STATEMENT OF CONSIDERATIONS

ADVANCE CLASS WAIVER OF PATENT RIGHTS FOR TECHNOLOGY DEVELOPED UNDER SUBCONTRACTS ISSUED BY THE CRITICAL MATERIALS INSTITUTE (CMI) PURSUANT TO DOE SOLICITATION NO. DE-FOA-0000687 ENERGY INNOVATION HUB — CRITICAL MATERIALS STORAGE; W(C)-2013-006

The Department of Energy (DOE) is funding several Energy Innovation Hubs comprised of large, multidisciplinary teams of world class investigators focused on critical national energy needs that will shorten the path from laboratory innovation to technological development and help ensure continued American competitiveness, economic growth and energy security. One of the Energy Innovation Hubs, the Critical Materials Institute (CMI) is focused on technologies that will make better use of the critical materials we have access to as well as eliminate the need for materials that are subject to supply disruptions. In furtherance of these goals, this patent wavier applies to subject inventions of all current and future CMI subawardees, regardless of tier, except participants eligible to obtain title pursuant to P.L. 96-517, as amended, and National Laboratories, in order to facilitate the transfer of CMI technologies to the marketplace.

Led by the Ames Laboratory, the CMI team includes partners from three other national laboratories – Idaho National Laboratory, Lawrence Livermore National Laboratory, and Oak Ridge National Laboratory and seven universities – Brown University, the Colorado School of Mines, Purdue University, Rutgers University, University of California-Davis, Iowa State University, and Florida Industrial and Phosphate Research Institute. Industry partners include General Electric, OLI Systems, Inc., SpinTek Filtration, Inc., Advanced Recovery, Cytec, Inc., Molycorp, Inc. and Simbol Materials. Headquartered at Ames, the CMI brings together many of the world's leading materials researchers around a common objective of: diversifying supplies, developing substitute materials that can meet needs without using the materials we use today, developing tools for recycling materials that are needed, and forecasting what materials might become critical in the future.

It is anticipated that CMI will be funded up to a total of $120 million over the initial five year award period, pending Congressional appropriations and may be extended for additional funding periods. DOE national laboratories will receive Hub funds directly from DOE via Field Work Authorizations and will be able to elect title to inventions they develop through the terms of their Management and Operating (M&O) contracts, as authorized by P.L. 96-517, as amended, (the Bayh-Dole Act) as codified in 35 U.S.C. 200-212, or the applicable DOE Class Patent Waiver covering the inventions developed at the facility.

All other CMI participants will be funded through Laboratory subcontracts. University, non-profit, and domestic small business subcontractors (Bayh-Dole subcontractors) will be able to elect title to inventions they developed through the terms of their subcontract, consistent with the Bayh-Dole Act. In contrast, inventions developed by non-Bayh-Dole subcontractors (e.g. large businesses) vest with the Government under the broad title vesting authorities of the Atomic Energy Act of 1954, as amended, (42 U.S.C. § 2182),

and Section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. § 5908) unless waived by DOE.

Accordingly, DOE hereby waives the Government's title to subject inventions made by employees of all past, current, and future CMI large-business subcontractors (or other non-Bayh-Dole subcontractors), regardless of tier to enable the participants to expediently commercialize the various technologies in accordance with CMI IP Management Plan. While it is anticipated that all subawards to University, non-profits and for-profit entities will be issued as subcontracts by Ames under its M&O Contract as the CMI lead, it is recognized that there may be the need for other National Laboratory participants to issue subcontracts from time to time. Therefore, this class waiver covers all CMI subcontracts issued by National Lab Participants to large-business (or other non-Bayh-Dole) entities.

It should be noted that the Critical Materials FOA requires for-profit entities to provide a minimum 20 percent cost share for both Research and Developed (R&D) and Demonstration and Deployment (D&D) activities. This cost share is based on the portion of the Hub budget proposed by each for-profit entity. For all other non-Federal entities, cost sharing is encouraged, but not required for R&D, and a minimum of 20 percent is required for D&D activities. The cost share for D&D activities will be based on the portion of the Hub budget proposed by each entity. All entities must include required cost share in their proposed budgets and all cost shared funding must come from non-Federal sources unless otherwise permitted by law. This waiver is contingent upon maintaining in aggregate, the above cost sharing percentages over the course of the project.

This advance class waiver of the Government's rights in inventions is subject to the attached terms and conditions (see Attachment A) including the usual Government license, march-in rights, and preference for U.S. industry provisions set out in 35 U.S.C. 202-204. The attached terms also include a U.S. Competitiveness clause, paragraph (t), which requires that products embodying any waived invention or produced through the use of any waived invention be manufactured substantially in the United States unless the participant demonstrates to the satisfaction of DOE Field Patent Counsel, with the written concurrence of the cognizant DOE Program, that it is not programmatically or commercially feasible to do so. Subcontractors further agree to make the above condition binding on any entity acquiring rights to any waived invention, including subsequent assignees or licensees. Should subcontractors or other 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.

The grant of this advance class waiver is not expected to have any adverse effects on competition or market concentration. Rather, the waiver should enhance competition and growth of domestic supplies of critical materials and related industries. In any event, if a participant who has obtained title to an invention arising under the project is not making reasonable efforts to utilize a waived invention, DOE can exercise march-in rights.

Except as otherwise specifically approved by DOE Patent Counsel, acceptance of a CMI subcontract by a non-Bayh-Dole subcontractor shall constitute notice to DOE of the subcontractor's acceptance of the terms and conditions of this class waiver.

Considering the foregoing, and in view of the statutory objectives to be obtained and the factors to be considered under DOE's statutory waiver policy, all of which have been considered, it has been determined that this advance class waiver as set forth above will best serve the interest of the United States and the general public. It is recommended that the waiver be granted.

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Brian J. Lally
Assistant Chief Counsel
Intellectual Property Law Division
DOE Chicago Office

Date: August 7, 2013

Based upon the foregoing Statement of Considerations, it is determined that the interests of the United States and the general public will best be served by a waiver of the United States and foreign patent rights as set forth herein, and, therefore, the waiver is granted. This waiver shall not affect any waiver previously granted.

CONCURRENCE:

[redacted]

Dr. Mark A. Johnson
Director
Advanced Manufacturing Office
EE-5A

Date: Jan 28, 2016

APPROVAL:

[redacted]

John T. Lucas
Assistant General Counsel for Technology
Transfer and Intellectual Property
GC-62

Date: 3/17/2016