

STATEMENT OF CONSIDERATIONS

Request by Cummins Engine Company, Inc. for an Advance Waiver of Domestic and Foreign Invention Rights under DOE Cooperative Agreement No. DE-FC26-05NT42418; W(A)-06-003, CH-1351

The Petitioner, Cummins Engine Company, Inc. (Cummins) was awarded this cooperative agreement for the performance of work entitled, "Low-Temperature Combustion Using Pre-Mixed Charge Compression Ignition". The goal of this program is to develop advanced combustion technologies demonstrating a 10% reduction in fuel consumption while meeting 2010 emission levels. Cummins will be evaluating pre-mix charged, compression ignition (PCCI) in-cylinder combustion and subsystem technologies. The anticipated subsystems requiring performance enhancements to achieve the goals of this program include: fuel delivery; power cylinder; turbomachinery; sensors; and fuel properties. Cummins anticipates that the subsystems and components will be designed and tested to demonstrate commercial viability. The waiver will apply to inventions made by Cummins 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.

The total estimated cost of the cooperative agreement is \$32,281,972, with the DOE share and Cummins' cost share each being \$16,140,987, or 50%. The period of performance is from October 1, 2005 through December 31, 2009.

In its response to question 5 of the attached waiver petition, Cummins has described its technical competence in the field of advanced combustion technologies. It is the world's leading producer of diesel engines and technology used in a wide variety of applications, including the Dodge RAM® pickup and on-highway class 8 trucks. Cummins was the first to achieve 2004 diesel emissions through the use of cooled EGR (15L ISX engine) in 2002. Cummins received Ward's "10-Best Engines" award for the 24 valve ISB engine in 2004. Cummins states that it has many patents covering various aspects of reciprocating engines, including U.S. No. 6,256,992, "System and method for controlling a turbocharger to maximize performance of an internal combustion engine"; and No. 6,286,482 "Premixed charge compression ignition engine with optimal combustion control. Cummins' response demonstrates its technical competency in the field of advanced combustion technologies.

In its response to question 10 of the attached waiver petition, Cummins states that there are many competing technologies being applied to engines for efficiency, emissions, reliability and cost, and that it is unlikely that the waiver will yield a preferred or dominant position. Therefore, grant of the waiver will have a positive effect on competition and market concentration.

In view of the cost sharing and other equities provided by Cummins 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 Cummins 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, or National Laboratories, to Cummins 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 Cummin'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.

The subject cooperative agreement will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12, wherein Cummins 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 Cummins agrees to substantial U. S. manufacture of subject inventions (attached hereto). Additionally, Cummins 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.



Mark P. Dvorscak
Assistant Chief Counsel
Intellectual Property Law Division

Date Oct 20 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:



Edward J. Wall
Program Manager
Office of the FreedomCAR
And Vehicle Technology Program
Office of Energy Efficiency and
Renewable Energy

Date 11/17/06

APPROVAL:



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

Date 11/27/06

(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)-06-003 (CH-1351)

REQUESTOR

Cummins Engine Company
under DOE Contract No.
DE-FC26-05NT42418

CONTRACT SCOPE OF WORK

Low-Temperature Combustion Using
Pre-Mixed Charge Compression Ignition

RATIONALE FOR DECISION

50% Cost Sharing

DISPOSITION