

## STATEMENT OF CONSIDERATIONS

### REQUEST BY DELPHI AUTOMOTIVE SYSTEMS FOR AN ADVANCE WAIVER OF PATENT RIGHTS TO INVENTIONS MADE UNDER SUBCONTRACT QZ001 UNDER COOPERATIVE AGREEMENT DE-NT0003894; W(A)-09-061 ; CH1525

Delphi Automotive Systems LLC (Delphi), requests an advance waiver of domestic and foreign patent rights for all subject inventions made under the above subcontract. Delphi is a subcontractor to United Technologies under the referenced cooperative agreement. The purpose of the cooperative agreement is the development of solid oxide fuel (SOFC) cell and stack technology suitable for use in highly-efficient, economically-competitive central generation power plant facilities fueled by coal synthesis gas, (syngas). According to its response to question 2 of the petition, Delphi states that development of this technology will significantly advance the nation's energy security and independence interests while simultaneously addressing environmental concerns, including greenhouse gas emissions and water usage. According to the attached e-mail from Delphi dated July 13, 2009, this waiver is for inventions of Delphi employees only. Title to any joint inventions made with United Technology will be jointly held.

The work under this subcontract is expected to take place between October 1, 2008 and December 30, 2010. Delphi's subcontract cost is \$18,092,300 and Delphi will provide 21.3% cost share or \$3,858,460 (see attached page, "Cost Share", attached to Delphi's petition). DOE will provide the remaining cost share of 78.7% or \$14,233,840.

With respect to its technical competency in the field of fuel cells, Delphi states that it has ten years of fuel cell experience and has been an active industrial team member in the Solid State Energy Conversion Alliance (SECA) program. During this time, Delphi has developed and commercialized Solid Oxide Fuel Cell technology, manifested by 174 awarded and pending patents (refer to list attached to the petition). Delphi further states that it is a recognized industry leader in bringing fuel cell technology to the marketplace. Delphi has demonstrated its technical competency in the field of Solid Oxide Fuel Cells.

Delphi states that granting this waiver will not have an adverse impact on competition. Delphi is one of the worldwide manufacturers developing SOFC technology and the technology is still in its early stages. Thus grant of the waiver will not place Delphi in a dominant position and should have a positive effect on competition and market concentration.

This advance waiver of the Government's rights in inventions is subject to the usual advance patent waiver licensing provisions, and the 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 the attached U.S. Competitiveness clause (paragraph t) which requires products embodying any waived invention or produced through the use of any waived invention be manufactured substantially in the United States unless the participant can show to the satisfaction of DOE that it is not commercially feasible to do so. The contractor further agrees to make the above condition binding on any assignee, licensee or other entity acquiring rights to any waived invention, including subsequent assignees or licensees. Should the Contractor or other such entity receiving rights in any waived 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 DOE. It is noted that Delphi is a subcontractor to United Technologies under a SECA (Solid State Energy Conversion Alliance) Program Award. The licensing requirement of the Exceptional Circumstances Determination for SECA does not apply.

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 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 Part 784, all of which have been considered, it is recommended that the requested waiver be granted.

[Redacted Signature]

Deputy General Counsel  
Intellectual Property Law Division

Date: 8-26-11

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 will 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:

*James F. Wood*  
[Redacted Signature]

James F. Wood  
Deputy Assistant Secretary  
Office of Clean Coal Energy Research  
Office of Fossil Energy FE-20  
Date 9/1/2011

APPROVAL:

*John T. Lucas*  
[Redacted Signature]

John T. Lucas  
Assistant General Counsel  
for Technology Transfer  
Intellectual Property, GC-62  
Date 9/6/2011

## 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.