

STATEMENT OF CONSIDERATIONS

REQUEST BY HONEYWELL INTERNATIONAL, INC. FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC36-02AL67624 ENTITLED "COST AND PERFORMANCE ENHANCEMENTS FOR A PEM FUEL CELL TURBOCOMPRESSOR"; W(A)-05-032; CH-1294

As set out in the attached waiver petition and in subsequent discussions with DOE Patent Counsel, Honeywell International, Inc. (Honeywell) has requested an advance waiver of domestic and foreign patent rights for all subject inventions made under the above-identified cooperative agreement by its employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title to inventions pursuant to P.L. 96-517, as amended, and National Laboratories. Although the waiver petition was technically not timely filed by Honeywell, the delay in filing was inadvertent due to personnel changes at Honeywell and confusion resulting from transfer of administration of the agreement from DOE's office in Albuquerque, New Mexico to DOE's office in Golden, Colorado. Accordingly, under the circumstances and the ongoing nature of the agreement, the petition is considered to have been timely filed.

Referring to item 2 of Honeywell's waiver petition, Honeywell is leading a teaming arrangement with various Honeywell businesses and the Argonne National Laboratory to develop critical components, subsystems and integrated systems associated with fuel cell compressor/expander air management systems (i.e. the turbocompressor used with the fuel cell). The goal of the program is to optimize the aerodynamic performance, efficiency, power consumption, weight, volume, and noise performance parameters of 80kw PEM fuel cell systems.

The work under this agreement is expected to take place over a period of 54 months at a total cost of \$3,053,611. Honeywell is obligated to cost share \$763,403, or about 25 percent of the total cost of the project.

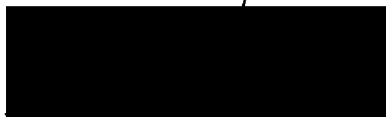
In view of the cost sharing and other equities between Honeywell and its subcontractors, it is anticipated that the parties will develop an appropriate allocation of patent rights among the participants to facilitate the expeditious development of the technology forming the subject matter of the agreement. Accordingly, DOE will waive title to all subject inventions made by Honeywell's employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title pursuant to P.L. 96-517, as amended, or National Laboratories, to Honeywell or its subcontractors, as mutually agreed by the parties. Except as otherwise approved in writing by DOE Patent Counsel, a party's acceptance of a subcontract under this agreement, at any tier, shall constitute Honeywell's certification that it has provided that party with a copy of this Statement of Considerations and that party's notice to DOE that it accepts the terms and conditions of this advance waiver. Additionally, subcontractors who receive title under this waiver shall notify DOE Patent Counsel in writing of such disposition of patent rights.

Referring to items 4-8 of Honeywell's waiver petition, Honeywell has over 20 years experience in fuel cell air management systems for both the stationary and transportation industries. This, coupled with Honeywell's cost sharing, clearly demonstrates the likelihood that Honeywell will continue development and commercialization of the results of this agreement.

This advance waiver of the Government's rights in inventions is subject to the usual 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.


Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition as there are a variety of competing technologies in the relevant market.

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.


Thomas G. Anderson
Assistant Chief Counsel
Intellectual Property Law Division
Date January 23, 2006


Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interest 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.

CONCURRENCE:


Steven G. Chalk, Program Manager
Office for Hydrogen, Fuel Cells and
Infrastructure Technologies Program
EE-2H

Date 3/9/06

APPROVAL:


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

Date 3-10-06

WAIVER ACTION - ABSTRACT

W(A)-05-032 (CH-1294)

REQUESTOR

Honeywell International
Inc. under DOE
Cooperative Agreement
No. DE-FC36-02AL67624

CONTRACT SCOPE OF WORK

Cost and Performance Enhancements
for a Pem Fuel Cell Turbocompressor

RATIONALE FOR DECISION

25% cost sharing

DISPOSITION