

Energy & Clean Technology Alert

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Department of Energy Announces "America's Next Top Energy Innovator" Challenge

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American entrepreneurs and innovators can soon take advantage of reduced upfront costs and paperwork requirements for licensing groundbreaking technologies developed by the U.S. federal laboratories. Announced Tuesday by Energy Secretary Steven Chu, the "[America's Next Top Energy Innovator](#)" challenge will lower hurdles to commercializing innovation to support a core component of the Obama administration's national innovation strategy that aims to double the number of start-up companies coming out of the work done at the laboratories.

For the challenge, the Department of Energy (DOE) will offer online access from May 2 through December 15, 2011 to a streamlined option agreement allowing companies to identify a technology of interest and submit a business plan for consideration. For start-ups short on the resources, time, or expertise to negotiate individual licensing agreements, the program's simplified licensing process and standard set of terms are a unique opportunity. The DOE estimates that dropping the licensing fees to \$1,000 will help save companies \$10,000 to \$50,000 in upfront fees alone.

Accepted proposals will have the benefit of reduced time and cost to process a license, allowing faster access to the DOE's patents and enabling the DOE to process more licenses in a shorter amount of time. Other license terms, such as equity return and royalties, will be negotiated on a case-by-case basis; payments will typically be due once the company achieves commercial success. Furthermore, entrepreneurs that complete the process and demonstrate progress towards commercializing the technology will have the opportunity to be showcased at the 2012 ARPA-E Energy Innovation Summit, which convenes key players in the nation's energy innovation community.

Currently, only about 10% of federal patents have been licensed to be commercialized. All 15,000 unlicensed patents and patent applications held by our 17 federal laboratories are available for licensing and will be covered by the challenge. Available technologies can be viewed on the DOE's [Energy Innovation Portal](#), and are far-reaching in the energy sector. These include, for example, a solar energy storage, transportation and conversion system; a grid-friendly appliance controller; high-performance semiconductor materials; and a diesel NOx emissions reduction catalyst.

The secretary made his announcement at the Massachusetts Institute of Technology while participating in a Startup America roundtable event, emphasizing that "our goal is simple: unleash America's innovation machine and win the global race for the clean energy jobs of the future." The administration's [Startup America Initiative](#), which is sponsoring the challenge, seeks to accelerate high-growth entrepreneurship nationwide and is facilitated by the U.S. Small Business Administration's [Entrepreneurial Mentor Corps](#).

Mintz Levin will provide additional information on the implementation of the challenge as it becomes available. If you have any questions about this alert, please contact one of the authors or your Mintz

Levin Energy & Clean Technology attorney.

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