

STATEMENT OF CONSIDERATIONS

REQUEST BY THE UCHICAGO ARGONNE, LLC, AS OPERATOR OF ARGONNE NATIONAL LABORATORY FOR WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS IN AN IDENTIFIED INVENTION, DOE DOCKET NO. S-122,001, MADE UNDER DOE CONTRACT NO. DE-AC02-06CH11357 AND IN COLLABORATION WITH AN INVENTOR FROM ISTANBUL TECHNICAL UNIVERSITY; W(I)-2011-001, CH-1602.

This waiver request is for domestic and foreign rights in a joint identified invention made by employees of Argonne National Laboratory (ANL) and Istanbul Technical University (ITU). The identified invention was made during an informal interchange between three ANL inventors and one inventor from ITU. In order to effectively commercialize the technology, ANL in association with the ITU inventor, Professor Servet Timur, hereby request the instant patent waiver to consolidate title. The identified DOE invention No. S-122,001, is entitled "*ULTRA-FAST BORIDING OF METAL SURFACES FOR IMPROVED PROPERTIES,*" and provides an ultra-fast method for producing boride coatings with enhanced properties. The invention is more fully described in U.S. Patent Application No. 12/470,360.

Under section 9 of the Nonnuclear Research and Development Act (NNEA) of 1974, DOE has certain rights in the joint invention developed during the interchange between ANL and ITU. More specifically, the NNEA vests title in Professor Timur's portion of the joint invention with DOE. In contrast, UChicago Argonne, LLC (UCA) maintains the right to retain title to its portion of the joint invention by virtue of 35 USC 202 and UCA's M&O contract with DOE. UCA has requested a waiver of DOE rights in the invention to consolidate title, continue development of the technology, and proceed with commercialization.

Although the NNEA grants Professor Timur the right to request waiver of DOE's rights in his portion of the joint invention, the professor has agreed to assign any rights in the invention to UCA in order expedite consolidation of title and effect commercialization. It should be noted that Professor Timur stated that he has no obligation to assign his invention rights to ITU and is therefore free to assign these rights to UCA without concurrence or approval from ITU. This assertion is supported by correspondence from ITU's Vice-Rector, stating that there are no restrictions on ITU staff securing patent protection for themselves as individuals.

In exchange for agreeing to assign his rights to UCA, the Lab has agreed that for the purpose of royalty sharing, the Lab will treat Professor Timur as an ANL employee. Therefore, Professor Timur will receive an inventor's share of any royalties and income received from commercializing the technology.

The identified invention was originally developed and funded under the DOE Office of Freedom Car and Vehicle Technologies, B&R code VT-01-01-01. The funding was approximately \$2,000,000 over a period of three years. Development is continuing under the Industrial Technology Program, Energy Efficiency and Renewable Energy, with funding of approximately \$750,000 over a period of five years. The purpose of the continuing research is to optimize the process by further reducing the cycle time. Successful development and implementation technology could lead to a commercially viable boring process that is more efficient and less costly than state of the art methods.

As explained in responses to questions 8 and 9 of the attached waiver petition, UCA expects to negotiate a near term license with a domestic company to commercialize the invented process in the company's domestic plants. This demonstrates UCA's commitment to commercialize the technology in the shortest time practical.

Licensing of the invention will be performed by UCA in accordance with the terms of the Prime Contract DE-AC02-06CH11357, and subject to any required DOE approvals.

Grant of the waiver will not have an adverse impact on competition or on market concentration as the Lab plans to make any exclusive license of the technology of limited duration. This limited time of exclusivity will allow the Lab to commercialize the technology quickly with a near term licensee, while ensuring the technology is more widely available when the technology matures which will help spur competition.

ANL is subject to Public Laws 98-620 and 101-189 in conducting its technology transfer activities. The terms of the above-identified UCA contract provides a Government license, march-in rights and preference for U.S. industry as set forth in 35 USC §§ 202, 203, and 204. The technology transfer provision of the contract also requires consideration to fairness of opportunity in conducting licensing activities.

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 waived be granted.



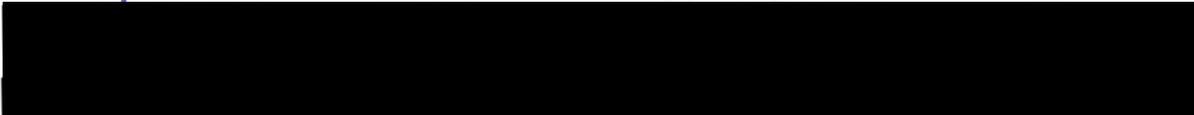
Brian J. Lally
Assistant Chief Counsel
Intellectual Property Law Division
DOE Chicago Office

Date: February 4, 2011

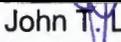
Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is granted.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

CONCURRENCE:

APPROVAL:



Leo Christodoulou
Program Manager
Office of the Industrial Technology Program
Program, EE-2F



John T. Lucas
Assistant General Counsel for Technology
Transfer and Intellectual Property

Date: 

Date: 
