

## STATEMENT OF CONSIDERATIONS

REQUEST BY THE DOW CHEMICAL COMPANY (DOW) FOR AN  
ADVANCE WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS  
UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC07-02ID14428;  
W(A)-02-032; CH-1115

The Petitioner, DOW, has requested a waiver of domestic and foreign patent rights for all subject inventions arising from its participation under the above referenced cooperative agreement entitled "In Situ Analysis for the Chemical Industry." The Petitioner will be partnering with two small business companies, Analytical Sciences Inc. (ASI) and Nanomaterials Research Corp., and with Rice University. These organization are not subject to this waiver request. This waiver shall not impact the rights of those parties subject to Public Law 96-517, as amended, nor shall it grant any rights in inventions made by employees of the National Laboratories.

The objective of the cooperative agreement is to develop two platforms for robust, in-line, process measurements that operate at or near real time. These systems will be capable of operating at the required process conditions (pressure, temperature, etc.), provide real-time or near real-time data, and reduce installation and operational costs when compared to current market products. Petitioner expects that the cooperative agreement will deliver a suite of robust in-line or at-line advance process control systems that will maximize efficiency, both in energy and economics, for the U.S. chemical industry.

The total anticipated cost of the cooperative agreement is \$2.78 million, with the Petitioner and its partners providing about fifty percent (50%) cost sharing. The current total approved budget is \$1.193 million with the Petitioner providing \$597K in cost share. This waiver is contingent upon the Petitioner maintaining, in aggregate, the above cost sharing percentage over the course of the agreement.

As noted in its waiver petition, Petitioner's Analytical Sciences Group has about 600 people worldwide and has several multi-million dollar, state of the art facilities where a full suite of analytical measurements are available for fast accurate solutions and measurements. In sensor technology, Petitioner's material science group has technical strengths in the analysis of polymers and ceramics, materials characterization and surface morphology examination. And although Petitioner does not manufacture process analyzer equipment, Petitioner's partner in this project, ASI produces analyzers for the chemical industry and had \$11 million in sales last year. Considering Petitioner's technical expertise and significant investment in this technology including sizable cost sharing in this cooperative agreement, it is reasonable to conclude that Petitioner will continue to develop and ultimately commercialize the technology and products which may arise from this cooperative agreement.

Petitioner has agreed that this waiver shall be subject to the march-in and preference for U.S. industry provisions, as well as the U.S. Government license, comparable to those set out in 35 U.S.C. 202-204. Further, Petitioner has agreed to the U.S. competitiveness provisions as attached to this Statement. In brief, Petitioner has agreed that products embodying intellectual property developed under this agreement shall be substantially manufactured in the United States, and that Petitioner will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Additionally, Petitioner has agreed to contractor data licensing provisions as attached herein.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. Commercialization of technology developed under this agreement will not be limited to Petitioner's use only. It is expected that ASI will provide the technology to other potential users in the chemical industry, which will provide energy savings for the entire U.S. chemical industry. Further, the success of Petitioner and its partners, under this cooperative agreement, can be expected to stimulate further investment and competition in this technology.

Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in commercializing the results of the cooperative agreement in a manner which will make the above technology available to the public in the shortest time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 10 CFR 784, all of which have been considered, it is recommended that the requested waiver be granted.



Daniel/D. Park  
Assistant Chief Counsel  
Intellectual Property Law Division

Date: 11/20/02

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 shall 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:



Buddy Garland  
Program Manager  
Industrial Technology Program  
EE-20

Date: 1/3/03

APPROVAL:



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

Date: 1-7-03

WAIVER ACTION - ABSTRACT  
W(A)-00-032

REQUESTOR

CONTRACT SCOPE OF  
WORK

RATIONALE FOR DECISION

Dow Chemical

In Situ Analysis for the  
Chemical Industry

50% cost sharing

**(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.

**Rights in Data - General** (JUN 1987), is amended by adding paragraph (k) as follows:

(k) Contractor Licensing. Except as may be otherwise specified in this contract as data not subject to this paragraph, the contractor agrees that upon written application by DOE, it will grant to the Government and responsible third parties, for purposes of practicing a subject of this contract, a nonexclusive license in any limited rights data or restricted rights software on terms and conditions reasonable under the circumstances including appropriate provisions for confidentiality; provided, however, the contractor shall not be obliged to license any such data if the contractor demonstrates to the satisfaction of the Secretary of Energy or designee that:

(1) Such data are not essential to the manufacture or practice of hardware designed or fabricated, or processes developed, under this contract;

(2) Such data, in the form of results obtained by their use, have a commercially competitive alternate available or readily introducible from one or more other sources;

(3) Such data, in the form of results obtained by their use, are being supplied by the contractor or its licensees in sufficient quantity and at reasonable prices to satisfy market needs, or the contractor or its licensees have taken effective steps or within a reasonable time are expected to take effective steps to so supply such data in the form of results obtained by their use; or

(4) Such data, in the form of results obtained by their use, can be furnished by another firm skilled in the art of manufacturing items or performing processes of the same general type and character necessary to achieve the contract results.