



Department of Energy

Washington, DC 20585

MAR 4 1998

MEMORANDUM FOR: James H. Chafin, AL
Robert Fisher, CH
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James Hanley, SAN
Robert Southworth, RL
Harold Dixon, SR
Lisa Jarr, FETC

FROM: Paul A. Gottlieb *Paul*
Assistant General Counsel
for Technology Transfer
and Intellectual Property

SUBJECT: U.S. Competitiveness Provision

Except for the cases discussed further below, attached is the U.S. Competitiveness provision which you should begin providing as our initial negotiating position to inventors/contractors requesting identified and advance patent waivers. Of course, it is not expected that every inventor/contractor will agree to the exact language in the provision, in which case modifications to the provision can be made. In those cases where substantial changes are contemplated, this office and the program office responsible for the contract should be consulted for guidance on appropriate language.

For the case where a specific DOE program has had a long term relationship with a particular company in which the company has been subject to a particular U.S. Competitiveness provision required by the program, the program should be consulted before providing the following U.S. Competitiveness provision to the company. The differences between the two U.S. Competitiveness provisions should be explained to the program and the program should determine whether to provide the following provision to the company instead of the one to which the company has already agreed.

For the case where you know that there is already an existing relationship between the waiver petitioner and a foreign entity under which waived inventions may be licensed to the foreign entity, you may want to modify the attached language to have any license of waived inventions suspended until approved by DOE.



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.