

STATEMENT OF CONSIDERATIONS

REQUEST BY ARCHER-DANIELS-MIDLAND COMPANY (ADM) FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS UNDER ITS SUBCONTRACT WITH THE NATIONAL CORN GROWERS ASSOCIATION; DOE COOPERATIVE AGREEMENT NO. DE-FC36-03GO13147; W(A)04-024 ; CH1193

The Petitioner, Archer-Daniels-Midland Company (ADM), is a subcontractor of the National Corn Growers Association (NCGA), a nonprofit organization, under DOE Cooperative Agreement No. DE-FC36-03GO13147 entitled "Separation of Corn Fiber and Subsequent Conversion of Fuels and Chemicals, Phase II: Pilot-scale Operation." The initial phase of this work was undertaken under DOE Contract No. DE-FC36-00GO10596 for which an advance waiver of patent rights was approved on May 1, 2001 (W(A)-00-029, CH-1045). This agreement is the second phase of that work under a teaming arrangement between ADM, NCGA and the Pacific Northwest National Laboratory (PNNL). Accordingly, ADM has requested an advanced waiver of domestic and foreign patent rights for all subject inventions of its employees arising from its work under its current subcontract and subsequent phases of the work under this program and follow-on agreement.

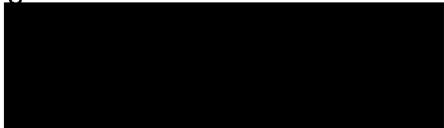
The work under the agreement is anticipated to take place over a period of three years at a total cost of \$4,856,000. ADM and NCGA are cost sharing a total of \$2,428,000 or 50% of the cost of the work under the agreement. Under its subcontract with NCGA, ADM is committed to provide \$2,148,000 toward the cost of that work. The work under this agreement encompasses scale-up of the research from the bench-scale developed in the first phase of the project to pilot-scale testing. Under this phase of the project, pilot scale will be undertaken to validate the process prior to full-scale commercial implementation. Pilot testing is necessary so that the technical and economic aspects of the process can be more thoroughly evaluated prior to commercialization of the process.

As indicated in its waiver petition ADM is the world's largest processor of grain generally and of corn specifically, and has been in the grain processing business for over 50 years. ADM clearly appears to be committed to the continued development and ultimate commercialization of the technology forming the subject matter of the agreement.

This advance waiver of the Government's rights in inventions is subject to the usual advance patent waiver and background data licensing provisions. The terms of the advance waiver include the usual Government license, march-in rights, and preference for U.S. industry provisions set out in 35 U.S.C. 202-204. The advance patent waiver also includes the attached U.S. Competitiveness clause, (paragraph t), which requires products embodying any waived invention or produced through the use of any 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. The Contractor 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 of licensees. Should the Contractor 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

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. The corn processing and fermentation business is currently very competitive, and any patent protection would in all likelihood be directed to narrow niche markets, or in the event of broader patent protection, ADM has indicated it would license subject inventions to the industry on reasonable terms and conditions.

Considering the foregoing, it is believed that granting this waiver will provide the Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the subcontract in a fashion which will make the technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 10 CFR Part 784, all of which have been considered, it is recommended that the waiver be granted.



Thomas G. Anderson
Assistant Chief
Intellectual Property Law Division

Date 10-5-04

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

CONCURRENCE: 

Douglas E. Kaempf, Director
Offices of the Biomass Program
EE-2E

Date: 12/1/2004

APPROVAL: 

Paul A. Gottlieb
Assistant General Counsel for Technology
Transfer and Intellectual Property, GC-62

Date: 12-1-04

(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.

WAIVER ACTION - ABSTRACT

W(A)-04-024 (CH-1193)

REQUESTOR

Archer-Daniels-
Midland Company

CONTRACT SCOPE OF WORK

Separation of Corn Fibers and
Subsequent Conversion of
Fuels and Chemicals

RATIONALE FOR DECISION

50% cost sharing

DISPOSITION