

STATEMENT OF CONSIDERATIONS

REQUEST BY SOLAREX FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC36-97G010245; W(A)-97-033; CH-0936

The Petitioner, Solarex has requested a waiver of domestic and foreign patent rights for all subject inventions arising under the above referenced cooperative agreement and subcontracts entered thereunder. The cooperative agreement is entitled, "Development of Commercial Building Products Using Solarex Thin Film Photovoltaics."

The objective of this cooperative agreement is to develop building integrated photovoltaic (PV) products using tandem-junction amorphous silicon modules. Major program objectives include the development of PV modules for use in curtain walls, PV sunshades for curtain walls, residential PV skylight products, and light transmitting PV modules incorporated into curtain walls and skylight products. The cooperative agreement is divided into three phases. Phase I will be the development of conceptual designs and business planning. Phase II will develop a detailed product development and testing plan and a marketing plan for the proposed products. Phase III will be the fabrication, testing, and demonstration of the proposed thin film PV products.

The total anticipated cost of the cooperative agreement, over the course of its three phases, is \$4.7 million. The approved budget for Phase I is \$101,948, with the Petitioner's share being \$43,680, for approximately 43% cost sharing. The cost sharing is to be shared between the Petitioner and its subcontractors, Kawneer, VALUX-AMERICA, and Solar Design Associates. As proposed in the agreement, the required cost sharing for Phases II and III, if approved, will be about 50%. The continuation of the waiver is contingent upon the Petitioner maintaining the above cost sharing percentages during the course of the agreement.

As noted in its waiver petition, Petitioner has been a pioneer in the development of photovoltaic products since its founding in 1973. Petitioner invented, developed and commercialized solar cells manufactured from both semi-crystalline and thin film silicon and is currently one of the

largest manufacturers of PV cells and modules throughout the world. As brought out in the waiver petition, based on 24 years of continued research in the development of crystalline and thin film PV cells and systems, Petitioner has significant technical expertise in the technology with an extensive portfolio of patents. Since 1995, when Amoco and ENRON created a joint venture in which Petitioner became a wholly owned subsidiary, it is estimated that the venture's investment in thin film PV technology has exceeded \$30 million. Considering Petitioner'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 Petitioner will continue to develop and ultimately commercialize the technology and products which may arise from this cooperative agreement.

As set out in the attached waiver petition, Petitioner has requested domestic and foreign rights in the subject inventions of its employees and its subcontractors not subject to Public Law 96-517. It is believed that this approach will facilitate timely commercialization of the technology by furthering the establishment of business and technical relationships between the parties and providing a mechanism for obtaining meaningful cost sharing between the parties. This waiver contemplates that the parties will allocate title or other rights to inventions among themselves as they deem appropriate during the course of their association consistent with the terms of this waiver. Accordingly, title may be waived directly to a subcontractor upon mutual agreement of the Petitioner and the subcontractor. However, this waiver will only apply to such subcontractor(s) who provide a letter to DOE acknowledging their right to ask for a waiver and agreeing to the terms of this waiver. This waiver shall not impact the rights of those parties subject to Public Law 96-517, as amended, nor shall it grant any rights in inventions made by employees of the National Laboratories.

Petitioner 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, Petitioner has agreed to the U.S. competitiveness provisions as attached to this Statement. In

brief, Petitioner 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 Petitioner can show to the satisfaction of the DOE that it is not commercially feasible to do so, and that Petitioner will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Additionally, Petitioner has agreed to contractor data licensing provisions as attached herein.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. There are currently numerous designs, as well as competitors, in the field of PV modules and other PV applications. Further, there is a large number of foreign PV manufacturers, and the volume of PV modules manufactured in the United States represents only about 42% of the worldwide volume. The success of this cooperative agreement can be expected to stimulate further investment and competition in this technology.

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 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 10 CFR Part 784, all of which have been considered, it is recommended that the requested waiver be granted.



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Date: 3/17/98

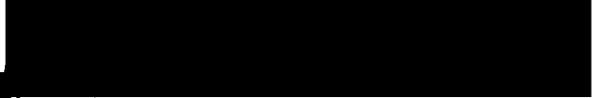
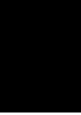


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Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights of the scope 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.

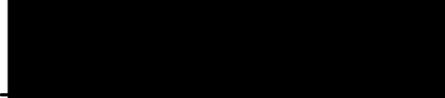
CONCURRENCE:



 James Rannells,
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Date:

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APPROVAL:


Paul A. Gottlieb
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Date:

4-9-98

(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) - 97-033

<u>REQUESTOR</u>	<u>CONTRACT SCOPE OF WORK</u>	<u>RATIONALE FOR DECISION</u>	<u>DISPOSITION</u>
Solarex	Development of commercial building products using thin film photovoltaics	43% cost sharing	