

STATEMENT OF CONSIDERATIONS

ADVANCE CLASS WAIVER OF PATENT RIGHTS FOR TECHNOLOGY DEVELOPED UNDER THE OFFICE OF BIOMASS PROGRAM FUNDING OPPORTUNITY ANNOUNCEMENT, "RECOVERY ACT: DEVELOPMENT OF ALGAL/ADVANCED BIOFUELS CONSORTIA", DE-FOA-0000123, W(C) 2009-012

This advance waiver will expedite implementation of the American Recovery and Reinvestment Act of 2009 ("Recovery Act") and is intended to apply to inventions of all current and future recipients, including subrecipients, awarded under the Funding Opportunity Announcement (FOA), "*Recovery Act: Development of Algal/Advanced Biofuels Consortia*," regardless of tier, except recipients eligible to obtain title pursuant to P.L. 96-517, as amended, and National Laboratories.

DOE's Office of Energy Efficiency and Renewable Energy (EERE), through the Office of the Biomass Program (OBP), is providing federal assistance for establishing consortia for two distinct topic areas: (1) Algal Biofuel Consortia, and (2) Advanced Infrastructure Compatible Biofuels Consortium. Each consortium will synergistically use their unique capabilities to expedite the development of biomass-based fuel production pathways. These teaming efforts are expected to involve specific scientific, engineering, system design, analysis, and project management disciplines that can work together effectively to accomplish the stated project objectives.

The Algal Biofuel Consortium or Consortia will take a research and development approach to investigate the potential for algae to commercially produce a variety of biofuels, such as renewable gasoline, diesel or jet fuel. It is anticipated that the partnerships selected from this topic area will develop the framework for sustainable algae production that is ultimately required for this technology to reach commercialization.

The Advanced Infrastructure Compatible Biofuels Consortium will develop new and innovative approaches for the conversion of biomass to advanced biofuels that are infrastructure compatible (*i.e.*, biofuels that can readily be stored, transported/distributed, blended with petroleum derived hydrocarbons, and utilized in existing end use devices such as engines, turbines, and burners), essentially going beyond current technical pathways for producing hydrocarbons from biomass feedstocks.

Teaming arrangements, in the form of consortia, among the recipients under this award are required. Each consortium shall include a recipient who will be the Consortium Lead and subrecipients who will be Consortium Members. Each Consortium Lead may be (1) an institution of higher education; (2) a nonprofit or for-profit private entity; (3) a state or local government; (4) an Indian Tribe or Tribal Energy Resource Development Organization or Group; or (5) a DOE/NNSA National Laboratory Contractor. Each Consortium Member may be any of the foregoing entities, as well as

other Federal agencies and non-DOE Federally Funded Research and Development Center (FFRDC) Contractors. However, nonprofit organizations engaged in lobbying are not eligible to participate in any capacity. Although foreign participants are not eligible as the Consortium Lead, foreign participants are eligible as Consortium Members provided certain limitations are met.

One to two awards are expected under Topic Area 1 and only one award is expected under Topic Area 2. However, as described above, each award will be to a consortium that will include a lead and plurality of members. It is anticipated that each team will develop an appropriate allocation of patent rights among the recipients, including subrecipients, to facilitate the commercial development of the respective technical areas forming the subject matter of each award, subject to the requirements of the Bayh-Dole Act.

A minimum cost share of 20% of the total project cost is required. However, using the Secretary's statutory authority, under the Recovery Act, to reduce cost share requirements, a consortium may propose cost share as low as 10%.

It is the purpose of this class waiver to vest title to the parties' inventions with the recipients, including the subrecipients, in a fashion enabling them to expediently commercialize the various technologies. Accordingly, DOE will waive the Government's title to subject inventions, other than inventions made by Bayh-Dole recipients pursuant to P.L. 96-517, as amended, or National Laboratories, to the respective recipient or other recipients as may be designated by the parties agreeing to the terms of this waiver.

This advance class waiver of the Government's rights in inventions is subject to the usual Government license, march-in rights, and preference for U.S. industry provisions set out in 35 U.S.C. 202-204. The class waiver also includes the attached 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 recipient of the waiver demonstrates to the satisfaction of DOE Field Patent Counsel, with the concurrence of the cognizant DOE program, that it is not programmatically or commercially feasible to do so. Field Patent Counsel, for good cause shown in writing, may grant a deviation from this U.S. Competitiveness clause in advance of contracting. The recipient further agrees to make the above condition binding on any entity acquiring rights to any waived invention, including subsequent assignees or licensees. Should the recipient 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.

The grant of this class waiver is not expected to have any adverse effects on competition or market concentration. Rather, the waiver should enhance competition and growth of OBP's goals of (1) increasing the viability and deployment of renewable energy technologies, thereby (2) spurring the creation of a domestic bio-industry,


resulting in (3) a dramatic reduction in dependence on imported oil. In any event, if a recipient who has obtained title is not making reasonable efforts to utilize a waived invention, DOE can exercise march-in rights.

This advance class waiver shall apply to each of the recipients, including subrecipients, under the teaming arrangements upon the Contracting Officer's written notice to Field Patent Counsel that the recipient is obligated to provide cost sharing as set forth in the applicable FOA, and shall remain in effect for so long as such cost sharing is maintained over the term of the agreement.

In addition to the above, all recipients under this FOA, other than recipients which are domestic small businesses or non-profit organizations under P.L. 96-517, as amended, or National Laboratories, shall give DOE written notice of their acceptance of the terms and conditions of this class waiver prior to entering into any agreement incorporating the terms of this waiver. Except as otherwise specifically approved by DOE Patent Counsel, a recipient's acceptance of an agreement under this award, at any tier, shall constitute that recipient's notice to DOE of its acceptance of the terms and conditions of this class waiver.

In the event a recipient which is a member of a teaming arrangement does not participate in subsequent phases of its project, the remaining recipients in that recipient's team shall retain, as a minimum, a royalty-free, nonexclusive license throughout the world, with the right to grant sublicenses, in each subject invention held by such recipient pursuant to this class waiver, except as otherwise approved by DOE Field Patent Counsel. However, in no event will recipients eligible to obtain title pursuant to P.L. 96-517, as amended, or National Laboratories be required to license other recipients its subject inventions.

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 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.


Glen R. Drysdale
Patent Counsel, Golden Field Office

Date: 10/08/09

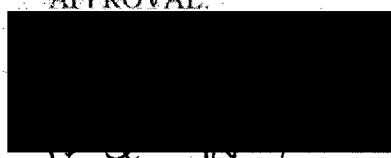
Based upon the foregoing Statement of Considerations, it is determined that the interests of the United States and the general public will best be served by a waiver of the United States and foreign patent rights as set forth herein, and, therefore, the waiver is granted. This waiver shall not affect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

CONCURRENCE:



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Date:

10/30/2009

Date:

11/3/09

(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.