

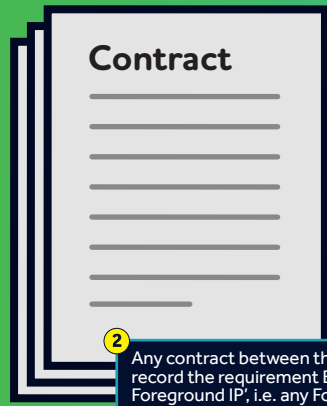
Ofgem SIF Guidance IP Regime Overview



So you are an innovator with an idea that could help transform energy networks...

SIF funding

1 When applying for SIF (Strategic Innovation Fund) funding, the Project Registration Information will need to detail the expectations of any 'Foreground IP' that will be generated from the Project.

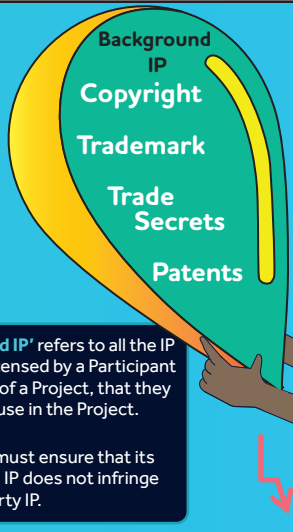


2 Any contract between the energy network and Partners should record the requirement Background IP, Foreground IP and 'Relevant Foreground IP', i.e. any Foreground IP needed to implement the method(s) developed / demonstrated as part of the Project.

3 The project plan needs to be detailed enough to enable third parties to see if they need to use the Foreground IP that is generated by the Project.

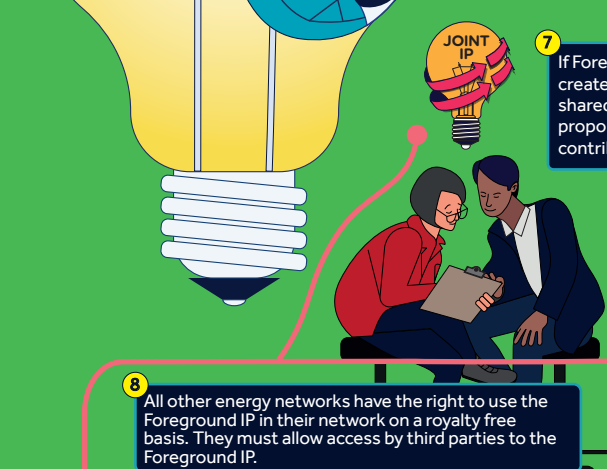
Energy networks must consider the long-term value to all consumers.

The Project consists of the research, development and demonstration of the method to implement the Foreground IP.



4 'Background IP' refers to all the IP owned or licensed by a Participant at the start of a Project, that they provide for use in the Project.

Each Party must ensure that its Background IP does not infringe any third party IP.



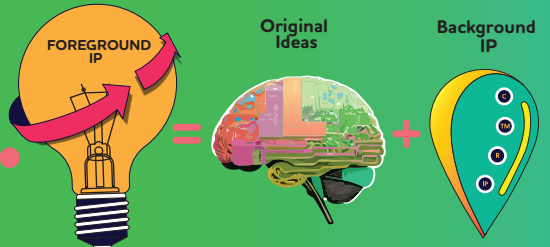
JOINT IP

7 If Foreground IP is created jointly, it is shared in the proportion of contribution.

6 'Foreground IP' refers to the unique output of the Project.

Each Party will own the Foreground IP that they create.

Foreground IP must be protected, maintained and made accessible.

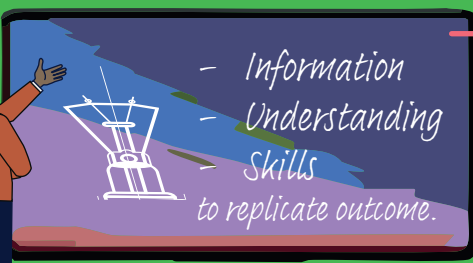


5 Each Party will retain ownership of its Background IP and provides a non-exclusive licence to other Parties solely for the Project (both during the Project and after (to the extent needed to use the Foreground IP)).



8 All other energy networks have the right to use the Foreground IP in their network on a royalty free basis. They must allow access by third parties to the Foreground IP.

KEY AIM
= **KNOWLEDGE TRANSFER**
+ **PROTECT CONSUMERS AGAINST PAYING EXCESSIVELY FOR PRODUCTS FOR WHICH THEY HAVE CONTRIBUTED TO THE COST OF DEVELOPING.**



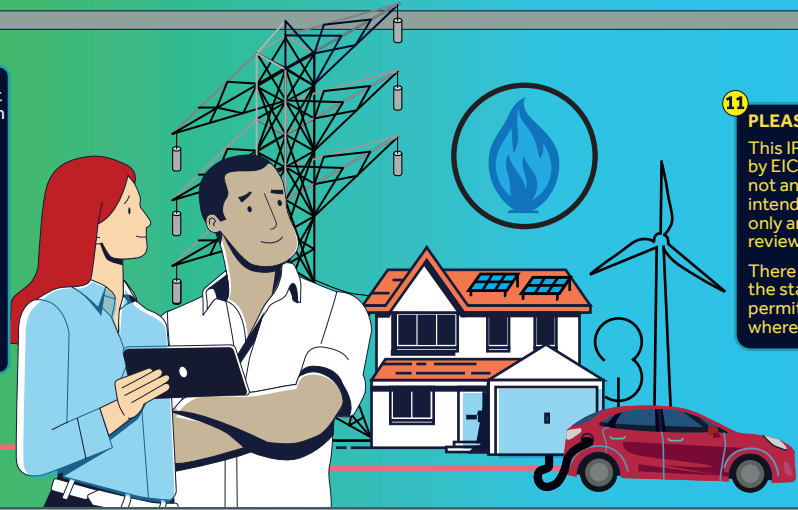
9 Knowledge and learning from the Project must be shared with third parties. This must enable a third party to reproduce / simulate the outcome of the Project. Knowledge dissemination is intended to reduce the cost, difficulty and time involved in similar projects.

RELEVANT FOREGROUND IP

10 The energy network must return gross revenue from royalties / income generated through the Foreground IP (less SIF direct costs).

The IP Conditions apply to any future owner of the Foreground IP.

Any sale of the Foreground IP must reflect its true commercial value.



11 PLEASE NOTE:

This IP Regime Overview is created by EIC to assist innovators, but it is not an official Ofgem resource. It is intended for reference purposes only and EIC recommends that you review the full SIF Guidance.

There can be some deviations from the standard IP regime, where permitted in the SIF Guidance or where approved by Ofgem.