

## STATEMENT OF CONSIDERATIONS

Class Waiver of the Government's Patent Rights in Inventions  
Made by Employees of Institutes of the Newly Independent  
States of the Former Soviet Union in the Course  
of or Under Master Contracts with the Department of Energy  
under the Initiatives for Proliferation Prevention Program  
W(C) 00-001

The Initiatives for Proliferation Prevention (IPP) Program was established in 1994 to employ weapons scientists in the Newly Independent States (NIS) of the Former Soviet Union (FSU) in the pursuit of science with peaceful technology transfer applications. Up to this point in time, the primary instruments under which the NIS scientists have performed work in accomplishing the program mission have been subcontracts between the DOE National Laboratories and the NIS scientific institutes (Institutes). In addition to subcontracting with Institutes, the DOE National Laboratories have also engaged U.S. companies that are members of the United States Industry Coalition (USIC) for the purpose of furthering the program mission using Cooperative Research and Development Agreements (CRADAs).

In order to address the allocation of rights to inventions made under the IPP Program, DOE granted a class patent waiver W(C) 94-010 on September 21, 1994 (attached hereto). Under that class waiver, certain rights to inventions made by Institute employees under each project were provided to the Institutes/employees, the DOE National Laboratories, the participating USIC members, if any, and the U.S. Government. In particular, the subcontractor Institute/employee obtained title to such inventions in Russia and the other NIS countries, and the DOE National Laboratory that subcontracted with the Institute where the inventions were made obtained title to the invention in all countries other than the NIS countries. The DOE National Laboratories provided the funding for filing patent applications to which they received title and also found U.S. partners for IPP projects. Recognizing that significant rights were being taken away from the Institutes/employees, the waiver also provided that the DOE National Laboratories share with the Institutes fifty percent (50%) of the net income received from the National Laboratories licensing of any inventions made under the IPP Program to which they retained title. The allocation of rights provided by the '94 class waiver has been reflected in all subcontracts between the DOE National Laboratories and the Institutes and in all the CRADAs between the DOE National Laboratories and the USIC members since the waiver was granted.

Recently, the IPP Program has decided that future project work by the Institutes under the IPP Program will be carried out under master contracts that will be placed by DOE with each of the Institutes engaged in IPP Program work. Payment to the Institutes will be made by the Civilian Research and Development Foundation (CRDF) pursuant to terms and conditions of a separate contract between DOE and the CRDF. For each project carried out by an Institute under a master contract, a DOE National Laboratory will have responsibility for technical oversight for the particular project.

In order to provide for continuity with respect to right to inventions made under future projects, the IPP Program has decided that it would be best to continue the allocation of invention rights and other terms and conditions reflected in the attached '94 class waiver, with the DOE National Laboratory with technical oversight responsibility for a project under a future master contract being given the same invention rights received under the '94 class waiver by the DOE National Laboratory having the subcontract with the Institute. Therefore, in order to implement the present class patent waiver, worldwide title to all subject inventions made by any Institute employee performing work under a master contract will be waived to the Institute/employee. However, as a condition of receiving the master contract, the Institute/employee must agree to assign to the DOE National Laboratory having technical oversight under the new contract scheme the Institute/employee's rights in such waived inventions in all countries other than the NIS countries. This requirement will be reflected in each master contract which DOE awards to an Institute. Similarly, as a condition of being given technical oversight for IPP projects, the DOE National Laboratories must agree to the obligations for the DOE National Laboratories reflected in the attached '94 class waiver.

Accordingly, in view of the objectives and considerations set forth in 10 CFR 784, all of which have been considered, it is submitted that the class waiver as set forth in W(C) 94-010, as interpreted for the future master contracts described above, will best serve the interest of the United States and the general public. It is therefore recommended that the class waiver be granted.

  
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Counsel for Technology Transfer  
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Based on the foregoing Statement of Considerations, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights in inventions made by NIS institutes' employees under master contracts with DOE and, therefore, the waiver is granted. This waiver shall not affect any other waiver previously granted.

CONCURRENCE:

  
William J. Desmond, Jr.  
IPP Program Manager

3/24/00  
Date

APPROVED:



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

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Date

Date: 3-27-00