

STATEMENT OF CONSIDERATIONS

REQUEST BY GENERAL ATOMICS FOR AN ADVANCE WAIVER OF THE GOVERNMENT'S DOMESTIC AND FOREIGN PATENT AND COPYRIGHT RIGHTS UNDER DOE CONTRACT DE-AC03-00SF21868; DOE WAIVER NO. W(A)-00-017; SAN 685

The Petitioner, General Atomics (GA), has requested an Advance Waiver of the Government's domestic and foreign rights to inventions in the above cited research and development contract (GA Contract). See Appendix A- General Atomics' Petition, Petition Answer 1. In addition, GA would like to assert copyright in computer software and delay the immediate release of unpublished technical data.

The Development of the Technology and Selection Of GA

Prior to 1995, DOE funded GA's work to develop technology related to Gas Turbine Modular Helium Reactors (GT-MHR). See Appendix A, Petition Answers 4 and 8. After the Government funding ended, GA continued to privately finance the development of the reactor technology by entering into a cost share contract with the Russian Federation to develop a GT-MHR that uses plutonium as the fuel source. See Appendix A, Petition Answers 10-12. In order to expand the acceptance of the technology worldwide, Minatom (the Ministry of Atomic Energy of the Russian Federation) and GA entered into a consortium with Framatome (French company) and Fuji Electric (Japanese company) to develop the conceptual design of the GT-MHR. See Appendix A, Petition Answer 17.

On July 24, 1998, the United States and Russian Federation entered into an International Agreement titled: Agreement Between the Government of the United States of America and The Government of the Russian Federation on Scientific and Technical Cooperation in the Management of Plutonium that Has Been Withdrawn from Nuclear Military Programs. See Appendix D. The present project will partially achieve the goals of the International Agreement by burning existing non-military plutonium in specially designed reactors to produce electric power for the Russian Federation. See Appendix A, Petition Answers 6, 7 and 9. In 1999, Congress appropriated funds to develop a preliminary and final design of the reactor on a fifty-fifty cost share basis with the Russian Federation. See Appendix A, Petition Answers 2-3. Subsequently, the Department of Energy entered into a contract (DOE/OKBM Contract) with the Experimental Design Bureau for Machine Building (OKBM), a Russian Federation Institute, to complete this project under the International Agreement.

In order to develop these preliminary and final designs of the plutonium-burning reactor, DOE needed a contractor, preferably a U.S. company or university, to collaborate with OKBM. After announcing the availability of a competitive solicitation in the Commerce Business Daily, only GA submitted a proposal. (see Appendix B—GT-MHR Technical Support memo). GA was awarded the GA Contract in December 1999. See Appendix B, Memo. The negotiated GA Contract will be performed pursuant to the International Agreement. However, GA would only execute the

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agreement with the condition that DOE would grant the rights set forth in this Advance Waiver. See Appendix A, Petition Answer 5. There is no cost sharing in this contract by GA.

The Allocation of Patent Rights

GA has requested the worldwide rights in all inventions. However, the GA Contract is closely linked with the DOE/OKBM Contract, which had to comply with the International Agreement. In the DOE/OKBM Contract, each party retains the rights to all Subject Inventions in their own country. Therefore, DOE retains the rights to all Subject Inventions in the United States and OKBM retains the rights to all Subject Inventions in the Russian Federation. The rights to all Subject Inventions in third countries are to be negotiated by the parties before any statutory bars would preclude protection.

In compliance with the International Agreement and the DOE/OKBM Contract, GA may elect title in the United States for any Subject Invention. As to foreign rights, OKBM shall continue to elect title in the Russian Federation for any Subject Inventions. DOE, OKBM and GA will negotiate and agree in writing for rights in third countries.

For each Subject Invention, the United States Government and the Government of the Russian Federation retain a nonexclusive, nontransferable, irrevocable, paid-up license to practice or to have practiced for or on the behalf of the respective Government throughout the world.

The Allocation of Rights in Computer Software

In the DOE/OKBM Contract, each party and its participants have the right to assert copyright in scientific and technical journal articles based on or containing data first produced by the party in performance of the DOE/OKBM Contract. For other data, each party or its participants may assert copyright and shall notify the other party of such assertion in writing. Each party shall retain title to the copyrighted material in its own country and the parties shall agree on an allocation of rights in third countries.

GA is considered a participant under the DOE/OKBM Contract. Therefore, GA may assert copyright and retain the rights in the United States in computer software without the Contracting Officer's prior approval. See Appendix C, Rights in Data Modifications. The right to assert copyright in software is subject to a limited government-use license for a period of five years to allow GA sufficient time to commercialize the computer software. In the limited government-use license, GA grants to the U.S. Government and others acting in its behalf, a paid-up nonexclusive, irrevocable worldwide license in such copyrighted computer software to reproduce, prepare derivative works, and perform publicly and display publicly by or on behalf of the U.S.

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Government. See Appendix C, Rights in Data Modifications, paragraph (c)(1), second subparagraph. However, the limited government-use license in copyrighted software will revert to a broad U.S. Government license, which allows the U.S. Government to distribute copies to the public, if the five year period has expired or if DOE march-in rights are exercised, for example, where GA has not taken effective steps to commercialize the software. See Appendix C, Rights in Data Modifications, paragraph (c)(1), fourth subparagraph. In addition, GA shall deposit a copy of the computer software with DOE's ESTSC

For software in which GA has asserted copyright, OKBM will retain the software copyright in the Russian Federation. Also, the Russian Federation shall retain an unrestricted Government use license as prescribed by the DOE/OKBM Contract.

The Delayed Release of Unpublished Data

In the DOE/OKBM Contract, any Generated Information that is not marked as Sensitive, Business-Confidential, or copyrighted can be used by the parties and their participants. The United States Government and the Government of the Russian Federation shall have the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and have or permit others to do so.

GA has requested that the U.S. Government delay the release to the public of the unpublished technical data for a period of five years. See Appendix C, Rights in Data Modifications, paragraph (c)(1), third subparagraph. DOE's policy is to publicly release technical data that is funded by the U.S. Government. This policy promotes both the commercialization of the technology and the further development of knowledge in the academic/research community. However, GA would be reluctant to further participate in the GT-MHR project if its competitors could have immediate access to the technology. DOE Program supports GA's position that the release of this technical data should be delayed in order to allow GA the opportunity for a competitive advantage to commercialize this technology. In the alternative, DOE could limit the data delivered to DOE and OKBM by GA. However, both DOE program and OKBM need to receive all the pertinent data necessary to carry out the objectives of the DOE/OKBM Contract. Therefore, DOE grants to GA the right to withhold unpublished data from public distribution for a period of five years. However, DOE may release the data, for example, when responding to a request under the Freedom and Information Act (FOIA). See Appendix C, Rights in Data Modifications, paragraph (d)(3) for a full list of exceptions.

Also, the Russian Federation is not restricted by this delayed release under the DOE/OKBM Contract. However, OKBM and the Russian Federation consider most of the technology

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developed under this contract to be either Sensitive or Business-Confidential, and will not be releasing technical data to the general public.

Conclusion

GA's proposal was the only proposal received by the DOE to perform this work after adequate notice of the issuance of an RFP in the Commerce Business Daily. It was expected that there would be no other U.S. company that has the technical expertise or the background intellectual property to accomplish the tasks needed to build a GT-MHR in the Russian Federation. DOE must perform the work necessary to achieve the goals set forth in the International Agreement and the subsequent DOE/OKBM Contract. Although GA is not cost sharing this project, DOE needs to grant GA the provisions set forth in this Advance Waiver so that the nonmilitary plutonium is burned in the Russian Federation. Without these provisions, GA will terminate the GA Contract and DOE will not have any contractors to perform this work, which Congress has expressly shown an interest in completing in order to eliminate the surplus plutonium in the Russian Federation. .

For the foregoing reasons, and in view of the objectives and considerations set forth in 10 CFR 784, all of which have been considered, it is recommended that the requested waiver be granted.



Gary Drew
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Date: October 2, 2000

Based on the foregoing Statement of Considerations, it is determined that the interests of the United States and the general public will best be served by waiver of the United States' domestic and foreign patent rights, copyright in software and a delay in the release of technical data as set forth herein, and therefore, the waiver is granted. This waiver shall not apply to a modification or extension of the GA contract where, through such modification or extension, the purpose, scope or DOE cost of the contract has been substantially altered. This waiver shall not affect any waiver previously granted.

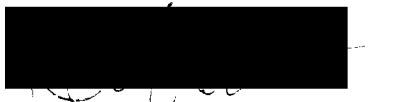
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