

STATEMENT OF CONSIDERATIONS

REQUEST BY ABB LUMMUS GLOBAL, INC. FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS UNDER A SUBCONTRACT WITH MEMBRANE TECHNOLOGY AND RESEARCH, INC. UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC36-04GO14151 ENTITLED "SEPARATION OF OLEFIN/PARAFFIN MIXTURES WITH CARRIER FACILITATED MEMBRANES" W(A)-05-010; CH-1274

As set out in the attached waiver petition, ABB Lummus Global, Inc. (LGI) has requested an advance waiver of domestic and foreign patent rights for all subject inventions made under the above-identified subcontract by its employees.

Referring to item 2 in LGI's waiver petition, this agreement is part of DOE's Chemical Industries of the Future program. Under the agreement LGI has partnered with Membrane Technology and Research, Inc. (MTRI), a domestic small business, to develop facilitated membrane separation technology which will be adapted for use in the production of ethylene and other distillation applications.

The work under LGI's subcontract is expected to take place over a period of three years at a total cost of \$675,267. LGI is obligated to cost share \$450,000, or about 67 percent of the total cost of the subcontract.

In view of LGI's cost sharing, it is anticipated that it will undertake the expeditious development of the technology forming the subject matter of the agreement. Accordingly, DOE will waive title to all subject inventions made by LGI's employees to LGI.

Referring to items 5-9 of LGI's waiver petition, LGI has been a leading supplier of ethylene technology and olefins plants for more than 55 years. This, coupled with LGI's cost sharing, clearly demonstrates the likelihood that LGI 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 784, all of which have been considered, it is recommended that the requested waiver be granted.

[REDACTED]
Thomas G. Anderson
Assistant Chief Counsel
Office of Intellectual Property Law

Date: 7/6/05

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 subcontract, where through such modification or extension, the purpose, scope or cost of the subcontract has been substantially altered.

CONCURRENCE:

[REDACTED]
Jacques Beaudry Losique
Office of the Industrial Technology
Program, EE-2F

Date: August 10th 2005

APPROVAL:

[REDACTED]
Paul A. Goflieb
Assistant General Counsel for
Technology Transfer and Intellectual
Property, GC-62

Date: 8-30-05

(t) U. S. COMPETITIVENESS

The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless the Contractor can show to the satisfaction of the DOE that it is not commercially feasible to do so. In the event the DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Should the Contractor or other such entity receiving rights in the 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 the DOE.