

STATEMENT OF CONSIDERATIONS

ADVANCE CLASS WAIVER OF PATENT RIGHTS FOR TECHNOLOGY DEVELOPED UNDER DOE FUNDING AGREEMENTS RELATING TO "FISCAL YEAR 2010 ENERGY EFFICIENT BUILDING SYSTEMS REGIONAL INNOVATION CLUSTER INITIATIVE (E-RIC)" W(C)-10-005; CH1561

This joint FOA is the first pilot project of the Interagency Regional Innovation Clusters (E-RIC) Taskforce (Taskforce). The Taskforce has been charged with developing a replicable and sustainable model for coordinated federal and regional efforts that foster and use regional innovation clusters to develop and demonstrate sustainable and efficient models for attaining national strategic objectives: create and retain Good Jobs; eliminate gaps between the supply and demand for workers in specialized fields through training and education; increase regional gross domestic product (GDP); promote innovation in science and technology; and enhance the economic, technological, and commercial competitiveness of the United States on the global stage. The purpose of the pilot project is to support an E-RIC that will develop, expand, and commercialize innovative energy efficient building systems technologies, designs, and best practices for national and international distribution. Specifically, the Participating Agencies seek to identify and E-RIC that will focus on systems-based approaches to designing, building, and cooperating commercial and residential buildings. The Participating Agencies are: the Department of Energy; the Department of Commerce/Economic Development Administration; the Department of Commerce/National Institute of Standards and Technology (Manufacturing Extension Partnership); and the Small Business Administration.

The joint FOA invites Proposals from Consortia that can demonstrate collaboration among their members, with their E-RIC Partners, and with federal government agencies to support the development and growth of an energy regional innovation cluster. Each consortium will submit a single proposal which shall include four applications for funding for assistance from each of the participating agencies. This waiver will address Applications for Funding for DOE Assistance.

All types of domestic entities, including DOE/NNSA Federally Funded Research and Development Centers (FFRDC) contractors, are eligible to apply as lead organizations within a DOE Co-applicant, except the following: other Federal agencies, non-DOE/NNSA FFRDC contractors, and non-profit organizations described in section 501(c)(4) of the Internal Revenue Code of 1986 that engaged in lobbying activities after December 31, 1995.

DOE anticipates awarding a cooperative agreement or field work authorization under this FOA. A DOE field work authorization will be awarded to a successful DOE/NNSA Federally Funded Research and Development Center (FFRDS) A cooperative agreement will be awarded to any other successful entity including, but not limited to, universities, non-profit organizations, and

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for-profit organizations. If determined appropriate, DOE will consider awarding Technology Investment Agreements (TIAs) to a non-FFRDC awardee. DOE anticipates making one award under this announcement.

This advance class waiver shall only apply to a cooperative agreement or subagreement made to for-profit entities or team members who are not subject to the Bayh-Dole Act (P.L. 96-517 as amended) who meet the minimum cost-sharing requirement as set forth below. Intellectual Property terms will be separately negotiated in any awards resulting in a TIA.

For purposes of cost-sharing, the proposed activities of the Hub are divided into two types: Basic and applied research and development (R&D); and Technology demonstration and deployment (DD). Cost sharing requirements will be determined and implemented separately for each entity comprising the DOE co-applicant and not by the total estimated cost of the entire Hub project. For-profit entities are required to provide a minimum of 20% cost share for both R&D and D&D activities.

Considering the above, it is the purpose of this class waiver to vest title in new inventions made under this program by large business awardees 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 above identified large business entities. Since cost sharing is at least 20%, it is expected that patent rights will be allocated accordingly among the participants.

This advance class waiver of the Government's rights in inventions is subject to the usual advance patent waiver terms and conditions--Government license, march-in rights, and preference for U.S. industry provisions comparable to those set out in 35 U.S.C. §§ 202-204. This 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 will further agree to make this 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 electrical utility industry of the United States. DOE has the right to require reports of the utilization or the efforts at utilization that are being made for the waived inventions.

This advance class waiver shall apply to cooperative agreements made to large business entities who meet the minimum cost-sharing requirement as set forth above who have provided written notice to DOE of their acceptance of the terms and conditions of this class waiver. The waiver will remain in effect as long as such cost sharing is maintained, in aggregate, over the term of the agreement. No separate waiver petition is required to be submitted.


Considering the foregoing, and in view of the statutory objectives to be obtained and the factors to be considered under DOE's waiver regulation, 10 C.F.R. 784, 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.


Mark P. Dvorscak
Deputy Chief Counsel
Intellectual Property Law Division

Date: *May 10, 2010*



Based on the foregoing Statement of Considerations, it is determined that the United States and the general public will best be served by a waiver of rights of the scope described above, and therefore the waiver is granted. This waiver shall not apply to any modification or extension of this agreement, where through such modification or extension, the purpose, scope, or cost of the agreement is substantially altered.

CONCURRENCE:


Colin F. McCormick, EE-2J
Office of the Building Technologies
Program
Office of Energy Efficiency
And Renewable Energy

Date: 2/22/2011

APPROVAL:



John T. Lucas, GC-62
Assistant General Counsel
for Technology Transfer and
Intellectual Property

Date: 2/22/2011

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.