

STATEMENT OF CONSIDERATIONS

REQUEST BY THE BLACK CLAWSON COMPANY
FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS
UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC36-95GO10085
W(A)-95-047; CH-0884

The Petitioner, Black Clawson Company (BCC) has requested a waiver of domestic and foreign patent rights for all subject inventions arising from its participation under the above referenced cooperative agreement entitled "Improved Removal of Sticky and Light Contaminants from Waste Paper."

The objective of the cooperative agreement is to develop improved methods of removing sticky and light contaminants from waste paper. The development will primarily be in the following four process areas: liberation of the contaminants from waste paper, removal of the contaminants from a slurry by centrifugal cleaning, removal by improved air flotation of the slurry, and removal by washing. The work under the cooperative agreement will include designing, building and testing the most efficient and compact units to achieve the above improvements.

The total anticipated cost of the cooperative agreement, over its entire course, is estimated to be \$2,170,000. The approved budget for the first year is \$1,418,996, with the BCC's share being \$654,996, for approximately 46% cost sharing. The continuation of the waiver is contingent upon BCC maintaining the above cost sharing percentages during the entire course of the agreement.

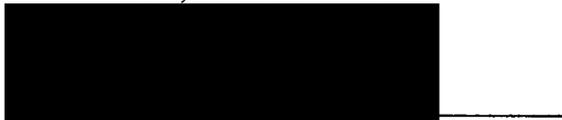
As noted in its waiver petition, BCC is in the business of providing machinery and systems to the paper industry; primarily in the field of waste paper recycling. BCC's established non-governmental commercial position in the above technology is substantial, with a significant U.S. market share in the equipment and processes for recycling waste paper. BCC has an active development and demonstration program costing approximately \$2 million per year, and has made major capital investments in its research and technology center in Middletown, Ohio. Currently, BCC holds about 80 active domestic patents, with a significant number in the field of waste paper recycling, and also actively participates in publishing many scientific and technical papers. Considering BCC's technical expertise, established market position, and significant investment in this technology including sizable cost sharing in this cooperative agreement, it is reasonable to conclude that BCC will continue to develop and ultimately commercialize the technology and products which may arise from this cooperative agreement.

BCC has agreed that this waiver shall be subject to the march-in and preference for U.S. industry provisions, as well as the U.S. Government license, comparable to those set out in 35 U.S.C. 202-204. Further, BCC has agreed to the U.S. competitiveness provisions as attached to this Statement. In brief, BCC has agreed that products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the

United States unless BCC can show to the satisfaction of the DOE that it is not commercially feasible to do so, and that BCC will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements.

Referring to item 9 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. Currently, in the field of waste paper recycling, foreign companies have a competitive edge in both market share and technology. This waiver, by strengthening BCC's market and technical positions, would tend to increase competition in this field. Further, there are numerous designs, as well as competing technologies, in this field. Accordingly, the success of this cooperative agreement can be expected to stimulate investment, not only in this technology, but also in other competing technologies as well.

Considering the foregoing, it is believed that granting this waiver will provide BCC with the necessary incentive to invest its resources in the commercialization of the results of the cooperative agreement in a fashion which will make the above 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 41 CFR 9-9.109-6, all of which have been considered, it is recommended that the requested waiver be granted.



Thomas G. Anderson
Assistant Chief Counsel
Intellectual Property Law Department

Date: _____



Daniel D. Park
Patent Attorney
Intellectual Property Law Department

Date: _____

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 shall 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.

CONCURRENCE:



Clifton Carwile, Acting Director
Office of Industrial Processes
EE-23 5F-059/FORS

Date: _____

APPROVAL:



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

Date: 2-6-96

WAIVER ACTION - ABSTRACT
W(A)-95-047 - CH-0884

REQUESTOR

Black Clawson
Company

CONTRACT SCOPE OF WORK

Improved removal of sticky and
light contaminants from waste paper.

RATIONALE FOR DECISION

46% cost sharing

DISPOSITION

(c)(3)(ix) 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 that 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.