COOPERATIVE RESEARCH and DEVELOPMENT AGREEMENT (CRADA)

National Small Business Conference
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Agenda

- CRADA Definition
- Public Law / General Authority
- Specific Legislative Authorities
- Award Considerations
- Partners – Who Can Play?
- Conceiving the CRADA
- Developing the CRADA Agreement
- SYMVIONICS CRADA Examples
Cooperative Research and Development Agreement (CRADA):

A legal agreement between a federal laboratory and a non-federal party to conduct specified research or development efforts that are consistent with the missions of the federal laboratory.
Public Law / General Authority

- 15 USC Sec. 3710a: General Authority
  - Established Office of Research and Technology Applications (ORTA) in Govt. laboratories
  - Permitted all Federal laboratories to enter into CRADAs with other business entities (OBE)
  - Permitted negotiation of license agreements between Govt. and OBE
Specific Legislative Authorities

- Laboratory may license, assign or waive its rights to intellectual property
- Laboratory may grant patent license for invention to collaborating OBE
- Laboratory may grant patent license to OBE for invention made prior to CRADA
- Laboratory shall ensure OBE retains title to OBE inventions
- And, most importantly…
Specific Legislative Authorities (cont.)

- Laboratory may accept, retain and use funds, personnel, services, equipment and property from OBE and provide personnel, services, equipment and property to OBE towards the conduct of R&D efforts consistent with the efforts of the laboratory.
CRADA Award Considerations

- CRADA selection done by the Director of Govt. Laboratory (delegated to ORTA)
- CRADA selection not subject to FAR (because no funds go from Govt. to OBE)
- ‘Special consideration’ given to small business in CRADA selections
- ‘Preference’ given to CRADAs which manufacture the product in U.S.
- Typical CRADA term is 3 to 5 years
- Research results exempt from FOIA disclosure for 5 years
CRADA Partners - Who Can Play?

- Any Govt. owned Federal laboratory, or any GOCO laboratory (if CRADA included in strategic plan or as joint work statement), and...

- Other Business Entities (OBE) such as Federal agencies; State/local Govt.; corporation / LLC / partnership; foundations; Non Profit Org; even individual person
Conceiving the CRADA

- CRADA must benefit BOTH parties
- **Theme: Technology Transfer**
  - Technology developed with public funds transferred to private sector for commercial use
  - Technology developed by private sector transferred to Govt. for Govt. (military) use
- **Define the Goals for each party**
  - Advance the research
  - Prototype development
  - Commercialization
  - Product improvement
  - Positive Public Relations
Conceiving the CRADA (cont.)

- Estimate the “Value” of the Goals to Each Party
- Define Each Party’s Contribution
  - Funds (license agreement)
  - Personnel (scientists, managers, admin asst)
  - Services (network admin, metrology)
  - Equipment (office, lab test, aircraft)
  - Property / facility (runway, control room, building)
  - Other (unlimited, except for Govt. $)
- Return On Investment (ROI)
  - “Dollarize” the contributions from both sides
  - Are the costs worth the investment ? ROI>1 ?
- Good to Go !
Developing the CRADA Agreement

- **Formats/Templates**
  - Air Force AFI 61-302 Cooperative Research and Development Agreements

- **Typical Sections of Air Force CRADA Agreement**
  - CRADA number
  - Preamble
  - Definitions
  - Work Plan
  - Financial Obligations
Developing the CRADA Agreement

- Typical Sections of Air Force CRADA Agreement (cont.)
  - Patents / Copyrights
  - Proprietary Information
  - Term / Modifications / Disputes
  - Representation and Warranties
  - Liability
  - General Terms and Provisions
  - Notices
  - Approval Signatures
  - Appendix A – Work Plan
SYMIONICS CRADA Examples

- Air Force – AF Flight Test Center, EAFB
  - Interactive Analysis and Display System (IADS®)
  - DeltaSym™
- NASA – Ames Research Center
  - Comprehensive Identification from FrEquency Responses (CIFER®)
SYMVIONICS CRADA - IADS®

- Highlights of CRADA Agreement
  - Allows commercialization of IADS
  - Allows sales of IADS to major defense contractors and commercial aircraft mfgrs.
  - Extends IADS use to other Air Force & Navy bases, NASA
  - Provides funds and public relations to AFFTC
  - Provides equipment, facilities and public relations to SYMVIONICS
  - ROI for both parties >> 1
SYMVIONICS CRADA - DeltaSym™
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Highlights of CRADA Agreement

- Allows commercialization of DeltaSym
- Will provide funds and public relations to AFFTC
- Will provide equipment, facilities and public relations to SYMVIONICS
- ROI for both parties = ???