

# STATEMENT OF CONSIDERATIONS

REQUEST BY GENERAL ELECTRIC COMPANY FOR AN ADVANCE WAIVER  
OF U.S. AND FOREIGN RIGHTS UNDER CONTRACT NO. DE-FC36-95GO10099  
WAIVER NO. W(A)-96-015, CH0907.

The attached petition by General Electric Corporation (hereafter GE) is for an advance waiver of patent rights under Contract No. DE-FC36-95GO10099. GE requests that the Department of Energy grant an advance waiver for the domestic and foreign rights to inventions made in the performance of work under the above identified contract and in particular, for materials and processes for the production of long-chain aliphatic dicarboxylic acids (diacids) and in applications of diacids in polymeric materials. Further, that these rights vest in GE subject to the standard Advance Waiver Patent Rights Clause with the enclosed U.S. Competitiveness paragraph as previously agreed to. Additionally, GE has accepted the standard background patent and data provisions for licensing of third parties and has agreed that the advance waiver of the Government's rights in inventions developed under the cited contract will be subject to the usual march-in rights, U.S. manufacturing preference, and U.S. Government license comparable to those set out in 35 U.S.C. 202-204.

The scope of work under the above contract involves: developing a biocatalyst and a bioprocess to convert agricultural feedstocks into low-cost, long chain dicarboxylic acid monomers and to validate the dicarboxylic acid monomers for use in plastics.

As indicated in Answer 8 of the petition, GE believes that granting of the advance waiver is necessary to spur commercialization of the technology cited in the subject contract. Further, GE states that failure to provide for a means to obtain strong patent protection would impede or prevent commercialization of inventions developed under the subject contract due to the risk to capital involved in commercializing new technology without such patent protection.


The proposed contract covers an eighteen month performance period, at an estimated cost of \$2,137,129, with GE cost sharing at a rate of 25% (\$534,814) of the estimated total cost.

According to Answer 4 of the GE petition, GE has extensive experience in synthesizing organic chemicals by way of biotechnical techniques and has numerous patents and technical publications in the field of biosynthesis. Additionally, GE envisions employing the product of the biosynthesis process as a precursor for the production of its polymer products, thus, fostering a reduction in its reliance on petroleum.

Granting of the waiver should not have an adverse effect on competition or market concentration since GE is not in the biosynthesis business and has indicated its intention to license the technology to third parties. GE would use the products developed by the third parties for the manufacture of its engineering thermoplastics.

In summary, GE will cost share at a rate of twenty-five percent. Granting the waiver will improve the chances of commercializing the developed technology and will result in the licensing of the technology to third parties. To promote U.S. Competitiveness, GE has agreed to the attached U.S. Competitiveness provisions, subject to the approval of the requested waiver.

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.

  
Bradley W. Smith  
Office of Intellectual Property Law

Date: 9/17/96

Based on the foregoing Statement of Considerations and the representations in the waiver request, it is determined that the interests of the United States and the general public will best be served by a waiver of the patent rights of the scope described above and therefore the waiver is granted. This waiver shall not apply to any modification or extension of this contract where through such modification or extension, the purpose, scope, or cost of the agreement is substantially altered.

Concurrence:



Brian Volintine, Project Manager  
Office of Industrial Technologies  
EE-22                      5F-059/FORS

Approval:



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

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(c) (3) (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 that 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)-96-015 - CH-0907***

## **REQUESTOR**

General Electric  
Co.

## **CONTRACT SCOPE OF WORK**

Developing a biocatalyst and a  
bioprocess to convert agricultural  
feedstocks into low-cost, long chain  
dicarboxylic acid monomers

## **RATIONALE FOR DECISION**

Twenty Percent (25%) Cost Sharing

## **DISPOSITION**