

STATEMENT OF CONSIDERATIONS

ADVANCE WAIVER OF PATENT RIGHTS TO CARGILL DOW L.L.C., INC.
UNDER CONTRACT NO. DE-FC36-03ID14216 FOR COLLECTION,
COMMERCIAL PROCESSING AND UTILIZATION OF CORN STOVER; CH-1201;
W(A)-04-033

Cargill Dow L.L.C. (Cargill Dow) has petitioned for an advance waiver of domestic and foreign patent rights to inventions conceived or first actually reduced to practice under DOE Contract No. DE-FC36-03ID14216. This advance waiver is intended to apply to all subject inventions of Cargill Dow's employees and those of its subcontractors, regardless of tier, except subcontractors eligible to obtain title pursuant to P.L. 96-517 as amended, and National Laboratories.

As brought out in its waiver petition, the long term objective of this contract is to develop a commercially viable process for producing lactic acid from corn stover. To justify the expense of harvesting corn stover, Cargill Dow and its partners will develop an infrastructure for harvesting and storing corn stover.

As indicated in its response to Question 3 in its waiver petition, the total value of this agreement is expected to be about \$2,769,922. Cargill Dow's share is \$1,390,806 approximately 50%.

In response to Questions 7 and 8 of the waiver petition, Cargill Dow and its parent organizations have invested over \$100,000,000 in developing technology to convert corn starch to polylactide products. Cargill Dow anticipates investing \$200 million or more to put a commercial plant in place to process corn stover.

As brought out in Questions 5 and 6, Cargill Dow has constructed a \$300 million dollar facility to convert biomass in the form of corn starch to polylactide polymers and lactic acid. Cargill Dow holds 110 U.S. patents covering various aspects of this process and its products.

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 Cargill Dow'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.

This advance waiver of the Government's rights in inventions is subject to the usual advance patent waiver and background data licensing provisions. Those terms include the usual 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 a 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 participant can show to the satisfaction of DOE that it is not commercially feasible to do so. Cargill Dow 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 Cargill Dow or other such entity receiving rights in any waived inventions 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 waiver is not expected to have any adverse effects on competition or market concentration. In response to Question 10, the chemical products of interest are produced by U.S. and global manufacturers using various technologies. Granting of this waiver will provide Cargill Dow with the incentive to promote the development and commercialization of inventions made under this contract.

Considering the foregoing, and in view of the statutory objectives to be attained and the factors to be considered, it has been determined that this advance waiver of patent rights will best serve the interest of the United States and the general public. Subject to Cargill Dow providing at least fifty percent (50%) cost sharing, in aggregate over the term of this, and subsequent phases

of the agreement. It is recommended that the waiver be granted.


Thomas G. Anderson
Assistant Chief Counsel
Intellectual Property Law Division


Date: 10-8-04


Joy Alwan
Patent Attorney
Intellectual Property Law Division

Date: 28 Sept 04

Based on the foregoing Statement of Considerations, it is determined that the interest of the United States and the general public will be best served by a waiver of the United States and foreign rights as set forth therein, and therefore the waiver is granted. This waiver shall not affect any waiver previously granted.

CONCURRENCE:


Douglas E. Kaempf
Acting Director
Office of Energy Efficiency and
Renewable Energy
Office of Biomass
EE-2E/FORS

Date: 11/4/2004

APPROVAL:


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

Date: 11-5-04

(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.