

STATEMENT OF CONSIDERATIONS

PETITION FOR ADVANCE WAIVER OF PATENT RIGHTS BY THE FORD MOTOR COMPANY ("FORD") UNDER COOPERATIVE AGREEMENT NO. DE-FC36-09G19002 BETWEEN FORD AND DOE; W(A)-09-044; CH-1508

The Petitioner, FORD, 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 FORD arising from its participation under the above referenced cooperative agreement entitled "Ford Activities in Support of the Hydrogen Storage Engineering Center of Excellence"

The objective of the project is to address key technical obstacles associated with the development of a viable hydrogen storage system for automobile applications: (i) creation of accurate system models that account for realistic interactions between the fuel system and the vehicle power plant, (ii) development of robust cost projections for various hydrogen storage system configurations, (iii) assessment and optimization of the effective engineering properties of framework-based hydrogen storage media.

The total cost of the project is approximately \$2.7 million with the Petitioner providing 20% cost sharing. This waiver is contingent upon the Petitioner maintaining, in aggregate, the above cost sharing percentages over the course of the cooperative agreement.

As noted in its waiver petition, Petitioner is one of the largest producers of automobile products and has invested heavily in developing alternative fuel technologies. In fact Ford has invested more than \$100 million dollars on research and development of alternative fuel technologies and is a leader in the development and testing of advanced propulsion technologies. Furthermore, Petitioner will employ the use of its cutting edge Research and Development Center in Dearborn, MI.

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 it is not commercially feasible to do so.

As set out in the attached waiver petition, Petitioner has also requested a waiver of patent rights in the subject inventions of its lower tier subcontractors, provided that they agree to the same terms and conditions by which Petitioner will be granted the

advance waiver. It is believed that this approach will facilitate timely commercialization of the technology by furthering the establishment of business and technical relationships between the parties and providing a mechanism for obtaining meaningful cost sharing between the parties. This waiver contemplates that the parties will allocate title or other rights to inventions among themselves as they deem appropriate during the course of their association consistent with the terms of this waiver. Accordingly, title will be waived directly to a subcontractor upon mutual agreement of the Petitioner and the subcontractor. However, this waiver will only apply to such subcontractor(s) who provide a letter to DOE acknowledging their right to ask for a waiver and agreeing to the terms of this waiver. This waiver shall not impact the rights of those parties subject to Public Law 96-517, as amended, nor shall it grant any rights in inventions made by employees of the National Laboratories.

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. FORD has an extensive history of partnership and licensing arrangements with companies in various commercial markets.

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: August 11, 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:



Richard W. Farmer
Program Manager
Fuel Cell Technologies Program
EE-2H

Date: 1-6-2010

APPROVAL:



Eugene Cottrell
Assistant General Counsel for Technology
Transfer and Intellectual Property

Date: 1-7-09

WAIVER ACTION - ABSTRACT
W(A)-09-044

REQUESTOR
FORD

CONTRACT SCOPE
The objective is to address key technical obstacles associated with the development of a viable hydrogen storage system for automobile applications.

RATIONALE FOR DECISION
20% 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.