

STATEMENT OF CONSIDERATIONS

PETITION FOR ADVANCE WAIVER OF PATENT RIGHTS BY
JOHNSON MATTHEY FUEL CELL INC. ("JMFC") UNDER A SUB-
AWARD OF COOPERATIVE AGREEMENT NO. DE-FC36-07GO17019
BETWEEN UTC POWER CORPORATION (UTC) AND DOE; W(A)-09-
002; CH-1468

The Petitioner, JMFC, has requested a waiver of domestic and certain foreign patent rights for all subject inventions that may be conceived or first actually reduced to practice by JMFC or its affiliates arising from their participation under a sub-award to the above referenced cooperative agreement entitled "Highly Dispersed Alloy Cathode Catalyst for Durability."

The objective of the sub-award is to develop an advanced PEMFC cathode alloy catalyst with high mass activity and outstanding catalyst stability, meeting DOE's Energy Efficiency and Renewable Energy (EERE) targets. More specifically, the object is to optimize catalyst performance and decay parameters through quantitative models, design a high performance supported alloy catalyst system with a loading of more than 0.3 PGM/cm², and demonstrate 5,000 cyclic hours with less than 40% loss of electrochemical area.

It should be noted that JMFC is a wholly-owned subsidiary of Johnson Matthey Fuel Cells Ltd ("JMFC Ltd"), which is itself owned 82.5% by Johnson Matthey PLC ("JM PLC") which is the parent company of the multi-national group of companies known as the Johnson Matthey Group which has major interests in the United States. All patents are held in trust for JMFC Ltd and JMFC in the name of JM PLC. For the purposes of this waiver, "JMFC and its affiliates" shall be defined to consist of the above-identified entities. The complex corporate structure and the possibility that one or more JMFC affiliates described above may be potentially involved in some activities under the sub-award are the reasons that JMFC is petitioning on behalf of itself and its affiliates.

The total cost of the sub-award is approximately \$1,310,000 with the Petitioner providing approximately 40% cost sharing. This waiver is contingent upon the Petitioner maintaining, in aggregate, the above cost sharing percentage over the course of the cooperative agreement.

As noted in its waiver petition, Petitioner is engaged in research, product and process development, and manufacture of a range of critical fuel cell components for a wide range of low temperature fuel cells. These products include catalysts, electrodes, and membrane electrode assemblies (MEAs) that are the key components that determine effectiveness of fuel cell systems. Petitioner has been a major supplier of fuel cell products to major U.S. fuel cell developers for over 30 years. Petitioner also invests significant amounts of its profits each year into research and development of fuel cell technology.

Considering Petitioner's technical expertise and significant investment in this technology including sizable cost sharing in this cooperative agreement, it is reasonable

to conclude that Petitioner will continue to develop and ultimately commercialize the technology and products which may arise from this cooperative agreement.

Petitioner has agreed that this waiver shall be subject to the march-in and preference for U.S. industry provisions, as well as the U.S. Government license, comparable to those set out in 35 U.S.C. 202-204. Further, Petitioner has agreed to the attached U.S. Competitiveness provision paragraph (t). In brief, Petitioner has agreed that products embodying a waived invention or produced through the use of a waived invention will be manufactured substantially in the United States unless the Petitioner can show to the satisfaction of the DOE that is not commercially feasible to do so.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. If anything, the technology forming the subject matter of the collaboration can be expected to stimulate competition. There are currently a multitude of suppliers of MEAs to the fuel cell industry. As the range of applications for fuel cell power generators is so diverse it is unlikely that any one catalyst or MEA developer would be capable of serving all the markets, let alone develop a dominant market position across the complete range of applications.

Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the cooperative agreement in a fashion which will make the above technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and 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 be granted.

/Brian J. Lally/
Brian J. Lally
Assistant Chief Counsel
Intellectual Property Law Division
DOE Chicago Office

Date: April 14, 2009

Based upon 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 described above, and therefore the waiver is granted. This waiver shall not apply to any modification or extension of the cooperative agreement, where through such modification or extension, the purpose, scope or cost of the cooperative agreement has been substantially altered.

CONCURRENCE:



~~Valri Anne Lightner~~ Sunita Satyapal
Acting Program Manager
Office of Biomass Program
EE-2/EH Hydrogen, Fuel Cells & Infrastructure Technologies

Date: 7/6/09

APPROVAL:



Paul A. Gottlieb
Assistant General Counsel for Technology
Transfer and Intellectual Property

Date: 8-27-09

WAIVER ACTION - ABSTRACT
W(A)-09-002

REQUESTOR
JMFC

CONTRACT SCOPE
The objective of the sub-award is to develop an advanced PEMFC cathode alloy catalyst with high mass activity and outstanding catalyst stability, meeting DOE's Energy Efficiency and Renewable Energy (EERE) targets.

RATIONALE FOR DECISION
~40% Cost Sharing

(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.