

## Statement of Considerations

REQUEST BY YORK INTERNATIONAL CORPORATION FOR AN  
ADVANCE WAIVER OF DOMESTIC AND FOREIGN RIGHTS IN  
SUBJECT INVENTIONS MADE IN THE COURSE OF OR UNDER  
DEPARTMENT OF ENERGY CONTRACT NO. DE-AC05-84OR21400;  
SUBCONTRACT NO. 62X-SN507C; DOE WAIVER DOCKET  
W(A)-94-015 [ORO-579]

York International Corporation (York) has made a timely request for an advance waiver to worldwide rights in Subject Inventions made in the course of or under Department of Energy (DOE) Contract No. DE-AC05-84OR21400; Subcontract No. 62X-SN507C. The scope of the work calls for the development of triple-effect absorption water chiller cycle arrangements that can effectively compete with double-effect absorption chillers and high-efficiency electric centrifugal chillers on the market today. The work is sponsored by the Office of Building Technologies.

The dollar amount of the subcontract is \$289,201 with York cost sharing \$72,300, 25% of the subcontract. They are also waiving their fee, 7.5%, which would have been \$21,690.

York is a leading supplier of absorption chillers in the U.S., having greater than a 30% market share. It has a history of investing its own resources to manufacture and introduce chillers into the marketplace, such as its single stage lithium bromide/water absorption chillers and its two-stage lithium bromide/water chiller-heaters, which are licensed from Hitachi Ltd. of Japan. York modified these chiller-heaters so as to use U.S. sourced materials, conform with York manufacturing requirements, and be controlled by York-developed microprocessor-based control panels. York continues to put new models into production and has invested over \$4 million of its own funds in the engineering effort and facilities which support this product line. Therefore, York's experience and expertise will contribute substantially to commercialization of the inventions made under the subcontract.

York has invested over \$25,000 in engineering studies and computer models for the development of the triple-effect absorption chiller cycles which is the subject of this subcontract and has prepared three invention disclosures, soon to be filed as patent applications with the U.S. Patent and Trademark Office. The company has test facilities in York, Pennsylvania, with a staff of development engineers, manufacturing engineers, technicians, drafters and test facility operators who are assigned to absorption system development, design, and production support. Therefore, York has the capability to technically design and develop the subject of the subcontract.

The subcontract has been executed and is proceeding with the standard DOE long form patent rights clause. If the requested waiver is approved, a patent rights clause embodying the standard DOE waiver terms and conditions, approved by York, including march-in rights, retention by the government of a license, preference for U.S. industry, and U.S. Competitiveness clauses will be added by a no-cost modification to the subcontract. The advance patent waiver will

also contain a paragraph that limits York's ability to alienate waived rights. Specifically, York shall not transfer rights in any invention without prior approval of DOE. Also, should there be a change in ownership of York, rights in inventions will be suspended until approval by DOE of the entity obtaining controlling interest having the waiver.

In the U.S. Competitiveness clause to be added to the subcontract, York agrees that any product, process or service using a U.S. patent resulting from a Subject Invention or any other intellectual property used in performing work under this subcontract shall be manufactured or practiced substantially in the United States.

Granting of the waiver should have little effect on competition since there are several technology options, this being one of many previously or yet-to-be developed in the marketplace. Therefore, there should not be undue market concentration of York products.

Grant of the requested waiver should serve as encouragement to other DOE contractors and subcontractors 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 York and the objectives and considerations set forth in 41 CFR 9-9.109, all of which have been considered, it is recommended that the requested waiver for worldwide rights be granted.

  
Katherine Lovingood  
Senior Patent Attorney

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 subcontract where, through such a modification or extension, the purpose, scope or cost of the subcontract has been substantially altered.

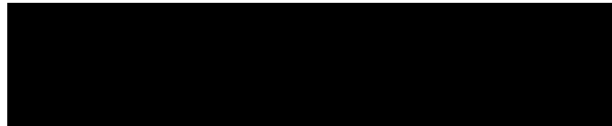
CONCURRENCE:



Louis V. Divone  
Acting Deputy Assistant Secretary  
for Building Technologies, EE-40

Date: 1/5/95

APPROVAL:



Judson R. Hightower, Acting  
Assistant General Counsel  
for Technology Transfer  
and Intellectual Property

Date: 1/24/95

W(A)-94-015  
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WAIVER ACTION ABSTRACT

REQUESTOR

York International  
Corporation

CONTRACT SCOPE OF WORK

Development of a triple-  
effect absorption water  
chiller cycle arrangement  
that can effectively compete  
with double effect absorption  
chillers and high-efficiency  
electric centrifugal chillers

RATIONALE FOR DECISION

Agrees to manufacturing  
substantially in the U.S.,  
cost share of over 25%,  
for improved energy  
efficiency

DISPOSITION

Grant waiver