

# NASA Johnson Space Center

## Part II: Outline for Development/Marketing Plan

### Notes

1. Only submit Part II: Development/Marketing Plan if you have already submitted Part I: License Application Business Terms and NASA has requested this information.
2. Addressing the following areas in as much detail as possible will assist NASA in making a reasonable determination as to the company's qualifications to successfully implement technology transfer.
3. All information submitted in the Development/Marketing Plan will be maintained in confidence by NASA and will not be subject to disclosure under the Freedom of Information Act.
4. The Part I: License Application Business Terms and Part II: Development/Marketing Plan will be included in any resulting license agreement.

### Development Section

1. The company's mission.
2. Stage of the company's current development of the technology or similar technology.
3. The time required to fully develop the technology to obtain a commercial product.
4. Milestones to be reached for each phase of the development. Include the resources to be committed in each phase.
5. The company's investment in financial and other resources (e.g., facilities, personnel and time) to develop the technology.
6. The areas of use that the company intends for the technology.
7. How the company intends to finance the development of the technology.
8. Whether the company is teaming with others for the development. If so, indicate:
  - i) Who the other partners are.
  - ii) What their roles are.
9. Prototypes to be built.
10. Testing to be done and by whom.
11. The current products of the company.
12. List any licenses previously granted to the company for any federally owned inventions, including the extent to which they are being practiced by private industry and/or government and the extent to which they are commercially available.

## Marketing Section

1. How the technology will be marketed (e.g., distributors, sales representatives, catalogs, seminars, conventions, demonstrations, etc.).
2. Resources to be committed to the marketing of the technology (e.g., time, financial, facilities, personnel, etc.).
3. Manufacturing facilities to be used to produce the product (e.g., in-house, contractor, etc.), including their geographic location.
4. How the manufacturing and marketing of the invention will be financed.
5. What market areas will be targeted (list in priority order).
6. What geographic areas will be targeted (list in priority order).
7. Include any brochures showcasing the company's existing product line.

## Financial Section

1. A copy of a financial report (e.g., Dun & Bradstreet report) or company annual report.
2. A 3- to 5-year projection of expenses and income as they relate to the technology to be licensed from NASA. See Attachment A for a sample/template pro forma income statement (preferred format).
3. Attach term sheet outline of the proposed business terms, including type of license sought and royalty rates and fees. See Attachment B for a sample/template term sheet.

# ATTACHMENT A – SAMPLE PRO FORMA INCOME STATEMENT

*Data presented here are for illustrative purposes only*

## Assumption Values For Proforma

Use appropriate sales unit measures and pricing values.

Provide definition of a unit (by the foot, pound, item, etc.).

## Licensing and Royalty Values

Licensing terms and royalties are all negotiable. Sample values ONLY.

Item	Year:	1	2	3	Subsequent Years
Minimums		\$50,000	\$70,000	\$100,000	\$140,000
Upfront Licensing Fee		\$25,000	\$0	\$0	

Item	Level:	1	2	3	Final Level
Threshold (in units)		0	201	501	1,001
Royalty		10%	11%	12%	13%

Item	Year:	1	2	3
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### Market or Product A Income

Units Per Year		50	60	72
Price Per Unit		\$10,000	\$10,000	\$10,000
Revenue		\$500,000	\$600,000	\$720,000

### Market or Product B Income

Units Per Year		10	12	14
Price Per Unit		\$7,000	\$7,000	\$7,000
Revenue		\$70,000	\$84,000	\$100,800

### Market or Product C Income

Units Per Year		20	24	29
Price Per Unit		\$6,000	\$6,000	\$6,000
Revenue		\$120,000	\$144,000	\$172,800

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	Year:	1	2	3
<b>Total Income</b>				
<b>Total Units</b>		<b>80</b>	<b>96</b>	<b>115</b>
<b>Total Revenue</b>		<b>\$690,000</b>	<b>\$828,000</b>	<b>\$993,600</b>

## Expenses

*(generic assumption was used for cost as percentage of revenue, use realistic equation)*

	<b>Year:</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Total Costs</b>		<b>\$345,000</b>	<b>\$414,000</b>	<b>\$496,800</b>
Royalties				
Based on Revenue		\$69,000	\$82,800	\$99,360
Up-front Licensing Fee		\$25,000	\$0	\$0
Minimum Required		\$50,000	\$70,000	\$100,000
<b>Actual Royalty</b>		<b>\$94,000</b>	<b>\$82,800</b>	<b>\$100,000</b>
<hr/>				
<b>Profit After Royalty</b>		<b>\$251,000</b>	<b>\$331,200</b>	<b>\$396,800</b>
Profit Margin		36%	40%	40%

# ATTACHMENT B – SAMPLE LICENSE APPLICATION

## NASA Johnson Space Center

### Part I: Licensing Application Business Terms

NASA has the authority to grant licenses pursuant to 35 USC §§207-209. NASA follows the regulations set forth in 37 CFR §404. All NASA licenses are individually negotiated and each license contains terms concerning technology transfer (practical application), license duration, royalties, and periodic reporting—information that constitutes the business terms of the license.

The license application process takes place in two stages to expedite the license agreement negotiation process. This document constitutes the first part of the process, the Part I: License Application Business Terms, which contains the proposed business terms. Once the information contained in this document (Part I: License Application Business Terms) is agreed upon by NASA and the potential licensee, Part II: Development/Marketing Plan will be requested by NASA and must be submitted by the licensee to complete the license application process. All information contained in the final Part I: License Application Business Terms and Part II: Development/Marketing Plan documents will be included in the license agreement.

### Technology Information

**NASA Case:** LAR- XX,XXX-X (herein Technology)  
**Title:** Title  
**Patent Number:** US Patent # or Patent Application #  
**Software Involved?** yes, no (select one)

### Licensee Information

**Potential Licensee:** Company Name (herein Company)  
Contact Name  
Address (including country)  
Phone  
Fax  
E-mail  
For company, indicate place of incorporation and/or name/  
address of any parent company/organization.  
For individual, indicate citizenship.

- Small business under 37 CFR§404.3(c)?** yes, no (select one)
- Company summary:** Describe the nature and type of your business
- # employees:** X full-time employees
- Tech transfer history:** Describe any products/services you have successfully transferred in the past (or “none”)
- Source:** How did you become aware of NASA’s technology (e.g., NASA Tech Briefs article, trade show presentation, NASA or other website, USPTO search, referral, etc.)?

## Proposed Technology Use

- Product:** Describe the products/services that will use the Technology.
- Market:** Describe the markets and applications that will use the above described products/services.
- Market Size:** Estimate the expected annual revenue to be generated from the above described products/services.

## Proposed License Terms

- Grant of License:** NASA Langley Research Center (NASA) would grant to Company, a revocable, royalty-bearing, license to Technology.
- Type of License:** Exclusive, Non-Exclusive, Exclusive in a Field of Use (select one)
- Fields of Use:** Paragraph description of any particular fields of use or state “all fields of use”
- Sublicense Rights:** Granted, Not Granted (select one, sublicense rights are not typically granted with a non-exclusive license)
- Reserved Rights:** NASA reserves the royalty-free right to practice the licensed invention throughout the world for all governmental purposes.
- License Fees:** Company would pay to NASA an upfront license fee of X dollars (\$X.XX), payable upon signing of license.

**Royalty Obligations:** Company agrees to pay NASA a running royalty of X-percent (X%) of net sales of royalty-base products covered by the Technology (or describe the proposed royalty payment offer).

In addition to this running royalty, Company agrees to pay a minimum guaranteed royalty per year as specified below:

Year 1 — \$X commencing on the anniversary of license execution.

Year 2 — \$X commencing on the anniversary of license execution.

Year 3 and beyond — \$X per year commencing on the anniversary of license execution.

Sublicensing (only applies for exclusive license): Company agrees to pay NASA X-percent (X%) of any consideration, including, but not limited to, sublicense issue fees, received from Sublicensees in consideration for any sublicense granted for the Technology.

<b>Milestones:</b>	Product development completed	X months
	Funding acquired (if start-up)	X months
	Product marketing commencement	X months
	Product launch	X months
	First product sold	X months

**Patent Prosecution:** NASA would continue to prosecute and maintain the above referenced patents.

**Ownership:** NASA currently owns the above referenced patents, or patents pending, and can warrant same.

Company understands that the above is the initial basis for an offer to license the Technology.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Return to:**

Technology Transfer and Commercialization Office (TTO)

NASA/Johnson Space Center

2101 NASA Parkway

Mail Code: XP

Houston, Texas 77058

(281) 483-3809