

STATEMENT OF CONSIDERATIONS

Request by Siemens Westinghouse Power Corp. for an Advance Waiver of Domestic and Foreign Invention Rights under DOE Cooperative Agreement No. DE-AC26-99FT40674; W(A)-00-002, CH-1023

The Petitioner, Siemens Westinghouse Power Corporation (Siemens), was awarded this cooperative agreement for the performance of work entitled, "Novel Gas Cleaning/Conditioning for Integrated Gasification Combined Cycle (IGCC)". Under the cooperative agreement, Siemens is to produce the ground-work test data and process evaluations for the development of a new gas cleaning process, the "Ultra-clean" fuel gas cleanup process for carbonaceous feed stock based fuel gases/syngases. This new gas cleaning process will satisfy the demands of future environmental regulations, gas turbine and fuel cell containment specifications, and chemicals and transportation fuel synthesis containment requirements, having the capability to achieve containment levels below the limits of detection by standard measuring instruments. The objective of the base program is to make initial selections of key process parameters and produce initial laboratory scale and conceptual design feasibility evidence that the process goals can be economically achieved. The Optional Program objectives are to improve the integrated process configuration and performance and produce a bench-scale demonstration of the process performance. A detailed description of the anticipated work is provided in response to question 2 of the waiver petition. This waiver is only for any inventions made by Siemens under this cooperative agreement.¹

The total estimated cost of the cooperative agreement, including base and optional programs, is \$3,293,694, with the DOE share being \$2,626,282. Cost sharing of the project for Siemens over the total project is \$667,412, or 20.2%. The total amount for the base program is \$896,100, with Siemens cost share of \$113,246 or 12%. The total amount for the option program is \$2,397,594 with Siemens cost share of \$554,166 or 23.1%. It is anticipated that the length of this contract will be from September 29, 1999 until December 31, 2001. The waiver is effective only if both the base and optional programs are effectuated.

In its response to questions 4 and 5 of the attached waiver petition, Siemens has shown significant technical competence in developing advanced power generation systems and advanced emissions control and fuel gas cleaning processes. Siemens has over forty (40) years of experience in hot gas cleaning technology. It has conducted significant past research and development on hot fuel gas desulfurization and on both the moving bed filter and the ceramic filter system. Testing and conceptual process design has included the use of in-filter sorbents for both ceramic filters and moving bed filters. Siemens' experience and development of hot gas ceramic filter technology and granular moving bed filtration has led to its position as a world leader in this technology. It is also commercializing its solid oxide fuel system. Representative references and patents related to this field have been listed in the petition. Additionally, a sales brochure for the Siemens Westinghouse hot gas filter system is attached to the waiver petition, all of which evidence Siemens' technical competence in this field.

From its response to questions 8 and 9, Siemens states that no significant impact on competition or market position is anticipated. And that the waiver will more effectively promote development and product commercialization by reducing investment and infringement risks associated with new product development.

The subject cooperative agreement will be modified to add the Patent Rights-Waiver clause in conformance with 10 CFR 784.12. This waiver clause will also include a paragraph entitled U.S. Competitiveness, in which Siemens agrees to substantial U. S. manufacture of subject inventions (attached hereto). Additionally, Siemens agrees not to transfer subject inventions to any other entity unless that other entity agrees to these same requirements. The petitioner has further agreed to modification of the data clause of the subject cooperative agreement (48 C.F.R. 952.227-14) by adding

¹ It is noted that the waiver petition also requests rights in inventions of subcontractors, but Siemens has removed this request by a letter dated March 2, 2000, copy attached.

paragraph (k), Alternative VI, concerning contractor licensing of data.

Considering the foregoing, it is believed that granting the waiver will provide the Petitioner with the necessary incentive to invest 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. In addition, it would appear that grant of the above requested waiver would not result in an adverse effect on competition nor result in excessive market concentration. Therefore, in view of the objectives and considerations set forth in 10 CFR 784, all of which have been considered, it is recommended that the requested waiver, as set forth above, be granted.

[Redacted signature]

Mark P. Dvorscak
Assistant Chief Counsel
Office of Intellectual Property Law

Date April 29, 2000

Based on the foregoing Statement of Considerations and the representations in the attached waiver petition, it is determined that the United States and the general public will best be served by a waiver of rights and consent to assignment 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:

George Rudins, FE-20
Deputy Assistant
Coal and Power

[Redacted signature]

Date 5/31/00

APPROVAL:

[Redacted signature]

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

Date 6-12-00

(t) 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.