

Statement of Considerations

REQUEST BY ROCKWELL SCIENCE CENTER, LLC, (RSC) A SUBCONTRACTOR OF SILICON POWER CORPORATION (SPCO,), BOTH ENTITIES AS OPERATING DIVISIONS OF ROCKWELL INTERNATIONAL CORPORATION (ROCKWELL), FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS TO INVENTIONS MADE UNDER A COOPERATIVE AGREEMENT FOR RESEARCH, DEVELOPMENT, AND COPRODUCTION OF AN AUTOMOTIVE INTEGRATED POWER MODULE FOR USE IN ADVANCED HYBRID ELECTRIC VEHICLES UNDER DOE COOPERATIVE AGREEMENT DE-FC02-99EE50571; W(A)-00-010, CH1029.

Rockwell Science Center, LLC, (RSC) has requested an advance waiver of domestic and foreign patent rights to inventions its employees may conceive or first actually reduce to practice in the performance of DOE Cooperative Agreement No. DE-FC02-99EE50571. RSC and SPCO are core businesses of Rockwell. SPCO initially agreed that all terms and conditions of the Cooperative Agreement would flow down to RSC.

As brought out in the attached waiver petition, the work to be performed is research, development and demonstration of the Automotive Integrated Power Module. The module is for use in advance hybrid electric vehicles.

Referring to paragraph's 6-8 of RSC's waiver petition, RSC is the Research Division of Rockwell, a leading producer of drive products, industrial automation, and Programmable Logic Controllers. Over the period 1991-1999, Rockwell has invested over \$120,000,000 in research, development and manufacturing technology. The above identified agreement is a 50-50 cost share between Rockwell and DOE.

RSC has agreed to the terms of the usual advance patent waiver and background data licensing provisions for Rockwell, SPCO and RSC. These advance patent waiver provisions include a Government license, march-in rights and preference for U.S. industry provisions comparable to those set out in 35 U.S.C. 202-204, as well as the attached U.S. Competitiveness Clause which requires that products embodying a waived invention or produced through this use of a waived invention be manufactured substantially in the United States unless the participant 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. RSC has also agreed to make the above conditions binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees. Additionally, should RSC or other entity receiving rights in any waived invention undergo a change in ownership amounting to a controlling interest, the waiver, assignment, license or other transfer of rights in the waived invention is suspended until approved in writing by DOE.

The grant of this waiver is not anticipated to result in any adverse effects on competition or the public health, safety and welfare. Rather, the work should contribute to international competition in the power drive market.

Considering the foregoing, and in view of the statutory objectives to be attained and the factors to be considered, it has been determined that this advance waiver of patent rights will best serve the interest of the United States and the general public. Subject to RSC maintaining at least fifty percent (50%) cost sharing, in aggregate over the term of this agreement, it is recommended that the waiver be granted.



Thomas G. Anderson
Assistant Chief Counsel
Office of Intellectual Property Law

Date: 9/22/00



Joy Alwan
Patent Attorney
Office of Intellectual Property Law

Date: 21 Sept 00

Based on the foregoing Statement of Consideration, it is determined that the interest of the United States and the general public will be best served by a waiver of the United States and foreign rights as set forth therein, and therefore the waiver is granted. This waiver shall not affect any waiver previously granted.

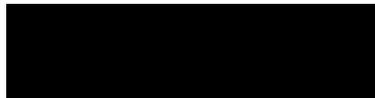
CONCURRENCE:



David Hamilton
Program Director
Office of Advanced
Automotive Technology
EE-32

Date: 11 Dec 2000

APPROVAL:



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

Date: 12-11-00

WAIVER ACTION - ABSTRACT

REQUESTOR: ROCKWELL SCIENCE CENTER
DE-FC02-99EE50571

CONTRACT SCOPE OF WORK: Research, development and demonstration of the Automotive Integrated Power Module for advance hybride vehicles.

RATIONAL FOR DECISION: Granting of the waiver will provide the incentive to commercialize the invention in a fashion which will benefit the public in the shortest practical time.

DISPOSITION:

(r) Publication.

It is recognized that during the course of work under this contract, the contractor or its employees may from time to time desire to release or publish information regarding scientific or technical developments conceived or first actually reduced to practice in the course of or under this contract. In order that public disclosure of such information will not adversely affect the patent interests of DOE or the contractor, approval for release of publication shall be secured from Patent Counsel prior to any such release or publication. In appropriate circumstances, and after consultation with the contractor, Patent Counsel may waive the right of prepublication review.

(s) Forfeiture of rights in unreported subject inventions.

(1) The contractor shall forfeit and assign to the Government, at the request of the Secretary of Energy or designee, all rights in any subject invention which the contractor fails to report to Patent Counsel within six months after the time the contractor:

- (i) Files or causes to be filed a United States or foreign patent application thereon; or
- (ii) Submits the final report required by paragraph (e)(2)(ii) of this clause, whichever is later.

(2) However, the Contractor shall not forfeit rights in a subject invention if, within the time specified in paragraph (m)(1) of this clause, the contractor:

- (i) Prepares a written decision based upon a review of the record that the invention was neither conceived nor first actually reduced to practice in the course of or under the contract and delivers the decision to Patent Counsel, with a copy to the Contracting Officer; or
- (ii) Contending that the subject invention is not a subject invention, the contractor nevertheless discloses the subject invention and all facts pertinent to this contention to the Patent Counsel, with a copy to the Contracting Officer, or
- (iii) Establishes that the failure to disclose did not result from the contractor's fault or negligence.

(3) Pending written assignment of the patent application and patents on a subject invention determined by the Contracting Officer to be forfeited (such determination to be a Final Decision under the Disputes clause of this contract), the contractor shall be deemed to hold the invention and the patent applications and patents pertaining thereto in trust for the Government. The forfeiture provision of this paragraph shall be in addition to and shall not supersede any other rights and remedies which the Government may have with respect to subject inventions.

(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.