STATEMENT OF CONSIDERATIONS

REQUEST BY DELPHI AUTOMOTIVE SYSTEMS FOR AN ADVANCE WAIVER OF PATENT RIGHTS TO INVENTIONS MADE UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC26-02NT41246; W(A) 03-021 ; CH-1147

As set out in the attached waiver petition and in subsequent discussions with DOE Patent Counsel, Delphi Automotive Systems, L.L.C (Delphi) has requested an advance waiver of domestic and foreign patent rights for all subject inventions made under the above subject cooperative agreement. The waiver will apply to inventions made by Delphi 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, and National Laboratories.

Referring to item 2 of Delphi's petition, the purpose of this agreement is to develop 5 kW Solid Oxide Fuel Cell (SOFC) power systems for a range of fuels and applications. These applications include automotive and heavy-duty truck auxiliary power units, stationary distributed power generation, and niche applications in the military sector.

The work under this agreement is expected to take place over a period from July 1, 2002 through December 31, 2011. The total contract is for $31,298,199; Delphi will be obligated to cost share $10,844,354, or 35% of the total cost of the project. DOE is providing the remaining cost share of 65% or $20,453,845.

In view of the cost sharing and other equities between Delphi and its subcontractors, 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 the agreement. Accordingly, DOE will waive title to all subject inventions made by Delphi employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title pursuant to P.L. 96-517, as amended, or National Laboratories, to Delphi or its subcontractors, as mutually agreed by the parties. Except as otherwise approved in writing by DOE Patent Counsel, a party's acceptance of a subcontract under this agreement, at any tier, shall constitute Delphi's certification that it has provided that party with a copy of this Statement of Considerations and that party's notice to DOE that it accepts the terms and conditions of this advance waiver. Additionally, subcontractors who receive title under this waiver shall notify DOE Patent Counsel in writing of such disposition of patent rights.

Referring to items 5-8 in Delphi's waiver petition, Delphi states it is the world's only engine management system supplier having total engine management capability. Its core technologies are applicable from the gas tank to the tailpipe of a vehicle. It has strong capability in fuel injection, calibration, air management, ignition, sensors, and catalytic converters. Many of these core technologies are applicable to the design and manufacture of an SOFC system. In addition, Delphi has disclosed to DOE seventy-five (75) inventions made under this cooperative agreement; a listing of these inventions is attached as Exhibit 1. This, coupled with Delphi's cost sharing, clearly demonstrates the likelihood that Delphi will continue development and commercialization of the results of this agreement.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition as there are a variety of competing technologies in the domestic SOFC market.

This advance waiver of the Government's rights in inventions is subject to the usual advance patent waiver licensing provisions, and the government license, march-in rights, and preference for U.S. industry provisions set out in 35 U.S.C. 202-204. The advance patent waiver also includes the attached U.S. Competitiveness clause (paragraph t) which requires

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. The contractor further agrees to make the above condition binding on any assignee, licensee or other entity 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.

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 agreement 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 granted.

[redacted]

Mark P. Dvorscak
Assistant Chief Counsel
Intellectual Property Law Division

Date: Mar. 11, 2005

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 modification or extension of the cooperative agreement, where through such modification or extension, the purpose, scope or cost of the cooperative agreement has been substantially altered.

CONCURRENCE:

[redacted]

Victor Der, FE-22
Office of Clean Energy Systems
Office of Fossil Energy

Date: 7/7/05

APPROVAL:

[redacted]

Paul A. Gottlieb
Assistant General Counsel
for Technology Transfer and
Intellectual Property, GC-62

Date: 7-11-05

(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.