

## STATEMENT OF CONSIDERATIONS

REQUEST BY MARTIN MARIETTA CORPORATION (MMC) FORMERLY KNOWN AS GENERAL DYNAMICS - SPACE SYSTEMS DIVISION (GD-SSD) FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS UNDER DOE CONTRACT NO: DE-FC36-93CH10554; W(A)-94-012; CH-0831

Martin Marietta Corporation (MMC) has recently acquired the Space Systems Division of the General Dynamics Corporation (GD-SSD) which had earlier requested a waiver of domestic and foreign patent rights for all subject inventions under a cooperative agreement for the development of a 1 kilo-Joule current limiter under DOE Contract No. DE-FC36-93CH10554. MMC, by accepting the Advance Waiver Patent Rights and certain amendments to the Data Rights, has indicated that they wish to proceed with the waiver petition. This agreement was awarded under DOE's Superconductivity Partnership Initiative. As we have been advised by the cognizant DOE program office that this work is authorized under the Energy Policy Act of 1992, technical data first produced under this program will be afforded limited protection pursuant to Title XXX, Section 3001(d) of the Act.

The overall objective of the Superconductivity Partnership Initiative is to significantly reduce the technical and economic risks associated with development of various superconducting technologies. The objective of the work to be performed under this agreement is to design and build a prototype 1 kilo-Joule current limiter using high temperature superconducting wire.

The cooperative agreement is a partially funded cost sharing arrangement with the Government and MMC sharing all allowable and allocable costs. The total estimated cost of the project is \$3,425,800, of which the estimated cost to DOE is \$2,281,027 and the estimated cost to MMC is \$1,144,773 (or approximately 33% cost sharing).


As noted in the waiver petition, MMC's predecessor in interest, GD-SSD, has extensive experience in the field of cryogenic technology. In the waiver petition, as successor in interest to GD-SSD, MMC states that GD-SSD, for over 15 years, has been actively engaged in the design, development and manufacture of superconducting magnet systems and has supplied such magnets to DOE under various contracts, including dipole magnets for the Superconducting Supercollider. Additionally, GD-SSD possessed an extensive portfolio of patents and patent applications in the technological field relating to the subject matter of this program. Investments made by GD-SSD in the field include a new factory built in Hammond, LA in support of the SSC

magnet program. Accordingly, it is reasonable to conclude that MMC will continue development and ultimately commercialize the results of this agreement.


MMC has agreed that this waiver shall be subject to march-in and preference for U.S. industry provisions, as well as a U.S. Government license, comparable to those set out in 35 U.S.C. 202-204. Further, MMC has agreed to the U.S. competitiveness provisions as attached to this Statement. In brief, MMC has agreed that products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless MMC can show to the satisfaction of the DOE that it is not commercially feasible to do so. Further, MMC will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. There are currently a variety of companies pursuing various competing current limiter technologies for protecting very large utility transformers and the like. The success of any one of these technologies can be expected to stimulate investment, not only in that technology, but also in other competing technologies as well.

Considering the foregoing, it is believed that granting this waiver will provide MMC with the necessary incentive to invest its resources in the commercialization of the results of the agreement in a fashion which will make the HTS current limiter 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 41 CFR 9-9.109-6, 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: 8/1/94

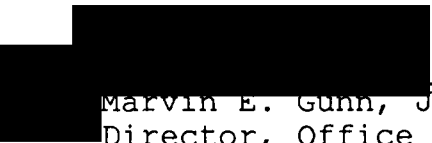
  
Daniel D. Park  
Patent Attorney  
Intellectual Property Law  
Division

Date: 7/29/94


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 agreement, where through such modification or extension, the purpose, scope or cost of the agreement has been substantially altered.

CONCURRENCE:

APPROVAL:

  
Marvin E. Gunn, Jr.  
Director, Office of Energy  
Management, HQ

Date: 4/03/95

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

Date: 4/4/95

Amend the Advance Waiver of Patent Rights to include the following:

(c) (3) (ix) U.S. COMPETITIVENESS

The Contractor (waiver recipient) 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 (waiver recipient) 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 invention, etc. The Contractor (waiver recipient) 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 (waiver recipient) 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.

WAIVER ACTION - ABSTRACT  
W(A)-94-012

<u>REQUESTOR</u>	<u>CONTRACT SCOPE OF WORK</u>	<u>RATIONALE FOR DECISION</u>	<u>DISPOSITION</u>
MARTIN MARIETTA	1KJ CURRENT FAULT LIMITER	33% COST SHARING	