

Patent and Data Rights under SBIR/STTR Awards

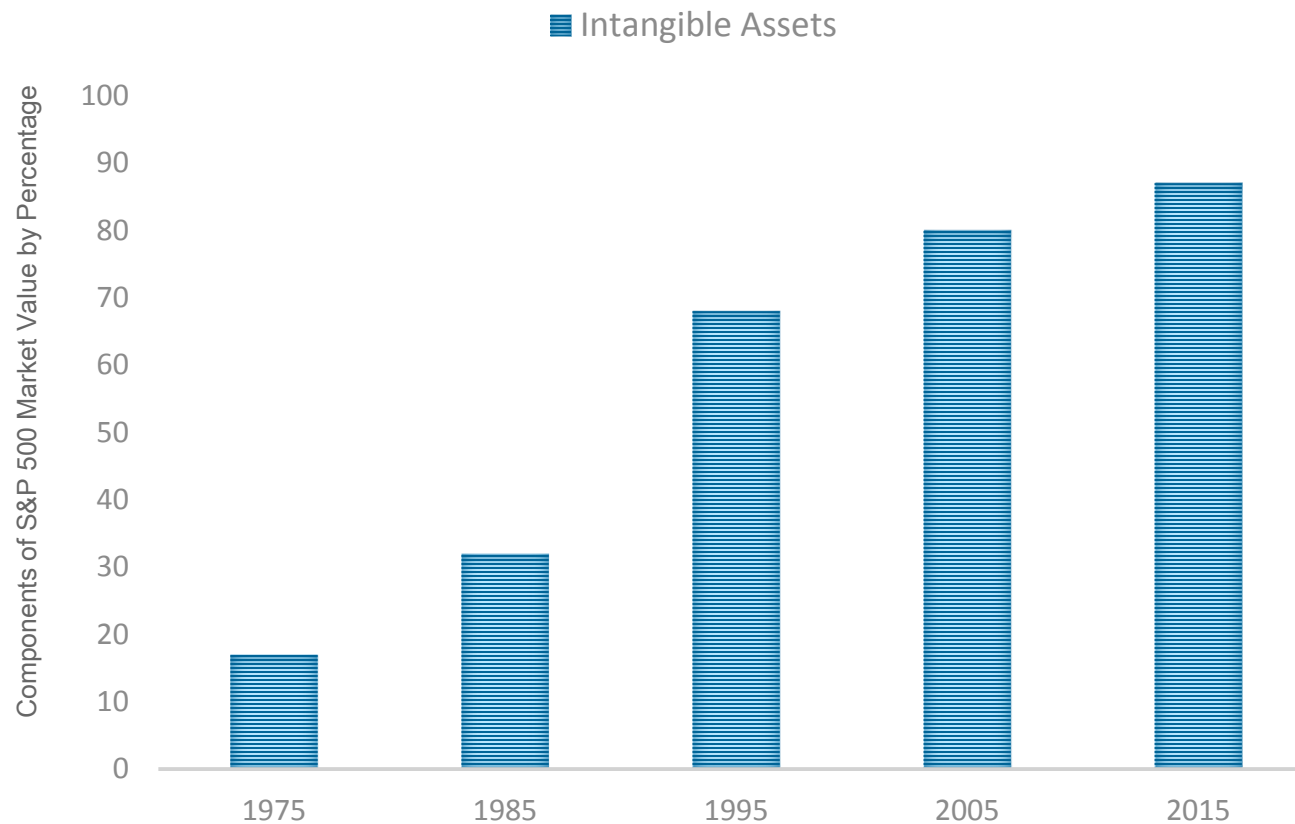
August 2018

Mike Dobbs
Deputy Chief Counsel for Intellectual Property
ISC-CH -- U.S. Dept. of Energy
Mike.Dobbs@science.doe.gov Tel: (630) 252-2164

Disclaimers – Consult your Attorney and [Award Terms](#)

- **Legal Representation:** This presentation includes information about legal issues and legal developments for informational purposes only. These informational materials are not intended, and should not be taken, as legal advice on any particular set of facts or circumstances. You should contact an attorney for advice on specific legal problems.
- **Personal Views and Opinions:** The views and opinions expressed in this presentation are those of the author and do not necessarily reflect the official policy or position of any agency of the U.S. government.

Value of IP to the Economy

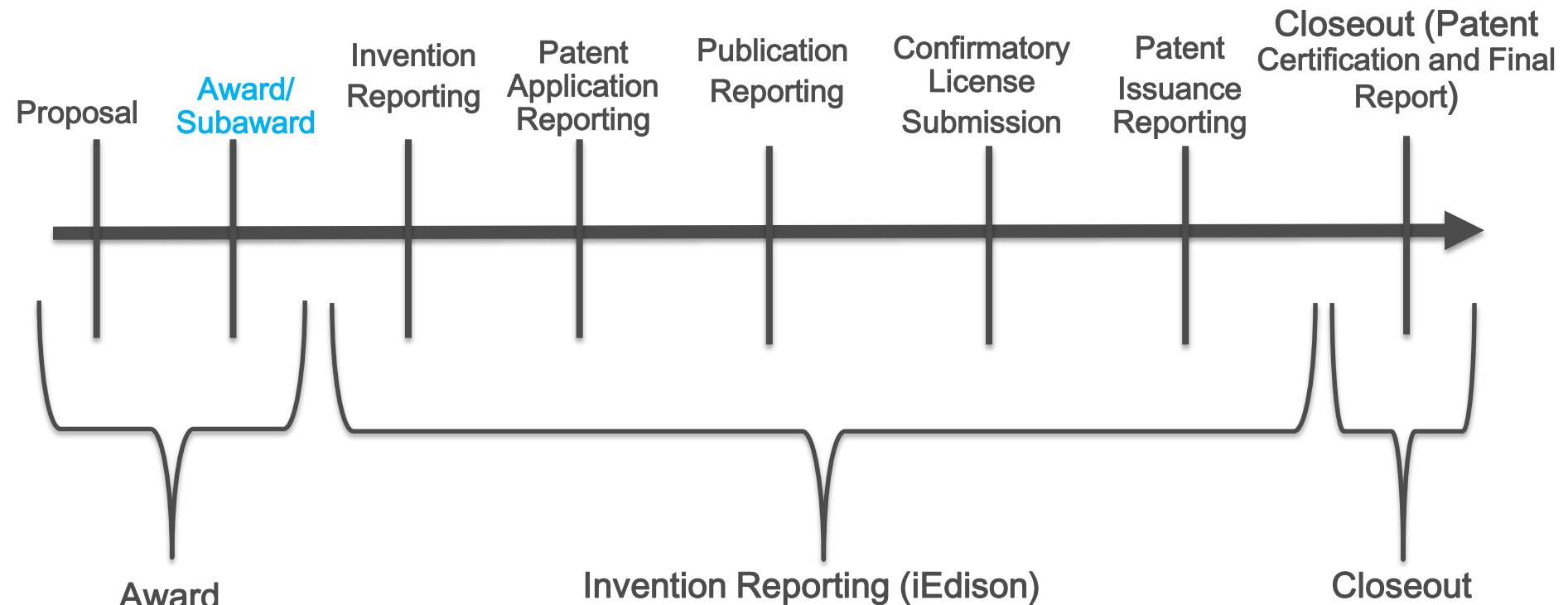


Source: Ocean Tomo, Components of S&P 500 Market Value by percent

Key Takeaways

1. Properly mark your data
2. Timely Report subject inventions through iEdison (not just patents)
3. Watch Statutory bars (publications, on-sale, and public use) and inform both your attorney and DOE ASAP

Award Patent & Data Rights Key Events



Award

- Standard Patent Rights (Small Business Firms and Nonprofit Organizations Terms (2 CFR 910 Appendix A of Subpart D)
 - Statutory language (35 USC 202 et seq.)
 - Non-profits and Small Businesses retain patent rights
 - Non-profits or Small Businesses may negotiate away, but not as a consideration for awarding the subcontract
- Data Rights
 - **Default: Unlimited Rights Data** (all unmarked data)
 - **Protected Data** (Statutory Data Protection e.g. SBIR/STTR Data)
 - May be marked as SBIR/STTR Data rights authorized by the Small Business Act
 - Government will protect marked SBIR/STTR data for 4 years (extendable)
 - Extended for Subsequent SBIR Award
 - » Data protection period extended to protected through the protection period of that subsequent SBIR award including Phase III.
 - **Data Generated with Private Funding** (Limited Rights Data, Restricted Rights Data)
 - Typically, DOE does not want to see Limited Rights and Restricted Rights Data
 - If disclosed, properly mark (Limited Rights Data, Restricted Rights Data)

Phase III Award

- SBIR Phase III Definition (SBA Policy Directive)
 - Work that derives from, extends, or completes an effort made under prior SBIR funding agreements, but is funded by sources other than the SBIR Program.
 - Phase III work is typically oriented towards commercialization of SBIR research or technology.
- SBIR/STTR Data rights authorized by the Small Business Act
 - Government will protect marked SBIR/STTR data for 4 years (extendable) including Phase III
 - Data protection period extended to protected through the protection period of that subsequent SBIR award including Phase III.
- Must notify agencies of subsequent Phase III awards!
 - DOE OSTI Website will notify awardees of publications (e.g. unlimited rights or expiring SBIR/STTR data protection). Please report Phase III awards!!

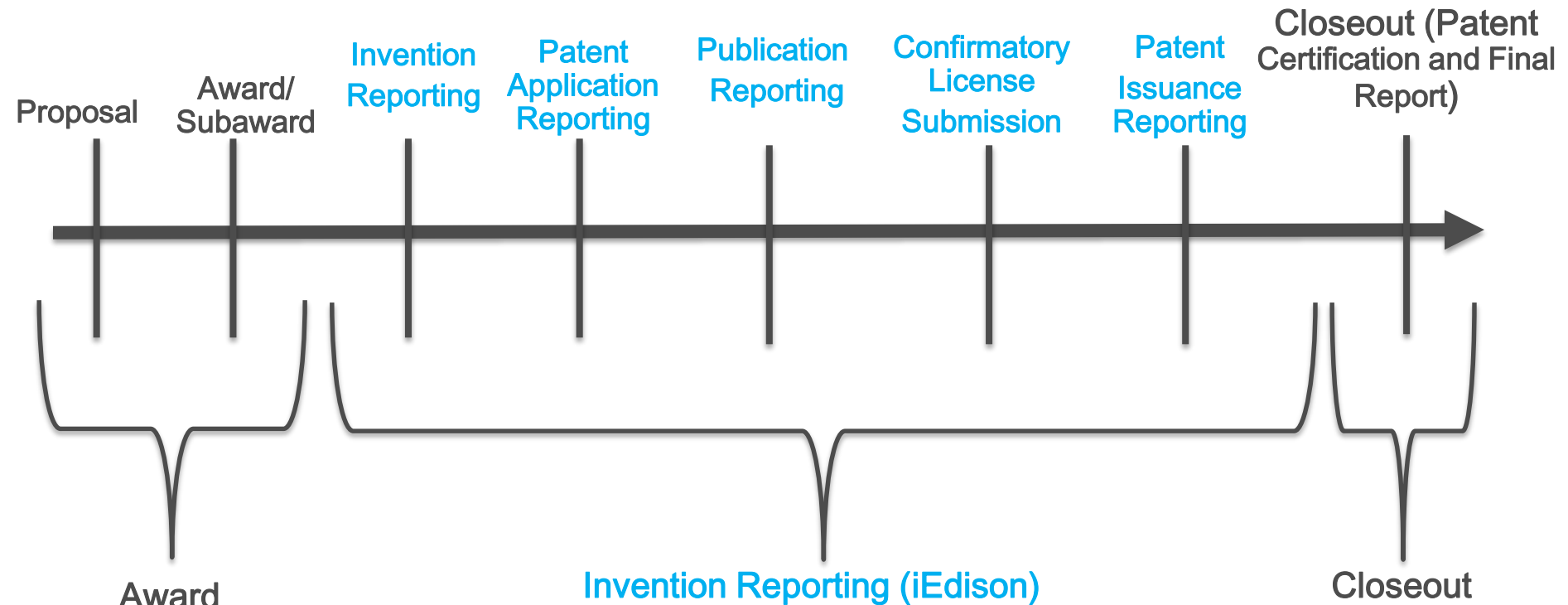
Subawards

- Subcontract with DOE Labs
 - Lab provides suitable agreement (SPP/CRADA) upon request
- Required to flow down Patent and Data Rights
 - Patent
 - Non-profits and Small Businesses must retain patent rights
 - May negotiate away, but not as a consideration for awarding the subcontract
 - Government retains rights to Large businesses inventions, unless DOE granted Patent Waiver
 - Data
 - SBIR/STTR rights apply to all SBIR/STTR awards, including subawards to such awards, that fall within the statutory definition of Phase I, II, or III of the SBIR/STTR Program, as described in the Small Business Innovation Research (SBIR) and the Small Business Technology Transfer Program Policy Directives.

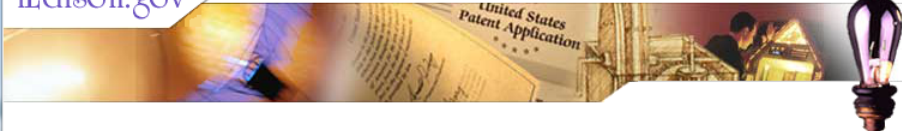

Subaward Best Practices

- Data Protection/Management (e.g. NDA)
 - Consider with your Legal Counsel Non-Disclosure Agreement (NDA) to protect data
 - SBIR/STTR Data Protection protects against disclosure by the Government
- Parties should negotiate how they will manage and commercialize IP
 - Assignment of patent rights cannot be a consideration of the award! Non-profits and Small Businesses are entitled to their Bayh-Dole rights. (*GTC 0024 & SBA SBIR Policy Directive*)
 - Commercialization Plan, IP Management Plan, Inter-institutional agreement, Cross License, etc.

Award Patent & Data Rights Key Events



Invention Management (iEdison)



AboutHelp

Log in to your secure account. All fields marked with an asterisk (*) are required.

Login?

User Name

Password

LoginCancel

[Forgot Password/Unlock Account?
\(For External and Non-NIH Federal Users\)](#)

[Forgot Password/Unlock Account?
\(For NIH Federal Users\)](#)

[Register Institution to use iEdison](#)

System Notification

All systems are currently available.

iEdison 4.16.06

Welcome to iEdison

[Requests for Waivers of the U.S. Manufacturing Requirement in Licenses to Extramural Inventions.](#)

Improvements to iEdison Reporting and Document Search Capabilities

Several iEdison enhancements were implemented on Monday, August 1, 2016. These were in response to requests for more flexible options to create and download reports of an institution's Edison data; and to ensure alignment between Bayh-Dole compliance requirements and an institution's own records.


The search screen has been redesigned with improved functionality including the following new features.


- When creating and downloading a report on Edison inventions, you can:
 - Query by Primary Agency or by Supporting Agency
 - Specify multiple statuses to be included in the report.
 - Select what data fields you want in your report.
 - Specify the order in which data will be presented in your report.
 - View the Invention Disclosure Document or Invention Other Documents from the Generate Invention Report output.
- When searching for documents in Edison "Other Documents" are now included

iEdison (which stands for Interagency Edison) helps government grantees and contractors comply with a federal law, the Bayh-Dole Act. Bayh-Dole regulations require that government funded inventions be reported to the federal agency who made the award.

iEdison is interagency because it provides a single interface for grantees and contractors to interact with any participating agency.

iEdison makes it easy to learn about the law and its regulations and report an invention or patent funded by any of the agencies listed on the right.

**iEdison Overview**

**What's New**

iEdison is used for invention and patent reporting by the following agency offices below.

[AFMCLQ/AZ](#)
[AFRL/RJ](#)
[AHRQ](#)
[ARMY/ARL](#)
[ARMY/ARO](#)
[ARMY/MRMC](#)
[ARMY/SMD C](#)
[ARMY/SSC](#)
[ATSDR](#)
[CDC](#)
[DHS/ST](#)
[DOC/EDA](#)
[DOC/ITA](#)
[DOD/DARPA](#)
[DOD/DMEA](#)
[DOD/DTRA](#)
[DOE](#)
[DOT](#)
[EPA](#)
[FDA](#)
[IHS](#)
[NAVY/IONR](#)
[NIH](#)
[NIST](#)
[NOAA](#)
[NRC](#)
[NSF](#)
[USAF/AFOSR](#)
[USAID](#)
[USDA/ARS](#)
[USDA/FS](#)
[USDANIFA](#)

Agency Office Contacts

For a complete list, go to [here](#)

For any required agency specific forms, click on the agency link.

Invention Reporting (iEdison)

- “Subject invention” means any invention of the Recipient **conceived or first actually reduced to practice in the performance of work** under this award (*GTC 0024 (a)*)
 - **Must report the invention even if you do not intend to pursue patent prosecution!**
- Disclose in iEdison within two months after the inventor discloses it in writing (*GTC 0024 (c)(1)*)
 - Should leverage your existing invention management process
 - Recommended to create an iEdison account now
 - May report inventions at any time, even after closeout.
- Must implement written agreement with employees to report inventions (*GTC 0024 (f)*)
- Must disclose and elect 60 days before any Statutory Bars (*GTC 0024 (c)(2)*)
 - any publication, on sale or public use of the invention
 - notify DOE of the acceptance of any publication, on sale or public use

Invention Reporting Mistakes

- Not reporting a subject invention
 - Report it ASAP!
 - Agencies may grant extensions to remedy late reporting
 - Consider good faith actions in granting extension
 - Ensure clear title
 - Further delay will not help
 - Forfeiture of patent rights for unreported inventions (*GTC 0024 (d)*) (Campbell Plastics v. Brownlee)
 - DOE has annual audit programs to identify and demand title to unreported inventions
- USPTO Filings != Invention Report to DOE
 - Must disclose the invention report directly to DOE
 - DOE is not notified of USPTO Filings
 - Invention report would be late anyway!
 - Invention reports to iEdison are not filings at USPTO
 - Not provisional, cannot be converted, etc.

Invention Disclosure Report

- Invention Disclosure Format
 - [DOE F 2000.4 Record of Invention](#)
 - Any other format containing necessary information, typically awardee's own invention disclosure form
- Invention Disclosure Substance: (*GTC 0024 (c)(1)*)
 - Grant Number (DE-SC....)
 - Technical Detail
 - Enabling one skilled in the art to practice the invention
 - Inventor listing
 - Statutory Bars (e.g. Publications, on sale or public use)
- Invention Disclosure Don'ts
 - Personally Identifiable Information (PII), for example Social Security Numbers, etc.

Statutory Bars

- Invention disclosure must identify any publication, on sale or public use of the invention (*GTC 0024 (c)(1)*)
- Recipient will promptly notify DOE of any statutory bars (*GTC 0024 (c)(1&2)*)
 - Will shorten election period
- Myths (Discuss with your Patent Counsel)
 - As long as you file within a year, you won't lose patents rights after publishing
 - Potential loss of both foreign and domestic patent rights
 - Publish or perish!
 - False Dichotomy
 - Patent, Publish and Profit!

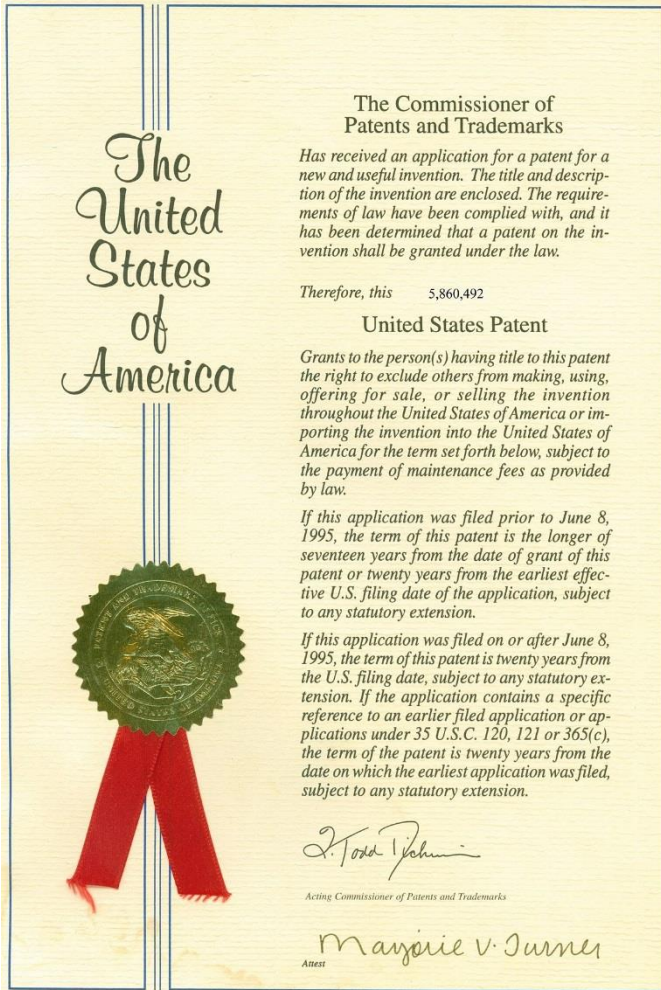
Pop Quiz!

Final Report as an Invention Disclosure Report



- Very likely a late reporting
 - Invention must be reported two months of receipt by inventor
 - May result in forfeited rights to inventions
- Typically, not a clear description of each invention
- Causes confusion as may contain multiple inventions
- May include inventions that are not subject inventions (conceived and first reduced to practice outside of the performance of the award)

Provisional Patent Application as an Invention Disclosure Report



- Likely a late reporting
 - Invention must be reported two months of receipt by inventor
 - May be appropriate if awardee reporting office was just made aware of invention and statutory bar!
 - Coversheet provisional?
 - May result in forfeited rights to inventions

Your Own Invention Disclosure Form as an Invention Disclosure Report

Invention Disclosure Form*
Polsky Center Technology Commercialization & Licensing | University of Chicago
<http://tech.uchicago.edu>

This form contains the minimum information needed for us to effectively evaluate your disclosure in most cases. If a particular section does not seem to apply to what is being disclosed, please call our office at (773) 702-1692 to discuss. Feedback regarding the usability of this form is welcome. Please send comments to Rose Jones at rjones@tech.uchicago.edu.

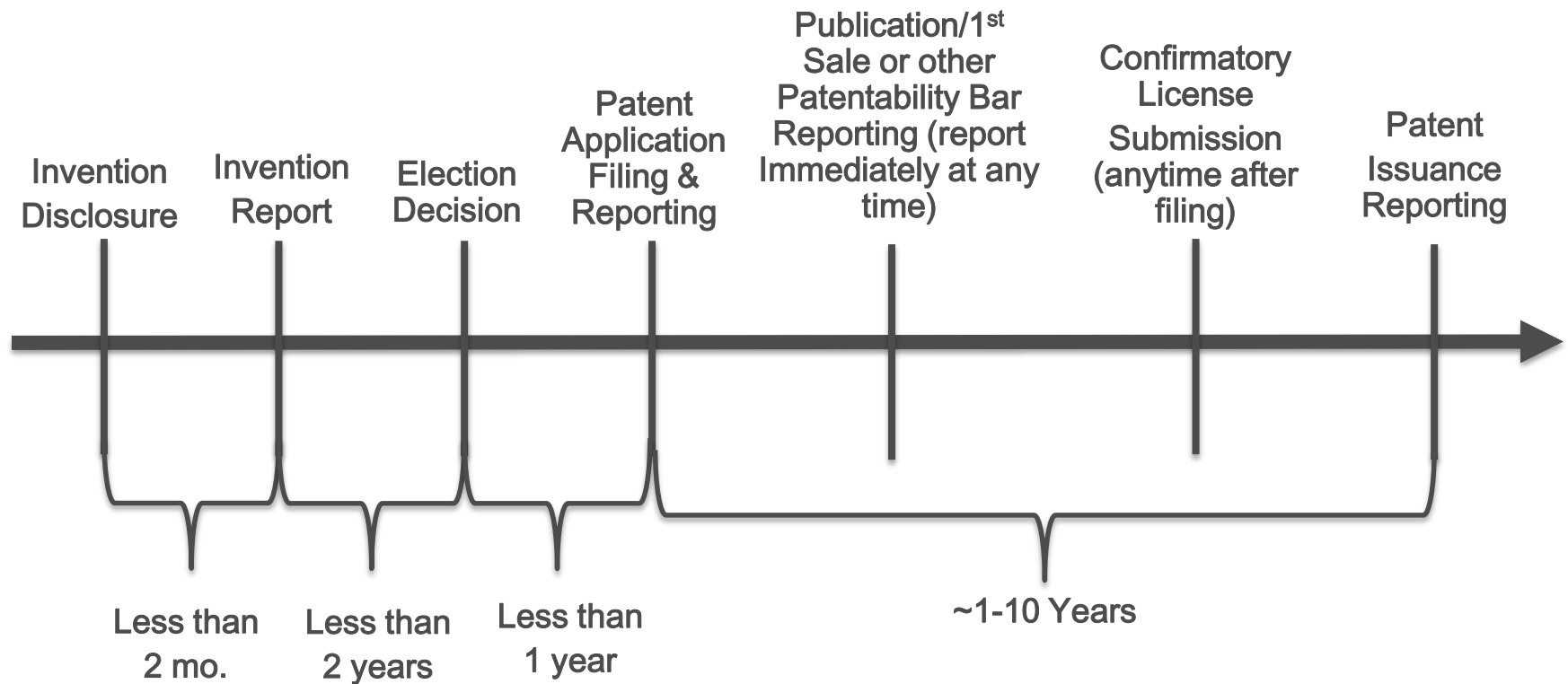
Do you plan to publish or publicly present any aspect of the invention within the next two weeks? Yes ☐ No ☐

1. TITLE OF INVENTION
Is this invention related to any inventions you have previously disclosed? Yes ☐ No ☐
If yes, please describe the previously disclosed technology.

2. FUNDING: Government, not-for-profit, or corporate support
Was the invention/discovery conceived or first reduced to practice in the performance of work under any sponsorship? Sponsorship can be in the form of a grant or contract from a government agency such as NIH, NSF, etc., a corporation, or a not-for-profit private foundation. Obligations to such sponsors may exist. Please include grant numbers, internal University of Chicago reference numbers or titles where appropriate. (Manuscript "Acknowledgment" sections are appropriate for cutting and pasting into this section.)

- Typically the best option
- Must have all required information
- Facilitates timely invention reporting
- Needs to be reported as a PDF, but may be any format, including an internal webpage

Invention Reporting iEdison



- **DOE may extend any due dates (including invention reporting) with substantive justification.*

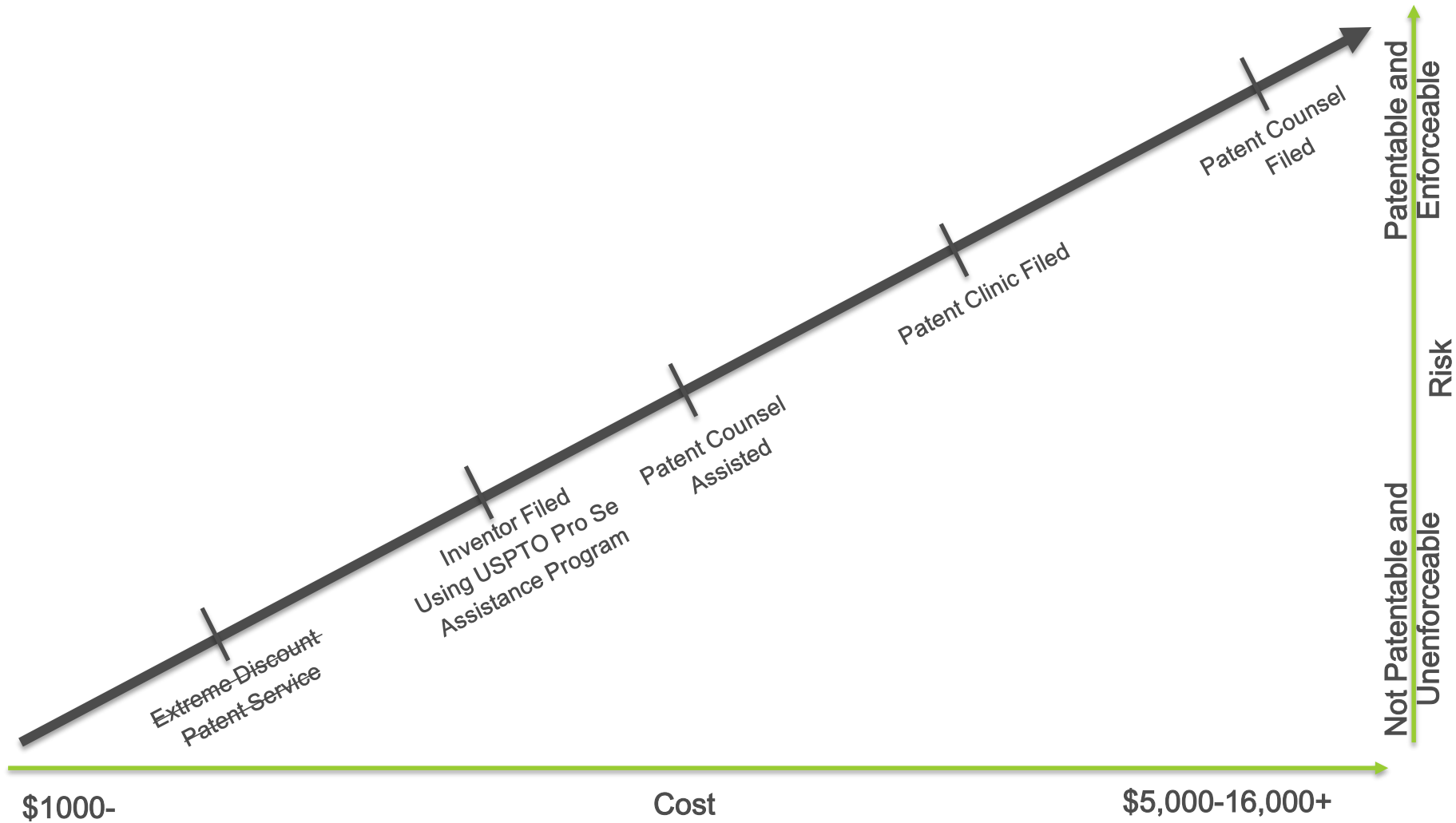
Patent Filing

- Must provide agency with a copy of each application and filing information (*GTC 0024 and award checklist*)
- Must provide agency with a [confirmatory license](#) (*GTC 0024 (f)(1)*)
 - iEdison/NIH confirmatory license is acceptable
- Must notify agency of any decision to discontinue prosecution of any patent application (*GTC 0024 (f)(3)*)
- Must include a Government Interest Clause in Application (*GTC 0024 (f)(4)*)
 - “This invention was made with Government support under (identify the award) awarded by (identify DOE). The Government has certain rights in this invention.”
- **USPTO does provide micro and small entity discounts **

Patent Filing Fee Allowability (\$15K)

- Patent Filing Fees may be allowable (2 CFR §910.352) if authorized by award document
 - Phase I grant funds may not be used to pay patent filing fees and related filing expenses for the first U.S. patent for subject inventions developed under the Phase I project. (FOA)
 - With justification, Phase II grant funds may be used to pay up to \$15,000, as a direct cost only, in patent filing fees and related filing expenses for the first U.S. patent for inventions developed under the Phase I or Phase II projects. In the event some or the entire amount listed is not expended on a patent filing, the remaining funds may be budgeted to other allowable project costs. (FOA)

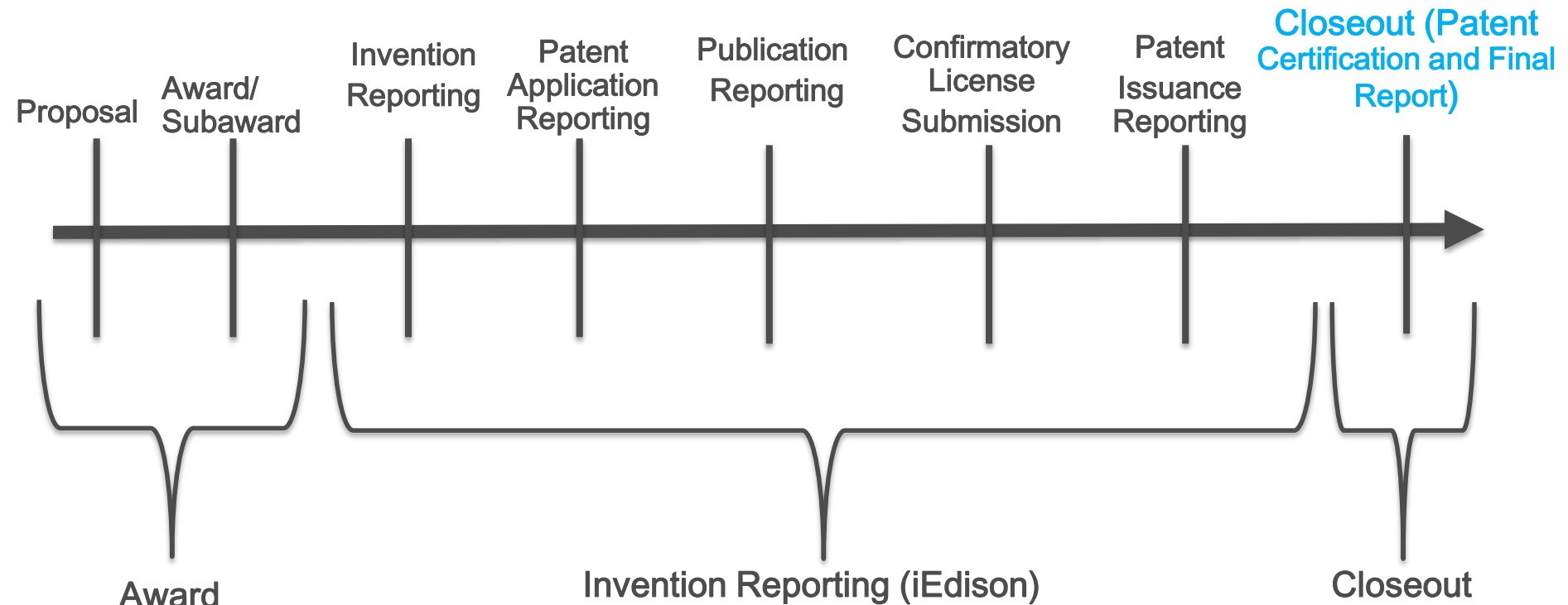
Patent Filings Costs and Solutions



iEdison Contacts

- **Website: <https://era.nih.gov/iedison>**
- **For system issues with iEdison, please contact:**
 - eRA's iEdison Help Desk
Toll-free: 1-866-504-9552;
Phone: 301-435-1986;
edison@od.nih.gov
 - The Help Desk hours are Mon-Fri, 7 a.m. to 8 p.m. ET.
- **DOE Invention Reporting Support**
 - **Maritza Rodriguez**
iEdison Lead
9800 S. Cass Ave
Lemont, IL 60439 , US
Maritza.Rodriguez@science.doe.gov
Phone : (630) 252-2165
Fax : (630) 252-2779

Award Patent & Data Rights Key Events



Closeout- Patent Certification

- Patent Certification
 - Certify all inventions are reported by DOE S-number or iEdison Invention Number
 - If you do not have an S-number or iEdison number, was the invention reported?
 - Certified inventions should match list of inventions reported in iEdison
 - Need certification from subawards
 - Prime may certify or get separate certifications
 - Ensure the entire performance period is certified

PATENT CERTIFICATION

ACME Research Corporation
Contractor

DE-EX-0000000
DOE Prime and/or Subcontract No.

☐ Interim Certification
☒ Final Certification

Contractor hereby certifies that:

1. All procedures for identifying and disclosing subject inventions as required by the patent clause of the contract have been followed throughout the reporting period.
2. There were no subcontracts, subawards or purchase orders involving research, development, and demonstration except as follows: [State none when applicable.]
NONE
3. No inventions or discoveries were made or conceived in the course of or under this contract/award other than the following (Certification includes ☒, does not include ☐ all subordinates):
[State none when applicable.]

TITLE	INVENTOR	DATE REPORTED	DOE "S" NO.
"Novel Electrolyte"	Jane Smith	02/02/2013	S-999,998
"Novel Electrode"	Jane Smith	02/03/2013	S-999,999

4. The completion date of this contract is as follows: 05/31/2013
5. The following period is covered by this certification:

06	01	2011	to	05	31	2013
Month	Day	Year		Month	Day	Year
<u>ACME Research Corporation</u> Contractor				<u>XXXXXXXXXXXXXXXXXX</u> Signature		
<u>111 Oak Street</u>				<u>ACME Research Corporation President</u>		
<u>Springfield, OH XXXXXX</u> Address				<u>09/31/2013</u> Date of Certification		

Closeout -- Final Report Legends

SBIR/STTR RIGHTS NOTICE

These SBIR/STTR data are furnished with SBIR/STTR rights under Grant No. _____ (and subcontract _____ if appropriate). For a period of four (4) years after acceptance of all items to be delivered under this grant, the Government agrees to use these data for Government purposes only, and they shall not be disclosed outside the Government (including disclosure for procurement purposes) during such period without permission of the grantee, except that, subject to the foregoing use and disclosure prohibitions, such data may be disclosed for use by support contractors. After the aforesaid four-year period, the Government has a royalty-free license to use, and to authorize others to use on its behalf, these data for Government purposes, but is relieved of all disclosure prohibitions and assumes no liability for unauthorized use of these data by third parties. This Notice shall be affixed to any reproductions of these data in whole or in part.

Closeout -- Final Report Copyright Legend

- **If including Copyrighted Notice, must include**
 - This work was generated with financial support from the U.S. Government through Contract/Award No. _____, and as such the U.S. Government retains a paid-up, nonexclusive, irrevocable, world-wide license to reproduce, prepare derivative works, distribute copies to the public, and display publicly, by or on behalf of the Government, this work in whole or in part, or otherwise use the work for Federal purposes.
- **Third Party Copyrighted Material**
 - Must remove from final report

Key Takeaways

1. Properly mark your data
2. Timely Report subject inventions through iEdison (not just patents)
3. Watch Statutory bars (publications, on-sale, and public use) and inform both your attorney and DOE ASAP

Questions?

