

STATEMENT OF CONSIDERATIONS

REQUEST BY IGC-SUPERPOWER, LLC, FOR AN ADVANCED WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS UNDER COOPERATIVE AGREEMENT NO. DE-FC36-98GO10282; W(A)-01-004; CH-1057

The Petitioner, IGC-Superpower, LLC (hereinafter "IGC"), a subsidiary of Intermagnetics General Corporation, has requested a waiver of domestic and foreign patent rights for all subject inventions arising from its participation under the above referenced cooperative agreement, by its employees, its prime contractor's employees, and its subcontractors' employees regardless of tier, except inventions made by subcontractors eligible to retain title to inventions pursuant to P.L. 96-517, as amended, or National Laboratories. This cooperative agreement, entitled "5/10 MVA High Temperature Superconducting (Hereinafter "HTS) Power Transformer," pertains to the development of an advanced HTS 5/10 MVA alpha prototype transformer. Petitioner is one of three parties, GS Waukesha, IGC-Superpower, and Rochester Gas & Electric, involved in the above referenced cooperative agreement for the development and testing of HTS Power transformers in a typical electric power generation situation. The parties, as a matter of administrative convenience, agree to the submission of an advanced waiver petition by IGC on behalf of the parties as indicated in the attached letter.

The specific objectives of this cooperative agreement are: to complete the conceptual design for the 5/10 MVA alpha transformer; analyze the alpha transformer from a commercial perspective; design, analyze, and evaluate new components; and complete conceptual design and construction of the concept transformer.

It is anticipated that this project will be performed in three phases over a period of approximately three years and five months, from May 1998 to October 2002 at a total cost of about \$6,000,000.00. Of that amount, the Petitioner is obligated to provide at least 50% cost sharing, or \$3,000,000, although the Petitioner anticipates that the Subcontractors will contribute to its cost sharing obligation. In view of the cost sharing and other equities among IGC and the other parties, it is anticipated that the parties will develop an appropriate allocation of patent rights among the participants to facilitate the expeditious development of the technology forming the subject matter of this agreement. Accordingly, DOE will waive title to all subject inventions made by IGC and the employees of the other parties, regardless of tier, except inventions made by subcontractors eligible to retain title to inventions pursuant to P.L. 96-517, as amended, or National Laboratories, to IGC or the other parties, as mutually agreed by the parties. Except as otherwise specifically approved by DOE Patent Counsel, a party's acceptance of a subcontract under this cooperative agreement, at any tier, shall constitute IGC's and that party's notice to DOE that they accept the terms and conditions of this advanced waiver. In any event, this waiver is contingent upon the Petitioner maintaining, in aggregate, 50% cost sharing over the course of the agreement.

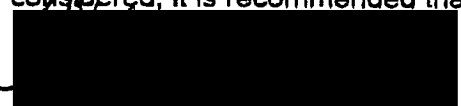
As noted in its waiver petition, Petitioner, IGC has an established position in the design and manufacture of equipment relating to applied superconductivity, magnetics, cryogenics and refrigeration. The Petitioner is a leader in the development of HTS transformers and superconductor-based power transfer equipment for commercial applications. The Petitioner has worked with DOE, through the National Laboratories, as well as state energy agencies and commercial companies to commercialize this technology. A commercial market does not currently exist for HTS transformers as the commercial feasibility of the device has not been proven. However, the Petitioner fully expects to commercialize the HTS technology.

Considering Petitioner's technical expertise and investment in this technology, including cost sharing under this agreement, it is reasonable to conclude that Petitioner will continue to develop and commercialize the technology which may arise from this agreement.

Referring to item 10 of the waiver petition, given the nature of HTS development throughout the world, granting this advance waiver and the underlying cooperative agreement is not expected to have any anti-competitive effects as there currently is no commercial market for HTS products. Instead, products developed by the Petitioner should improve competition by providing alternatives to products currently being developed by other companies in the HTS field.


The Petitioner has agreed that this waiver will be subject to the usual government license, march-in and U.S. preference provisions, set out in 35 U.S.C. 202-204, as well as appropriate background patent and data licensing provisions. Further, Petitioner has agreed to the attached U.S. competitiveness provisions (clause (t)), wherein the Petitioner has agreed that products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless Petitioner can show to the satisfaction of the DOE that it is not commercially feasible to do so, and in any event it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements.

Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the cooperative agreement in a fashion which will make the above 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 granted.


Thomas G. Anderson
Assistant Chief Counsel
Office of Intellectual
Property Law

Date:

11/20/02


Mark LaMarre
Patent Attorney
Office of Intellectual
Property Law

Date:

November 20, 2002

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 will not apply to any substantial modification or extension of the cooperative agreement, when through such modification or extension, the purpose, scope or cost of the agreement has been substantially altered.

CONCURRENCE:

William Parks Jr.
Program Manager, Office of
Distributed Energy & Electric
Reliability
EE-2D

Date: 12/18/02

APPROVAL:

Paul Gottlieb
Assistant General Counsel for
Technology Transfer and Intellectual
Property

Date: 12-23-02

(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.

WAIVER ACTION - ABSTRACT
W(A)-00-019

REQUESTOR

IGC-SUPERPOWER, LLC

COOPERATIVE AGREEMENT
SCOPE OF WORK

Development of an advanced
HTS 5/10MVA alpha prototype
transformer.

RATIONALE FOR DECISION

Significant experience in the
power generation technology -
approximate 50% cost sharing.