

STATEMENT OF CONSIDERATIONS

ADVANCE CLASS WAIVER OF PATENT RIGHTS FOR TECHNOLOGY DEVELOPED UNDER DOE FUNDING AGREEMENTS RELATING TO DOE'S RECOVERY ACT: ELECTRIC DRIVE VEHICLE BATTERY AND COMPONENT MANUFACTURING INITIATIVE; DOE FUNDING OPPORTUNITY ANNOUNCEMENT DE-F0A-0000026; W(C)-09-020; CH1529

The Department of Energy Vehicle Technologies (VT) Program anticipates providing federal assistance in the form of grants for construction of U.S. Based manufacturing plants to produce batteries and electric drive vehicle (EDV) components. The battery manufacturing area is focused on battery manufacturing plants, material and component supplier manufacturing plants, and recycling plants, including facilities and manufacturing equipment. The electric drive manufacturing area is focused on production plants for components and subcomponents for the power electronics and electric machines used in EDVs. According to the FOA, a key objective of the VT program is to accelerate the development and production of various electric drive vehicle systems to substantially reduce petroleum consumption. A supporting goal is the development of production-ready batteries, power electronics, and electric machines that can be cost-effectively produced in volume to support the introduction of EDVs.

This FOA contains multiple Program Areas of Interest (AOI) to which an applicant must identify it is applying. These AOIs are: 1) Cell and Battery Manufacturing Facilities; 2) Advanced Battery Supplier Manufacturing Facilities; 3) Combined Applications for Areas of Interest 1 and 2; 4) Advanced Lithium Ion Battery Recycling Facilities; 5) Electric Drive Component Manufacturing Facilities; 6) Electric Drive Subcomponent Manufacturing Facilities; and 7) Combined Applications for Areas of Interest 5 and 6.

DOE expects to make between 2 and 14 awards depending on the AOI, in the form of grants. The recipient cost sharing is required to be 50% or higher.

All types of entities are eligible to apply, except other Federal agencies, Federally Funded Research and Development Center (FFRDC) Contractors in their capacity as operators of an FFRDC, and non profit organizations described in section 501(c)(4) of the Internal Revenue Code of 1986 that engaged in lobbying activities after December 31, 1995.

The FOA did not anticipate that research and development would be conducted under any grants awarded. However, after the FOA closed and proposals were received, it now appears that there will be a small component of Research and Development in some of these awards. Considering the above, it is the purpose of this class waiver to vest title in new inventions made under this program by large business awardees at any tier as either a prime or sub-awardees 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 participants pursuant to P.L. 96-517, as amended, or National Laboratories, to the above identified large business entities. Since cost sharing is at least 50%, it is expected that patent rights will be allocated among the participants on the basis of cost.

This advance class waiver of the Government's rights in inventions is subject to the usual advance patent waiver and background data licensing provisions. The terms of the advance patent waiver include the usual Government license, march-in rights, and preference for U.S. industry provisions comparable to those set out in 35 U.S.C. §§ 202-204. This advance patent waiver also includes the attached U.S. Competitiveness clause 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 can show to the satisfaction of DOE that it is not commercially feasible to do so. In the event 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 will further agree to make this condition binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees. Should the Contractor 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. Field patent counsel, after consultation with the cognizant program office, for good cause shown in writing, may grant a deviation from this U.S. Competitiveness clause in advance of contracting.

The grant of this class waiver is not expected to result in adverse effects on competition or market concentration. Rather the waiver should enhance competition and growth of the electric vehicle battery industry of the United States. DOE has the right to

require reports of the utilization or the efforts at utilization that are being made for the waived inventions.

This advance class waiver shall apply to grants made to large business entities who meet the minimum cost-sharing requirement as set forth above for the AOs, and who have provided written notice to DOE of their acceptance of the terms and conditions of this class waiver. The waiver will remain in effect as long as such cost sharing is maintained, in aggregate, over the term of the agreement. No separate waiver petition is required to be submitted.

Considering the foregoing, and in view of the statutory objectives to be obtained and the factors to be considered under DOE's waiver regulation, 10 C.F.R. 784, 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.


Mark P. Dvorscak
Deputy Chief Counsel
Intellectual Property Law Division

Date: Dec 3, 2009

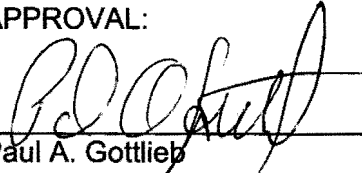
Based on the foregoing Statement of Considerations, it is determined that the United States and the general public will best be served by a waiver of rights of the scope described above, and therefore the waiver is granted. This waiver shall not apply to any modification or extension of this agreement, where through such modification or extension, the purpose, scope, or cost of the agreement is substantially altered.

CONCURRENCE:


Patrick Davis, EE-2G
Acting Program Manager
Office of Vehicle Technologies

Date: 12/2/09

APPROVAL:


Paul A. Gottlieb
Assistant General Counsel
for Technology Transfer and
Intellectual Property

Date: 2-3-09

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.