

## STATEMENT OF CONSIDERATIONS

REQUEST BY E.I. DU PONT DE NEMOURS AND COMPANY (DUPONT) FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN RIGHTS TO INVENTIONS MADE UNDER A SUBCONTRACT TO COOPERATIVE AGREEMENT NUMBER DE-FC04-02AL67606, DOE WAIVER NO. W(A) 02-037.

The Petitioner, DuPont, has requested a waiver of all domestic and foreign patent rights to inventions that may be conceived or first actually reduced to practice in the course of DuPont's work as a subcontractor to De Nora, North America (De Nora) under Cooperative Agreement Number DE-FC04-02AL67606 entitled "Integrated Manufacturing for Advanced Membrane Electrode Assemblies" with the U.S. Department of Energy (DOE). De Nora has already requested a similar advance waiver of rights for De Nora's inventions as the prime contractor. De Nora's advance waiver petition has been given the tracking number W(A) 02-036.

The work to be done under the overall cooperative agreement will be the design, development and manufacture of improved cathodes and membranes for Proton Exchange Membrane Fuel Cells (PEMFC). DuPont's work under the subcontract will focus on research and development of high temperature membranes for fuel cells. DuPont shall synthesize, fabricate and characterize membranes, fabricate membrane electrode assemblies and provide measurements of fuel cell performance. This effort work will hopefully greatly increase the efficiency and power derived from hydrogen-powered fuel cells. This research and development will lead to broader use of fuel cell technologies, which will result in better air quality and lowered dependence on unstable overseas oil supplies.

The overall cooperative agreement covers a period from December 1, 2001 through October 30, 2005 at a total cost to DOE of \$14.5M. DOE funds to be provided as follows: FY01/02 -- \$3.5M; FY03 -- \$3.5M; FY04 -- \$3.5M; FY05 -- \$4.0M. The subcontract itself covers a period from December 1, 2001 through July 31, 2004, at a total cost of \$5,988,202. DuPont will provide approximately \$1.5M as a cost share over the life of the subcontract (25%). The government contribution for the agreement and subcontract will be made through Budget & Reporting Code EE0502 sponsored by the Office of Advanced Automotive Technologies. DuPont has also previously expended approximately \$5M in facility improvements to perform designate tasks under this subcontract.

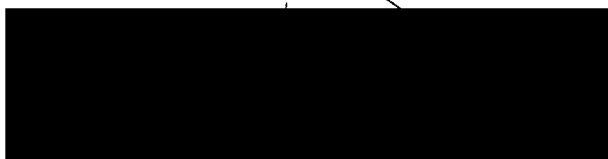
DuPont is Wilmington, Delaware-based, multinational corporation with over 20 years of experience in research and development in the field of fuel cell membranes. DuPont also has over two hundred years of mass production expertise and a firmly established global marketing capability. Based on the dynamic nature of the technology itself, existing competition in this field, as well as the aggressive research and development being done in this field worldwide, it is not foreseen that the grant of this waiver would decrease

competition, cause undesirable market concentration, nor place DuPont in a dominant market position.

DuPont has agreed to abide by 35 U.S.C. §§ 202, 203 and 204, as well as the provisions of the Standard Patent Rights clause for an Advance Waiver. Additionally, DuPont has agreed to the provisions of the attached U.S. Competitiveness Clause, which requires Petitioner to substantially manufacture any products embodying or produced through any waived invention in the United States, unless Petitioner can convince DOE it is not commercially feasible to do so. Petitioner agrees to make this condition binding on any assignee or licensee. DuPont will abide by the Export Control laws and will require its licensees, if any, to do the same. DuPont will expend such sums as may be required to maintain the necessary patent protection and provide incentive for commercial development of the invention. Additionally, DuPont has affirmatively agreed to the background data rights clause found in 48 CFR 952.227-14, Alternate VI (February 1998) (attached).

Considering Petitioner's status as a global leader in the research, development, production and commercialization of fuel cell membrane technology, it is concluded that the grant of the requested waiver is most likely to achieve commercialization success and actual implementation of the fuel cell component technology which is the focus of the overall cooperative agreement on both a national and global scale.

As such, upon evaluation of the Waiver Petition in view of the objectives and considerations set forth in 10 CFR 784.4, all of which have been considered, it is recommended that the requested waiver be granted.

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Jim C. Durkis  
Patent Attorney  
NNSA Service Center

Based on the foregoing Statement of Considerations and the representations of 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 a modification or extension of the cooperative agreement where, through such modification or extension, the purpose, scope or DOE cost of the cooperative agreement have been substantially altered.

CONCURRENCE:



Steven G. Chalk  
Acting Director, Office of Hydrogen, Fuel Cells  
and Infrastructure Technologies Program (EE-2H)

Date:

2/10/03

APPROVAL:



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

Date:

2-13-03

DOE Headquarters Project Manager: JoAnn Milliken