

## STATEMENT OF CONSIDERATIONS

### REQUEST BY DRESSER WAUKESHA FOR AN ADVANCE WAIVER OF PATENT RIGHTS TO INVENTIONS MADE UNDER DOE COOPERATIVE AGREEMENT DE-EE0004016; W(A)-10-065 ; CH-1587

Dresser Waukesha (Dresser), requests an advance waiver of domestic and foreign patent rights for all subject inventions made under the above cooperative agreement with the Department of Energy. The purpose of the cooperative agreement is to design, develop and build an ultra clean 1.1 MW high efficiency natural gas engine powered system to serve the Combined Heat and Power market. The waiver is to apply to Dresser's employee subject inventions only.

The work under this cooperative agreement is expected to take place between October 1, 2010 and September 30, 2014. The total estimated cost of the cooperative agreement is \$11,473,068 with DOE providing \$6,641,565 Million or 58%. Dresser will provide the remaining 42% cost share or \$4,831,503.

With respect to its technical competency in the field of reciprocating engines, Dresser states that it has been producing reciprocating engines since 1906 and gaseous fueled reciprocating engines since the 1920s. It has produced gaseous fueled reciprocating engines since the 1990s, and is a participant of the DOE sponsored Advanced Reciprocating Engines (ARES) program. Dresser states that it has received 7 patents for work performed under the DOE ARES program with one additional patent pending. A representative patent, No. 7,302,884, entitled "Piston", from this program is attached. Dresser has demonstrated its technical competency in the field of reciprocating engines.

Dresser states that the gaseous-fueled reciprocating engine market is very competitive with three U.S. manufacturer and at least 10 foreign companies actively competing against each other. No engine manufacturer has more than 25% of the worldwide market share and Dresser currently has less than 10% of that market. In addition, Dresser lists several other kinds of competing technologies outside the reciprocating engine market. Given the intense direct competition and competing technologies, Dresser states that it is unlikely that it will obtain a preferred or dominant position as a result of a waiver grant. Thus grant of the waiver will not place Dresser in a dominant position and should have a positive effect on competition and market concentration.

This advance waiver of the Government's rights in inventions is subject to the usual advance patent waiver 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, licensee or other entity 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.

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.

[Redacted]

Mark P. Dvorscak  
Deputy Chief Counsel  
Office of Intellectual Property Law, CH  
December 1, 2010

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.

COM [Redacted]  
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Robert Gemmer, EE-2F  
Office of the Industrial Technology Program  
Office of Energy Efficiency and  
Renewable Energy,

Date 12/1/10 [Redacted]

APPROVAL: [Redacted]  
\_\_\_\_\_  
John T. Lucas, GC-62  
Acting Assistant General Counsel  
for Intellectual Property and  
Technology Transfer

Date 12/1/10 [Redacted]

(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.