STATEMENT OF CONSIDERATIONS

REQUEST BY UNITED TECHNOLOGY CORPORATION FUEL CELLS (UTCFC) FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN RIGHTS TO INVENTIONS MADE UNDER COOPERATIVE AGREEMENT NUMBER DE-FC04-02AL67608, DOE WAIVER NO. W(A) 03-040.

The Petitioner, UTCFC, has requested a waiver of all domestic and foreign patent rights to inventions that may be conceived or first actually reduced to practice in the course of UTCFC's work under Cooperative Agreement Number DE-FC04-02AL67608 entitled "Development of High-Temperature Polymeric Membranes and Improved Cathode Structures" with the U.S. Department of Energy (DOE). This waiver will not apply to any inventions conceived by subcontractors.

The work to be done will be the design, development and delivery of two fuel cell stacks. The first stack will be a conventional PEM stack with platinum-alloy catalysts. The second stack will be a high-temperature membrane stack with platinum catalysts. Successful research and development under this agreement will lead to a better understanding of advanced fuel cells, specifically membrane electrode assemblies (MEAs) and an eventual broader use of fuel cells for commercial power and heat generation—resulting in better air quality and lowered dependence on unstable overseas oil supplies.

The cooperative agreement covers a period from January 1, 2002 through December 31, 2005 at a total cost to DOE of $7.6M. UTCFC will provide $1.88M as a cost share (24.7%) over the life of this agreement. DOE funds to be provided as follows: FY01 -- $100K; FY02 -- $2.0M; FY03 -- $2.0M; FY04 -- $2.0M; and FY05 -- $1.5M. The government contribution will be made through Budget & Reporting Codes EE0502 sponsored by the Office of Hydrogen, Fuel Cells and Infrastructure Technologies Program.

UTCFC is a wholly owned subsidiary of United Technology Corporation (UTC). UTC is a Hartford, CT-based multinational corporation with a worldwide corporate presence. UTCFC is a global leader in advanced fuel cell technology research and a global leader in fuel cell production, development and commercialization. UTCFC has well over 40 years experience along with well over 100 patents in the field of fuel cell technologies. UTCFC is the only company in the world producing and delivering commercial stationary fuel cell systems. UTCFC is already in a dominant market position and the grant, or disapproval, of this waiver will have no impact on this status.

UTCFC has agreed to abide by 35 U.S.C. §§ 202, 203 and 204, as well as the provisions of the Standard Patent Rights clause for an Advance Waiver. Additionally, UTCFC has agreed to the provisions of the attached U.S. Competitiveness Clause, which requires Petitioner to substantially manufacture any products embodying or produced through any waived invention in the United States, unless Petitioner can convince DOE it is not

commercially feasible to do so. Petitioner agrees to make this condition binding on any assignee or licensee. UTCFC will abide by the Export Control laws and will require its licensees, if any, to do the same. UTCFC will expend such sums as may be required to maintain the necessary patent protection and provide incentive for commercial development of the invention.

Considering Petitioner's status as a world leader in research and development of advanced fuel cell technologies, it is concluded that the grant of the requested waiver is most likely to eventually achieve commercialization success and implementation of advanced, stationary fuel cell systems on a national and global scale.

As such, upon evaluation of the Waiver Petition in view of the objectives and considerations set forth in 10 CFR 784.4, all of which have been considered, it is recommended that the requested waiver be granted.

[redacted]

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Patent Attorney
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Based on the foregoing Statement of Considerations and the representations of 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 a modification or extension of the cooperative agreement where, through such modification or extension, the purpose, scope or DOE cost of the cooperative agreement have been substantially altered.

CONCURRENCE:

[redacted]

Steven G. Chalk
Program Manager, EE-2H

Date: 1/22/04

APPROVAL:

[redacted]

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