exercise of the license or any sublicense.
- To show diligence in commercializing the licensed technology, the licensee must meet negotiated commercial diligence milestones to maintain the license.

## Material Transfer Agreement (MTA)

Definition	Protection of Generated Information	Rights in Intellectual Property	Industry Resource Commitment	Laboratory Resource Commitment	DOE Approval Required?
An MTA protects biological materials and tangible research products provided either to or by the laboratory.	None	IP is not normally addressed, but occasionally one party obtains option to nonexclusive license in any IP resulting from research with materials or products.	None	None	No

- This is an agreement that biological materials and tangible research products provided by one party to another will be protected from further transmittal.
- An agreement normally requires return or destruction of materials and products at the end of the agreement.

## Memorandum of Understanding

Definition	Protection of Generated Information	Rights in Intellectual Property	Industry Resource Commitment	Laboratory Resource Commitment	DOE Approval Required?
An MOU is a nonbinding document signed by parties interested in pursuing a comprehensive agreement for the transfer of technology that defines specific technical areas of interest and the ground rules for interaction and discussion between the parties.	None. No IP is generated under an MOU.	None	None	None	No

- The MOU is a nonbinding memorandum that establishes the ground rules for the interaction between the laboratory and an industrial partner.
- A memorandum typically signifies each party's commitment to work toward another type of partnership agreement.
- MOUs are encouraged for short-term interactions (e.g., for informal relationships that may lead to a formal binding agreement).
- Provisions for protecting proprietary information are not normally included in an MOU.

## Nondisclosure Agreement (NDA)

Definition	Protection of Generated Information	Rights in Intellectual Property	Industry Resource Commitment	Laboratory Resource Commitment	DOE Approval Required?
This agreement protects proprietary information exchanged between parties (one way or involving two or more parties exchanging information) during initial interactions and discussions between the laboratory and another party on specific technical areas	None	None. No IP is generated by either party under an NDA.	None	None	No

- This is an agreement that proprietary information provided by one party to another will be protected from further disclosure.
- It is frequently used to cover initial interactions between the laboratory and a potential industrial partner.
- An agreement normally protects information from public disclosure for at least 3 years.

## Nonfederal Work for Others Agreement

Definition	Protection of Generated Information	Rights in Intellectual Property	Industry Resource Commitment	Laboratory Resource Commitment	DOE Approval Required?
This agreement enables a nonfederal partner to have the laboratory to perform a defined scope of work on a list of tasks that draws upon the unique capabilities of the laboratory.	Proprietary treatment of data available under some circumstances.	Rights to laboratory inventions generated under a WFO may be available to a sponsor under DOE's class patent waiver.	The sponsor covers the cost of all laboratory work (including personnel and materials) to be completed under the statement of work signed by both parties.	Personnel, equipment, and facilities are used at the expense of the sponsor.	Yes

- WFO agreements specify reimbursable work performed at the laboratory or “sponsored research and development.”
- Work must use a unique capability of the laboratory and not place the laboratory in direct competition with the private sector.
- These are full-cost-recovery agreements.

## User Facility Agreement (UFA)

Definition	Protection of Generated Information	Rights in Intellectual Property	Industry Resource Commitment	Laboratory Resource Commitment	DOE Approval Required?
This agreement permits outside users from industry, universities, and other governmental agencies to conduct research using the laboratory's unique experimental research equipment and facilities, and in some cases, collaboration with laboratory scientists.	Information is given proprietary treatment by the user under a proprietary UFA. Information generated under a nonproprietary UFA is publicly available.	The user retains rights to inventions under both types of UFAs.	The user covers all costs associated with using the facility for the tasks defined in the scope of work under a proprietary UFA. These costs may be significantly reduced or eliminated for the tasks defined in the scope of work under a nonproprietary UFA.	The use of laboratory facilities is subject to availability and must not interfere with laboratory programs.	Proprietary agreements require DOE Patent Counsel approval and DOE Site Office program approval.

- The laboratory has 10 unique experimental facilities and laboratories available for use by U.S. companies, universities, and foreign entities.
- The industrial partner conducts the activity that occurs within the framework of the UFA.
- Examples of industry use are fabrication, calibration, testing, and evaluation of products and processes.