

STATEMENT OF CONSIDERATIONS

REQUEST BY JOHN DEERE PRODUCT ENGINEERING CENTER FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN INVENTION RIGHTS UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC26-05NT42422; W(A)-05-047, CH-1327

The Petitioner, John Deere Product Engineering Center (Deere) was awarded a cooperative agreement for the performance of work entitled, "Electrically coupled exhaust energy recovery system using a series power turbine approach." The purpose of the cooperative agreement is to design, test, and demonstrate the technical and commercial viability of electric turbo compounding. This waiver is only for inventions of Deere made under this cooperative agreement.

The total estimated cost of the contract is \$9,538,073 with DOE and Deere each cost sharing 50% or \$4,769,037. The period of performance is from June 1, 2005 through May 31, 2007.

In its response to question 5 of the attached waiver petition, Deere has described its technical competence in the field of heavy duty diesel engines. It has been producing these engines since the 1960s, and is the dominant manufacturer of agricultural equipment on a worldwide basis and an important producer of construction and lawn care products. Deere has been working with turbo compounding and electrification for over five years. U.S. Patent 6,604,360, "Exhaust Driven Engine Cooling System," has issued, and two additional related patent applications have been completed. Deere's response demonstrates its technical competency in the field of heavy duty diesel engines.

In its response to question 10 of the attached waiver petition, Deere states that other turbo compounding architectures are available and are being developed as part of the 21st century truck program with DOE. Deere states that all manufacturers are in a position to benefit equally from the basic technology, and that acquisition of a patent waiver will not materially change or better the position of Deere in this field. Therefore grant of the waiver will have a positive effect on competition and market concentration.

The subject contract will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12, wherein Deere has agreed to the provisions of 35 U.S.C §§ 202, 203, and 204. This waiver clause will also include a paragraph entitled U.S. Competitiveness, in which Deere agrees to substantial U.S. manufacture of subject inventions (attached hereto). Additionally, Deere agrees not to transfer subject inventions to any other entity unless that other entity agrees to these same requirements.

Considering the foregoing, it is believed that granting the waiver will provide the Petitioner with the necessary incentive to invest resources in the commercialization of the results of the agreement in a fashion which will make the agreement's benefits available to the public in the shortest practicable time. In addition, it would appear that grant of the above requested waiver would not result in an adverse effect on competition nor result in excessive market concentration. Therefore, 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, as set forth above, be granted.

[REDACTED]
[REDACTED]
Mark P. Dvorscak
Assistant Chief Counsel
Intellectual Property Law Division

Date Jan. 13, 2006

Based on the foregoing Statement of Considerations and the representations in the attached waiver petition, 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:

[REDACTED]
Ed Wall
Office of the FreedomCAR and
Vehicle Technology Program, Office of Energy
Efficiency and Renewable Energy, EE-2G

Date 2/9/06

APPROVAL:

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

Date 2-9-06

(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)-05-047 (CH-1327)

REQUESTOR

John Deere Product
Engineering Center
under DOE Contract
No. DE-FC26-05NT42422

CONTRACT SCOPE OF WORK

Electrically coupled exhaust energy recovery
system using a series power turbine approach

RATIONALE FOR DECISION

50% cost sharing

DISPOSITION