

STATEMENT OF CONSIDERATIONS

Request by FMC Corporation, Lithium Division for an Advance Waiver of Domestic and Foreign Invention Rights under DOE Cooperative Agreement No. DE-EE0000040; W(A)-09-039, CH-1505

The Petitioner, FMC Corporation, Lithium Division (FMC) was awarded this cooperative agreement for the performance of work entitled "Establishing Sustainable U.S. HEV/PHEV Manufacturing Base: Stabilized Lithium Metal Powder, Enabling Material and Revolutionary Technology for High Energy Li-Ion Batteries". The goal of the cooperative agreement is to develop and deploy advanced materials and technologies for high energy lithium-ion (Li-ion) batteries for PHEVs that can be produced in volume, can compete effectively in the market place with conventional/currently produced hybrid vehicles, and can therefore substantially reduce petroleum consumption. Materials and manufacturing technologies developed under this program are expected to provide a manufacturing base for the advanced battery materials that are critical for the success of the sustainable US-based HEV/PHEV/EV industry. Further details of the research to be conducted under this agreement are provided in response to question 2 of the waiver petition.

The total estimated cost of the cooperative agreement is \$5,998,849, with the DOE share being \$2,999,424, or 50%. Cost sharing of the project by FMC is thus \$2,999,424 or fifty percent (50%). The period of performance of the agreement is from April 20, 2009 to April 19, 2012.

In its response to questions 5 and 6 of the attached waiver petition, FMC has described its technical competence in the field of lithium batteries in the automobile industry. It has been one of the key suppliers of battery grade lithium carbonate for Li-ion battery cathode production since the onset of the Li-ion battery technology in the early 1990s. FMC is also the largest supplier of high purity lithium hydroxide for the manufacturing of specialty cathodes and electrolyte salt for Li-ion batteries. FMC has listed 30 relevant publications and patent filings. FMC also states that it has a strong, established commercial position in the Li-ion battery technology market that will expedite the use of the research, development and demonstration results covered by the scope of this cooperative agreement. FMC's technological experience and commercial position demonstrate its expertise as well as its commitment to further development and improvement of lithium ion battery technologies.

From its response to question 10, FMC states that grant of the waiver is unlikely to affect competition or market concentration. FMC is one of the key suppliers of battery grade lithium carbonate for Li-ion battery cathode production since the onset of the Li-ion battery technology in the early 1990s. There are competitive alternatives to Li-ion battery technology that would not be affected by grant of the waiver. To illustrate, FMC has provided a USPTO search listing of over 700 current lithium ion battery patent applications, and over 500 issued patents of which FMC has only a small number of patents and patent applications related to Li-ion battery technology compared to the search results. Therefore, FMC states that grant of the waiver will ensure healthy competition in the marketplace by enabling competing technologies to coexist. It is unlikely that competition will be adversely affected by grant of the waiver.

The subject cooperative agreement will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12. This waiver clause will also include a paragraph entitled U.S. Competitiveness, in which FMC agrees to substantial U. S. manufacture of subject inventions (attached hereto). Additionally, FMC 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
Deputy Chief Counsel
Office of Intellectual Property Law

Date _____

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 and consent to assignment 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:

Patrick Davis
Acting Program Manager
Office of Vehicle Technologies Program,
EE-2G

Date 3/4/10

APPROVAL:

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

Date 3/9/10

(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.