

## STATEMENT OF CONSIDERATIONS

REQUEST BY GENERAL MOTORS, POWER TRAIN DIVISION, FOR AN  
ADVANCE WAIVER OF DOMESTIC AND FOREIGN INVENTION RIGHTS UNDER  
DOE COOPERATIVE AGREEMENT NO. DE-FC26-02NT41218  
W(A)-02-042, CH-1118

The Petitioner, General Motors (GM), acting through its Power Train Division, was awarded this cooperative agreement for the performance of work entitled, "Discovery of Novel Nox Catalysts for CIDI (compression-ignition, direct-injection) Applications by Combinatorial Methods". The purpose of the cooperative agreement is to discover new nitrous oxide (NOx) reduction catalysts for use in automotive applications using high-through-put combinatorial materials discovery methods. The program will be designed to develop innovative emissions control systems for CIDI diesel engines to achieve future EPA emissions targets (specifically Tier II) for passenger car and light duty vehicles. Enabling the use of fuel-efficient CIDI engines in a broader share of the automotive market will help reduce overall U.S. fuel demands and reduce automotive emissions. GM is petitioning for itself, and for its large business subcontractors who agree in writing to the waiver terms and conditions as set forth herein. The waiver will apply individually to GM and each large business subcontractor, i.e. GM's inventions will be owned by GM, and its subcontractors' inventions will be owned by each respective subcontractor who elects title. The waiver does not apply to inventions made by Bayh-Dole participants pursuant to P.L. 96-517, as amended, or National Laboratories. Los Alamos National Laboratory is a subcontractor to GM under this cooperative agreement. At this time, GM's large business subcontractors are identified as Engelhard Corporation and Accelrys Corporation<sup>1</sup>.

The total estimated cost of the cooperative agreement is \$13.5 million, with the DOE share being \$8.8 million or 65%, while the remaining cost share of 35%, or \$4.7 million, will be provided by GM and its subcontractors. The period of performance is August 16, 2002 through October 30, 2005.

In its response to question 5 of the attached waiver petition, GM has described the technical competencies of itself and its subcontractors Engelhard and Accelrys. GM is the largest automotive manufacturer in the world and experience in developing engine management systems and emission control systems. A list of representative GM patents is attached to the waiver petition as Exhibit "A". Engelhard Corporation is an industry leader in emission control from mobile sources, and has successfully supplied oxidation catalytic materials and assemblies to the automotive industry. A listing of Engelhard patents related to emission control, diesel, and lean burn engine technology is attached to the waiver petition as Exhibit "B". Accelrys, a wholly owned subsidiary of Pharmacia, develops and commercializes molecular modeling and simulation software for the life sciences and materials research, chem-informatic and decision support systems. GM states that Accelrys was selected for the project based upon its ability to adapt and exploit its established informatics technology to diesel NO(x) catalysis research. GM's response fully demonstrates the technical competencies of itself and of Engelhard and Accelrys in the field of diesel NO(x) catalysis research.

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<sup>1</sup>Neither Engelhard or Accelrys have yet provided written acceptance of the waiver terms and conditions.

In its response to questions 9 and 10 of the attached waiver petition, GM states that grant of the waiver will promote the development and commercial utilization of any invention made under the cooperative agreement because all U.S. auto makers, U.S. catalyst manufacturers, and U.S. informatics entities will be afforded the opportunity to use any subject inventions. GM, as prime contractor under the cooperative agreement, has placed no restrictions on the licensing of any subject inventions, thereby making any inventions widely available. In addition, GM states that if any inventions made under this effort are commercially successful, market forces will fuel the creation of similar research, operating to lead to privately funded programs to develop other catalyst formulations. Therefore grant of the waiver will have a positive effect on competition and market concentration.

The subject cooperative agreement will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12, in which GM has agreed to the provisions of 35 U.S.C. §§ 202, 203, and 204. This waiver clause will also include a paragraph entitled U.S. Competitiveness, in which GM agrees to substantial U. S. manufacture of subject inventions (attached hereto). Additionally, GM agrees not to transfer subject inventions to any other entity unless that other entity agrees to these same requirements. The petitioner has further agreed to modification of the data clause of the subject cooperative agreement (48 C.F.R. 952.227-14) by adding paragraph (k), Alternative VI, concerning contractor licensing of data

Considering the foregoing, it is believed that granting the waiver will provide the Petitioner with the necessary incentive to invest 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 10 CFR 784, all of which have been considered, it is recommended that the requested waiver, as set forth above, be granted.

[REDACTED]  
Mark P. Dvorscak  
Assistant Chief Counsel  
Intellectual Property Law Division

Date: Nov. 4, 2002

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:

[REDACTED]  
Robert S. Kirk  
Program Manager  
Office of the FreedomCAR  
and Vehicle Technologies Program  
Office of Energy Efficiency  
and Renewable Energy

Date: 12/4/02

APPROVAL:

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

Date: 12/4/02

(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.