

## STATEMENT OF CONSIDERATIONS

REQUEST BY GENERAL MOTORS CORPORATION FOR AN ADVANCE  
WAIVER OF PATENT RIGHTS UNDER NREL SUBCONTRACT NO.  
ZCL-3-32060-02 UNDER DOE CONTRACT NO. DE-AC36-98GO10337;  
W(A)-04-008; CH-1179

As set out in the attached waiver petition and in subsequent discussions with DOE Patent Counsel, General Motors Corporation (GM), through its Allison Transmission Division, has requested an advance waiver of domestic and foreign patent rights for all subject inventions made under the above-identified subcontract by its employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title to inventions pursuant to P.L. 96-517, as amended, and National Laboratories.

Referring to item 2 of GM's waiver petition, the purpose of this subcontract encompasses the development of a next generation parallel hybrid drive and power electronics for heavy duty vehicles and the integration of the resulting propulsion system into a commercial vehicle. Ultimately, the use of hybrid propulsion systems in heavy vehicles is expected to significantly improve fuel efficiencies in such vehicles while reducing vehicle emissions.

The work under this subcontract is expected to take place over a period of about 32 months at a total cost of \$4,972,000. GM is obligated to cost share \$2,486,000, or 50% of the total cost of the project.

In view of the cost sharing and other equities between GM and its subcontractors, it is anticipated that the parties will develop an appropriate allocation of patent rights among the participants to facilitate the expeditious development of the technology forming the subject matter of the agreement. Accordingly, DOE will waive title to all subject inventions made by GM's employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title pursuant to P.L. 96-517, as amended, and National Laboratories, to GM or its subcontractors, as mutually agreed by the parties. Except as otherwise approved in writing by DOE Patent Counsel, a party's acceptance of a subcontract under this agreement, at any tier, shall constitute GM's certification that it has provided that party with a copy of this Statement of Considerations and that party's notice to DOE that it accepts the terms and conditions of this advance waiver. Additionally, subcontractors who receive title under this waiver shall notify DOE Patent Counsel in writing of such disposition of patent rights.

Referring to items 4-9 of GM's waiver petition, GM is a leading manufacturer of heavy-duty automatic transmissions for both commercial and military vehicles. This coupled with GM's cost sharing, clearly demonstrates the likelihood that GM will continue development and commercialization of the results of this subcontract.

This advance waiver of the Government's rights in inventions is subject to the usual advance patent waiver and background data licensing provisions, and the 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 clause also includes the attached U.S. Competitiveness clause (paragraph t) which requires 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. The contractor further agrees to make the above condition binding on any assignee, licensee or other entity 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.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. There are currently numerous other competitive approaches available to competitors to assure timely development of the various hybrid vehicle technologies.


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 subcontract in a fashion which will make the 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.  
Intellectual Property Law Division

Date: 10-4-04

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 will not apply to any modification or extension of the subcontract, where through such modification or extension, the purpose, scope or cost of the subcontract has been substantially altered.

CONCURRENCE:

  
Edward J. Wall, Program Manager  
Office of the Freedom CAR and Vehicle  
Technology Program, EE-2G

Date: 10/18/04

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

Date: 10-25-04