UNITED STATES PUBLIC HEALTH SERVICE
TECHNOLOGY TRANSFER POLICY MANUAL

Chapter No. 701.1

NIH Technology Transfer Awards Procedures

A. PURPOSE

This Manual Chapter sets forth procedures for granting cash awards using royalties or appropriated funds to employees of the National Institutes of Health (NIH) who make outstanding contributions that promote technology transfer.

B. BACKGROUND

The primary mission of PHS research laboratories is to acquire new knowledge through the conduct and support of biomedical research to improve the health of the American people. PHS pursues this mission through basic and applied biomedical research. However, some research results must be transferred to the private sector for subsequent commercial development and manufacture in order to realize public health benefit. An incentive program that rewards outstanding technology transfer activities is one means of promoting the transfer of such research results to the public. The Federal Technology Transfer Act of 1986 (FTTA), as 15 U.S.C. 3710 provides PHS with the authority to establish a cash awards program for specified Federal employees who make outstanding contributions that promote technology transfer. The FTTA provides that:

The head of each Federal agency that is making expenditures at a rate of more than $50,000,000 per fiscal year for research and development in its Government-operated laboratories shall use the appropriate statutory authority e.g. 5 U.S.C. §4503, 15 U.S.C. 3710c(a)(B)(i), to develop and implement a cash awards program to reward its scientific, engineering and technical personnel for

(1) inventions, innovations, computer software, or other outstanding scientific or technological contributions of value to the United States due to commercial application or due to contributions to missions of the Federal agency or the Federal Government, or

(2) exemplary activities within the Federal Government that promote the domestic transfer of science and technology development within the Federal Government and result in utilization of such science and technology by American industry or business, universities, State or local governments, or other non-Federal parties.

C. APPLICABILITY

This policy applies to NIH Civil Service, Commissioned Corps, and non-Full Time Equivalent (non-FTE) staff members who meet the program eligibility criteria as defined in Section G. below. NIH Non-FTE staff must be officially and directly supervised by NIH employees to be eligible for the Technology Transfer Award Program. Eligible NIH non-FTE staff includes Visiting Fellows, Intramural Research Training Assignees (IRTAs), Clinical Research Training Assignees (CRTAs) (for example, Technology Transfer Fellows), National Research Service Administration (NRSA) awardees, and special volunteers.

D. RESPONSIBILITIES AND PROCEDURES

The Director, NIH, has delegated specific authorities to the Directors of NIH Institutes and Centers (ICs) to approve Employee Recognition Awards (NIH Manual Chapter 2300-451-1). The scope of that delegated authority also applies to Technology Transfer Awards. An IC may choose to make its internal policies and approval authorities consistent with and parallel to those for other Employee Recognition Awards.

E. NOMINATIONS

Nominations for Technology Transfer Awards must include a clear and compelling justification. The justification should: (1) explain why the scientific efforts, technology innovations, or the activities that promote or enhance technology transfer are exemplary; and (2) articulate how the candidate’s accomplishments furthers the intent of the legislation to effectively advance Federal technology transfer.

F. ELIGIBLE RECIPIENTS

All scientific, engineering, and technical employees and specified administrative employees of NIH are eligible to be considered for cash awards. Eligibility should be interpreted as broadly as reasonably possible in accordance with the language of the FTTA and the intent expressed in its legislative history. Eligible recipients include extramural and intramural employees who were employed by the Federal Government at the time of their technology transfer activities. Inventors who receive royalty payments may also receive a Technology Transfer Award.

In accordance with the FTTA, eligible NIH employees may receive awards based on: (1) inventions, innovations, computer software, or other outstanding scientific or technological contributions of value to the United States due to commercial application or due to contributions to missions of the Federal agency or the Federal Government, or (2) exemplary activities that promote the domestic transfer of science and technology development within the Federal Government and result in utilization of such science and technology by American industry or business, universities, State or local governments, or other non-Federal parties. 15 U.S.C. § 3710b (1996).
Activities that could satisfy the first set of criteria include: (1) the development of an exceptional cell line that is particularly useful for a diagnostic assay; (2) modifications or innovations in a drug screening procedure; (3) exceptional new models for monitoring efficacy of a new drug or therapy; (4) the design and performance of a clinical trial that demonstrates a new use for a drug or biological; (5) highly useful new immunological or genetic constructs; (6) modifications to apparatus or instrumentation that enables a greater degree of sensitivity or productivity; or (7) an outstanding new computer software program.

Activities that could satisfy the second set of criteria include: (1) exceptional negotiation or legal support in the negotiation of technology transfer agreements; (2) outstanding preparation and prosecution of patent applications; (3) significant assistance to a licensee to resolve technical difficulties in licensed technology; (4) authorship of publications or seminars that greatly clarify or enunciate principles or policies of technology transfer; and (5) exceptional service on committees that provide guidance or assistance for the transfer or development of science and technology.

G. AMOUNT

Recognition of NIH staff members with Technology Transfer Awards is dependent on the availability of IC funds, and these awards may be paid from appropriated funds or royalty funds received by ICs. If the award is paid through the use of royalty funds, the award counts toward the individual inventor limitation of $150,000 per fiscal year. If paid through appropriated funds, the award does not count toward the individual inventor limitation of $150,000 per fiscal year. Generally, the amount of the award should be commensurate with the achievement the award is meant to recognize. The degree of commercial application or value to the marketplace should not be the only factor considered. Most importantly, the amount of award should be commensurate with the degree to which the activity promotes technology transfer and contributes to the public health mission of the NIH. The amount of award should also take into consideration the degree of incentive that the IC wishes to convey to the recipient.

H. EFFECTIVE DATE

The procedures set forth in this Manual Chapter are effective March 8, 2012 and supersede in their entirety the procedures in PHS Technology Transfer Policy Manual Chapter 312, which was first approved on March 17, 1999.

I. ADDITIONAL INFORMATION

For more information on this Manual Chapter, contact the Office of Technology Transfer, NIH, (301) 496-7057 or http://www.ott.nih.gov/contact-us.