

STATEMENT OF CONSIDERATIONS

ADVANCE CLASS WAIVER OF PATENT RIGHTS FOR TECHNOLOGY DEVELOPED UNDER DOE COOPERATIVE AGREEMENTS RELATING TO DOE'S NATIONAL HYDROGEN STORAGE PROJECT; SOLICITATION NO. DE-PS36-03GO93013; W(C)-04-004; CH-1209

The Department of Energy (DOE) is providing federal assistance under its National Hydrogen Storage Project (NHS Project) to research, develop and validate fuel cells and hydrogen production, delivery and storage technologies for transportation and stationary applications. This advance class waiver is intended to apply to inventions of all current and future awardees and subawardees participating in the NHS Project, regardless of tier, except participants eligible to obtain title pursuant to P.L. 96-517, as amended, and National Laboratories.

Under the NHS Project, DOE expects to make about 30 separate awards for applied research and development of cost-effective, on-board hydrogen storage systems as well as basic research aimed at improving the understanding of the fundamental mechanisms of hydrogen storage in materials. However, in no event will participants eligible to obtain title pursuant to P.L. 96-517, as amended, or National Laboratories be required to license other participants under its Subject Inventions.

The NHS Project anticipates three teaming arrangements among participants, with each team being composed of about 10 awardees, each under a separate cooperative agreement whose work will be coordinated by one of three National Laboratories. The Project provides for the National Laboratories to participate in Centers of Excellence for Hydrogen Storage Technologies. In that capacity, the Laboratories, in conjunction with the cognizant DOE Program, will be expected to coordinate the various development activities undertaken by their respective team members. Under the current programmatic arrangement, the Los Alamos National Laboratory will serve as the lead lab for chemical Hydrogen Storage Center, Sandia National Laboratory will serve as the lead lab for the Metal Hydride Storage Center, and the National Renewable Energy Laboratory will serve as the lead lab for the Carbon-Based Storage Center.

It is the purpose of this class waiver to vest title to the parties' inventions with the awardees and subawardees in a fashion enabling them to expediently commercialize the various technologies. Accordingly, DOE will waive the Government's title to subject inventions, other than inventions made by Bayh-Dole participants pursuant to P.L. 96-517, as amended, or National Laboratories, to the respective participant or other entities as may be designated by the parties agreeing to the terms of this waiver.

This advance class waiver of the Government's rights in inventions is subject to the usual 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 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 demonstrates to the satisfaction of DOE Field Patent Counsel, with the concurrence of the cognizant DOE Program, that it is not programmatically or commercially feasible to do so. Field Patent Counsel, for good cause shown in writing, may grant a deviation from this U. S. Competitiveness clause in advance of contracting. The

participant 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 participant 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.

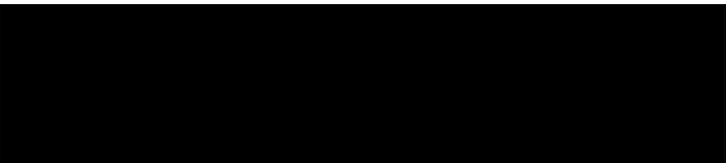
The grant of this class waiver is not expected to have any adverse effects on competition or market concentration. Rather the waiver should enhance competition and growth of the hydrogen storage and transportation industry in the United States, and in particular, broaden the base of U.S. manufacturers as contemplated by the NHS Project. 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 who has obtained title is not making reasonable efforts to utilize a waived invention, DOE can exercise its march-in rights.

This advance class waiver shall apply to each of the participants under the teaming arrangements upon the Contracting Officer's written notice to Field Patent Counsel that the participant is obligated to provide at least 20 percent cost sharing, 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 NHS Project, 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 under the NHS Project. Except as otherwise specifically approved by DOE Patent Counsel, a participant's acceptance of an agreement under the NHS Project, at any tier, shall constitute that participant's notice to DOE and acceptance of the terms and conditions of this class waiver.

In the event a participant does not participate in subsequent phases of the NHS Project, the remaining participants in that participant's team 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 DOE 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 Division

Date: 12-2-05

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:



Kevin S. Shaik, Project Manager
Office of Hydrogen Fuel Cells and
Infrastructure Technologies Program
EE-2H

Date: 12/6/05

APPROVAL:



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

Date: 12-14-05

(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.