

## STATEMENT OF CONSIDERATIONS

ADVANCE WAIVER OF PATENT RIGHTS TO BP SOLAR INTERNATIONAL INC.  
UNDER DOE CONTRACT NO. DE-AC36-99GO10377; SUBCONTRACT ZAX-6-  
33628-11 FOR DEVELOPMENT OF LARGE HIGH-VOLTAGE PV MODULES WITH  
IMPROVED RELIABILITY AND LOWER COST; CH-1371; W(A)-06-016

BP Solar International Inc. (BP Solar) has petitioned for an advance waiver of domestic and foreign patent rights to inventions conceived or first actually reduced to practice under DOE Contract No. DE-AC36-99GO10377, Subcontract ZAX-6-33628-11. This advance waiver is intended to apply to all subject inventions of BP Solar's employees and those of its subcontractors, regardless of tier except subcontractors eligible to obtain title pursuant to P.L. 96-517 as amended, and National Laboratories.

As brought out in its waiver petition, BP Solar focuses on meeting the requirements of grid-connect market applications incorporating: improved casting processes, improved line yields, development of higher efficiency cells, development of large area, high voltage modules with increased lifetime and establishment of designs for higher voltage PV systems.

As indicated in its response to Question 3 in its waiver petition, the total value of this agreement is expected to be about \$5, 903,752.00, with BP Solar's cost share \$2,903,752.00 or 49% of the total cost. The performance period for this agreement is expected to be three years.

In response to Question 8 of the waiver petition, BP Solar has been developing the Polycrystalline Silicon Cell technology that is the basis of this contract for more than twenty years. This research is documented by research publications dating back to the 1970's. A research laboratory and staff has been established to develop and improve this technology.

As brought out in Question 6, BP Solar is a full service manufacturer of photovoltaic products. BP Solar was listed as shipping 4.7% of worldwide shipments of PV cells in 2005, making it the seventh largest producer of PV modules in the world.

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 PPG'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.

This advance waiver of the Government's rights in inventions is subject to the usual advance patent waiver terms. Those terms include the usual 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 terms also include a U.S. Competitiveness clause, (paragraph t), 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. The Contractor further agrees to make the above 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 inventions 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 waiver is not expected to have any adverse effects on competition or market concentration. In response to Question 10, granting of this waiver will provide BP Solar with the incentive to promote the development and commercialization of inventions made under this contract. There are a number of foreign competitors including Sharp, Q-cells, Kyocera, Mitsubishi, Schott Solar, and Sanyo.

Considering the foregoing, and in view of the statutory objectives to be attained and the factors to be considered, it has been determined that this advance waiver of patent rights will best serve the interest of the United States and the general public. Subject to PPG providing at least 49% cost sharing, in aggregate over the term of this, and subsequent phases of the agreement, it is recommended that the waiver be granted.

[Redacted]

for Joy Alwan  
Acting Assistant Chief Counsel  
Intellectual Property Law Division

Date: Sept. 18, 2006

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

CONCURRENCE:

[Redacted]

STEVE CHALK, ACTING  
~~Raymond A. Sutula~~  
Program Manager  
Office of Solar Energy Technology  
EE-2A  
5G-048/FORS

Date: 10/6/06

APPROVAL:

[Redacted]

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

Date: 10-12-06

(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.

WAIVER ACTION - ABSTRACT  
W(A)-06-016 (CH-1371)

REQUESTOR  
BP SOLAR  
INTERNATIONAL

CONTRACT SCOPE OF WORK  
DEVELOPMENT OF LARGE HIGH-  
VOLTAGE PV MODULES WITH IMPROVED  
RELIABILITY AND LOWER COST

RATIONALE FOR DECISION  
49% COST SHARING

DISPOSITION