



# “How do I license NASA patented technologies?”

***NASA JSC Technology Transfer and  
Commercialization Office  
Licensing Group***



# Licensing Process



NASA Johnson Space Center

Find NASA Patents



Apply for a Patent License



Processing of the License Application



Royalties and Fees Negotiations

# Authority to License NASA Technology



NASA has the authority to grant licenses on its domestic and foreign patents and patent applications pursuant to 35 U.S.C. 207-209. NASA has implemented this authority by means of the NASA Patent Licensing Regulations, 14 § CFR 1245.200 et seq.





# Find NASA Patents



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- NASA Tech Briefs
  - <http://www.techbriefs.com/>
- NASA Field Center Technology Transfer and Commercialization Offices Websites
  - NASA JSC Website: <http://technology.jsc.nasa.gov>
- NASA Headquarters Office of General Counsel
  - <http://www.nasa.gov/offices/ogc/about/index.html>
- NASA TechFinder
  - <http://technology.nasa.gov/>
- Patent and technical literature searches



# Licensing Application

***The license application process takes place in two stages. They are completed in a sequential order.***

## Part I: Business Terms

- Technology Information
- Applicant's Information
- Proposed Technology Use
- Proposed License Terms
  - Document the proposed business terms
  - Submit a proforma that provides "best guess" on proposed product sales

## Part II: Commercialization/ Marketing Plan

- Product Development plan
- Plans for product marketing and commercialization
- Provide a copy of the company's current financial report and balance sheet
- Any other information that supports your acquisition of the patent





# Processing of a License Application



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- All NASA patent licenses are individually negotiated with the Patent License Manager
- All information submitted will be maintained in confidence by NASA and will not be subject to disclosure under the Freedom of Information Act (FOIA).
- If proprietary data is also submitted, the applicant is encouraged to mark the data as such.
- Applications are sent to the:

**JSC Patent License Manager**  
**Technology Transfer and Commercialization Office**  
**NASA/Johnson Space Center**  
2101 NASA Parkway  
Mail Code: AO5  
Houston, TX 77058-3696

- Applications are processed in order of receipt.
- Reviews of the application are conducted by the JSC Patent Counsel and Technology Transfer and Commercialization Office.



# Types of Licenses

***If a partially-exclusive or exclusive license is requested, the request to license the NASA patents are required to be listed in the Federal Register for 15 days prior to license approval.***

- **Exclusive**
  - The Licensee has the right to practice the patent in all fields of use
- **Partially Exclusive**
  - The Licensee is given the right to practice the patent in a specific field or fields of use
  - Allows NASA to license the patent to different companies in different field of uses
- **Non Exclusive**
  - Grants the Licensee the opportunity to practice the patent in the field of use of their choosing at a much lower cost for royalties
  - Allows NASA to license the same fields of use to other companies





# Negotiation of Up Front Fees & Royalties

***NASA's primary focus is commercializing NASA patented technologies.***

- **Up Front Fee**

- Calculated from the proforma figures submitted by the applicant and may be adjusted to take into account other market comparables
- Negotiated with applicant and/or the applicant's representative (i.e. IP attorney)

- **Royalties**

- Calculated from the proforma provided by the applicant
- Final royalty rates and annual minimum payments are negotiated with the applicant





# Licensing Agreement



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- Before proceeding with generating a licensing agreement the following need to be completed:
  - Licensing Application Part I and II
  - Royalty and upfront fee agreement and final terms sheet approval by NASA and applicant
  - 15 days on the Federal Register (for exclusive license)
- The NASA Patent License Manager produces the draft and final license agreement based on the applicant's inputs and negotiated royalties.
- The applicant submits the upfront fee and two signed copies to the Patent License Manager for submittal to the NASA Signing Official at JSC.



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# BACK-UP SLIDES

### 1. Technology Information

NASA Case Number(s) and Title(s):	MSC-
Patent Number(s) and Titles(s):	
Software Involved?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Software Usage Agreement Required?	<input type="checkbox"/> Yes <input type="checkbox"/> No

### 2. Licensee Information

Company Name:	
Licensee's Full Name:	
Licensee's Address (including country):	
Licensee's Phone:	
Licensee's Fax:	
Licensee's E-Mail:	
Place of Incorporation:	
Employer Identification Number (EIN)	
Small business under 37 FR\$404.3(c)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Company Summary (describe the type of company):	
Is Applicant a U.S. citizen?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Number of Employees:	
Business Description:	
Licenses previously granted from federal institutions:	
Licenses previously terminated or expired and reason for termination:	
How applicant learned about the NASA technology:	
Describe (to the applicant's best knowledge) extent to which the invention is being practiced by private industry, government, or both, and extent to which the invention is commercially available.	

# Licensing Application Part I

### 3. Proposed Technology Use

<i>Define and describe the proposed Royalty-Base Product and/or Process</i>	
<i>Potential Market:</i>	
<i>Potential Market Size:</i>	

### 4. Proposed License Terms

<i>Grant of License:</i>	NASA would grant to the company, a revocable, royalty-bearing, license to the NASA Patented Technology.
<i>Type of License:</i> <i>Exclusive: granted for all fields of use</i> <i>Partially-exclusive: granted for particular field(s) of use</i> <i>Non-exclusive: Another license can be granted to another company in same field(s) of use</i>	<input type="checkbox"/> Exclusive (all fields of use) <input type="checkbox"/> Partially-Exclusive (note field (s) of use below) <input type="checkbox"/> Non-Exclusive
<i>Field(s) of Use:</i>	
<i>Geographic area(s) of practice and manufacture:</i>	
<i>Sublicense Rights (Yes or No):</i>	<input type="checkbox"/> Granted ( <i>usually only for Exclusive</i> ) <input type="checkbox"/> Not Granted
<i>Reserved Rights:</i>	NASA reserves the royalty-free right to practice the licensed invention throughout the world for all governmental purposes.
<i>Use the pro forma Excel spreadsheet to determine the proposed royalty fees paid to NASA below:</i>	
<i>Proposed Up-Front License Fee:</i> <i>Required for all licenses</i>	
<i>Proposed Royalty Rate Structure:</i> <i>Required for all exclusive and partially exclusive licenses</i>	
<i>Proposed Annual Minimum Royalty Payments:</i> <i>Required for all licenses</i>	
<i>Patent Prosecution:</i>	NASA would continue to prosecute and maintain the above referenced patents (US only).
<i>Patent Prosecution Costs/ Patent maintenance fees</i>	The applicant may elect to pay the patent prosecution costs and/or maintenance fees as part of the terms to grant license agreement.  <input type="checkbox"/> Yes <input type="checkbox"/> No
<i>Estimated Time to Achieve Practical Application of the Invention as defined by the License Agreement (i.e.- reduce to practice and</i>	

# Licensing Application Part I

**Development Section:**

1. The company's mission statement
2. Stage of the company's current development of the technology or similar technology
3. The time required to fully develop the technology to obtain a commercial product
4. Milestones to be reached for each phase of the development; include the resources to be committed in each phase for all field(s) of use
5. The company's investment in financial and other resources (e.g., facilities, personnel, and time) to develop the technology
6. The areas of use that the company intends for the technology
7. How the company intends to finance the development of the technology
8. Whether the company is teaming with others for the development. If so, indicate:
  - i) Who the other partners are
  - ii) What their roles are
9. Prototype(s) to be built
10. Testing to be done and by whom
11. The current products of the company
12. List any licenses previously granted to the company for any federally owned inventions, including the extent to which they are being practiced by private industry and/or the government and the extent to which they are commercially available
13. List any previous or current agreements that the company had or has with any NASA center and the purpose of that agreement
14. Describe if company wishes to discuss or work with NASA inventor and to what extent that assistance is required

**Licensing  
Application  
Part II**

## **Licensing Application Part II**

### **Marketing/Commercialization Section:**

1. How the technology will be marketed and commercialized by the company(e.g., distributors, sales representatives, catalogs, seminars, conventions, demonstrations, etc.)
2. Resources to be committed to the marketing of the technology (e.g., time, financial, facilities, personnel, etc.)
3. Manufacturing facilities to be used to produce the product (e.g., in-house, contractor, etc.), including their geographic location
4. How the manufacturing and marketing of the invention will be financed
5. What market areas will be targeted (list in priority order)
6. What geographic areas will be targeted (list in priority order)
7. Include any brochures showcasing the company's existing product line

### **Financial Section:**

1. Provide a copy of a financial report (e.g., Dun & Bradstreet report) or company annual report, a current balance sheet and current income statement.

### **Miscellaneous:**

1. Provide any other information that the applicant believes will support a determination to grant the requested license to the applicant