

Statement of Considerations

REQUEST BY INTERMAGNETICS GENERAL CORPORATION FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN RIGHTS IN SUBJECT INVENTIONS MADE IN THE COURSE OF OR SUBCONTRACT NO. 4000003129 UNDER DOE PRIME CONTRACT NO. DE-AC05-00OR22725; DOE WAIVER DOCKET W(A)2003-046 [ORO-784]

Petitioner, Intermagnetics General Corporation, has made a timely request for an advance waiver to worldwide rights in Subject Inventions made in the course of or under Subcontract No. 4000003129 under DOE Prime Contract DE-AC05-00OR22725 with UT-Battelle, LLC. The scope of this work is for continuous processing of RE-123 High Temperature Superconductive (HTS) tapes having certain minimum performance characteristics. This work is sponsored by the Office of Superconductivity for Electric Systems.

The anticipated total dollar amount of the subcontract is \$4,525,476 of which Petitioner will be cost-sharing 50%. The period of performance is from June 7, 2000 through April 30, 2004.

Petitioner's experience and expertise will contribute substantially to commercialization of the inventions made under the agreement. Petitioner is a leading manufacturer in the areas of applied superconductivity, magnetics, cryogenics and refrigeration and has significant experience in commercializing state-of-art projects in a timely and profitable manner. In addition, beginning with the discovery of HTS materials, IGC has been at the forefront of developing this technology for commercial applications. Petitioner has formed strategic relationships and joint development efforts with DOE national laboratories, the New York State Energy Research and Development Authority and commercial companies. Petitioner has also designed, manufactured and tested HTS subsystems for generator, fault current controller, cables and transformers.

Petitioner has a substantial financial investment directly related to the work to be performed under this agreement. Over \$30 million has been invested in Petitioner's HTS materials and device activity, including the Government funding noted above. Petitioner, in order to more effectively commercialize the HTS technology, has formed a new subsidiary, SuperPower, Inc. SuperPower, Inc. contains substantially all the tangible assets of Petitioner's HTS power-related activities, including HTS transformer, fault current controller, fault current limiter and second generation wire. Furthermore, it is anticipated that the second generation HTS materials being developed under this subcontract will assist in addressing the needs of the nation's aging utility infrastructure.

Petitioner has agreed to the standard DOE waiver terms and conditions, including march-in rights, background patent and data provisions, retention by the government of a license, preference for U.S. industry and U.S. Competitiveness clauses.

Petitioner has also agreed 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 Petitioner can show to the satisfaction of DOE that it is not commercially feasible to do so. In the event that the waived invention is not substantially manufactured in the United States and 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 Petitioner has further agreed to make the above condition binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees. Should the Petitioner 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.

Granting of the waiver should have little effect on competition since there are several competing technology options in the field of superconductive products for generation, transfer, transmission and storage of electrical power.

Grant of the requested waiver should serve as encouragement to other DOE contractors and subcontractors that significant cost sharing will be recognized as an acceptable consideration for granting greater rights in Subject Inventions.

In view of the substantial level of cost sharing by Petitioner and the objectives and considerations set forth in 10 CFR 784.4, all of which have been considered, it is recommended that the requested waiver for worldwide rights be granted.


for Emily G. Schneider
Assistant Chief Counsel for
Intellectual Property

Date: MAR 1 2004

Based on the foregoing Statement of Considerations and the 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 U.S. and foreign patent rights, and therefore, the waiver is granted. This waiver shall not apply to a modification or extension of the cost-shared subcontract where, through such a modification or extension, the purpose, scope or cost of the subcontract has been substantially altered.

CONCURRENCE:


James G. Daley
Program Director
Superconductivity for Electric Systems

Date: March 4, 2004

APPROVAL:


Paul A. Gottlieb
Assistant General Counsel for
Technology Transfer
and Intellectual Property

Date: 3-10-04

(ii) Contending that the subject invention is not a subject invention, the contractor nevertheless discloses the subject invention and all facts pertinent to this contention to the Patent Counsel, with a copy to the Contracting Officer, or

(iii) Establishes that the failure to disclose did not result from the contractor's fault or negligence.

(3) Pending written assignment of the patent application and patents on a subject invention determined by the Contracting Officer to be forfeited (such determination to be a Final Decision under the Disputes clause of this contract), the contractor shall be deemed to hold the invention and the patent applications and patents pertaining thereto in trust for the Government. The forfeiture provision of this paragraph shall be in addition to and shall not supersede any other rights and remedies which the Government may have with respect to subject inventions.

(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.

(End of clause)