

STATEMENT OF CONSIDERATIONS

REQUEST BY DONALDSON COMPANY FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN INVENTION RIGHTS UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC26-06NT42861, SUBCONTRACT QZ001, W(A)-07-014; CH-1399

The Petitioner, Donaldson Company (Donaldson) was awarded a subcontract under a cooperative agreement between DOE and the Research Triangle Institute (RTI) for the performance of work entitled, "Photoluminescent nanofibers for high efficiency solid-state lighting". The purpose of the cooperative agreement is to develop and validate advanced photoluminescent nanofibers (PLN) composed of polymer nanofibers and luminescent nanoparticles for use in solid-state lighting (SSL) applications. PLNs are intended to be used as an improved secondary converter to replace the existing phosphor materials used in SSL devices. This project will seek to leverage capabilities developed for use of nanofibers in other applications (e.g. filtration) as a starting point for the production of PLNs. Access to Donaldson's nanofiber manufacturing abilities will benefit RTI's work under the cooperative agreement by providing nanofibers of reproducible quality. This waiver is for inventions of Donaldson only under its subcontract.

The total estimated cost of the subcontract is \$443,492, with Donaldson providing \$274,955 or 62%, while the remaining cost share of 38%, or \$168,492, will be provided by DOE. The period of performance is from September 1, 2006 through August 21, 2009.

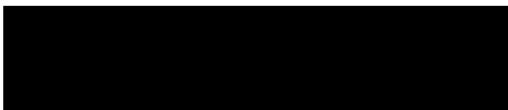
In its response to questions 5 and 6 of the attached waiver petition, Donaldson has described its technical competence in the field of nanofibers. Donaldson states it is a worldwide manufacturer of filtration systems and replacement parts. It has been electrospinning nanofibers at a production scale for over two decades. Further, Donaldson has many patents and publications relating to nanofiber technology. This material is listed in response to question 5 of the waiver petition. Donaldson also attached several of the patents and publications to its petition. Donaldson's response demonstrates its technical competency in the field of nanofibers.

In its response to question 10 of the attached waiver petition, Donaldson states that there are many available technologies currently used in the lighting industry generally and in the solid-state lighting industry specifically. Grant of the waiver will not create a market dominant situation for Donaldson. Donaldson intends to sell successfully developed materials to all lighting manufacturers in the industry. Grant of the waiver will have a positive effect on competition and market concentration.

The subject subcontract will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12, wherein Donaldson has agreed to the provisions of 35 U.S.C §§ 202, 203, and 204. In addition, this project is under the Solid State Lighting Program (SSL) Core Program, and subject to a Determination of Exceptional Circumstances. The Solid State Lighting Program is to develop advanced solid state lighting technologies that, compared to conventional lighting technologies, are much more energy efficient, longer lasting, and cost-competitive, by targeting a product system efficiency of 50 percent with lighting that accurately reproduces sunlight spectrum. The SSL program has a multi-tier structure. One tier consists of a competitively selected SSL Partnership whose membership includes organizations that have or will have the capacity to manufacture SSL systems, i.e., the entire package from wall plug to illumination. Another tier is the Core Technology Program, which will focus on finding solutions to the more difficult shared technical barriers identified by the SSL partnership. It focuses on the R&D efforts of universities, national laboratories, and other research institutions. For the link between

the SSL Partnership and the Core Technology Program to succeed, the SSL Partnership will require a guaranteed right to license the technologies developed by Core Technology Program participants. The Core Technology Program participants perform work subject to the exceptional circumstance made for the SSL program: any patent waiver granted to a large business will contain language requiring the large business to offer to each member of the SSL Partnership the first option to enter into a non-exclusive license for subject inventions developed under the Core Program, upon terms that are reasonable under the circumstances, including royalties. In addition, any entity having the right to use or sell any subject invention in the United States and/or any other country, including the Core Technology Program participant, must agree that any products embodying the subject invention or produced through the use of the subject invention will be substantially manufacture in the United States.

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 subcontract in a fashion which will make the subcontract'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
Deputy Chief Counsel
Intellectual Property Law Division

Date: Dec. 11, 2007

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 subcontract, where through such modification or extension, the purpose, scope, or cost of the subcontract is substantially altered.

CONCURRENCE:


Jerome P. Dion
Acting Program Manager
Building Technologies Program (EE-2J)
Energy Efficiency and Renewable Energy

Date: _____

APPROVAL:


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

Date: 12-27-07

(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., recoument 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.