

STATEMENT OF CONSIDERATIONS

CLASS WAIVER OF THE GOVERNMENT'S U.S. AND FOREIGN PATENT RIGHTS IN INVENTIONS ARISING OUT OF THE RESEARCH AND DEVELOPMENT ACTIVITIES CONDUCTED UNDER THE UNIVERSITY OF CHICAGO'S MISSION SUPPORT COMMITMENT FOR STRATEGIC COLLABORATIVE INITIATIVES SET FORTH IN APPENDIX D OF MANAGEMENT AND OPERATING CONTRACT NO. DE-AC02-06CH11357 BETWEEN THE DEPARTMENT OF ENERGY (DOE) AND UCHICAGO ARGONNE, LLC, AS OPERATOR OF ARGONNE NATIONAL LABORATORY (ANL); W(C) 08-008, CH-1454

The University of Chicago (University) is a nonprofit educational organization, which is the sole member of UChicago Argonne, LLC (the Contractor), which manages and operates the Government owned facilities of the Department of Energy's Argonne National Laboratory (Laboratory) in Argonne, Illinois under Prime Contract DE-AC02-06CH11357 (the Prime Contract). Currently, the Contractor has the right to retain title to inventions made in the performance of the Prime Contract with DOE pursuant to Title 35 U.S.C. 202 (Public Law 96 517, as amended by Public Law 98 620), other than those inventions specifically excluded by Section 202(a)(ii iv). Section 202 pertains to "subject inventions," those inventions of the contractor made in the performance of a funding agreement. A funding agreement is defined as:

"any contract, grant or cooperative agreement entered into between any Federal agency, other than the Tennessee Valley Authority, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Government. Such term includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as herein defined." 35 U.S.C. 201(b).

Clause H. 35 of the ANL Prime Contract describes certain financial commitments of the University over the course of the contract. Specifically, Section J. 4, Appendix D, of the Prime Contract describes the Mission Support Commitment for Strategic Collaborative Initiatives, attached hereto as Exhibit I (the "Mission Support Commitment"). The Mission Support Commitment provides approximately \$1.25 million in annual (\$6.25 million over the base contract) funds for strategic joint appointments, collaborative research projects (CRPs) and joint institutes.

Specifically the University has committed to provide approximately \$500,000 annually for CRPs and an additional \$750,000 per year for strategic joint appointments and joint institutes. These funds provide the Laboratory Director with flexibility to develop or expedite progress in promising programmatic areas and thus enables the Lab to achieve certain DOE missions in a more expeditious manner while attracting world-class talent. CRPs also provide an incentive and a formal mechanism to encourage research activities and collaboration between the University faculty and staff and Laboratory scientific and engineering staff. In accordance with the University's commitment and this waiver:

(a) The Parties hereto have agreed that enhanced research activities and collaboration between University and Laboratory researchers would be beneficial and complementary to the mission of the Laboratory. Accordingly, the University shall fund CRPs at an average amount of \$500,000 per fiscal year, resulting in an aggregate of \$2,500,000 during the entire term of the base contract.

(b) One or more University/Laboratory joint institutes may also fund CRPs by using a portion of the \$750,000 to be expended annually by the University for strategic joint appointments and joint institute activities. Such supplemental funding of CRPs shall be in addition to the funding commitment described in paragraph (a) above.

(c) These CRPs will be subject to appropriate terms and conditions as agreed to by the Parties. The University shall maintain, at the Laboratory and University, records regarding the utilization of all Mission Support Commitment funds.

The University's Mission Support Commitment under the ANL Prime Contract with DOE thus provides for collaborative research between the University and the Laboratory. Since the funds for these projects remain the private funds of the University when utilized for such strategic collaborative initiatives at the Laboratory and the University, it would appear that a mechanism containing the appropriate terms and conditions would be a subcontract or other arrangement under 42 U.S.C. § 2182, and § 5908 whereby title to any invention would vest in the Department of Energy unless waived.

Nevertheless, the research and development work leading to these inventions can be considered work done in conformance with and under the ambit of the Prime Contract. Although the University would have the right to file identified waiver petitions on each of these inventions made during the course of CRPs under the Mission Support Commitment, this process imposes a substantial front end administrative burden, both on the Department and on the University, in preparing and processing such individual waiver petitions. In accordance with the authority of Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182) as amended, and Section 9 of the Federal Non-Nuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908), it is believed to be in the best interest of the United States and the general public to grant a Class Waiver to certain identified inventions made by UChicago Argonne, LLC as Operator of Argonne National Laboratory under the Prime Contract, as well as to identified inventions made by the University of Chicago's researchers under the University's Mission Support Commitment, as set forth herein.

The scope of this Class Waiver is directed to the following classes of identified Inventions: inventions made solely by employees of the Laboratory; inventions made solely by employees of the University; or, inventions made jointly by employees of the Laboratory and the University arising out of CRPs conducted under the University's Mission Support Commitment and clause H. 35 of the Prime Contract.

Inventions Made Solely by Employees of the Laboratory

Subject Inventions made solely by the Laboratory shall be deemed to be Subject Inventions under and subject to the terms of the Prime Contract and the Laboratory shall have the right to elect title.

Implementation of this Class Waiver is to be by a simple procedure which requires the Laboratory to follow the already established procedures for invention reporting and

election of title as provided in paragraph (b) of the patent clause (I.118-- P.L. 98-620 Patent Rights) of the Contract. Further, the waiver is subject to all the terms and conditions presently governing the Contractor with respect to election of title to subject inventions provided under the Prime Contract.

Inventions Made Solely by Employees of the University

Any subject inventions made solely by the University will be treated as Subject Inventions under 35 U.S.C. § 201, and the University will have the right to elect title subject to 35 U.S.C. § 202.

For inventions made solely by University employees, the University shall follow established procedures for invention reporting under 35 U.S.C. 200 et. seq.

Inventions Made Jointly Between Laboratory and University Employees

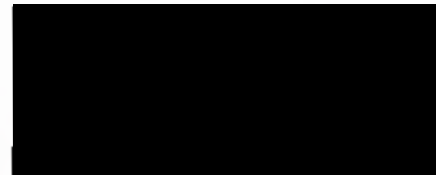
Subject Inventions made jointly between Laboratory employees and University employees shall be the joint property of both parties, each party with an equal, undivided interest in such inventions.

Subject Inventions made jointly between Laboratory employees and University employees shall be reported and elected using the Laboratory's established invention reporting system. Each joint invention disclosure shall be clearly marked to indicate that it is a joint invention made under the CRP program.

In accordance with the authority of Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182) as amended, and Section 9 of the Federal Non-Nuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908), it is believed to be in the best interest of the United States and the general public to grant a Class Waiver as described herein.

The grant of this Class Waiver should not result in adverse effects on competition or market concentration. Waived inventions will be subject to a royalty free license to the Government and DOE has the right to require periodic reports on the utilization, or the efforts at obtaining utilization, that are being made for the waived inventions.

In view of the statutory objectives to be obtained and the factors to be considered under DOE's statutory waiver policy and regulations, 10 CFR 784, the objectives of Public Law 101-189, and Executive Order 12591, all of which have been considered, it is believed that the Class Waiver as set forth above will best serve the interest of the United States and the general public. It is therefore recommended that the waiver be granted.



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Date: June 22, 2011

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 patent rights of the scope determined above, and, therefore, the waiver is granted. This waiver shall not affect any waiver previously granted.

CONCURRENCE:



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APPROVAL:



John T. Lucas
Assistant General Counsel for Technology
Transfer and Intellectual Property

Date:

12-15-2011

Date:

12/15/2011