

## STATEMENT OF CONSIDERATIONS

REQUEST BY CUMMINS WESTPORT, INC. FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS UNDER SUBCONTRACT NO. ZCI-5-44118-01 ENTITLED " DEVELOPMENT OF A CUMMINS STOICHIOMETRIC SI/EGR ENGINE AT 0.2g NOx" UNDER DOE CONTRACT NO. DE-AC36-98GO10337; W(A)-05-012; CH-1276

As set out in the attached waiver petition and in subsequent discussions with DOE Patent Counsel, Cummins Westport, Inc. (CWI) has requested an advance waiver of domestic and foreign patent rights for all subject inventions made under the above-identified subcontract by its 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, and National Laboratories.

Referring to item 2 of CWI's waiver petition, the purpose of this subcontract encompasses the development and commercialization of a natural gas engine for medium truck, refuse and urban transit markets that meets the 2010 U.S. Environmental Protection Agency emission standards and the 2007 California Air Resources Board urban bus standards. Under the subcontract, CWI will be leading a teaming arrangement with the National Renewable Energy Laboratory (NREL) to accomplish the work under the project.

The work under the subcontract is expected to be accomplished in three phases over a period of 30 months at a total cost of \$5,943,341. CWI is obligated to cost share \$3,895,130, or about 66 percent of the total cost of the project.

In view of the cost sharing and other equities between CWI 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 CWI'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 CWI or its subcontractors, as mutually agreed by the parties. 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 CWI'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 of CWI's waiver petition, CWI is a leading manufacturer of low-emissions alternative fuel engines for commercial transportation applications such as trucks and buses. This, coupled with CWI's cost sharing, clearly demonstrates the likelihood that CWI will continue development and commercialization of the results of this subcontract.

This advance waiver of the Government's rights in inventions is subject to 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 made 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.

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.

Considering the foregoing, it is believed that granting this waiver will provide the 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.



Thomas G. Anderson  
Assistant Chief Counsel  
Intellectual Property Law Division

Date: 3/17/05

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 contract, where through such modification or extension, the purpose, scope or cost of the contract has been substantially altered.

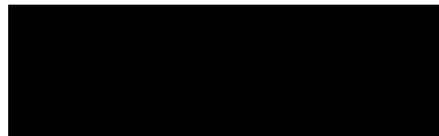
CONCURRENCE:



Edward J. Wall, Program Manager  
Office of the FreedomCAR and  
Vehicle Technologies Program, EE-2G

Date: 5/9/05

APPROVAL:



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

Date: 5-9-05

# ***WAIVER ACTION - ABSTRACT***

**W(A)-05-012 (CH-1276)**

REQUESTOR

CONTRACT SCOPE OF WORK

RATIONALE FOR DECISION

DISPOSITION

Cummins Westport, Inc.  
under Subcontract No.  
ZCI-5-44118-01 under  
Cooperative Agreement  
No. DE-AC36-98GO10337

Development of a Cummins Stoichiometric  
SI/EGR Engine at 0.2g NOx

66% cost sharing

