

STATEMENT OF CONSIDERATIONS

REQUEST FOR ADVANCE WAIVER OF PATENT RIGHTS BY
TERRAPOWER, LLC, UNDER SUBCONTRACT 219182 TO DOE AWARD
NO. DE-AC07-05ID14517 TO BATELLE ENERGY ALLIANCE, LLC FOR
THE OPERATION OF IDAHO NATIONAL LABORATORY;
W(A)-2019-006, CH-1814

Petitioner, TerraPower, LLC. (Petitioner) requested a waiver of domestic and foreign patent rights for all subject inventions arising under the above referenced subcontract. The subcontract is titled "Versatile Test Reactor Concept Development for Cesium Trap, Cover Gas Cleanup, and Core Mechanical Testing" This waiver will 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.

The objective of Petitioner's subcontract is to advance the Versatile Test Reactor (VTR) Program. Petitioner will contribute to the production of a concept design, associated schedule, and a cost estimate to support reestablishment of a fast neutron testing capability in the U.S. The scope of work for the subcontract includes engineering concepts for a cover gas cleanup system, core component mechanical testing, and a cesium trap removal system.

The ceiling price of the subcontract is \$1,633,787.84, and the initial period of performance is through December 31, 2019. While no cost share is noted, Petitioner asserts it has privately funded several million dollars toward the development of its traveling wave reactor (TWR) sodium-cooled fast reactor that will contribute directly to this project. As per the attached support email from Thomas O'Conner, VTR Program Director, Petitioner was selected to work on the VTR project because of the expertise developed at private expense, and fully supports the grant of a patent waiver to Petitioner.

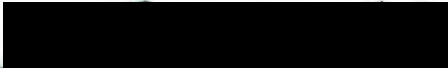
As noted in its waiver petition, Petitioner has extensive experience in the research and design of fast reactors. In particular, Petitioner has been developing and performing core component testing regimes for at least the past five years. In engineering the cover gas cleanup system, Petitioner will leverage designs it previously developed for its TWR work. Additionally, Petitioner has developed a prototype Cesium trap and tested the trap in conjunction with a large sodium test loop. Finally, Petitioner states granting this waiver will allow Petitioner to supplement its prior development work in this technology. Petitioner has filed at least 26 patents and patent applications related to the scope of work of this subcontract, and asserts that granting this petition will allow Petitioner to incorporate new subject inventions into its existing patent filings to achieve cost savings and a highly effective patent strategy to support investment and commercialization of its TWR program.

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 U.S. competitiveness provisions as attached to this Statement. In brief, Petitioner has agreed that products embodying a waived


invention or produced through the use of a waived invention shall be substantially manufactured in the United States, and that Petitioner will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements.

Referring to item 10 of the waiver petition, granting this waiver is not expected to have an adverse impact on competition. Petitioner cites to significant competition in developing advanced reactor designs including sodium-cooled reactors. There are complementary sodium-cooled fast reactor programs already in place internationally, with at least five more under development. Accordingly, granting this Petition is not expected to hinder competition in the field.

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


Jacob A. Heafner
Patent Attorney
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Date: 11/15/19


Daniel D. Park
Assistant Chief Counsel
Intellectual Property Law Division
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Date: 11/18/19

Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the U.S. 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 subcontract, where through such modification or extension, the purpose, scope or cost of the subcontract has been substantially altered.

CONCURRENCE:

[Redacted Signature]

Tom O'Connor
Program Director
Versatile Test Reactor
NE-4

Date: 12/5/2019

APPROVAL:

[Redacted Signature]

Brian J. Lally
Assistant General Counsel for Technology
Transfer and Intellectual Property
GC-62

Date: 2.20.2020