

## STATEMENT OF CONSIDERATIONS

REQUEST BY PHILIPS ELECTRONICS FOR AN ADVANCE WAIVER  
OF DOMESTIC AND FOREIGN INVENTION RIGHTS UNDER DOE CONTRACT  
NO. DE-FC26-05NT42342; W(A)-05-038, CH-1320

The Petitioner, Philips Electronics (Philips) was awarded this cooperative agreement for the performance of work entitled, "An Efficient LED System-in-Module for General Lighting Applications." According to its response to question 2, Philips' company Advance, which is part of Philips Lighting Division, will be responsible for the design and building of a light emitting diode system-in-module (LED SIM) that integrates LEDs, sensors, drive and control electronics and first-stage optics in a compact module providing both thermal management and daylight compensation while producing feedback-controlled light of user-selectable color and intensity. The LED SIM will be powered from line voltage and will be capable of producing sufficient illumination for general lighting applications. This waiver is only for inventions of Philips made under the cooperative agreement.

The total estimated cost of the contract is \$2,604,997 with the DOE share being \$1,562,998 or 60%. Philips' cost share is \$1,041,999 or 40%. The period of performance is from June 29, 2005 through March 31, 2008.

In its response to questions 5 and 6 of the attached waiver petition, Philips has described its technical competence in the field of LED lighting. It has devoted substantial research capability to LED lighting and related optics and thermal analysis. Numerous patents have resulted from this research, which are listed in Philips' response to this question. Philips also cites the websites of Advance and its LED Central. Illustrative copies of these web pages are attached to this Statement of Considerations. Philips' response demonstrates its technical competency in the field of LED lighting technologies.

In its response to question 10 of the attached waiver petition, Philips states that there are many other companies competing in the solid-state lighting market, and that the LED market is very diverse. Philips states that granting of the waiver will assist it in creating robust competition in the controllable color LED lighting products area. Therefore grant of the waiver will have a positive effect on competition and market concentration.

The subject contract will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12, wherein Philips has agreed to the provisions of 35 U.S.C §§ 202, 203, and 204. This waiver clause will also include a paragraph entitled U.S. Competitiveness, in which Philips agrees to substantial U.S. manufacture of subject inventions (attached hereto). Additionally, Philips agrees not to transfer subject inventions to any other entity unless that other entity agrees to these same requirements.

Considering the foregoing, it is believed that granting the waiver will provide the Petitioner with the necessary incentive to invest resources in the commercialization of the results of the agreement in a fashion which will make the agreement's benefits available to the public in the shortest practicable time. In addition, it would appear that grant of the above requested waiver would not result in an adverse effect on competition nor result in excessive market concentration. Therefore, 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, as set forth above, be granted.

[REDACTED]  
Mark P. Dvorscak  
Assistant Chief Counsel  
Office of Intellectual Property Law

Date Sept. 30 2005

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

CONCURRENCE:

[REDACTED]  
David E. Rodgers, Program Manager  
Office of Building Technologies  
Program, EE-2J

APPROVAL:

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

Date 7-12-06

(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.

## ***WAIVER ACTION - ABSTRACT***

**W(A)-05-038 (CH-1320)**

### REQUESTOR

Philips Electronics  
under DOE Contract No.  
DE-FC26-05NT42342

### CONTRACT SCOPE OF WORK

An Efficient LED System-in-Module  
For General Lighting Applications

### RATIONALE FOR DECISION

40% cost sharing

### DISPOSITION