STATEMENT OF CONSIDERATIONS

PETITION FOR ADVANCE WAIVER OF PATENT RIGHTS FOR TECHNOLOGY DEVELOPED UNDER A PROPOSED ANL SUB-CONTRACT UNDER DOE CONTRACT NO. DE-AC02-06CH-11357, W(A)-09-054; CH-1521

As set out in the attached waiver petition and in subsequent discussions with DOE patent counsel, United Technologies Research Center. (UTRC) has requested an advance waiver of domestic and foreign patent rights for all subject inventions made under the identified proposed subcontract by its employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title to inventions pursuant to P.L. 96-517, as amended, and National Laboratories. The work under the proposed subcontract is related to, and emanates from, DOE Solicitation No. DE-PS36-08GO98010, entitled "Laboratory Call for Research, Development, and Demonstration of Fuel Cell Technologies for Automotive, Stationary, and Portable Power Applications."

The objective of the proposed subcontract is to study electrocatalyst degradation during various fuel cell modes and to develop mitigation strategies to enhance durability of fuel cells for specific operating conditions. The project is being led by Argonne National Lab (ANL) and is supported by DOE's Office of Energy Efficiency and Renewable Energy under the Office of Hydrogen, Fuel Cells and Infrastructure Technologies Program.

The total cost of the proposed subcontract is approximately $900,000 with the Petitioner providing about 20% cost sharing. This waiver is contingent upon the Petitioner maintaining, in aggregate, the above cost sharing percentage over the course of the agreement.

As noted in its waiver petition, UTRC is the central research and development center for, and a unit of, United Technologies Corporation (UTC). UTRC has been a leader in developing technology for advanced fuel cell systems including system modeling, fuel reformation, solid oxide fuel development and hydrogen storage. Furthermore, its parent company UTC is a global corporation with recognized expertise in a variety of technologies including fuel cells for aerospace, military and commercial applications. In 2008 UTC invested over $1.7 billion to develop new technologies including over $100 million for the development of fuel cell and hydrogen technologies. UTRC receives approximately $60 million annually for new technology development from its parent company.

Considering Petitioner's technical expertise and significant investment in this technology including sizable cost sharing in this agreement, it is reasonable to conclude that Petitioner will continue to develop and ultimately commercialize the technology and products which may arise from this agreement.

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.

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 Sates 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. There are several other companies developing durable and cost effective electrocatalysts for use in fuel cell applications. In fact, if the technology is proven to be cost effective, it will likely spur the development of competing systems.

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 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 17, 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 agreement, where through such modification or extension, the purpose, scope or cost of the agreement has been substantially altered.

CONCURRENCE:

[redacted]

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

Date: 1-8-2010

APPROVAL:

[redacted]

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

Date: 1-11-010

WAIVER ACTION - ABSTRACT
W(A)-09-054

REQUESTOR	CONTRACT SCOPE	RATIONALE FOR DECISION
UTRC	The objective of the project to study electrocatalyst degradation during various fuel cell modes and to develop mitigation strategies to enhance durability of fuel cells for specific operating conditions	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.