

STATEMENT OF CONSIDERATIONS

REQUEST BY LOUISIANA PACIFIC CORPORATION FOR AN ADVANCE
WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS UNDER DOE
CONTRACT NO. DE-FC36-00GO10597; W(A)-00-028; CH-1044.

The Petitioner, Louisiana Pacific Corporation (LP), has requested an advance waiver of domestic and foreign patent rights for all subject inventions made under the above identified contract by its employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title to inventions pursuant to P.L. 96-517, as amended, or National Laboratories. LP is leading a teaming arrangement including various industrial participants and the National Renewable Energy Laboratory (NREL) to develop the use of bark-derived pyrolysis oils as a phenol substitute in structural panel adhesives.

The primary objective of the teaming arrangement is to pilot commercial-scale production of an acceptable PF (phenol formaldehyde) resin from a bark-derived bio-oil and certify its use in structural building and OSB (oriented strand board) panels. As is well known in the industry, one of the principal market applications of PF resins is its use as a glue binder in man-made wood products. It is anticipated that over the course of the two-year project, LP and its team members will produce batches of bark-derived phenol substitute via pyrolysis, incorporate the phenol substitute into commercial PF resin formulations, demonstrate these formulations in processes to manufacture plywood and OSB structural panels, and certify those wood panel products for use in the U.S. and Canada.

As indicated above, the work under the agreement is anticipated to take place over a period of about two years at a total cost of \$2,064,883. LP is obligated to cost share \$656,220, or about thirty-two percent (32%) of the total cost of the project. In view of the cost sharing and other equities among the parties to this agreement, it is anticipated that the team will develop an appropriate allocation of patent rights among the participants to facilitate the expeditious development of the technology forming the subject matter of this agreement. Accordingly, DOE will waive title to all subject inventions made by LP's employees and its subcontractor 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 LP or its subcontractors, as mutually agreed by the parties. Except as otherwise specifically approved by DOE Patent Counsel, a party's acceptance of a subcontract under this agreement, at any tier, shall constitute that party's notice to DOE that it accepts the terms and conditions of this advance waiver.


LP produces over 6 billion square feet of OSB panels per year as well as numerous other engineered building products. Those building products are distributed and sold through LP's well established building product distribution and sales network. This, coupled with LP's previous research and development efforts, clearly indicates a substantial likelihood LP and its team members will continue to develop and ultimately commercialize the results of this agreement.

This advance waiver of the Government's rights in inventions is subject to the usual advanced patent waiver and background data licensing provisions and the 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 products embodying any waived invention or produced through the use of any waived invention be manufactured substantially in the United States unless the participant can show to the satisfaction of DOE that it is not commercially feasible to do so. 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

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. If anything, the technology forming the subject matter of this agreement can be expected to provide a new entrant into an already crowded market.

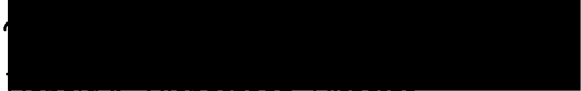
Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the subcontract in a fashion which will make the above technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 10 CFR Part 784, all of which have been considered, it is recommended that the requested waiver be granted.


Thomas G. Anderson
Assistant Chief
Office of the Intellectual Property Law

Date 3/12/01


Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patents rights of the scope described above, and therefore the waiver is granted. This waiver will not apply to any modification or extension of the subcontract, where through such modification or extension, the purpose, scope or cost of the subcontract has been substantially altered.

CONCURRENCE:


Donald K. Richardson, Director
Office of Biopower and
Hydropower Technologies
EE-13

Date: 4/3/01

APPROVAL:


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

Date: 4-6-01

WAIVER ACTION - ABSTRACT

W(C)-00-028 (CH-1044)

REQUESTOR

Lousiana Pacific
Corporation

CONTRACT SCOPE OF WORK

Use of Bark Derived Pyrolysis Oils
as a Phenol Substitute in Structural
Adhesives

RATIONALE FOR DECISION

32%
Cost Sharing

DISPOSITION