

## STATEMENT OF CONSIDERATIONS

ADVANCE WAIVER OF PATENT RIGHTS TO INTERNATIONAL TRUCK AND ENGINE CORPORATION (ITEC) UNDER DOE PRIME CONTRACT NO. DE-FC26-06NT42791 FOR "NATIONAL HYBRID TRUCK MANUFACTURING PROGRAM"; CH-1412; W(A)-07-024

International Truck and Engine Corporation (ITEC) has petitioned for an advanced waiver of domestic and foreign patent rights to inventions conceived or first actually reduced to practice under DOE Contract No. DE-FC26-06NT42891. ITEC is a subcontractor of WESTSTART-CALSTART. This advanced waiver is intended to apply to all subject inventions of International Truck and Engine'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, ITEC will research and develop electrical subsystems and accessories for the Hybrid Truck and Bus Program.

In response to question 3, the total dollar amount of the contract is \$1,800,000.00 with ITEC's portion \$900,000 for a cost share of 50%.

ITEC has invested \$3,000,000 this past year to develop hybrid trucks and buses. Hybrid trucks is an emerging market. ITEC has completed four small fleets of commercial vehicles for customer evaluation.

In response to question 9, this waiver will enable ITEC to build a market for hybrid trucks by providing the opportunity to secure suitable patent protection for future ITEC products that embody the subject inventions.

This advance waiver of the Government's rights in inventions is subject to the usual advance patent waiver conditions. 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 also includes 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

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, ITEC asserts that the waiver will potentially create a market for hybrid trucks

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 interests of the United States and the general public. Subject to ITEC providing at least 50% cost sharing, in aggregate over the term of this, and subsequent phases of the agreement, it is recommended that the waiver be granted.



Joy Alwan  
Acting Assistant Chief Counsel  
Intellectual Property Law Division

Date: Jan 10, 2008

Based on 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 determined above, and therefore, the waiver is granted. This waiver shall not apply to a modification or extension of this contract/agreement/grant where, through such modification or extension, the purpose, scope, or cost of the contract/agreement/grant has been substantially altered.

CONCURRENCE:



Edward J. Wall  
Program Manager  
Vehicle Technologies Program  
EE-2G/FORRS

Date: 2/6/08

APPROVAL:



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

Date: 2-08-08