



NATIONAL SCIENCE FOUNDATION
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NSF 21-092

Dear Colleague Letter: A New Supplemental Funding Opportunity for Allowable Patent Expenses (APEX) in the Partnerships for Innovation (PFI) Program

June 2, 2021

Dear Colleagues:

The National Science Foundation (NSF) has a long, distinguished history of supporting world-class research resulting in strong societal outcomes. This history is rooted in preserving the technology's competitive strength by protecting our most original ideas. Patents represent the life-blood of small businesses, protecting the largest asset of entrepreneurs - the intellectual property which provides them a competitive advantage in the national and global economies. As a fruit of fundamental science and engineering, intellectual property protection is the cornerstone for new, highly competitive technologies leading to small business creation and expansion: fostering the economic growth of a globally competitive and diverse research workforce and advancing the scientific and technical innovation of the U.S. in solving societal challenges that represent strategic objectives of the National Science Foundation (NSF).

A patent represents a significant financial investment for individuals and organizations alike and can be viewed as prohibitive by many. Institutions of Higher Education (IHEs) interest in entrepreneurship is expensive and high risk, with long payoff cycles and thus, disparities across IHEs have been accentuated. While talent in the design and development of new products and services may be equally distributed across the Nation, patent budgets at IHEs can vary by a factor of 100 across the community. This is particularly concerning for minority serving institutions (MSIs), entrepreneurs in states eligible for the Established Program to Stimulate Competitive Research (EPSCoR) program, individuals with disabilities, and women and individuals from underrepresented groups in innovation, technology translation, and entrepreneurship. This enormous differential in resources exacerbates and prolongs differences in outcomes such as financial success and independence, job creation, and growth in entrepreneurship and small business endeavors.

To support translation of national investments in research and development, the Partnerships

for Innovation (PFI) Program, in the Division of Industrial Innovation and Partnerships (IIP), is offering an Allowable Patent Expenses (APEX) supplement for active awardees. This supplement is intended to assist current PFI grantees in their technology commercialization efforts. Specifically, the APEX supplement enables awardees to: a) defray internal costs incurred by their technology transfer office (TTO) during the evaluation and protection of intellectual property reduced to practice with PFI funding; or b) secure the services of one or more third-party service providers to assist in the evaluation and protection of the intellectual property. Filing expenses of both provisional and non-provisional patents are appropriate for this supplement.

SUPPLEMENTAL FUNDING OPPORTUNITY

The IIP Partnerships for Innovation (PFI) Program offers researchers from all disciplines of NSF-funded science and engineering the opportunity to perform translational research and technology development, catalyze partnerships, and accelerate the transition and commercialization of discoveries from the laboratory to the marketplace for societal benefit.

The expected goals of the APEX supplement are to:

- To protect intellectual property that is created as a direct result of the PFI award and that has the potential for accelerated commercialization;
- To ensure that customer discovery, market fit, and commercial market value of PFI-funded proof-of-concept work are considered through participation of PFI teams in the I-Corps Teams program prior to protecting NSF-funded intellectual property rights;
- To accelerate the transfer and commercialization of technology from the lab bench to the marketplace;
- To contribute to the professional development, mentoring, and understanding of deep technology-based business of the next generation workforce through the participation in the patenting process.

Each of these goals, bolstered by patent protection, will strengthen the U.S. innovation ecosystem and catalyze economic and intellectual contributions to the science and engineering workforce through the integration of research and education.

ELIGIBILITY

The PFI program is particularly interested in increasing the participation of underrepresented groups such as women, persons with disabilities, and underrepresented minorities^{[1] [2]}, and those from geographically underrepresented areas in science, technology, engineering, and mathematics (STEM).

Because the patenting process must be driven by insight by the marketplace, only PFI

awardees that have participated in a National I-Corps Teams cohort are eligible to apply for APEX supplemental funding.

The following expenses are not allowable for reimbursement by the APEX supplement:

- Expenses incurred by Licensees and Industrial Partners;
- Patenting expenses incurred prior to the effective date or after the date of termination of the PFI award;
- Patenting expenses related to inventions not directly related to PFI funds; and
- Trademark or copyright search or filing expenses.

SUPPLEMENTAL FUNDING REQUEST PREPARATION INSTRUCTIONS

APEX supplemental funding is subject to the availability of funds, the good standing of the parent PFI award, and the quality of the supplemental funding requests. **Prior to submission of an APEX supplemental funding request, PIs must provide to their PFI Cognizant Program Officer a 2-page (maximum) summary of the planned funding request. The PI must obtain prior approval by the PFI Program Officer to before the submission of the APEX supplement to NSF (this email approval should be included as a Supplementary Document in FastLane. APEX supplemental requests submitted without prior approval from the cognizant Program Officer will be returned without review.**

The APEX supplemental funding request must include the following components:

1. The title of each supplemental funding request should begin with the text string: "APEX (PFI): (title of active NSF parent award)."
2. In the Justification for Supplement section:
 - The NSF award number of the PFI parent award, the I-Corps Team number, and description of cohort (for example, "Chicago summer 2019").
 - Dates of participation in I-Corps and key learnings, including a description of the envisioned use case, customer segment, and value proposition. If the team is currently registered for, or participating in, an I-Corps Teams cohort, the team must complete the training prior to submission of an APEX supplement.
 - If requesting to defray internal costs to be incurred into by her/his/their Technology Transfer Office (TTO), the PI must provide a discussion of the work to be performed to evaluate and protect the PFI-funded invention.
 - Summary (three-page maximum) that describes the PFI project for which patenting costs are requested. The Program Officer's review will focus on the commercialization objectives in the supplemental funding request and the PI's understanding of the marketplace.
3. In the Budget Justification section:
 - If requesting APEX funds to secure the services of one or more third-party service

providers to assist in the evaluation and protection of the PFI-funded invention, the PI must provide a brief profile of the proposed service provider, including a discussion of the provider's qualifications.

- Please provide disclosure or filing dates for retroactive costs and evidence of payment in the Budget Justification, if needed.
4. In the Other Supplementary Documents section:
- Letter of commitment or statement of work from the TTO or third-party service provider, as applicable, describing the services to be provided, cost for the services, and clearly defined, agreed-upon deliverables with measurable success metrics.
 - Email of the Program Director's approval to submit the request as part of the Supplementary Documents.

Additional information about the preparation and submission of supplemental funding requests is contained in Chapter VI.E.4 of the [NSF Proposal & Award Policies & Procedures Guide](#) (PAPPG).

SUPPLEMENTAL FUNDING DETAILS

The maximum request is 20% of the original PFI award or \$50,000, whichever is less. Only one APEX supplement can be requested per PFI award. The receipt of other supplemental funding does not limit the eligibility for submission of the APEX supplemental funding request.

1. The supplement must be used for legal expenses paid to a registered patent attorney and/or agent, and filing fees for provisional and full patent costs.
2. When the patent attorney and/or agent is an employee of the awardee's TTO, only freedom to operate, patentability analysis or filling fees can be requested.
3. Filing fees must be paid only to the US Patent and Trademark Office (**no foreign filing expenses are allowed under the APEX supplement**).
4. The PFI PI or other senior project personnel must have participated in an I-Corps Teams cohort to validate the PFI-funded technology that is the subject of the invention.
5. Salary costs for organizational administrative professionals, including technology transfer officers, are subject to the policies of PAPPG Chapter II.g.(i.)(b.).
6. The PI must comply with all organizational policies regarding the management of intellectual property rights, including government funded inventions. In the budget justification, please justify funds requested. Costs requested for third-party service providers must be entered on line G.6 of the budget.
7. PIs may request reimbursement of costs incurred by awardee institution in the protection of the PFI-funded technology since the start date of the PFI award.
8. NSF grantees are required to report inventions in the [iEdison database](#).
9. PIs and organizations should be aware that patent applications are subject to the [Bayh-Dole Act](#) or [Patent and Trademark Law Amendments Act regulations](#).

TARGET DATES AND REVIEW PROCESS

Supplemental funding requests may be submitted at any time. However, a target date of June 15, 2021 is requested for consideration of FY 2021 funding.

All supplemental funding requests will be internally reviewed by the cognizant PFI Program Officer.

REPORTING REQUIREMENTS

The activities undertaken and results obtained under the APEX supplement must be reported in the annual and final project reports for the PFI award.

COGNIZANT PROGRAM DIRECTORS

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Sincerely,

Dawn Tilbury
Assistant Director
Directorate of Engineering

REFERENCES:

[1] <https://nces.nsf.gov/pubs/nsf19304/digest/introduction>

[2]
https://www.nsf.gov/od/oia/activities/ceose/reports/CEOSE_ReportToCongress_RP_FVmp_508.pdf