

STATEMENT OF CONSIDERATIONS

REQUEST BY AMERICAN WATER WORKS ASSOCIATION RESEARCH FOUNDATION (AWWARF) FOR AN ADVANCED WAIVER OF PATENT RIGHTS TO SUBCONTRACTORS UNDER DOE COOPERATIVE AGREEMENT NO. DE-FG02-03ER63619; W(A)-04-023; CH-1192

As set out in the attached waiver petition and in subsequent discussions with DOE Patent Counsel, the American Water Works Association Research Foundation (AWWARF) a domestic non-profit organization, has requested an advance waiver of domestic and foreign patent rights for all subject inventions made under the above-identified and follow-on successor cooperative agreements by its subcontractors' employees, regardless of tier, except for inventions made by subcontractors eligible to retain title to inventions pursuant to P.L. 96-517, as amended, and National Laboratories. AWWARF is leading a multiple phase teaming arrangement which is expected to include various industrial participants and the Sandia National Laboratory (SNL) to develop and demonstrate innovative technologies for removing arsenic from drinking water.

It is anticipated that this cooperative agreement will encourage a variety of businesses to develop experience in the arsenic removal technologies, which in turn will enable those businesses to assist the various public drinking water suppliers to meet the U.S. Environmental Protection Agency's (USEPA's) drinking water standards. As noted in item 12 of AWWARF's waiver petition, all public drinking water systems in the United States will be expected to comply with USEPA's standard for arsenic in drinking water of 10 ppb or less by 2006.

The work under the agreement is expected to take place over a period of about four years at a total cost of \$4,842,000. AWWARF is obligated to cost share \$1,000,000, or about 20 percent of the total cost of the project.

In view of the cost sharing and other equities between AWWARF and its subcontractors, it is anticipated that the parties will develop an appropriate allocation of patent rights among the participants to facilitate the expeditious development of the technology forming the subject matter of the agreement. Accordingly, DOE will waive title to all subject inventions made by AWWARF's subcontractors' 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 AWWARF or its subcontractors, as mutually agreed by the parties. Except as otherwise approved in writing by DOE Patent Counsel, a party's acceptance of a subcontract under this agreement, at any tier, shall constitute AWWARF's certification that it has provided that party with a copy of this Statement of Considerations and that party's notice to DOE that it accepts the terms and conditions of this advance waiver. Additionally, subcontractors who receive title under this waiver shall notify DOE Patent Counsel in writing of such disposition of patent rights.

Referring to item 5 of AWWARF's waiver petition, AWWARF is a non-profit professional association committed to the continuing development and health and safety of the drinking water industry. This, combined with AWWARF's cost sharing, clearly demonstrates the likelihood that AWWARF will continue development and commercialization of the results of this agreement.

This advance waiver of the Government's rights in inventions is subject to the usual advance 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. AWWARF further agrees to require its subcontractors to make the above condition binding on any assignee, licensee or other entity acquiring rights to any waived invention, including subsequent assignees or licensees. Should AWWARF, its subcontractors, 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 items 9 and 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. If anything, the results of the work under this agreement are expected to expand development into new fields.

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 agreement in a fashion which will make the 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 Counsel
Intellectual Property Law Division

Date: 12-8-04

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 patent rights of the scope described above, and therefore the waiver is granted. This waiver will not apply to any modification or extension of the cooperative agreement, where through such modification or extension, the purpose, scope or cost of the cooperative agreement has been substantially altered.

CONCURRENCE:

Acting Division Director


Peresa Fryberger, Director
Environmental Remediation
Sciences Division, SC-75

Date:

1/11/05

APPROVAL:


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

Date:

1-28-05

(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.

WAIVER ACTION - ABSTRACT

W(A)-04-023 (CH-1192)

REQUESTOR

American Water Works
Association Research
Foundation

CONTRACT SCOPE OF WORK

Arsenic Water Technology
Partnership Program

RATIONALE FOR DECISION

20% cost sharing

DISPOSITION