

## TECHNOLOGY LICENSE APPLICATION

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### Office of Technology Transfer



UT-Battelle, LLC (UT-BATTELLE) is the management and operating (M&O) contractor for the Department of Energy's (DOE's) Oak Ridge National Laboratory in Oak Ridge, Tennessee. In its capacity as an M&O contractor, UT-BATTELLE acquires rights to intellectual property (patents, copyrights, trademarks and mask works) developed under its contract with DOE. One of the functions of UT-BATTELLE's Office of Technology Transfer is to negotiate license agreements for such intellectual property with companies for commercial applications of ORNL-developed technologies. Such licenses can be non-exclusive or "exclusive," depending upon which strategy is expected to achieve maximum commercial deployment of the technology. Note that the federal government always retains a non-exclusive license—for federal government use—to technologies created at federal laboratories. Consequently, UT-BATTELLE cannot grant truly "exclusive" licenses for any technology. Rather, when the word "exclusive" is used in context of a UT-BATTELLE license, it should be understood that the rights granted are actually "sole commercial" rights to the intellectual property.

UT-BATTELLE's commercial licenses include three types of financial obligation on the part of the licensee: (1) an execution fee, due at the time of execution of the license agreement; (2) a "running royalty" payable periodically based upon sales; and (3) an annual minimum royalty which is offset by running royalties. The actual amounts of these fees are negotiable based primarily upon the fair market value of the technology, the degree of exclusivity granted, and commitments to commercialization made by the applicant. In addition, UT-BATTELLE requires licensees to reimburse expenses for protecting the intellectual property that is licensed. By completing this license application, the prospective licensee acknowledges that the fee structure described above will be part of any eventual license.

Before negotiations begin on terms of a license, UT-BATTELLE requests that the prospective licensee complete a license application. Information provided by UT-BATTELLE or the prospective licensee in this document is for discussion purposes only; it does not constitute an offer or proposal by any party. UT-BATTELLE protects portions of this application as business sensitive, in accordance with the legend printed on those pages. The information is requested to enable a thorough understanding of the prospective licensee's intentions with respect to its commercialization of the technology.

UT-Battelle views the execution of a license as the beginning of a relationship, not the end, and works closely with its licensees to ensure the successful commercialization of licensed technologies. We look forward to working with you.

You may complete this application electronically in Microsoft Word and return via e-mail, or print and fill in the information by hand and return via FAX. Complete contact information for returning completed license applications is shown at the bottom of the last page of the application.

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What is the incorporated name of your company?

1. Special considerations regarding your company:

**Size**

- Small Business<sup>1</sup>                       Medium Business                       Large Business<sup>2</sup>

**Corporate Structure**

- S-Corporation                       C-Corporation                       Limited Liability Company  
 Partnership                       Sole Proprietorship

**Ownership**

- Wholly U.S. Owned                       Foreign Owned in Whole or in Part (\_\_\_\_\_%)

2. If a corporation, in what U.S. state is your company incorporated?

3. If foreign (non-U.S.) owned in whole or in part, in what country is the parent company based?

4. Please provide the address and contact person's name for notices, plus a telephone number, FAX number, and e-mail address.

5. Nature of your company's business [including Principal SIC Code(s), if applicable]:

6. Number of people directly employed by your company:

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<sup>1</sup> Small Business as defined at Section 2 of Public Law No. 85-536 (15 U.S.C. 632) and implementing regulations of the Small Business Administration.

<sup>2</sup> Fortune 500 company.

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7. Are any of your company's principals<sup>3</sup>:

- Current or former UT-Battelle/ORNL employees?  
 Current or former UT-Battelle/ORNL consultants?  
 Current or former DOE employees?

If the answer to any of the above questions is "yes," please explain:

8. Is there any plan for a current or former ORNL/UT-Battelle employee(s) to have a role in the company or developing the technology?

- Yes  
 No

If the answer to the above questions is "yes," please explain:

9. Please provide information on the location(s) of your company's manufacturing or process facilities to be used in the proposed commercialization efforts.

10. Please provide a specific description below of the UT-Battelle intellectual property your company desires to license, including U.S. Patent Number or U.S. Patent Application Number, UT-Battelle Invention Disclosure Number, U.S. Copyright Registration Number, etc.).

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<sup>3</sup> "Principal" means a person with either a financial interest of five (5) percent or more in the prospective licensee if the licensee's stock is not publicly traded, or a person with a financial interest of more than \$100,000 in the prospective licensee if the licensee's stock is publicly traded.

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11. How did your company learn of the availability for license of this intellectual property?
12. Has your company been involved in any previous technology transfer activities with UT-BATTELLE?
- Cooperative Research and Development Agreement (CRADA)
  - Technical Assistance Program
  - "Work for Others"<sup>4</sup>
  - User Agreement for one of ORNL's User Facilities
  - Other License
  - Other technology transfer activity (please describe)
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13. With respect to the intellectual property identified in Item 10, does your company desire to license U.S. rights only, or both U.S. rights and foreign rights? (Keep in mind that foreign rights may not be available on some technologies)
14. With regard to the technology in question, what type of license does your company seek (e.g., R&D only, exclusive commercial, non-exclusive commercial, other)? If you wish exclusive commercial rights, please provide the basis for this need. Keep in mind that exclusive rights may not be available for some technologies.
15. How does your company intend to use this technology? Please provide a description of (1) the primary field(s) of use; (2) the product(s) and/or process(es) you would expect to commercialize based on the licensed intellectual property; and (3) exactly how the intellectual property being licensed will be incorporated into—or will enable functionality of—the product(s) you expect to commercialize.
16. List the members of your Management Team (including scientific advisors/business advisors/marketing team, etc) that will assist in the development and commercialization of the technology. Include details for each on their role, expertise, and qualifications.

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<sup>4</sup> "Work for Others" refers to research work which you paid UT-BATTELLE to undertake for you.

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17. With respect to the products and/or services your company would commercialize based on this technology, what would be the competitive products or services in the marketplace?
  
18. How would the licensed product(s) or service(s) compete against these competitive items?
  
19. What is the underlying basis for the value of the product(s) or service(s) your company intends to produce (i.e., competitive advantages: faster, cheaper, stronger, unfilled need, etc.)?
  
20. In order to successfully commercialize this technology, what is your company's anticipated total investment, in both dollars and man-hours of effort, during each of the next 5 years?
  
21. How will these investments be funded?
  
22. When would you expect to have your first prototype built?
  
23. When would you expect to make your first commercial sale?

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24. In what geographic areas would you plan to sell these products or services?

U.S. geographical markets:

Foreign geographical markets:

25. In addition to the information provided elsewhere in this document, what are the characteristics and assets of your company that make it uniquely suited to bring this technology to market successfully?
26. Based on your knowledge of the development and commercialization of the technology, please provide information on development milestones that that could be included in a license as performance milestones.
27. Based on your knowledge of the market in this technology area, please provide information on your company's view of:
- A reasonable initial license fee (license execution fee) to be paid for licensing this technology;
  - A reasonable royalty rate to be paid on gross sales of products based on this technology;
  - A reasonable minimum annual royalty rate;
  - A reasonable milestone payments; and/or
  - A reasonable equity stake in the company;
28. Please also provide the basis for your calculation of (1) a reasonable initial license fee; and (2) a reasonable royalty rate on gross sales. Appropriate things upon which these might be based

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are (1) your company's business plan for commercializing this technology; and (2) *pro forma* financial statements showing at least the first five years of revenues from for your company's commercialization of this technology and resulting sales of product(s) and/or service(s) based on the technology to be licensed. If *pro forma* data are not available, please consider the following bases for answers to question 24: (1) an estimate of the size of the total U.S. and worldwide markets for the product(s) or service(s) for each of the next 5 years; (2) an estimate of the share of the anticipated U.S. and worldwide markets for the product(s) or service(s) your company expects to capture during each of the next 5 years; (3) the anticipated market price (per unit) of the product or service that you will produce deriving from the licensed technology; (4) an estimate of your company's gross sales of the product(s) or service(s) for each of the next 5 years; and (5) an estimate of the net margin(s) your company expects to realize on sales of the product(s) or service(s).

29. Please attach (1) your company's business plan for commercializing this technology; and (2) *pro forma* financial statements showing at least the first five years of positive revenues (if positive revenues are to be preceded by one or more years of zero or negative revenues, include sufficient years of data to show 5 years of positive revenues) from for your company's commercialization of this technology and resulting sales of product(s) and/or service(s) based on the technology to be licensed. Please be sure to limit your projections to COMMERCIAL SALES ONLY (do not include sales to the U.S. Federal Government). If *pro forma* data are not available, please answer Questions 24-28. If *pro forma* data are provided, please skip to Question 35, but please make sure your *pro forma* data address the information requests contained in Questions 29-34.
30. Please provide an estimate of the size of the total U.S. and worldwide COMMERCIAL markets for the product(s) or service(s) for each of the first 5 future years in which you expect to have positive revenues from commercialization of this technology.
31. Please provide an estimate of the share of the anticipated U.S. and worldwide COMMERCIAL markets for the product(s) or service(s) your company expects to capture during each of the first 5 future years in which you expect to have positive revenues from commercialization of this technology.
32. What is the anticipated market price (per unit) of the product or service that you will produce deriving from the licensed technology?

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33. Please provide an estimate of your company's gross COMMERCIAL sales of the product(s) or service(s) for each of the first 5 future years in which you expect to have positive revenues from commercialization of this technology.
34. Please provide an estimate of the net margin(s) your company expects to realize on COMMERCIAL sales of the product(s) or service(s) BEFORE payment of royalties to UT-Battelle (please express as a percentage of gross revenues) during each of the first 5 future years in which you expect to have positive revenues from commercialization of this technology.
35. If your commercialization/business plan indicates that revenues will not be generated within one year after a license is executed, please indicate how many years of no revenues are anticipated, as well as the regulatory/investment/product development milestones you must meet during the pre-revenue period in order to get to the revenue-generation stage with this technology.
36. Most technologies available for license from UT-Battelle, LLC are at a relatively early stage of development, and require some further development prior to the technology being ready for the marketplace. Does your company anticipate the need for technical assistance from the Oak Ridge National Laboratory in this regard, either in the form of consulting services from its employees or research at the Laboratory sponsored by your company?
37. Who is the primary person (and his/her position title, telephone number, and e-mail address) within your company with whom licensing discussions should be held?

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38. Does this person have signature authority for license agreements? If not, who will be the signatory on any license agreement that may result from these discussions?

*Thank you for taking the time to complete this application, and for your interest in commercialization of UT-Battelle's intellectual property.*