

THEGREENXCHANGE

CREATING A BETTER WORLD MEANS HELPING TO SET IT ON THE RIGHT PATH.

We're all accustomed to keeping our eye on the bottom line. But when we waste resources, we waste opportunity—and money as well. Imagination is infinite, resources aren't. It's time we started acting accordingly.

It's time to throw away the old excuses. Sustainability isn't a burden; it's an opportunity. When we approach it as a competitive advantage, we'll find that increasing sustainable practices can increase profits as well.

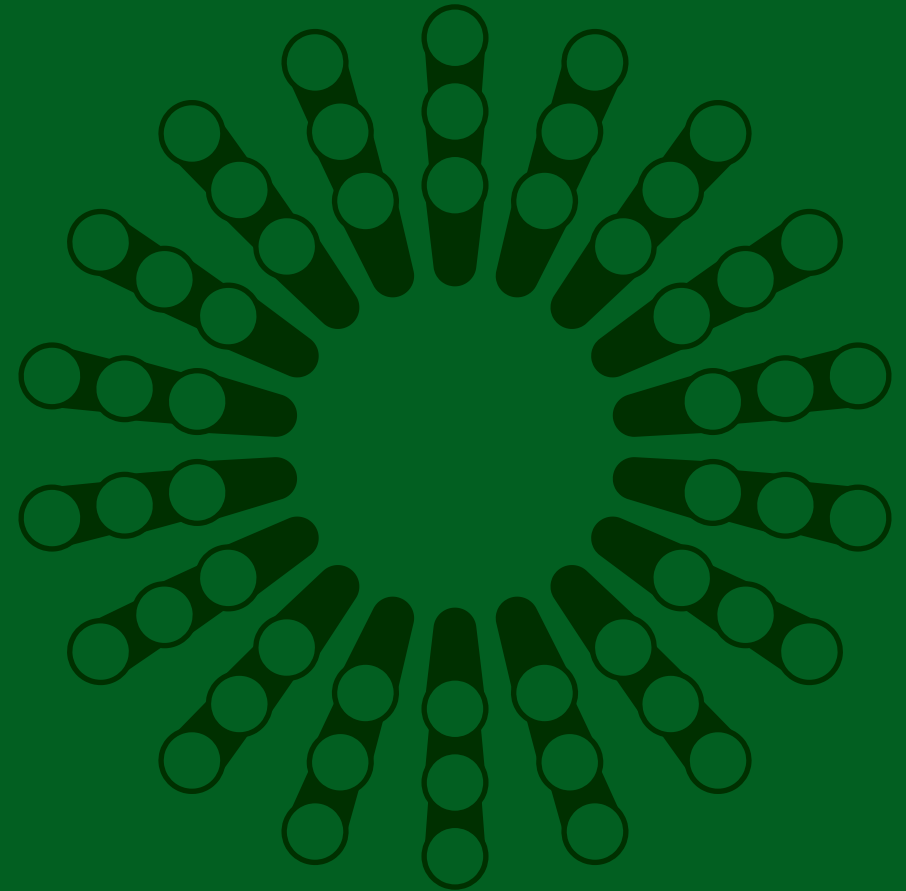
Make no mistake. Those who win the game will be those who helped shape the playing field. And that field is already taking shape.

Sustainability is the future. But getting there will require innovation. Finding new solutions to old challenges means seeking new directions—and getting our most innovative minds to explore them. Any great movement creates a ripple effect. The greatest accomplishment of the space program may have been landing a man on the moon, but its greatest benefit has proved to be what we learned along the way: technologies, processes and collaborations that spawned developments too numerous to count and unanticipated, even by their creators.

Sharing ideas and patents may feel like we're giving up control over some of our best individual accomplishments, but the benefits we stand to gain are exponential.

The time is now. The era of post-globalization is upon us, and the race to green prosperity has begun. There is only one real choice: Be ahead of the curve—or behind the times.

Because the best way to plan for the future is to make sure it's the future you planned for.



**WE KNOW
IT CAN
WORK,
BECAUSE
IT ALREADY
HAS...**

The idea of sharing resources, including Intellectual Property (IP), isn't new. We've done it for the national good in times of conflict—and for the greater good in times of peace. But that doesn't mean it requires a massive diversion of time or personnel. The Internet started with three computers. Just imagine if its creators had kept it to themselves.

And we need not even go as far as they did. We're not talking about an open source free-for-all, merely licensing IP and patents for which the originators hold the rights and receive compensation—and get full credit.

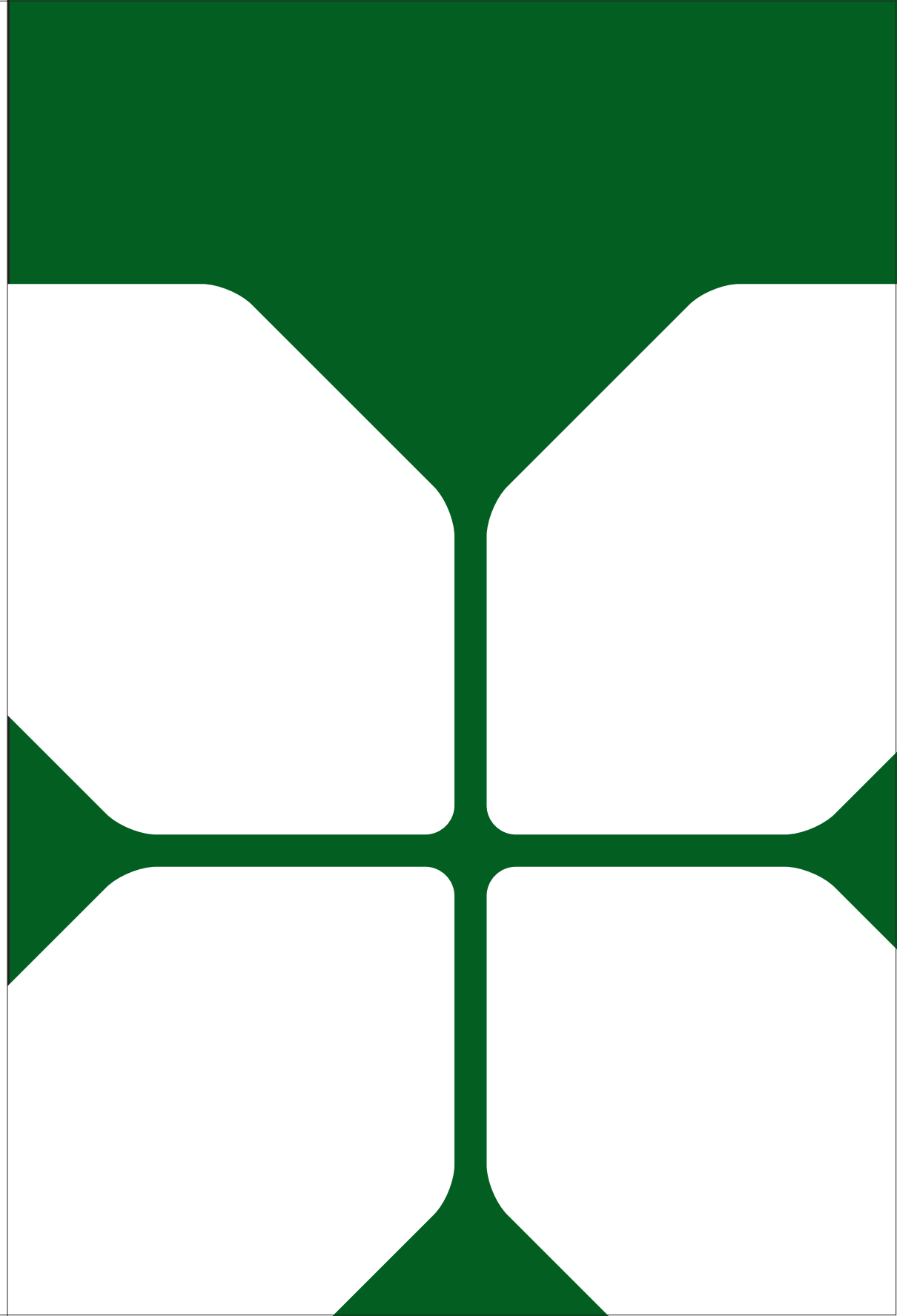
For example...

Mountain Equipment Co-op, the largest co-op in Canada, thinks a green rubber that Nike uses to make biodegradable shoe outsoles would make great bicycle inner-tubes. Through the GreenXchange, Nike licenses its green rubber patent (for a fee) to Mountain Equipment Co-Op, who is able to reduce its carbon emissions, improve factory conditions and deliver a greener product to its consumers. Everybody wins.

Yahoo has proprietary cooling technologies to help its vast server farms run cooler — and cheaper. Through the GreenXchange, Yahoo can license that patent to companies with similar data centers or other cooling needs, helping them reduce costs, conserve energy, and reduce emissions.

If it all sounds pretty common sense, it's because it is.

In fact, the only thing unusual about it is that we didn't do it sooner.



HOW THE GX WILL WORK

The GreenXchange began as a project of Nike, Creative Commons, and Best Buy. This has grown to include Mountain Equipment Co-op, Yahoo!, OIA and a number of pro bono technology partners (2degrees, IDEO, nGenera, and salesforce.com). These founders are seeking a way to put their environmentally friendly inventions into play while still retaining some degree of control in areas in which they have competitive and business development interests.

The GX is an online patent and business information exchange that uses the network efficiencies of open innovation to solve the problems of sustainability. The concept of open innovation calls on companies to use external ideas and patents to advance their own technologies and products, while also sharing internal ideas and patents with other companies to facilitate use of the technology, and for profits through licensing.

The vehicle that the GX is using to encourage collaboration through sharing IP is the GX semi-structured public license. The license follows on the Creative Commons philosophy of “some rights reserved,” which implements an “open” environment that has the sense of “community” rather than “abandonment.” As with Creative Commons, the idea is not to force assets into a “free of rights” setting, but rather to anticipate common transactions and lower the transaction costs for those rights that a patent owner may want to put into play, while reserving others.

USE CASE

THE BUSINESS

Today many businesses file and are awarded patents. Often many of these patents are for non-core products and processes and result in passive or latent assets. The GX provides organizations with an opportunity to publish these latent assets for the purposes of collaborative innovation and sustainability. Once these assets are published, the business has an opportunity to generate incremental revenue as well as foster and participate in the process of sustainable innovation without incurring the traditionally high costs of negotiating one-off contracts with possible alliances.

For instance, Nike may have an interest in broad adoption of a water-based adhesive for use outside of the shoe industry, but may wish to deal directly with competitors, perhaps to manage how marketing of “green” innovation is handled, or to cross-license in exchange for access to a competitor’s technology. The GX license will allow this flexibility with ease of use, low costs, and enough legal controls over the process that Nike doesn’t have to worry about giving away a competitive advantage.

USE CASE

THE LAWYER

The business and IP counsel have a number of levels of control over how the patent can be offered through the GX. The legal department can specify non-field uses, competitors, licensing costs by organization type, as well as review inline reporting dashboards in the GX site’s administrative tools to determine which patents are being used for what and by whom. Additionally, the legal group can respond to automatic requests for licensing as well as setup virtual private rooms for collaborating with the licensee to give ‘how to’ instructions on using the licensed intellectual property. The key metrics and status of these private collaborations are synchronized in the GX site to ensure authentication, transparency and comprehensive reporting.

The Science Commons semi-structured public licenses represent various standard scopes of licensing typically encountered in non-exclusive situations. These follow on the Creative Commons philosophy of “some rights reserved”, which implements an “open” environment that has the sense of “community” rather than “abandonment.” These are public licenses in the sense that the text of the license is available, and when used in association with a patent, the license represents a public, standing offer that can be accepted or refused. “Semi-structured” means that the licenses have fields that may be used to limit or extend the license in ways only the participating organization will be able to articulate. The GX’s web implementation includes a field to be completed by the patent’s owner, specifying how attribution text should be handled with several areas of flexibility reflecting the particulars of patent management.

USE CASE

THE RESEARCHER

A GX member and researcher could use the GX to search for potential “closed loop” solutions to rubber manufacturing and recycling issues. Searching in the GX, the researcher is able to quickly find potential solutions for her consideration, and can contact the corresponding GX member and inquire further about the published solution. Through the GX site and associated online tools, the members can establish a licensing and collaboration agreement in support of the targeted solution. The GX Collaboration tools enable these two parties to network and collaborate online to further discuss how to use the IP for the targeted solution.

USE CASE

THE SUSTAINABILITY PERSON

Once the ‘green rubber’ solution has been designed, the licensee can access the GX to utilize a materials sustainability index. The index will measure the new solution materials and record them as part of the new product lifecycle process. Access to these standard materials-based indexes provide all GX members with a baseline for ensuring their new products and process are meeting the sustainable goals of the GX. These indexes can also be accessed by all participating supply chain members to report their compliance with these standards. This “closed loop” reporting process ensures that the GX ecosystem leverages the community network to facilitate compliance reporting and material sustainability standards, and generally fosters cross-industry collaboration to address the most pressing global climate issues.

USE CASE

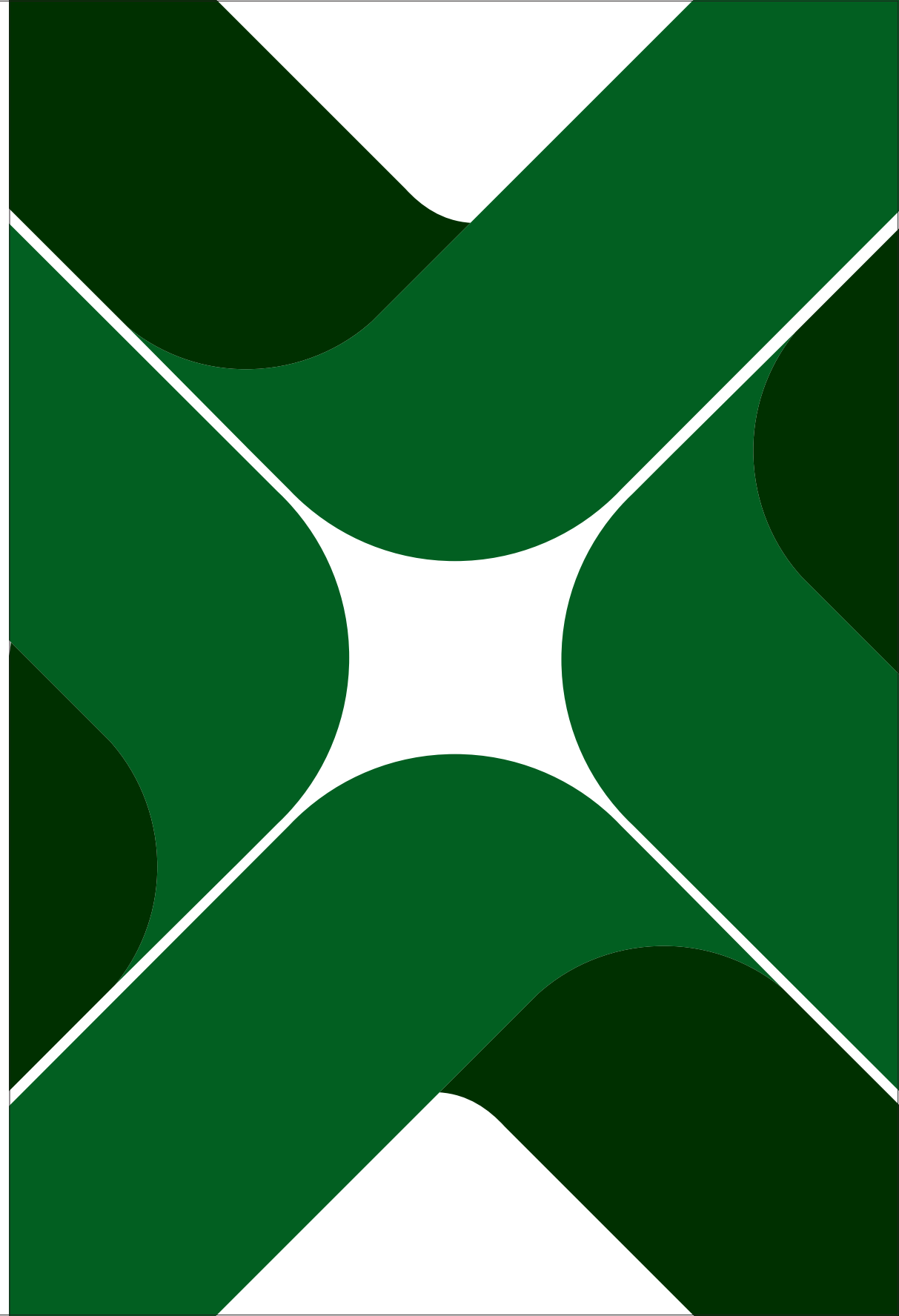
THE GREEN ENTREPRENEUR

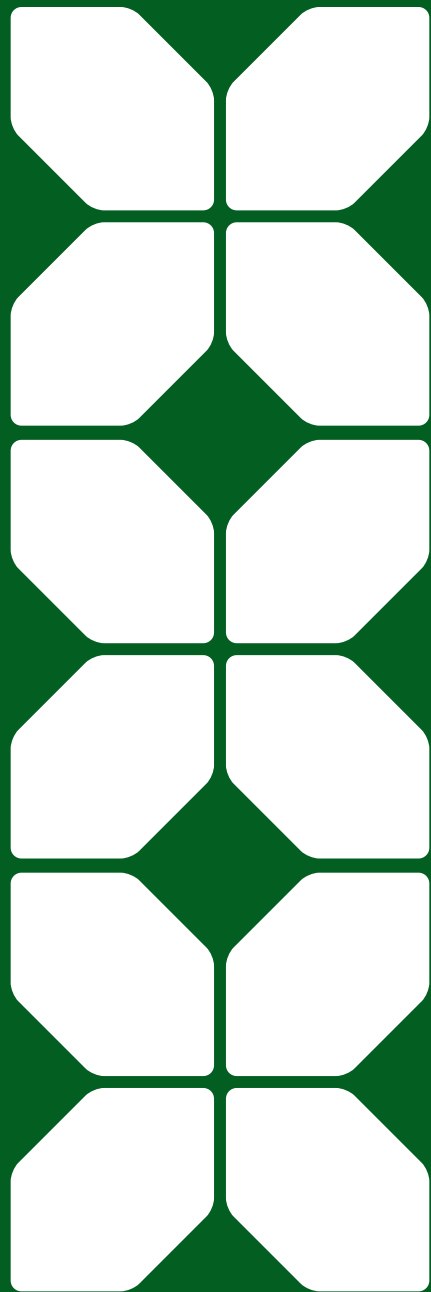
In the true spirit of open innovation, the GX is designed to provide low- or no-fee access to patents that are not being used competitively by a company. A green entrepreneur may be entering the Greentech market with a new business idea, but may need a technology to work with. Rather than relying on in-house research to develop the necessary inventions and patents, the entrepreneur can participate in the GX and find the necessary patents to build their company. The cost of the license or licenses is envisioned to be low, or even free if the interested company falls below a certain yearly revenue mark. Each company that lists patents in the GX will be able to set these revenue levels. The levels are also designed to encourage the development of new sustainable businesses or sustainable practices in the developing world, where cost can be a significant barrier to technology transfer.

USE CASE

THE VC PROFESSIONAL/ INVESTOR

In a similar sense, green entrepreneurs must market themselves to venture capitalists and Greentech investors to secure money for the future of their company. Often the collateral that these investors look for to ensure the safety of their investment are the patents held by the small company. If the company's founders have an innovative idea, but don't have patents they have developed in-house, patents are expensive and time consuming to license. The GX provides a simple, low-cost or free solution, which ultimately leads to an easier path for green innovation, global sustainability, and low-risk investments for VC professionals and other Greentech investors.





USE CASE

A UNIVERSITY

The role of universities in the GX is to put patents into play using the GX semi-structured public licenses, or use research non-assertions to share the IP for collaborative research between multiple universities. Participation happens when one chooses to register patents using the GX protocols. There's no other "membership." The GX semi-structured licenses will enable a remix culture for the use of inventions supporting environmentally favorable innovation.

Currently, companies seeking access to inventions at a university must negotiate custom licenses with tech transfer offices. This alone can be challenging, but the problem becomes much worse, if not intractable, if multiple universities are involved. The layers of complexity are significant deterrents in this process. If universities have to agree among themselves in advance on how to manage a number of inventions made by their research personnel, business decisions go at the pace of the least motivated, most risk averse, and least stable of the university participants, and often stall out entirely.

Universities using the GX will have opportunity to generate licensing income from their patents through the GX public licenses as well as through "some rights reserved" licenses that are negotiated in conventional ways. Universities will also be able to use the GX collaborative tools to offer research and training services and to team up to develop major initiatives based on access to a broad spectrum of IP made available for research purposes.

IT'S UP TO YOU. MAKE THE EXCHANGE.

For questions or further details, or if you would like to be contacted by someone regarding the GX, please send e-mail to:

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or

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