

STATEMENT OF CONSIDERATIONS

Request by Cummins Power Generation, Inc., for an Advance Waiver of Domestic and Foreign Patent Rights to Inventions made under a contract entitled "Utility Scale Joint Venture Project," between Cummins Power Generation, Inc. and Sandia National Laboratories (Contract No. AB-8717B) under Management and Operations Contract DE-AL04-84AL85000, DOE Docket No. W(A)94-022.

The petitioner, Cummins Power Generation, Inc., (CPG) has requested a waiver of all domestic and foreign patent rights to inventions which it may conceive or first actually reduce to practice in the course of work under the Utility Scale Joint Venture Project between Petitioner and Sandia National Laboratories (Sandia) under contract No. AB-8717B. Sandia is operated by Sandia Corporation for the U.S. Department of Energy (DOE).

The work to be performed under the contract is the design and development of a 25kW Dish/Stirling solar energy conversion system which includes concept prototype development, field-testing of six (6) manufacturing prototype units, and installing 40 systems to generate 1MW of electric power.

The total dollar amount of the contract is approximately \$32.1M, for the period of 60 months, of which petitioner is expected to contribute fifty percent (\$16.5M). DOE funding is from the Office of Solar Energy Conversion, with an associated B&R Number EB231102. CPG has been working on the development of this technology since 1987 and has organized a competent team of companies supplying various technologies related to the Dish/Stirling system. CPG has already invested almost \$10M over the past five years in the project area. For the 7.5kW development program, CPG has been sharing its costs and has spent approximately \$2M.

CPG is seeking patent rights of any inventions that may arise in the performance of work under the contract to provide incentive to commercialize the inventions, and to justify and protect its already substantial investment in research and facilities. CPG plans to commercialize the 25kW Dish/Stirling system in both domestic and international markets. As a wholly owned subsidiary of Cummins Engine Company, CPG has access to an international and domestic marketing service network.

Generally, CPG has been investing in the development of solar energy conversion systems since 1987, has organized a team of companies, and has acquired patent and licensing rights to supply various technologies related to the Dish/Stirling engine development program with NASA, Lewis Research Center, under DOE funding. Petitioner is neither a small business nor a non-profit institution.

The work performed under the contract should not adversely impact public health, safety or welfare; rather, the development of energy sources, other than fossil fuel technologies, should have a long-term positive impact on the public.

CPG agrees to abide by 35 U.S.C. §§ 202, 203, and 204, and has accepted the terms and conditions of the Standard Patent Rights Clause for an Advance Waiver. CPG further 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 CPG can show to the satisfaction of DOE that it is not commercially feasible to do so.

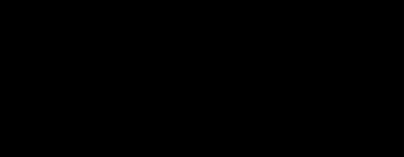
CPG agrees to abide by the Export Control laws and to ensure that licenses and assignees, if any, also agree to abide by the Export Control Laws by reviewing any information or technology subject to this waiver to determine if an Export Control license is required and by obtaining any required licenses for export of any information or technology subject to this waiver.

The grant of the requested waiver should increase the potential for commercialization of solar to electrical energy conversion technology developed under the contract and insure that solar Dish/Stirling engines will be developed and used. The commercial use of the technology will increase competition between producers of similar technologies, thus, consumers will benefit from a greater diversity of products, improved products, and lower manufacturing costs.

The technology to be developed under the contract offers one alternative to existing technologies. Since competing technologies exist and are continually being developed, no manufacturer would be placed in a dominant position by virtue of the use of the subject inventions. Thus, the grant of the waiver should not have an adverse effect on competition and market concentration.

On the basis that the Petitioner is a U.S.-based company and Petitioner's assurances of aggressive action in bringing about commercialization of the inventions, it is apparent that a grant of the requested waiver will assure further development of the technology and that Petitioner is well qualified to achieve commercial success in a relatively short time.

Therefore, in view of the Petitioner's expertise, experience in the field, and willingness to commit time, effort, and approximately fifty percent of the cost to the contract, and to develop the technology to the point of commercialization, and upon evaluation of the Waiver Petition in accordance with and in view of the objectives and considerations of 41 CFR 9-9.109.6, all of which have been considered, it is recommended that the requested waiver be granted.

  
Luis M. Ortiz  
Patent Attorney

Date: 9/12/95

Based on the foregoing Statement of Considerations and the representations made in the attached Petition, it is determined that the interests of the United States and the general public will be best served by grant of the requested waiver and, therefore, the waiver of patent rights of the scope described above is hereby granted. This waiver does not apply to any modification or extension of the Agreement other than those described in this Statement, when through such modification or extension the purpose, scope or funds applied to the Agreement become substantially altered.

CONCURRENCE



James L. Van Fleet  
Director, Office of Economic Competitiveness, DP-14, HQ

Date: 11/14/95

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Gary D. Burch  
Director, Solar, Thermal and Biomass Power Division, EE-132, HQ

Date: \_\_\_\_\_

APPROVAL:



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

Date: 12-7-95