

STATEMENT OF CONSIDERATIONS

REQUEST BY AIR PRODUCTS AND CHEMICALS, INC. (AIR PRODUCTS)
FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN INVENTION
RIGHTS UNDER COOPERATIVE AGREEMENT NO. DE-FC22-95PC95051
W(A)-95-014 , CH-0861

The Petitioner, Air Products, was awarded this cooperative agreement in response to an unsolicited proposal for the engineering development of slurry bubble column reactors. Air Products was selected for this cooperative agreement based on its past experience and current research efforts in related technology as well as the capabilities of the Government-owned Alternative Fuels Development Unit located on the Petitioner's LaPorte, Texas site. The Contracting Officer has found that although the provisions of the 1992 Energy Policy Act, P.L. 102-486, do not apply to this cooperative agreement, the cost sharing requirements of §3002 of the Act are met.

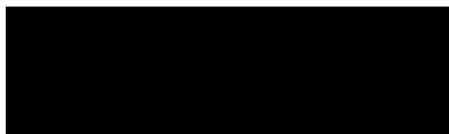
Air Products has requested a waiver of domestic and foreign rights for all subject inventions under this Agreement. As brought out in its response to question 1 in the attached copy of its petition for waiver, Air Products understands that the university subcontractors under this agreement will not be subject to this waiver request.

As brought out in Air Products' response to questions 2, 3 and 8 and in Article VIII of the agreement, the total estimated cost of the project is \$4,921,236 with Air Products providing 20% (up to \$984,227) and DOE providing the balance. This cost sharing does not include credit for forgone fee or shared cost in previous research and development efforts.

In its response to question 5, 6 and 7, Air Products explains that it has developed the liquid phase methanol/alternative fuels technology from 1981 to the present through a series of DOE funded and cost sharing arrangements. According to Air Products it and its partners have contributed more than \$6.2 million to this development. Among other accomplishments, this effort has contributed to the development of slurry-bubble column reactor technology, the subject of the present agreement. Basic patents to the liquid phase technology waived to an early subcontractor, Chem Systems, have been transferred to Air Products. Air Products points out its own commercial interest in developing the related synthesis gas technology to create a market for its oxygen production plants. Also, Air Products has commitments to the DOE liquid phase methanol demonstration project (DE-FC22-92PC90543) at the Eastman Chemicals' plant in which the participants are cost sharing at more than 50%. This private investment clearly demonstrates Air Products' commitment to the technology and indicates a likelihood of an effort to commercialize the results of the agreement.

The Petitioner has agreed to the standard provisions with respect to invention waivers with the substitution of the march in rights, U.S. manufacturing preference and U.S. government license provided in 35 U.S.C. 202-204. Additionally, Air Products has accepted standard background patent and data provisions, of paragraph (k) of the Advance Waiver of Patent Rights and paragraph (h) of the Rights in Technical Data (long form), to assure commercialization of the technology, and has agreed to the attached U. S. Competitiveness provision.

Considering the foregoing, it is believed that granting the waiver will provide the 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 agreement's benefits available to the public in the shortest practicable time. In addition, it would appear that grant of the above requested waiver would not result in an adverse effect on competition nor result in excessive market concentration. Therefore, in view of the objectives and considerations set forth in 41 CFR 9-9.109-6, all of which have been considered, it is recommended that the requested waiver, as set forth above, be granted.



Hugh W. Glenn
Intellectual Property Law Department

Date 1/25/96

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

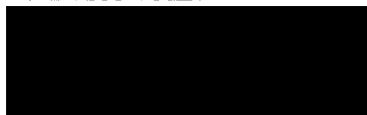
CONCURRENCE:



Howard Feibus, Associate Director
Assistant Secretary for
Research and Development
FE 23, 3013/270

Date 3/1/96

APPROVAL:



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

Date 3-15-96

(FOR INSERTION IN ADVANCE WAIVER OF PATENT RIGHTS)

U.S. COMPETITIVENESS (Reference (c)(3)(ix))

The Participant (Air Products & Chemicals, Inc.) 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, to the extent such manufacture involves practicing the waived invention, unless the Participant (Air Products & Chemicals, Inc.) 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 Participant (Air Products & Chemicals, Inc.) 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 Participant (Air Products & Chemicals, Inc.) 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)-95-014 - CH-0861

REQUESTOR

Air Products and
Chemicals, Inc.
DE-AC22-95PC95051

CONTRACT SCOPE OF WORK

Engineering Development of
Slurry Bubble Column Reactor
Technology

RATIONALE FOR DECISION

Twenty Percent (20%) Cost Sharing

DISPOSITION