

## STATEMENT OF CONSIDERATIONS

REQUEST BY CHEMICAL INDUSTRY ENVIRONMENTAL TECHNOLOGY  
PROJECTS, LLC (CIETP) FOR AN ADVANCE WAIVER OF DOMESTIC  
AND FOREIGN PATENT RIGHTS UNDER DOE COOPERATIVE  
AGREEMENT NO. DE-FC02-97CH10895; W(A)-97-032; CH-0935

The Petitioner, CIETP, 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, "DOE/CIETP Vision 2020."

Both the DOE and the Petitioner support programs which offer clean, energy efficient, and environmentally sound technologies. This cooperative agreement is a partnership based on these similar missions and strategies to facilitate collaborative effort within the chemical industry which will benefit the nation. The Petitioner develops and maintains a ranking of high priority environmental and energy issues for its members in the chemical process industry. The objective of this cooperative agreement is to identify, plan, and execute research, development and demonstration projects that are on Petitioner's priority agenda and embraced in the 1996 "Technology Vision 2020" technical recommendations for the chemical industry. Collaborative projects will be in one of the four technology areas: (1) new chemical science and engineering technology, (2) supply chain management, (3) information systems, and (4) manufacturing operations.

The total approved budget for this cooperative agreement is \$8.9 million. As proposed in the agreement, Petitioner's share of the total approved budget is \$4.9 million, for about 55% cost sharing. 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 and organizational papers, Petitioner is a limited liability company formed to provide needs-driven solutions to major chemical and related process industry environmental challenges. Members making up the Petitioner's company are major chemical manufacturing companies, and includes Air Products and Chemicals, Akzo Nobel, Battelle, DuPont, NL Industries, OxyChem, and Praxair. With the exception of Battelle, all of the Petitioner's member companies are major chemical manufacturers with combined nongovernmental annual sales in the billions of dollars. In addition, they possess numerous patents and technical papers, as well as extensive technical experience and know how in the various technical areas of the

chemical industry. The members also play a major role in all of the projects established and conducted by the Petitioner. Considering Petitioner's, including its member companies, 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 foster commercialization of the technology and products which may arise from this cooperative agreement.


As set out in the attached waiver petition, Petitioner has also requested a waiver of patent rights in the subject inventions of its subcontractors, including its member companies. It is believed that this approach will facilitate timely development and commercialization of the technology by allowing the parties to allocate title or other rights to inventions among themselves as they deem appropriate during the course of this cooperative agreement. Accordingly, patent rights in the subject inventions of any subcontractors may be waived to the Petitioner or subcontractor, as the parties may agree. However, this waiver will only apply to such subcontractor(s) who provide a letter to DOE acknowledging their right to 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. Further, if there is any conflict between the terms and conditions of this waiver and the Petitioner's Member Agreement, the terms of this waiver will prevail.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. The technology envisioned in this agreement is relatively narrow and should not place one company or a group of companies in a dominant position within the industry. Also, the


Petitioner is obligated under its member agreement to make the technology available by licensing to others in the industry. The success of this cooperative agreement can be expected to stimulate further investment, as well as additional competition in this field.

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.

  
Thomas G. Anderson  
Assistant Chief Counsel  
Office of Intellectual  
Property Law

Date:

2/5/99


  
Daniel D. Park  
Patent Attorney  
Office of Intellectual  
Property Law

Date:

2/5/99

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:

  
Douglas Kaempf  
Director, Office of  
Industrial Process Systems  
EE-20

Date:

12/9/99

APPROVAL:

  
Paul A. Gottlieb  
Assistant General Counsel  
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Date:

12-10-99

WAIVER ACTION - ABSTRACT  
W(A) - 97-032

<u>REQUESTOR</u>	<u>CONTRACT SCOPE OF WORK</u>	<u>RATIONALE FOR DECISION</u>	<u>DISPOSITION</u>
CIETP	Research, development and demonstration of CIETP's priority agenda	55% cost sharing	