

STATEMENT OF CONSIDERATIONS

ADVANCE CLASS WAIVER OF PATENT RIGHTS FOR TECHNOLOGY DEVELOPED UNDER DOE FUNDING AGREEMENTS RELATING TO DOE'S ENERGY AND WASTE MINIMIZATION RESEARCH SUPPORTIVE OF TECHNOLOGY VISION 2020: THE CHEMICAL INDUSTRY DOE SOLICITATION NO. DE-SC02-97CH10885; WC-98-002; CH-0942

The Department of Energy anticipates providing federal assistance for research and development to improve energy efficiencies and minimize the generation of wastes in the chemical industry. It is anticipated that 6-20 prime contracts will be awarded under this program. As set out in the following, this advance class waiver is intended to apply to inventions of all current and future contractors and subcontractors participating in this program who agree to the terms of the waiver, regardless of tier, except participants obtaining title pursuant to P.L. 96-517, as amended, and National Laboratories.

Under the Energy and Waste Minimization Research Supportive of Technology Vision 2020 Program (Energy and Waste Minimization Program), DOE is selecting a number of participants to perform research and development projects, and demonstration projects, in three areas: catalysis, bioprocesses, and separation technologies.

Teaming arrangements among participants are anticipated and encouraged. Each team will be composed of a prime contractor and one or more subcontractors and are expected to have two or more chemical industry companies as cost sharing sponsors. The teams are also expected to develop an appropriate allocation of patent rights among the participants to facilitate the commercial development of their respective technologies developed under the program.

Considering the above, it is the purpose of this class waiver to vest title to the parties' inventions made under this program with the team members in a fashion enabling them to expediently commercialize the various technologies. Accordingly, DOE will waive the Government's title to subject inventions under each topic, other than inventions made by Bayh-Dole participants pursuant to P.L. 96-517, as amended, or National Laboratories, to the respective prime contractor or other entities as may be designated by the parties agreeing to the terms of this waiver in each team. Since the Energy and Waste Minimization Program obligates the prime contractor for each team to provide at least 30 percent cost sharing for research and development projects, and 50 percent cost sharing for demonstration projects, it is expected that patent rights will be allocated among the participants on the basis of cost sharing as well as the other equities among the various team members.

This advance class 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 patent waiver include the usual Government license, march-in rights, and preference for U.S. industry provisions comparable to those set out in 35 U.S.C. 202-204. The advance patent waiver also includes the attached U.S. Competitiveness clause which requires that 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. In the event 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 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 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.

The grant of this class waiver is not expected to result in adverse effects on competition or market concentration. Rather the waiver should enhance competition and growth of the chemical industry in the United States, and in particular, broaden the base of U.S. manufacturers as contemplated by the Energy and Waste Minimization Program. DOE has the right to require reports of the utilization or the efforts at utilization that are being made for the waived inventions. If a participant which has obtained title is not making reasonable efforts to utilize a waived invention, DOE can exercise its march-in rights and require licensing of the background inventions and data.

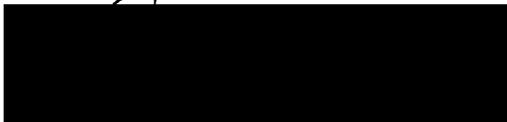
This advance class waiver shall apply to each of the respective teaming arrangements upon the Contracting Officer's written notice to Field Patent Counsel that the prime contractor is obligated to provide at least 30% cost sharing for research and development projects and 50% cost sharing for demonstration projects, and shall remain in effect for so long as such cost sharing is maintained, in aggregate, over the term of the agreement.

In addition to the above, all participants under the Energy and Waste Minimization Program, other than participants which are domestic small businesses or non-profit organizations under P.L. 96-517, as amended, or National Laboratories, shall give DOE written notice of their acceptance of the terms and conditions of this class waiver prior to entering into any agreement incorporating the terms of this waiver. Except as otherwise specifically approved by Field Patent Counsel, a participant's acceptance of an agreement under the Energy and Waste

Minimization Program, at any tier, shall constitute such participant's notice to DOE that it is aware of its right to seek a waiver independently of patent rights but elects to accept the terms and conditions of this class waiver.

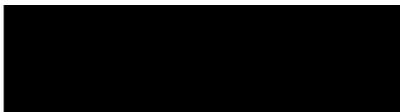
In the event a participant does not participate in subsequent phases of an Energy and Waste Minimization Program project, the prime contractor or other entity, as the remaining participants in such project may determine, shall retain as a minimum a royalty-free, nonexclusive license throughout the world, with the right to grant sublicenses in each subject invention held by such participant pursuant to this class waiver, except as otherwise approved by Field Patent Counsel.

Considering the foregoing, and in view of the statutory objectives to be obtained and the factors to be considered under DOE's statutory waiver policy, all of which have been considered, it has been determined that this class waiver as set forth above will best serve the interest of the United States and the general public. It is recommended that the waiver be granted.



Thomas G. Anderson
Assistant Chief Counsel
Intellectual Property Law

Date: 2/6/98



Joy Alwan
Patent Attorney
Intellectual Property Law

Date: 6 Feb 98

Based upon the foregoing Statement of Considerations, it is determined that the interests of the United States and the general public will best be served by a waiver of United States and foreign patent rights as set forth herein and, therefore, the waiver is granted. This waiver shall not affect any waiver previously granted.

CONCURRENCE:



Kurt D. Sisson
Director
Office of Industrial
Strategies
EE-21 FORS

Date: 2/24/98

APPROVAL:



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

Date: 2-27-98

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 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 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. In the event 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.