

STATEMENT OF CONSIDERATIONS

REQUEST BY PHILIPS LUMILEDS LIGHTING, LLC FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN INVENTION RIGHTS UNDER DOE CONTRACT NO. DE-EE0003249; W(A)-2010-021, CH-1554

The Petitioner, Philips Lumileds (Philips) was awarded this cooperative agreement for the performance of work entitled, "Low Cost Illuminator Grade LEDs." According to its response to question 2, this program will aim to deliver illumination-grade high-power LED lamps manufactured from a low-cost epitaxy process employing 150mm silicon substrates that targets 60% epitaxy cost reduction. The replacement of GaN-on-sapphire with GaN-on-Si epitaxy technology provides cost reduction via substrate cost and potential epi uniformity and yield improvements. Further details of the project's scope are provided in response to question 2. This waiver is only for inventions of Philips made under the cooperative agreement.

The total estimated cost of the contract is 3,800,000 with Philips' providing a 50% cost-share or \$1,900,000. DOE is providing the remaining 50% share of \$1,900,000. The period of performance is from April 4, 2010 through March 31, 2012.

In its response to question 5 of the attached waiver petition, Philips has described its technical competence in the field of LED lighting. It is a leading worldwide supplier of LED chips, lamps, and lighting modules, specializing in high-flux, power LEDs. The company has more than thirty years experience in its core competencies of III-V materials and device development for LEDs. Philips states it has a strong intellectual property position in this area, and a representative listing of technical publications and patents is attached. Phillips' response demonstrates its technical competency in the field of LED lighting technologies.

In its response to question 10 of the attached waiver petition, Philips states that grant of the waiver will result in a better balance of Intellectual Property and sales in the U.S. Solid State Lighting industry. Philips further states there are many LED manufacturing companies, so that grant of the waiver will make Philips a stronger U.S. company able to compete more effectively in the worldwide Solid State Lighting industry. Therefore grant of the waiver will have a positive effect on competition and market concentration.

The subject contract will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12, wherein Philips has agreed to the provisions of 35 U.S.C §§ 202, 203, and 204. This waiver clause will also include a paragraph entitled U.S. Competitiveness, in which Philips agrees to substantial U.S. manufacture of subject inventions (attached hereto). Additionally, Philips 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.

[REDACTED]
Mark P. Dvorscak
Deputy Chief Counsel
Office of Intellectual Property Law

Date May 4, 2010

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 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:

[REDACTED]
James Brodrick
Office of Energy Efficiency and
Renewable Energy
Office of Building Technology, EE-2J

Date September 15, 2010

APPROVAL:

[REDACTED]
~~Paul A. Gottlieb~~ John T. Lucas, Acting
Assistant General Counsel for
Technology Transfer and
Intellectual Property, GC-62

Date 9/17/10

(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., recoument 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.