

## STATEMENT OF CONSIDERATIONS

### ADVANCE CLASS WAIVER OF PATENT RIGHTS FOR TECHNOLOGY DEVELOPED UNDER THE SOLAR ENERGY TECHNOLOGIES PROGRAM (SETP) FUNDING OPPORTUNITY ANNOUNCEMENT, "PHOTOVOLTAIC SUPPLY CHAIN AND CROSS-CUTTING TECHNOLOGIES," DE-PS36-09GO99003; W(C)-2009-05

The Department of Energy (DOE) is providing federal assistance under its Solar Energy Technologies Program (SETP) to conduct research, development, demonstration and deployment activities to accelerate widespread commercialization of clean solar energy technologies across America, diversifying the Nation's electricity supply options, while increasing national security and improving the environment. In 2006, the Solar America Initiative (SAI) was created for specific goals, including achieving grid parity using photovoltaics (PV) by 2015 and scaling up domestic manufacturing capacity to supply beyond 5 GW of domestic PV installations by 2015. DOE is utilizing a multi-tiered, multi-phased strategy to address the near-, mid- and long-term technology development needs to meet these goals. The ongoing approach coordinates and funds applied research and development; emphasizing the development, performance, cost, and durability of materials and components, or process improvements for increased efficiency. Increasing the overall PV system efficiency and lowering the total manufacturing costs are both essential for the success of the Solar American Initiative. This advance waiver is intended to apply to inventions of all current and future recipients and subrecipients awarded under the SETP Funding Opportunity Announcement, "*Photovoltaic Supply Chain and Cross-Cutting Technologies*," regardless of tier, except recipients eligible to obtain title pursuant to P.L. 96-517, as amended, and National Laboratories.

The goal of this Funding Opportunity Announcement is to identify and accelerate the development of unique products or processes that are expected to have a large impact on the industry, or a segment of the industry, in support of the overall program goals. Recipients will focus on component and/or manufacturing technologies with the potential to have a near-term impact (impacts evident within 2-6 years of the award) on a substantial segment of the PV industry. This Funding Opportunity Announcement has two topic areas for submitting an application, and three general focus areas for the two topic areas.

Topic Area 1 invites applicants to evaluate or assess an idea, (e.g., proof of concept, feasibility assessment) and requires a 20% cost share. Topic Area 2 will include research, evaluation, verification and/or demonstration, and requires a 50% cost share. For either of these two topics, several focus areas are possible, including PV modules, non-module PV systems, and PV manufacturing processes and metrologies.

Teaming arrangements among the recipients under this award have been determined. Where appropriate, each team may be composed of a prime recipient and one or more subrecipients. It is anticipated that each of the teams will develop an appropriate

allocation of patent rights among the recipients to facilitate the commercial development of the respective technical areas forming the subject matter of each award, taking into account the provisions of the Bayh-Dole Act. There are 24 prime recipients, with twelve of those being large, for-profit businesses and the rest being small businesses and nonprofits. Twelve prime recipients have sub-recipients. Of the prime recipients with sub-recipients, eight are large businesses, three are small businesses, and one is a nonprofit entity. Three sub-recipients are large businesses, and the remainder are small businesses and nonprofits. Fourteen prime recipients have applied under Topic 1 and have committed to 20% or more cost share, with the remaining 10 recipients working under Topic 2, for which they will contribute at least 50% cost share.

It is the purpose of this class waiver to vest title to the parties' inventions with the recipients and subrecipients in a fashion enabling them to expediently commercialize the various technologies. Accordingly, DOE will waive the Government's title to subject inventions, other than inventions made by Bayh-Dole recipients pursuant to P.L. 96-517, as amended, or National Laboratories, to the respective recipient or other recipients as may be designated by the parties agreeing to the terms of this waiver.

This advance class waiver of the Government's rights in inventions is subject to the usual Government license, march-in rights, and preference for U.S. industry provisions set out in 35 U.S.C. 202-204. The class waiver also includes the attached U.S. Competitiveness clause, paragraph t, which requires that products embodying any waived invention or produced through the use of any waived invention be manufactured substantially in the United States unless the recipient 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 recipient further agrees to make the above condition binding on any entity acquiring rights to any waived invention, including subsequent assignees or licensees. Should the recipient 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 have any adverse effects on competition or market concentration. Rather, the waiver should enhance competition and growth of SETP's mission in diversifying the energy supply, reducing the country's dependence on imported fuels, improving air quality, and offsetting greenhouse gas emissions. In any event, if a recipient who has obtained title is not making reasonable efforts to utilize a waived invention, DOE can exercise march-in rights.

This advance class waiver shall apply to each of the recipients under the teaming arrangements upon the Contracting Officer's written notice to Field Patent Counsel that the recipient is obligated to provide cost sharing as set forth in the applicable Funding Opportunity Announcement, and shall remain in effect for so long as such cost sharing is maintained over the term of the agreement.

In addition to the above, all recipients under this Funding Opportunity Announcement, other than recipients 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. Except as otherwise specifically approved by DOE Patent Counsel, a recipient's acceptance of an agreement under this award, at any tier, shall constitute that recipient's notice to DOE of its acceptance of the terms and conditions of this class waiver.

In the event a recipient which is a member of a teaming arrangement does not participate in subsequent phases of its project, the remaining recipients in that recipient's team 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 recipient pursuant to this class waiver, except as otherwise approved by DOE Field Patent Counsel. However, in no event will recipients eligible to obtain title pursuant to P.L. 96-517, as amended, of National Laboratories be required to license other recipients its subject inventions.

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.



Glen R. Drysdale  
Patent Counsel, Golden Field Office

Date: 3/23/10

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 the 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:



John Lushetsky, Program Manager  
Solar Energy Technologies Program

Date: 4.30.10

APPROVAL:



Patricia A. Gathen  
Assistant General Counsel for  
Technology, Transfer, and  
Intellectual Property, GC-62

Date: 5/3/10

(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.