

## **STATEMENT OF CONSIDERATIONS**

**ADVANCE CLASS WAIVER OF PATENT RIGHTS FOR TECHNOLOGY  
DEVELOPED UNDER DOE FUNDING AGREEMENTS RELATING TO DOE'S  
RECOVERY ACT: CLEAN COAL POWER INITIATIVE; DOE FUNDING  
OPPORTUNITY ANNOUNCEMENT DE-F0A-0000042; W(C)-2010-01; CH1541**

The Department of Energy Office of Fossil Energy anticipates providing federal assistance in the form of cooperative agreements in a cost-shared collaboration between Government and industry to increase investment in low-emission coal technology by demonstrating advanced coal-based, power generation technologies, consistent with the Energy Policy Act of 2005. The Clean Coal Power Initiative (CCPI) goal is to accelerate the readiness of advanced coal technologies for commercial deployment, thus ensuring that the United States has clean, reliable, and affordable electricity and power. For this Announcement, DOE's specific objective is to demonstrate advanced coal-based technologies that capture and sequester, or put to beneficial use, CO<sub>2</sub> emissions. DOE's goals are to demonstrate at commercial scale in a commercial setting, technologies that (1) can achieve a minimum of 50% CO<sub>2</sub> capture efficiency and make progress toward a target CO<sub>2</sub> capture efficiency of 90% in a gas stream containing at least 10% CO<sub>2</sub> by volume, (2) make progress toward capture and sequestration goal of less than 10% increase in the cost of electricity (COE) for gasification systems and less than 35% for combustion and oxycombustion systems all as compared to current (2008) practice, and (3) capture and sequester or put to beneficial use a minimum of 300,000 tons per year of CO<sub>2</sub> emissions using a thirty day running average to determine if the project successfully meets the CO<sub>2</sub> capture efficiency and the capture and sequestration or beneficial use rate requirements of this Announcement.

All types of entities are eligible to apply, except other Federal agencies, Federally Funded Research and Development Center (FFRDC) Contractors, 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. FFRDCs may be proposed as a team member on another entity's application. Cost sharing of at least 50% is required. The cost share must be at least 50% of the total allowable costs for demonstration and

commercial application projects and must come from non-Federal sources unless otherwise allowed by law.

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 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 provisions including 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.

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 in the coal power 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. The Contractor agrees to submit copies of issued U.S. Patents resulting from waived inventions, and to submit annual reports on the utilization of a waived invention or on efforts at obtaining such utilization that are being made by the Contractor or any of its licensees or assignees.

This advance class waiver shall apply to cooperative agreements made to large business entities who meet the minimum cost-sharing requirement as set forth above, 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.

[REDACTED]

Mark P. Dvorscak  
Deputy Chief Counsel  
Intellectual Property Law Division

Date: [REDACTED]

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:

[REDACTED]

James F. Wood, FE-20  
Deputy Assistant Secretary  
for Clean Coal  
Office of Fossil Energy

Date: [REDACTED]

APPROVAL:

[REDACTED]

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

Date: [REDACTED]

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.