

## Statement of Considerations

CLASS WAIVER OF THE GOVERNMENT'S U.S. AND FOREIGN PATENT RIGHTS IN CERTAIN IDENTIFIED INVENTIONS TO SUCCESSFUL AWARDEES, MADE AND TO BE MADE IN THE COURSE OF OR THROUGH THE ARPA-E FUNDING OPPORTUNITY ANNOUNCEMENTS (DE-FOA-0000206, DE-FOA-0000207, and DE-FOA-0000208) UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, PUB L. 111-5 (RECOVERY ACT).

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The Recovery Act was signed into law by President Obama on February 17, 2009 and was enacted to preserve and create jobs and promote economic recovery, assist those most impacted by the recession, provide investments needed to increase economic efficiency by spurring technological advances in science and health, invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits, stabilize state and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

It is an unprecedented effort to jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long neglected challenges so our country can thrive in the 21<sup>st</sup> century. The recovery Act includes measures to modernize our nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.

The Recovery Act provides nearly \$39 billion for the Department of Energy to fund contracts and grants that support the Recovery Act's goals of job creation and preservation and stimulating the nations' economy. The Advanced Research Projects Agency --- Energy (ARPA-E) is a component of the Department of Energy, chartered to fund transformational research and development efforts. The mission areas for ARPA-E were laid out by Congress in the America Competes Act (P.L. 110-69).

ARPA-E is to overcome the long-term and high-risk technological barriers in the development of energy technologies. The goals of ARPA-E are:

- (A) enhance the economic and energy security of the United States through the development of energy technologies that result in –
  - a. reductions of imports of energy from foreign sources;
  - b. reductions of energy-related emissions, including greenhouse gases;
  - and
  - c. improvement in the energy efficiency of all economic sectors; and
- (B) ensure that the United States maintains a technological lead in developing and deploying advanced energy technologies.

ARPA-E's strategy is to identify early and mid-stage technologies that have the potential to make major leaps forward in the technology base for energy-related systems, with the purpose of either reducing U.S. dependence on imported petroleum, or reducing energy-related greenhouse gas emissions. To be eligible for funding, these technologies would still have significant technical barriers to overcome before industry can incorporate the technologies into new products. ARPA-E funding would focus on overcoming the key technical barriers that prevent industry investment in taking these breakthrough technologies to market. Transformational research and development is high-risk. ARPA-E is organized and structured to be able to accept and manage these risks, if the pay-off in terms of mission impact is high enough.

Section 152 of the Atomic Energy Act of 1954, 42 U.S.C. 2182, or section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974, 42 U.S.C. 5908 provide that the Government obtains title to any invention made under a DOE award that is not subject to the Bayh-Dole Act 35 U.S.C. 200-212 and not a Technology Investment Agreement, unless title is waived by DOE. It is the purpose of this advance class waiver to waive to the participants in ARPA-e, title to the inventions made by the respective participants' employees in a fashion enabling the participants to expediently commercialize the various technologies. Accordingly, DOE will waive the Government's title to subject inventions to the participants agreeing to the terms of this waiver. This class waiver does not apply to inventions made by the Bayh-Dole participants pursuant to P.L. 96-517, as amended, or National Laboratories who already have been provided with title or to inventions made under Technology Investment Agreements where no statute governs disposition of title to inventions and thus no waiver is required.

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. This 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 participant demonstrates to the satisfaction of DOE Cognizant Patent Counsel, with the concurrence of the Cognizant DOE Program, that it is not programmatically or commercially feasible to do so. Cognizant Patent Counsel, for good cause shown in writing, may grant a deviation from this U.S. Competitiveness clause in advance of contracting. The participants further agree to make the above condition binding on any entity acquiring rights to any waived invention, including subsequent assignees or licensees. Should the participants 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.

This advance class waiver applies to the recipient provided the award or subaward provides for cost sharing of at least 20% and shall apply to each of the participants under a teaming arrangement provided the team is providing cost sharing of at least 20 %. The requirement to provide at least 20% cost sharing shall be based upon the Contracting Officer's written notice to Cognizant Patent Counsel that the participant is obligated to

provide at least 20 percent cost sharing, and the waiver shall remain in effect for so long as such cost sharing is maintained, in aggregate, over the term of the project under the ARPA-E Funding Opportunity Announcements ( DE-FOA-0000206, DE-FOA-0000207, and DE-FOA-0000208).

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 U.S. economic and energy security through the development of new energy technologies that will compete with existing technologies and other new emerging technologies. In any event, if a participant who is subject to this waiver 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.

For those who are not subject to Bayh-Dole or do not meet the criteria of the class waiver, they may still request a waiver of all or any part of the rights of the United States in inventions conceived or first actually reduced to practice in performance of an agreement as a result of this announcement, in advance of or within 30 days after the effective date of the award. Even if such advance waiver is not requested or the request is denied, the recipient will have a continuing right under the award to request a waiver of the rights of the United States in the title to identified inventions, i.e., individual inventions conceived or first actually reduced to practice in performance of the award.

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 interests of the United States and the general public. It is recommended that the waiver be granted.

[REDACTED]  
Linda P. Field  
Patent Counsel

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:

APPROVED:

[REDACTED]  
Arun Majumdar, Director  
Advance Research Projects Agency –  
Energy

[REDACTED]  
John T. Lucas  
Acting Assistant General Counsel for  
Technology Transfer and  
Intellectual Property

Date: 5/21/10

Date: 5/21/2010

(t) U.S. COMPETITIVENESS

The participant 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 participant 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 participant 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 participant 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.