

STATEMENT OF CONSIDERATIONS

Request by Siemens Power Generation, Inc. for an Advance Waiver of Domestic and Foreign Invention Rights under DOE Cooperative Agreement No. DE-FC26-98FT40343, Subcontract 79-584-P-M, W(A)-2008-026; CH-1437

The Petitioner, Siemens Power Generation (Siemens) was awarded a subcontract under a cooperative agreement with Air Products and Chemicals for the performance of work entitled, "Development of ITM Oxygen Technology for Integration in IGCC and Other Advanced Power Generation Systems" The purpose of the cooperative agreement is to develop a conceptual design of Ionic Transport Membrane (ITM) oxygen-Integrated Gasification Combined cycle (IGCC) facilities to produce more than 100 MW of power at higher efficiency and lower cost than with conventional cryogenic oxygen separation methods. A detailed description of the work is provided in response to question 2 of Siemens' waiver Petition. This waiver is for inventions of Siemens only under its subcontract with Air Products, under this phase 2 of the cooperative agreement. An advanced patent waiver, W(A) 1999-017 (CH 1018) was previously granted to Air Products.

The total estimated cost of the subcontract is \$558,750, with Siemens cost-sharing 50% or \$279,375. The period of performance is from September 18, 2003 through March 31, 2007. An attached e-mail message clarifies that this waiver is only for inventions developed by Siemens under Phase 2 of the cooperative agreement

In its response to questions 4 and 5 of the attached waiver petition, Siemens has described its technical competence in the field of high performance gas turbine engines and combustion systems. It has attached references to relevant issued U.S. patents in Attachment 1. Siemens' response demonstrates its technical competency in the field of gas turbine engines and combustion systems.

In its response to question 9 of the attached waiver petition, Siemens states that Alstom, General Electric, and others are developing similar technologies, and that Siemens competes in the global marketplace with other global companies that have the potential to develop similar technologies. Siemens states the waiver will not preclude competitors from competing in the same subject area. Grant of the waiver will have a positive effect on competition and market concentration.

The subject Subcontract will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12, wherein Siemens has agreed to the provisions of 35 U.S.C §§ 202, 203, and 204. In addition, any entity having the right to use or sell any subject invention in the United State and/or any other country, must agree that any products embodying the subject invention or produced through the use of the subject invention will be substantially manufactured in the United States.

Considering the foregoing, it is believed that granting the waiver will provide the Petitioner with the necessary incentive to invest resources in the commercialization of the results of the agreement in a fashion which will make the subcontract's benefits available to the public in the shortest practicable time. In addition, it would appear that grant of the above requested waiver would not result in an adverse effect on competition nor result in excessive market concentration. Therefore, in view of the objectives and considerations set forth in 10 CFR 784, all of which have been considered, it is recommended that the requested waiver, as set forth above, be granted.

[Redacted]

Mark P. Dvorscak
Deputy Chief Counsel
Intellectual Property Law Division

Date: July 3 2008

Based on the foregoing Statement of Considerations and the representations in the attached waiver petition, it is determined that the United States and the general public will best be served by a waiver of rights of the scope described above, and therefore the waiver is granted. This waiver shall not apply to any modification or extension of this agreement, where through such modification or extension, the purpose, scope, or cost of the agreement is substantially altered.

CONCURRENCE:

[Redacted]

Peter Rozelle
Division of Clean Coal
Energy Research
FE-221

Date: 1 Dec 08

APPROVAL:

[Redacted]

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

Date: 12-8-08

(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.