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No.	Electricity or Gas and NIC or NIA	Chapter Name	Page/Paragraph Ref	Comments	Suggested alternative drafting
1	Electricity NIA / Electricity NIC	Introduction	pg. 6, para. 1.7 / pg. 6, para 1.9	Both documents make it clear that the dissemination of learning outcomes will be a key feature of NIA and NIC projects. If innovation is to be encouraged however, it is important that SMEs have confidence to engage in such projects. This confidence can only be gained if SMEs believe their ongoing IPR is to be protected. In the current drafting, the definition of "learning" which is to be disseminated is somewhat vague and could be clarified to avoid confusion.	It may be beneficial to define "Learning" in more detail at this stage of the documents. For example, in Table 6.1 of the Electricity NIA document (pg. 24-25) a description is provided of expected "Lessons learnt for future projects". This makes it clear that the learning to be disseminated does not relate to core IPR, but instead to recommendations, lessons, etc. A sensible approach could be to make "Learning" or "Learning Outcomes" a defined term for the documents.
2	Electricity NIA / Electricity NIC	Collaboration and Project Partner Awareness	pg. 10, para. 2.7	As above, "learning" could be more clearly defined to give confidence to SMEs wishing to become involved with NIA/NIC projects.	
3	Electricity NIA / Electricity NIC	Intellectual Property	NIA Chapter 7 document, pg. 1, para. 7.1 / NIC Chapter 9 document, pg. 1, para. 9.1	These paragraphs may suggest that in the case of joint projects between Licensees and Project Partners, any IPR created will be owned either both parties separately or both parties jointly. Cases are likely to exist where a single party in such projects will create IPR to be owned by them alone.	For clarity, it is suggested that the following addition is made: "...either for the Funding Licensee or for any Project Partners (whether for <u>one</u> , both or jointly)...".
4	Electricity NIA / Electricity NIC	Intellectual Property	NIA Chapter 7 document, pg. 2, para. 7.6 / NIC Chapter 9 document, pg. 2, para. 9.15	While earlier paragraphs (NIA 7.5 / NIC 9.12) attempt to define "Relevant Foreground IPR", further clarification is required. The current wording may not be acceptable to SMEs wishing to develop or demonstrate innovative technology with the support of Licensees. At present, it is unclear whether SMEs would be able to benefit from such projects in the longer term. If they are unable to charge other Licensees a royalty for their technology, their market will be significantly reduced and their business seriously hampered. While I am sure that this is not the intention of the current documents, clarification is required. Otherwise SMEs will not be incentivised to innovate with Licensees. Similarly, Licensees will not be incentivised to run innovative projects, since they could instead rely upon outcomes from projects run by their peers.	Rather than provide alternate wording, it is suggested that Ofgem clarify its intention for foreground IPR resulting from NIA and NIC projects.

5	Electricity NIA / Electricity NIC	Intellectual Property	NIA Chapter 7 document, pg. 2, para. 7.8 / NIC Chapter 9 document, pg. 1, para. 9.7	There may need to be some mechanism to help understand this in advance of projects. Alternatively, “effort” should be more clearly defined. In its current form for instance, “effort” could be defined as a Licensee providing access to data/systems for pilot work that an SME carried out, risking the SME’s IPR. This lack of clarity would be likely to stifle innovation.	
6	Electricity NIA	Intellectual Property	NIA Chapter 7 document, pg. 2, para. 7.9	It is unclear whether this point refers to projects run between Licensees and third parties or those run internally by Licensees only. In the former case, the ability of SMEs (acting as Project Partners) to exploit their IPR in future must be protected if innovation is to be incentivised. Likewise, their ability to make <u>reasonable</u> profits to enable their growth must not be stifled. SME’s confidence that these abilities are not being eroded will encourage innovation and ultimately benefit the overall Transmission System, the end customer and UK plc as a whole.	The word “significant” here is unclear. If the concern is over unreasonable future profits, then this should be stated. If not, the point could be redrafted to protect confidence amongst potential Project Partners.
7	Electricity NIC	Intellectual Property	NIC Chapter 9 document, pg. 1, para 9.2	As above, it is important to emphasise that the IPR of SMEs, who engage with Licensees for innovative projects, must be safeguarded. From the perspective of an SME, this default position is concerning. While it is understood that customers are ultimately funding the innovative projects, SMEs must be allowed to exploit their unique technologies. At an early stage, to do so may require investigative or trial projects with Licensees. SMEs must be assured that such projects will not result in the loss of IPR core to their business.	
8	Electricity NIC	Intellectual Property	NIC Chapter 9 document, pg. 1, para. 9.5	From an SME’s perspective, this point is concerning as it seems to suggest that an SME Project Partner would have no control in defining IPR produced by a project. According to the points above, it would therefore have no control over IPR to be made freely available to other Network Licensees. While clarification of the above points may ultimately negate this concern, SMEs may require further assurance that their IPR is protected before engaging in a NIA / NIC project.	