

## Statement of Considerations

REQUEST BY ABB POWER GENERATION, INC., FOR AN  
ADVANCE WAIVER OF DOMESTIC AND FOREIGN  
RIGHTS IN SUBJECT INVENTIONS MADE IN THE  
COURSE OF OR UNDER DEPARTMENT OF ENERGY  
CONTRACT NO. DE-AC21-95MC30245; DOE WAIVER  
DOCKET W(A)-95-035[ORO-604]

ABB Power Generation, Inc., (ABB) has made a timely request for an advance waiver to worldwide rights in Subject Inventions made in the course of or under Department of Energy (DOE) Contract No. DE-AC21-95MC30245. The scope of the work calls for the completion of the conceptual preliminary design of a selected utility advanced turbine system (ATS), to identify technical barrier issues, and to conduct test programs of prospective conceptual designs that address these issues. The work is sponsored by the Office of Fossil Energy.

The dollar amount of the contract is \$4,807,507 with ABB cost sharing 25%, or \$1,201,877 which includes \$269,495 in kind payment.

ABB has been directly involved in the design and development of gas turbines since its first industrial engine began commercial operation in 1939. Since then it has designed and developed numerous engine models for 50 and 60 Hertz operation in base and peak load service worldwide.

ABB sells power generation products worldwide such as gas turbines, steam turbines, generators, heat recovery steam generators, power transmission and distribution equipment, controls, and fossil-fueled, hydroelectric and nuclear power plants. It serves utilities, corporations and municipalities, with global sales exceeding 29 billion dollars in 1994, about one third of which represented ABB power generation products. ABB holds about one-third of the market share on a worldwide basis and for the past five years has provided the Government with approximately 50 million dollars per year in research and development, products, and services. Considering its market position, it has the capability to commercialize the gas turbines developed under the contract.

ABB has a history of research and development leading to commercialization of gas turbine technologies and products. The investment has exceeded 500 million dollars over the past five years and has resulted in the establishment of analytical tools, design data bases, and advanced technologies which will be directly applied to the ATS program.

The contract has been executed and is proceeding with the standard DOE long form patent clause. If the requested waiver is approved, a patent rights clause embodying the standard DOE waiver terms and conditions, approved by ABB, including march-in rights, retention by the government of a license, preference for U.S. industry, and U.S. Competitiveness clauses will be added by a no-cost modification to the contract. The advance patent waiver will also contain a paragraph that limits ABB's ability to alienate waived rights. Specifically, ABB shall not transfer rights in any invention without prior approval of DOE. Also, should there be a change in ownership of ABB, rights in inventions will be suspended until approval by DOE of the entity obtaining controlling interest having the waiver.

ABB agrees that any product, process or service used or sold by ABB or its affiliates embodying subject inventions must be manufactured, practiced or provided substantially in the United States, and further, any license or other transfer of rights in a subject invention to third parties must be approved by DOE prior to any such transfer.

Granting of the waiver should have little effect on competition since there are several technology options, this being one of many previously or yet-to-be developed in the marketplace, therefore there should not be undue market concentration of ABB products.

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

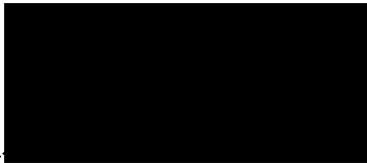
In view of the acceptable level of cost sharing by ABB and the objectives and considerations set forth in 41 CFR 9-9.109, all of which have been considered, it is recommended that the requested waiver for worldwide rights be granted.



Katherine Lovingood  
Senior Patent Attorney

Based on the foregoing Statement of Considerations and the representations in the attached Waiver Petition, it is determined that the interest 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 contract where, through such a modification or extension, the purpose, scope or cost of the contract has been substantially altered.

CONCURRENCE:



George Rudins  
Deputy Assistant Secretary  
for Coal Technology

Date: 8/5/94

APPROVAL:



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

Date: 8-8-96

WAIVER ACTION ABSTRACT

REQUESTOR

ABB Power Generation, Inc.

CONTRACT SCOPE OF WORK

This work is being done under the Department of Energy's Advanced Turbine System program and the work calls for the completion of the conceptual preliminary design of a selected utility advanced turbine system (ATS), to identify technical barrier issues, and to conduct test programs of prospective conceptual designs that address these issues.

RATIONALE FOR DECISION

Petitioner is paying 25% of the cost of the contract, the technology will improve energy efficiency and commercialization would be unlikely if the waiver is not granted.

DISPOSITION

Waiver Granted