

STATEMENT OF CONSIDERATIONS

REQUEST BY EASTMAN CHEMICAL COMPANY (EASTMAN)
FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN INVENTION RIGHTS
UNDER SUBCONTRACT NO. QZ001 WITH RESEARCH TRIANGLE INSTITUTE
CONTRACT NO. DE-AC22-94PC94065 - W(A)-95-015, CH-0862

The Contractor, Research Triangle Institute was awarded this contract based on its proposal in response to a PRDA entitled "Oxygenate Synthesis Technology and Synthesis Gas to Chemicals Research and Development" pursuant to the Energy Policy Act of 1992. Of the ten proposals submitted, three were selected, including this contract entitled "Synthesis of Acrylates and Methacrylates from Coal Derived Syngas". The work will involve four tasks over a three year period beginning with planning, followed by development of technology in the generation of feed stocks, use of catalysts and reactions to form acrylate products. Petitioner Eastman will have primary responsibility for three sub-tasks pertaining to catalyst studies, catalyst development and reactor design for a commercially practicable process for propionyl intermediates.

This request is for waiver of domestic and foreign patent rights in any subject invention of the Petitioner under its subcontract with RTI. The Contractor, RTI, a nonprofit organization has the right to retain title to its inventions under its Patent Rights for Small Business and Nonprofit Organizations clause. The inventions of the other subcontractor, Bechtel Corporation, will remain with the Government unless waived in a future determination.


As brought out in the Petitioner's response to questions 3 and 8 in the attached petition for waiver, the total estimated cost of this contract is \$1,209,062 with the Petitioner providing \$325,747 or 27% of the total contract cost and DOE providing the balance or \$883,315. The amount provided by the Petitioner is 100% of its subcontract cost as consented to in the prime.

In its response to questions 5 through 8, The Petitioner explains that it has established its competence in the generation of chemicals from coal and other feed stocks. It states that it holds numerous patents in related technology and already manufactures and markets feed stocks for the processes to be investigated under this contract. In particular the Petition includes in its product line, propionic acid and propionic anhydride, which are required reactants in the Statement of Work. This private commitment to the technology along with its cost sharing in this subcontract indicates the Petitioner's resolve to commercialize the results of the contract.

Grant of this waiver will not have an adverse impact on competition or market concentration. As noted in the response to questions 9 and 10, the products of interest already are produced by a manufacturer using a non-Syngas based process. The Petitioner believes the competing technology to be well established and any new processes arising out of this project will depend on new growth and will not suppress the existing production. The Petitioner, as one of three selected in this solicitation, will be in competition with others in an established market and will be unlikely to dominate all others active in this field..


The Petitioner has agreed to the standard provisions with respect to invention waivers with the substitution of the march in rights, U.S. manufacturing preference and U.S. government license provided in 35 U.S.C. 202-204. Additionally, the Petitioner has accepted standard background patent and data provisions for licensing of third parties and has agreed to a U.S. Competitiveness provision (attached) requiring substantial manufacture in the United States.

Considering the foregoing, it is believed that granting the waiver will provide the 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 agreement's benefits available to the public in the shortest practicable time. Therefore, 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, as set forth above, be granted.


Hugh W. Glenn
Intellectual Property Law Division, CH
Date May 10, 1995


Based on the foregoing Statement of Considerations and the 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 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:


Howard Feibus, Associate Deputy
Assistant Secretary for
Research and Development

Date 10/12/95

APPROVAL:


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

Date 10-18-95

The Petitioner has agreed to the standard provisions with respect to invention waivers with the substitution of the march in rights, U.S. manufacturing preference and U.S. government license provided in 35 U.S.C. 202-204. Additionally, the Petitioner has accepted standard background patent and data provisions for licensing of third parties and has agreed to a U.S. Competitiveness provision (attached) requiring substantial manufacture in the United States.

Considering the foregoing, it is believed that granting the waiver will provide the 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 agreement's benefits available to the public in the shortest practicable time. Therefore, 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, as set forth above, be granted.

[Redacted Signature]

Hugh W. Glenn
Intellectual Property Law Division, CH

Date May 10, 1995

Based on the foregoing Statement of Considerations and the 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 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 Signature]

Howard Feibus, Associate Deputy
Assistant Secretary for
Research and Development

Date 10/12/95

APPROVAL: A
[Redacted Signature]

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

Date 10-18-95

(ix) 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.

WAIVER ACTION - ABSTRACT

W(A)-95-015 - CH-0862

REQUESTOR

Eastman Chemical Co.
Subcontractor under
DE-AC22-94PC94065
with Triangle Research
Institute

CONTRACT SCOPE OF WORK

Development of technology in the
generation of feed stocks for the
synthesis of acrylates and methacrylates
from coal-derived syngas

RATIONALE FOR DECISION

Twenty-seven percent
Cost Sharing
(100% of Subcontract Cost)

DISPOSITION