

## STATEMENT OF CONSIDERATIONS

ADVANCE CLASS WAIVER OF PATENT RIGHTS FOR TECHNOLOGY  
DEVELOPED UNDER DOE FUNDING AGREEMENTS RELATING TO DOE'S  
CONTROLLED HYDROGEN FLEET AND INFRASTRUCTURE  
DEMONSTRATION AND VALIDATION PROJECT; SOLICITATION NO. DE-  
PS36-03GO93010; W(C)-04-005; CH-1210

The Department of Energy (DOE) is providing federal assistance for demonstration and validation projects including the testing, demonstration, and validation of hydrogen fuel cell vehicles and infrastructure, and the required vehicle and infrastructure interfaces. Additionally, each of the projects will include the development of a comprehensive safety plan, a program that enhances the development of codes and standards, and a comprehensive, integrated education and training campaign.

This advance class waiver is intended to apply to inventions of all contractors and subcontractors participating in the demonstration and validation projects, regardless of tier, except for participants eligible to obtain title pursuant to P.L. 96-517, as amended, and National Laboratories.

It is anticipated that the awards under this program will be made to a number of consortia formed for the specific projects it will address under the program. Each of the consortia, or teaming arrangements, will include at least one automobile manufacturer and an energy company.

The goal of the program is to develop a hydrogen infrastructure and operating hydrogen-powered vehicles at selected locations. Ultimately, the performance measures will include: 1) 2000 hours fuel cell stack durability per vehicle, 2) at least 250 mile vehicle range, and 3) hydrogen cost of \$3/kg when produced in quantity.

It is the purpose of this class waiver to vest title to the parties' inventions with the team members in a fashion enabling them to expediently commercialize the various technologies. Accordingly, DOE will waive the Government's title to subject inventions under each topic, other than inventions made by Bayh-Dole participants pursuant to P.L. 96-517, as amended, or National Laboratories, to the respective prime contractor or other entities as may be designated by the parties agreeing to the terms of this waiver in each team. Since the program obligates the prime contractor for each team to provide at least 50 percent cost sharing, it is expected that patent rights will be allocated among the participants on the basis of cost sharing as well as the other equities among the various team members.

This advance class waiver of the Government's rights in inventions is subject to the attached advance patent waiver clause. The terms of the advance patent waiver include the usual 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 that products embodying any waived inventions or produced through the use of any waived inventions be manufactured substantially in the United States unless the participant demonstrates to the satisfaction of DOE Field Patent Counsel, with the concurrence of the cognizant DOE Program, that it is not programmatically or commercially feasible to do so. Field Patent Counsel, for good cause shown in writing, may grant a deviation from this U.S. Competitiveness clause in advance of contracting. The

Contractor further agrees to make the above condition binding on any assignee or licensee or any entity otherwise 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.

The grant of this class waiver is not expected to result in adverse effects on competition or market concentration. Rather the waiver should enhance competition and growth of the fuel cell industry and hydrogen infrastructure in the United States as contemplated by the program. DOE has the right to require reports of the utilization or the efforts at utilization that are being made for the waived inventions. If a participant which has obtained title is not making reasonable efforts to utilize a waived invention, DOE can exercise its march-in rights.

This advance class waiver shall apply to each of the respective teaming arrangements upon the Contracting Officer's written notice to Patent Counsel that the prime contractor is obligated to provide at least 50 percent cost sharing, and shall remain in effect for so long as such cost sharing is maintained, in aggregate, over the term of the agreement.

In addition to the above, all participants under the program, other than participants which are domestic small businesses or non-profit organizations under P.L. 96-517, as amended, or National Laboratories, shall give DOE written notice of their acceptance of the terms and conditions of this class waiver prior to entering into any agreement incorporating the terms of this waiver under the program. Except as otherwise specifically approved by DOE Patent Counsel, a participant's acceptance of an agreement under the program, at any tier, shall constitute that participant's notice to DOE and acceptance of the terms and conditions of this class waiver. Additionally, subcontractors who receive title under this waiver shall notify DOE Patent Counsel in writing of such disposition of patent rights.

In the event a participant does not participate in subsequent phases of this program, the prime contractor or other entity, as the remaining participants may determine, shall retain as a minimum a royalty-free, nonexclusive license throughout the world, with the right to grant sublicenses, in each subject invention held by such participant pursuant to this class waiver, except as otherwise approved by DOE Field Patent Counsel.

Considering the foregoing, and in view of the statutory objectives to be obtained and the factors to be considered under DOE's statutory waiver policy, all of which have been considered, it has been determined that this class waiver as set forth above will best serve the interest of the United States and the general public. It is recommended that the waiver be granted.

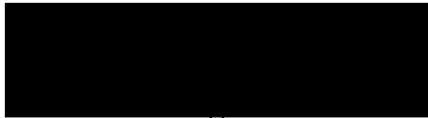


Thomas G. Anderson  
Assistant Chief Counsel  
Intellectual Property Law Division

Date 9-29-04

Based upon the foregoing Statement of Considerations, it is determined that the interests of the United States and the general public will best be served by a waiver of United States and foreign patent rights as set forth herein and, therefore, the waiver is granted. This waiver shall not affect any waiver previously granted.

CONCURRENCE:



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

Date 10/21/04

APPROVAL:



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

Date 10-27-04

technical developments conceived or first actually reduced to practice in the course of or under this contract. In order that public disclosure of such information will not adversely affect the patent interests of DOE or the Contractor, approval for release of publication shall be secured from Patent Counsel prior to any such release or publication. In appropriate circumstances, and after consultation with the Contractor, Patent Counsel may waive the right of prepublication review.

(s) Forfeiture of rights in unreported subject inventions.

(1) The Contractor shall forfeit and assign to the Government, at the request of the Secretary of Energy or designee, all rights in any subject invention which the Contractor fails to report to Patent Counsel within six months after the time the Contractor:

- (i) Files or causes to be filed a United States or foreign patent application thereon; or
- (ii) Submits the final report required by paragraph (e)(2)(ii) of this clause, whichever is later.

(2) However, the Contractor shall not forfeit rights in a subject invention if, within the time specified in paragraph (m)(1) of this clause, the Contractor:

- (i) Prepares a written decision based upon a review of the record that the invention was neither conceived nor first actually reduced to practice in the course of or under the contract and delivers the decision to Patent Counsel, with a copy to the Contracting Officer; or
- (ii) Contending that the subject invention is not a subject invention, the Contractor nevertheless discloses the subject invention and all facts pertinent to this contention to the Patent Counsel, with a copy to the Contracting Officer, or
- (iii) Establishes that the failure to disclose did not result from the Contractor's fault or negligence.

(3) Pending written assignment of the patent application and patents on a subject invention determined by the Contracting Officer to be forfeited (such determination to be a Final Decision under the Disputes clause of this contract), the contractor shall be deemed to hold the invention and the patent applications and patents pertaining thereto in trust for the Government. The forfeiture provision of this paragraph shall be in addition to and shall not supersede any other rights and remedies which the Government may have with respect to subject inventions.

(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 DOE that it is not commercially feasible to do so. In the event 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 further agrees to make the

above condition binding on any assignee or licensee or any entity otherwise 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 any waived invention is suspended until approved in writing by DOE.

# WAIVER ACTION - ABSTRACT

W(C)-04-005 (CH-1210)

REQUESTOR  
EE-2H

CONTRACT SCOPE OF WORK  
HYDROGEN FLEET AND  
INFRASTRUCTURE DEMO-  
STRATION AND VALIDATION  
PROJECT

RATIONALE FOR DECISION  
~~20~~ % COST SHARING

50  
10/20/04

DISPOSITION