

STATEMENT OF CONSIDERATIONS.

REQUEST BY ROHM AND HAAS COMPANY FOR AN ADVANCE WAIVER OF PATENT RIGHTS UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC36-04GO14158 ENTITLED "NEW SUSTAINABLE CHEMISTRIES FOR LOW VOC COATINGS"; W(A)-04-031; CH-1199

The Petitioner, Rohm and Haas Company (Rohm and Haas), has requested an advance waiver of domestic and foreign patent rights for all subject inventions made under the above-identified contract by its employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title to inventions pursuant to P.L. 96-517, as amended, or National Laboratories. Rohm and Haas is leading a teaming arrangement including Archer-Daniels-Midland Company (ADM) as its primary subcontractor to develop acrylic-based latex paints requiring the use of significantly less petroleum-based raw material.

Referring to item 2 of Rohm and Haas's waiver petition, the objective of the work under this agreement is to match acrylic-based hollow core binders from Rohm and Haas with non-volatile, biomass derived coalescing agents from ADM to produce acrylic-based paints which utilize essentially non-volatile coalescent agents, thereby significantly reducing air pollution normally resulting from the volatile organic compounds associated with the conventional coalescent agents currently used in paints. The resulting product is expected to result in improved performance, cost efficiency and energy savings, as well as possible environmental benefits.

The work under this agreement is expected to take place over a period of five years at a total cost of \$3,750,000. Rohm and Haas is obligated to cost share about \$750,000, or about 20 percent of the total cost of the project.

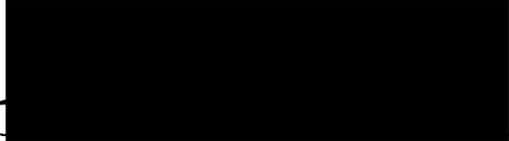
In view of the cost sharing and other equities between Rohm and Haas and its subcontractors, it is anticipated that the parties will develop an appropriate allocation of patent rights among the participants to facilitate the expeditious development of the technology forming the subject matter of the agreement. Accordingly, DOE will waive title to all subject inventions made by Rohm and Haas's employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title pursuant to P.L. 96-517, as amended, or National Laboratories, to Rohm and Haas or its subcontractors, as mutually agreed by the parties. Except as otherwise approved in writing by DOE Patent Counsel, a party's acceptance of a subcontract under this agreement, at any tier, shall constitute Rohm and Haas's certification that it has provided that party with a copy of this Statement of Considerations and that party's notice to DOE that it accepts the terms and conditions of this advance waiver. Additionally, subcontractors who receive title under this waiver shall notify DOE Patent Counsel in writing of such disposition of patent rights.

Referring to items 5-9 in Rohm and Haas's waiver petition, Rohm and Haas is a leading manufacturer of acrylic-based hollow core opacifiers used in paints and related applications. This, coupled with Rohm and Haas's cost sharing, clearly demonstrates the likelihood that Rohm and Haas will continue development and commercialization of the results of this agreement.

This advance waiver of the Government's rights in inventions is subject to the attached advance patent waiver and background data licensing provisions, and the 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, licensee or other entity acquiring rights to any waived invention, including subsequent assignees or 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 as there are a variety of competing technologies in the relevant architectural coatings market.

Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the agreement 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 requested waiver be granted.


Thomas G. Anderson
Assistant Chief Counsel
Intellectual Property Law Division

Date 10-13-04

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 cooperative agreement, where through such modification or extension, the purpose, scope or cost of the cooperative agreement has been substantially altered.


Douglas E. Kaempf, (Acting) Director
Office of Industrial Technology
Program, EE-2F

Date: 11/4/2004

APPROVAL:

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

Date: 11-5-04

(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)-04-031 (CH-1199)

REQUESTOR

ROHM AND HASS
COMPANY

CONTRACT SCOPE OF WORK

NEW SUSTAINABLE CHEMISTRIES
FOR LOW VOC COATINGS

RATIONALE FOR DECISION

20% cost sharing

DISPOSITION

