

## **STATEMENT OF CONSIDERATIONS**

### **Request by Eaton Corporation for an Advance Waiver of Domestic and Foreign Invention Rights under DOE Contract No. DE-EE0003911, W(A) 2011-030, CH-1617**

The Petitioner, Easton Corporation, Innovation Center (Eaton) was awarded the subject cooperative agreement with DOE for the performance of work entitled, "Advanced Load Identification and Management for Buildings". The objective of the work is developing characteristic and predictive models for typical plug Miscellaneous Electric Loads (MELs) in commercial and residential buildings based on outlet electrical signals; developing automatic load identification and prediction methods for single MEL and multiple MELs connected to the same power strip, using predictive load models ; developing methods to monitor and detect load status/performance automatically using trending analysis and pattern recognition; prototyping of smart eOutlet power strip, with embedded load identification, signal sensing, remote switching, PLC communication, and advanced fault protection capabilities; and, validating developed technologies and business value propositions through lab testing and field trials, including assessing energy savings, environmental and economical impact.

The work under this agreement is expected to take place from August 15, 2010 through August 14, 2013. The total amount of the contract is \$2,500,000, with Eaton cost-sharing 20% or \$500,000. DOE is thus providing the remaining 80% or \$2,000,000.

In its response to questions 5 of the attached waiver petition Eaton has described its technical competence in the field of electrical components and systems for power quality, distribution and control, hydraulics components, systems and services for industrial and mobile equipment, and truck and automotive drivetrain and powertrain systems for maximizing performance, fuel economy and safety. Eaton states it has a strong history of developing and introducing to the market many related products, such as smart power strips for data center markets with integrated current sensing and local control; arc fault and groundfault protection products providing low-cost residential and commercial protection solutions with integrated process power; home awareness and load control products/solutions, including monitoring and control of outlet connected appliances for commercial and residential buildings; plug-in-hybrid Electric Vehicle (PHEV) charging stations with controlled outlets, current and power monitoring and embedded communication; Pow-R-Command Lighting Controls providing wireless and wired, web enabled, daylight harvesting control of commercial facilities lighting that results in a typical energy savings of 50%. Eaton has provided a sample listing of patents it owns in the field of power management and control, power monitoring, diagnostics/prognostic, arc/ground-fault detection, along with recently published technical papers and presentations. Eaton has demonstrated its technical competency in the field of power management and control.

In its response to question 10 of the attached waiver petition, Eaton states that granting the waiver will differentiate Eaton's products from their competitors and provide potential growth in market share. Eaton states that if the proposed solution is effectively demonstrated through this program, knowledge can enable Eaton to increase market share for energy conservation products, related building-automation-system products, as well as arc/ground fault protection products. Acquisition of the waiver may materially change or better the position of Eaton as a leader in the field, but, Eaton states, it will also benefit many other industries in this market as well. The subject waiver will not imply or create a monopoly for Eaton. 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 Eaton 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 Eaton agrees to substantial U.S. manufacture of subject inventions (attached hereto). Additionally, Eaton 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: April 14, 2011

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, 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:

APPROVAL:

[REDACTED]

Roland Bissler, EE-2J  
Office of Building Technologies Program  
Office of Energy Efficiency and  
Renewable Energy  
Date: 5/31/11

[REDACTED]

John F. Lucas, GC-62  
Assistant General Counsel  
for Technology Transfer and  
Intellectual Property  
Date: 6/3/2011

(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.