

## STATEMENT OF CONSIDERATIONS

REQUEST BY AIR PRODUCTS AND CHEMICALS INC. FOR AN ADVANCE  
WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS UNDER A  
SUBCONTRACT UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC36-  
04GO13030 WITH PROTON ENERGY SYSTEMS, INC.; W(A)-05-007;  
CH-1271

As set out in the attached waiver petition and in subsequent discussions with DOE Patent Counsel, Air Products and Chemicals, Inc. (Air Products) has requested an advance waiver of domestic and foreign patent rights for all subject inventions made under its subcontract under the above-identified cooperative agreement between DOE and Proton Energy Systems (Proton), Inc., a domestic small business, by Air Products employees.

Referring to item 2 in Air Product's waiver petition, Proton Energy Systems is leading a teaming arrangement with Air Products to develop and test conceptual designs for hydrogen fueling stations under the Hydrogen Future Act of 1996. Under its subcontract, Air Products is to provide analysis of compressor performance as well as analysis and integration of the various components of the fueling systems.

The total cost of the agreement is \$1,490,170 of which Proton is obligated to cost share \$745,085 over the three year term of the agreement. The work under Air Product's subcontract is expected to take place over a period of three years at a total cost of \$856,152. Air Products has agreed to contribute \$428,076 towards Proton's cost sharing obligation for the work it will be doing under its subcontract. Thus, Air Products will be contributing 50 percent of the total cost of the subcontract.

Referring to items 5-9 of Air Product's waiver petition, Air Products has been an industry leader in fostering the development of the hydrogen economy and has extensive experience in the hydrogen industry. This, coupled with Air Product's cost sharing, clearly demonstrates the likelihood that Air Products will continue development and commercialization of the results of this agreement.

This advance waiver of the Government's rights in inventions is subject to the government license, march-in rights, and preference for U.S. industry provisions set out in 35 U.S.C. 202-204. The advance patent waiver also includes the attached U.S. Competitiveness clause (paragraph t) which requires products embodying any waived invention or produced through the use of any waived invention be manufactured substantially in the United States unless the participant can show to the satisfaction of DOE that it is not commercially feasible to do so. The contractor further agrees to make the above condition binding on any assignee, licensee or other entity acquiring rights to any waived invention, including subsequent assignees or licensees. Should the Contractor or other such entity receiving rights in any waived invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by DOE.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition as there are a variety of competing technologies in the relevant market.

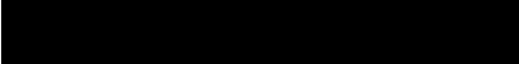
Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the agreement in a fashion which will make the technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 10 CFR Part 784, all of which have been considered, it is recommended that the requested waiver be granted.

  
Thomas G. Anderson  
Assistant Chief Counsel  
Intellectual Property Law Division

Date: 4-15-05

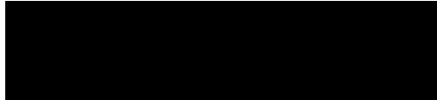
Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is granted. This waiver will not apply to any modification or extension of the contract, where through such modification or extension, the purpose, scope or cost of the contract has been substantially altered.

CONCURRENCE:

  
Steven G. Chalk, Program Manager  
Office of Hydrogen, Fuel Cells and  
Infrastructure Technologies Program  
EE-2H

Date: 5/19/05

APPROVAL:

  
Paul A. Gottlieb  
Assistant General Counsel for Technology  
Transfer and Intellectual Property, GC-62

Date: 5-20-05

WAIVER ACTION - ABSTRACT  
**W(A)-05-007 (CH-1271)**

REQUESTOR

AIR PRODUCTS AND

CONTRACT SCOPE OF WORK

COST REDUCTION OF HIGH PRESSURE  
HYDROGEN GENERATION FROM  
ELECTROLYSIS

RATIONALE FOR DECISION

50% COST SHARING

DISPOSITION