

Licensing of Navy Developed Technology

Government patents are available for licensing. Emphasis is usually placed on the transfer of Navy developed technology to commercial enterprises to strengthen the U.S. industrial base, to create jobs and to secure U.S. suppliers of Navy technology.

The Houston Advanced Research Center (HARC) offers assistance to sponsors of the Blue Water Technology Consortium by facilitating the process. The entry point for apply for a Navy patent license is to complete the Application for License to Practice Invention Form. Along with the application, a business plan (Application for License to Practice Invention Form) must also be submitted. The plan must contain specific information regarding the amount of fiscal resources, facilities and equipment, technical and other personnel resources, marketing mechanisms, or other resources that will be devoted to carry out the plan to bring the invention to the commercial marketplace. The plan must identify various milestones, for example, the target date by which the invention is to be introduced into the marketplace, as well as other milestones against which to measure progress. The plan must also include projected yearly sales figures for several years of the license.

Licenses can only be granted to companies that are not debarred, suspended, proposed for debarment, or declared ineligible for participation in procurement programs.

Licenses are to be fair and reasonable for the Navy and the licensee to ensure commercial application of the invention. Most licenses will include an up-front fee, a running royalty, and a minimum annual royalty. Appropriate amounts are negotiated with an emphasis on ensuring commercial application, and returning a fair share to the taxpayer.

To assist with the transfer of 'know-how', HARC works with Blue Water Technology Consortium sponsors, as needed, to implement a cooperative development agreement pertaining to the invention.

The methodology for creating value from research knowledge has been fundamentally altered over the past two decades. A value chain links intellectual assets all the way from research and development to a final product or service. The end product must create economic value for the company that introduces it. Vertical industry structures have given way to horizontal industry structures. Vertical integration, where a single company conceives, designs, manufactures and delivers the product as well as supports its customers, has evolved to an open innovation environment. In-house basic research is dying out as a consequence of free flow of ideas, people and products. The government plays a key role in the value chain, particularly in idea generation and technical support. In the open-innovation model, success is increasingly based on teamwork, networking and contributing to the activities of others. Industry research relies now on contacts between all researchers, from industry to government to universities to others. By being a sponsor of the Blue Water Technology Consortium, HARC can assist in the development and application of technology.