

Statement of Considerations

REQUEST BY HONEYWELL INTERNATIONAL, INC., CERAMIC COMPONENTS FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN RIGHTS IN SUBJECT INVENTIONS MADE IN THE COURSE OF OR UNDER UT-BATTELLE, LLC SUBCONTRACT NO. 4000000986 UNDER PRIME CONTRACT NO. DE-AC05-00OR22725; DOE WAIVER DOCKET W(A)-00-011 [ORO-751]

Honeywell International Inc, Ceramic Components (Honeywell) has made a timely request for an advance waiver to worldwide rights in Subject Inventions made in the course of or under UT-Battelle, LLC Subcontract No. 4000000986, entitled, "Hot Section Components in Advanced Microturbines" under UT-Battelle Prime Contract No. DE-AC05-00OR22725. The scope of work involves the application of silicon nitride ceramics as hot-section components in advanced microturbines. The work is sponsored by the Office of Industrial Technologies Industrial Power Program.

The dollar amount of the subcontract is \$1,668,375 with Honeywell cost sharing 25% for Phase I and 30% for Phase II. The period of performance is approximately 26 months.

Honeywell's experience and expertise will contribute substantially to the development of the inventions made under the subcontract. Honeywell International Inc., formerly AlliedSignal, Inc., sells commercial high-speed rotating machinery, including turbines, compressors, generators, Brayton cycle engine/generator sets, aircraft propulsion engines of turboprop and turbofan types, turbine engine auxiliary power units, free turbine engines for industrial and surface vehicle propulsion, and many other related systems and parts thereof to numerous nongovernmental customers. Furthermore, Honeywell has invested significantly in preparation for the development and commercialization of ceramic components as set forth in Honeywell's waiver petition.


Honeywell has agreed to accept the attached DOE waiver terms and conditions if the requested waiver is granted. Specifically, Honeywell agrees to abide by the conditions set forth at 35 U.S.C. §202-204 relating to the Government license, march-in rights, preference for U.S. industry, as well as U.S. Competitiveness. A minor modification was made to paragraph c(3) allowing filing of foreign applications within 12 months of the corresponding initial application in order to be consistent with Honeywell's corporate practice.

Honeywell 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 Honeywell 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. Honeywell 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 Honeywell 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.

Granting of the waiver should have little effect on competition and market concentration. The technology has not been commercially demonstrated and must compete with already existing technologies.

Grant of the requested waiver should serve as encouragement to other DOE contractors that significant cost sharing will be recognized as an acceptable consideration for granting greater rights in Subject Inventions.

In view of the acceptable level of cost sharing by Honeywell and the objectives and considerations set forth in 10 CFR 784.4, all of which have been considered, it is recommended that the requested waiver for worldwide patent rights in subject inventions be granted.


 Emily G. Schneider
 Assistant Chief Counsel for
 Intellectual Property

Date 8/23/00

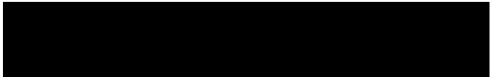
Based on the foregoing Statement of Considerations and the representations in the attached Waiver Petition, it is determined that the interest of the United States and the general public will best be served by a waiver of U.S. and foreign patent rights, and therefore, the waiver is granted. This waiver shall not apply to a modification or extension of the cost-shared contract where, through such a modification or extension, the purpose, scope or cost of the contract has been substantially altered.

CONCURRENCE:


 Patricia A. Hoffman
 EE/Office of Industrial Technologies
 Program Manager

Date: 10/17/00

APPROVAL:


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

Date: OCT 31 2000