

Statement of Considerations

REQUEST BY ENGELHARD CORPORATION 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-AC21-93MC30246, SUBCONTRACT NUMBER  
HD9500805; DOE WAIVER DOCKET W(A)-95-036  
[ORO-605]

Engelhard Corporation (Engelhard), a subcontractor of Solar Turbines, 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-AC21-93mc30246, Subcontract No. HD9500805. The scope of the work calls for the development and testing of catalytic combustors to be used in the Advanced Turbine Systems Program.

The dollar amount of the subcontract is \$70,684 with Engelhard cost sharing 25% of the subcontract.

Engelhard is a leading worldwide supplier of catalysts for the environmental, petroleum and chemical markets. It has a history of investing its own resources to develop, test, manufacture and introduce catalytic products such as the catalytic converter for automobiles in the 1970's, and the selective catalytic reduction process for removing oxides of nitrogen in power plant emissions. It is engaged in a joint venture, Salem Engelhard, which manufactures and markets thermal regenerative incinerators. Engelhard funds approximately \$50 million of research and development annually to support its new catalyst products. Therefore, Engelhard's experience and expertise will contribute substantially to commercialization of the inventions made under the subcontract.

Engelhard has a history of research and development in technology directly related to the Advanced Turbine Systems Program. It invented the use of catalytic combustion for the abatement of pollution in the operation of turbines and has been working in this area for over ten years. This research is the basis for the

further development on combustors that is the subject of this subcontract. It is committing resources previously used in these activities, such as personnel, equipment, and expertise, to develop the combustors under this subcontract.

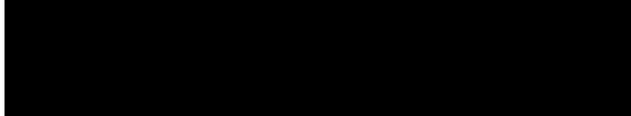
The subcontract has been executed and is proceeding with the standard DOE long form patent clause. If the requested waiver is approved, a patent rights clause embodying the standard DOE waiver terms and conditions, approved by Engelhard, including march-in rights, retention by the government of a license,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

Engelhard agrees that any product, process or service used or sold by Engelhard or its affiliates embodying subject inventions must be manufactured, practiced or provided substantially in the United States, and further, any license or other transfer in rights of 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 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 Engelhard 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 subcontract where, through such a modification or extension, the purpose, scope or cost of the contract has been substantially altered.

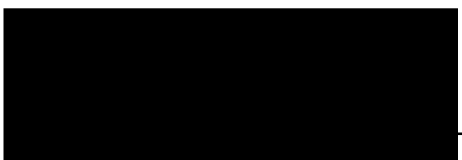
CONCURRENCE:

  
Kurt D. Sisson, Acting Director  
Office of Waste Reduction  
Technologies, EE-22

Date:

7/15/96

APPROVAL:

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

Date:

7-16-96

WAIVER ACTION ABSTRACT

REQUESTOR

Engelhard Corporation

SUBCONTRACT SCOPE OF WORK

This work is being done under the Department of Energy's Advanced Turbine System program and the work calls for the development of catalytic combustors under a subcontract with Solar Turbines.

RATIONALE FOR DECISION

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

DISPOSITION

Waiver Granted