

## Statement of Considerations

REQUEST BY FORD MOTOR COMPANY, FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN RIGHTS IN SUBJECT INVENTIONS MADE IN THE COURSE OF OR UNDER DEPARTMENT OF ENERGY CONTRACT NO. DE-AC05-96OR22464; SOLICITATION NO. 6500001187; DOE WAIVER DOCKET W(A)-99-015 [ORO-746]

Ford Motor Company (Ford) has made a timely request for an advance waiver to worldwide rights in Subject Inventions made in the course of or under Department of Energy (DOE) Contract No. DE-AC05-96OR22464, Solicitation No. 6500001187 (proposed subcontract with Lockheed Martin Energy Research Corporation). The overall scope of work calls for a paper study focusing on determining the feasibility of obtaining an affordable 40% mass reduction compared to the current steel Explorer SUV frame using the best available light weight materials and processes together with innovative designs. This work is sponsored by the Office of Transportation Technologies.

The dollar amount of the subcontract effort has an estimated value of \$495,198 with Ford proposing to cost share \$200,000 or about 40% of all costs. The period of performance is effective with subcontract execution and extend four months.

Ford is the largest manufacturer of light trucks in the United States. Ford has a significant body of patents and know-how supporting this activity, including the know-how related to certain light weighting actions which could be applied to certain aspects of the light trucks Ford manufactures. In addition, certain affiliates of Ford have patents and know-how relating directly to the design and manufacture of light-weight SUV frames. Therefore, Ford's experience and expertise will contribute substantially to commercialization of the inventions made under the proposed subcontract.

Ford is one the world's largest producers of automotive products. Considering its market position, Ford has the capability to commercialize the materials developed under the subcontract. Furthermore, Ford's financial investment related to light-weight truck development includes over \$100 million for research and development of the incorporation of aluminum technology into vehicles.

The subcontract is pending execution, however, Ford has agreed to the standard DOE waiver terms and conditions including march-in rights, retention of by the government of a license, preference for U.S. industry and U.S. Competiveness clauses.

Ford 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 Ford can show to the satisfaction of DOE that it is not commercially feasible to do so. In the event 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. Ford further agrees to make the above condition binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees. Should Ford 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.

Granting of the waiver should have little effect on competition since there are several competitors in the field who are presently engaged in light-weight SUV frame research and development.

Grant of the requested waiver should serve as encouragement to other DOE contractors and subcontractors that significant cost sharing will be recognized as an acceptable consideration for granting greater rights in Subject Inventions.

In view of the acceptable level of cost sharing by Ford and the objectives and considerations set forth in 10 CFR 784.4, all of which have been considered, it is recommended that the requested waiver for worldwide rights be granted.

  
Emily G. Schneider  
Patent Attorney


Based on the foregoing Statement of Considerations and the 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 U.S. and foreign patent rights, and therefore, the waiver is granted. This waiver shall not apply to a modification or extension of the cost-shared contract where, through such a modification or extension, the purpose, scope or cost of the contract has been substantially altered.

CONCURRENCE:

  
Thomas J. Gross  
Deputy Assistant Secretary for  
Transportation Technologies

Date: 11/26/99

APPROVAL:

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

Date: 11-30-99