

## STATEMENT OF CONSIDERATIONS

REQUEST BY SOUTHERN COMPANY SERVICES (SCS) FOR WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS IN IDENTIFIED INVENTION S-135,150; ENTITLED "INTEGRATED DISTRIBUTION MANAGEMENT SYSTEM CHANNEL ADAPTER"; MADE UNDER CONTRACT NUMBER DE-FC26-07NT43183; W(I)-2013-010; CH-1699

The Petitioner, Southern Company Services (SCS), has requested a waiver of domestic and foreign patent rights in the following invention and related patent application:

S-135,150 U.S. Patent Application 13/010,309, Filed 1/20/2011, "Integrated distribution management system channel adapter".

The above-identified invention was made under contract number DE-FC26-07NT43183 by SCS. The invention was conceived and reduced to practice solely by the Petitioner. The purpose of this waiver is to vest the Petitioner with clear title to the invention to enable the Petitioner to commercialize the technology.

Referring to item 3, the overall objective of the award was to continue the scope of work from the original project to implement an integrated and common user interface with all of the functions and activities associated with operating a modern power distribution system including items such as Electronic Map Board, Outage Notification, switching operations and power flow calculations.

The contract was awarded on October 1, 2007 and continued until March 31, 2013. The Petitioner's award value was \$11,222,652 of which \$5,640,162 (~ 50.3%) was the Petitioner's cost share. The Petitioner has also invested approximately \$120,000 of additional R&D funding during the program to further evaluate the concept. The Government has no plans for further research and development on the invention, beyond the research done in the subcontract with the Petitioner.

Referring to items 5-9 of the waiver petition, the Petitioner is a premier regional energy utility company focused on the Southeast region of the U.S. The petitioner has an established Intellectual Property Program to identify technologies developed by the Petitioner with possible

commercial uses outside of SCS and then license those technologies to third parties for commercialization. Two utilities, Snohomish and the City of Nashville, have already approached the Petitioner for a license in the subject invention. The Petitioner has an ongoing relationship with CTS, a small software company in Birmingham, AL, who is willing to take the product to market.

The award of this waiver will effectively promote the continued development and commercial utilization of the subject invention since the Petitioner will be able to develop this technology and incorporate it into its commercial portfolio for other utilities to license. The Petitioner believes that, with the help of third parties, it possess all fabrication skills and facilities needed to commercialize the subject technology.

The award of this waiver will help ensure that the Petitioner can realize a fair return on its current and future investments thus motivating more rapid commercialization. The Petitioner has already filed a patent application in the subject invention, and ownership of the subject invention will spur the Petitioner to increase investment in commercial products in the market. The Petitioner, having expertise in both development and commercialization, is in the best position to quickly bring to market a product utilizing the subject invention. Thus, the waiver is necessary for development to proceed given the size and nature of the investment necessary to commercialize the invention.

The Petitioner has agreed that this waiver will be subject to the march-in and preference for U.S. industry provisions, as well as the U. S. Government license, set out in 35 U.S.C. 202-204. Further, Petitioner has agreed to the attached U.S. Competitiveness provision (paragraph (t)). In brief, Petitioner has agreed that products embodying a waived invention or produced through the use of a waived invention will be manufactured substantially in the United States unless the Petitioner can show to the satisfaction of the DOE that is not commercially feasible to do so. The Petitioner has further agreed to make the above conditions binding on any assignee or licensee or any entity otherwise acquiring rights in the waived invention, including subsequent assignees and licensees. Should the Petitioner or other such entity receiving rights in a 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.

Referring to item 10 of the waiver petition, awarding this waiver will not have an adverse impact on competition. Finally, the technology forming the subject matter of the collaboration can be expected to allow greater access to other utility companies once the technology has been adapted to provide for customization needed for broad deployment.

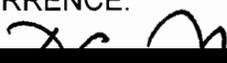
Considering the foregoing, it is believed that awarding this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the subject inventions of the award in a fashion which will make the technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 10 CFR Part 784, all of which have been considered, it is recommended that the requested waiver be awarded.

  
Michael J. Dobbs  
Patent Attorney  
Intellectual Property Law Division

Date: 8/17/2014

Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is awarded.

CONCURRENCE:

  
  
Dan T. Ton  
Acting Deputy Assistant Sec Power  
Systems Engineering Research  
and Development  
OE-10

Date: 9-16-14

APPROVAL:

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

Date: 9-17-14