

STATEMENT OF CONSIDERATIONS

Request by General Motors, LLC for an Advance Waiver of Domestic and Foreign Invention Rights under DOE Cooperative Agreement No. DE-EE0003379; W(A)-2010-060, CH-1570

The Petitioner, General Motors, LLC (GM), was awarded this cooperative agreement for the performance of work entitled "Lean Gasoline System Development for Fuel Efficient Cars." The goal of the cooperative agreement is to accelerate the development and integration of four cost competitive technologies aimed at improving fuel economy of a light duty vehicle by at least 25% while meeting Tier 2 Bin 2 (T2B2) emissions standards. To accomplish this objective, a 2010 production mid-size sedan shall be modified to incorporate these four technologies. The technologies are lean combustion, innovative after treatment, stop-start, and active thermal management. Further details of the project's objectives are provided in response to GM's answer to question 2 of its waiver petition. The waiver is intended to apply to GM's and its subcontractors' employee subject inventions, except inventions made by subcontractors eligible to retain title to inventions pursuant to P.L. 96-517 as amended.

The total estimated cost of the cooperative agreement is \$16.01 million, with the DOE share being \$7.71 or 48%. Cost sharing of the project by GM is \$8.30 million, or 52%. The period of performance of the agreement is from May 3, 2010 to May, 2013.

In its response to questions 5 and 6 of the attached waiver petition, GM has described its technical competence in the field of automotive technologies. Specifically, GM states that it has a 100 year history of developing advanced automotive technologies and bringing those innovations to the marketplace in production vehicles. GM states it has experienced staffs with industry-recognized experts in Research & Development, Advanced Engineering, and Engineering that have access to the latest equipment and extensive support facilities. GM has a long history of industry leadership in the development of performance enhancing and environmentally friendly automotive innovations. GM was the first OEM to introduce turbocharging to passenger car applications and has been the leader in producing state-of-the-art boosted engines. Other examples of GM's technical expertise include the GM-developed catalytic converter and hybrid systems. GM has over 960 patent related to automotive engine technology between 1991 and 2007. GM has demonstrated its technological expertise in the area of automotive technologies.

From its response to question 10, GM states that it is unlikely that grant of the waiver will not likely have any adverse effect upon market concentration. The technology that is the subject of this project must also compete against numerous other technologies being considered for use in automotive propulsion in attempts to improve energy efficiency. GM has provided further details of the wealth of competing technologies that will mitigate any significant anti-competitive effect through grant of the waiver. It is therefore unlikely that competition will be adversely effected by grant of the waiver.

The subject cooperative agreement will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12. This waiver clause will also include a paragraph entitled U.S. Competitiveness, in which GM agrees to substantial U. S. manufacture of subject inventions (attached hereto). Additionally, GM agrees not to transfer subject inventions to any other entity unless that other entity agrees to these same requirements.

In view of the cost sharing and other equities between GM and its subcontractors, it is anticipated that the parties will develop an appropriate allocation of patent rights among the

participants to facilitate the expeditious development of the technology forming the subject matter of the agreement. Accordingly, DOE will waive title to all subject inventions made by GM's employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title pursuant to P.L. 96-517, as amended, or National Laboratories, to GM or its subcontractors, as mutually agreed by the parties. Except as otherwise approved in writing by DOE Patent Counsel, a party's acceptance of a subcontract under this agreement, at any tier, shall constitute GM's certification that it has provided that party with a copy of this Statement of Considerations and that party's notice to DOE that it accepts the terms and conditions of this advance waiver. Furthermore, a subcontractor has the right to request a waiver from DOE in its own right, rather than having to pass through the contractor to acquire title to subject inventions. Additionally, subcontractors who receive title under this waiver shall notify DOE Patent Counsel in writing of such disposition of patent rights.

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
Deputy Chief Counsel
Office of Intellectual Property Law

Date October 19, 2010

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 and consent to assignment 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]
Patrick Davis
Acting Program Manager
Office of Vehicle Technologies Program,
EE-2G

APPROVAL:

[REDACTED]
John T. Lucas
Acting Assistant General Counsel
for Technology Transfer and
Intellectual Property
for Technology Transfer and
Intellectual Property

(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.