

STATEMENT OF CONSIDERATIONS

REQUEST BY CHEVRONTExACO TECHNOLOGY VENTURES FOR AN ADVANCE
WAIVER OF PATENT RIGHTS TO INVENTIONS MADE UNDER COOPERATIVE
AGREEMENT DE-FC26-04NT42222; W(A)-04-076 ; CH-1255

As set out in the attached waiver petition and in subsequent discussions with DOE Patent Counsel, ChevronTexaco Technology Ventures (CTTV) 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 CTTV 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 CTTV's petition, the purpose of this agreement is the development of Nickel based sulfur resistant catalysts for diesel reforming. According to the Statement of Project Objectives set forth in the cooperative agreement (attached hereto), the overall objective of the project is to pre-form diesel fuel for use in a solid oxide fuel cell auxiliary power unit intended for use on diesel trucks and remote stationary power applications using a sulfur resistant low cost catalyst.

The work under this agreement is expected to take place over a period from September 20, 2004 through March 19, 2006 at a total cost of \$375,000. CTTV will be obligated to cost share \$75,000, or 20 percent of the total cost of the project. DOE is providing the remaining \$300,000 or 80%.

In view of the cost sharing and other equities between CTTV 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 CTTV's 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 CTTV or its subcontractors, as mutually agreed by the parties. In addition, this project is under the Solid State Energy Conversion Alliance (SECA) Core Program. The Core Technology Program provides a focused applied research and development component of SECA – research that is typically longer term in nature, and thus not the focus of sustained industry investment. It focuses on the R&D efforts of universities, national laboratories, and other research institutions. The Core Technology Program participants perform work subject to the exceptional circumstance made for the SECA program: any patent waiver granted to a large business will contain language requiring the large business to offer to each of the SECA Industrial Teams the option to enter into a non-exclusive license for subject inventions developed under the Core Program, upon terms that are reasonable under the circumstances, including royalties. 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 CTTV'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 5-9 in CTTV's waiver petition, CTTV states that it has spent the last four years investigating the autothermal reforming of gasoline, jet, and other liquid hydrocarbon fuels, and obtained patents for this research: U.S. Patent 6,803,029 on reactor metallurgy and coke prevention; U.S. Patent 6,790,547 on the use of radio frequency electromagnetic radiation to reduce coking; and U.S. Patent 6,660,050 on the use of fuel detergents to prevent injector

plugging. Other patent applications are pending. This, coupled with CTTV's cost sharing, clearly demonstrates the likelihood that CTTV 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 relevant market, and CTTV states it is a small player relative to the major firms offering alternative catalysts.

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: July 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]
George Rudins,
Deputy Assistant Secretary
Office of Fossil Energy
Coal and Power Systems
And Renewable Energy

Date: 7-29-05

APPROVAL:

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

Date: 8-3-05

(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.

WAIVER ACTION - ABSTRACT

W(A)-04-076 (CH-1255)

<u>REQUESTOR</u>	<u>CONTRACT SCOPE OF WORK</u>	<u>RATIONALE FOR DECISION</u>	<u>DISPOSITION</u>
ChevronTexaco Technology Ventures Under DOE Cooperative Agreement No. DE-FC26-04NT42222	Development of Ni-Based Sulfur Resistant Catalyst for Diesel Reforming	20% cost sharing	