

STATEMENT OF CONSIDERATIONS

REQUEST FOR ADVANCE WAIVER OF PATENT RIGHTS BY THE W.L. GORE & ASSOCIATES, INC, UNDER DOE AWARD NO. DE-FC36-08GO18052; W(A)-08-040, CH-1458

The Petitioner, The W.L. Gore and Associates Inc. (Gore) has requested a waiver of: (a) domestic and foreign patent rights for all subject inventions conceived solely by Gore and (b) Gore's undivided interest, based on its employee's contributions, to joint domestic and foreign patent rights for all subject inventions conceived, arising under the above referenced cooperative agreement.

The objective of Gore's cooperative agreement is to determine a base line characterization of standard Membrane Electrode Assemblies (MEA) performance. Gore will study a mechanical model and a conditioning model. A baseline cost model for the standard MEA will be used to determine the contribution of manufacturing scrap to the current cost. Ideally, research under this cooperative agreement will be used to optimize or even improve polymer electrolyte fuel cells, specifically for use in transportation applications and matching DOE's cost target of \$25/kW.

The total anticipated cost of the cooperative agreement is \$1,006,883 including Gore's contribution of \$654,475 (about 65%) of the total cost of the work under the cooperative agreement. This waiver is contingent upon Gore maintaining, in aggregate, the above cost sharing percentage over the course of the agreement.

Referring to items 4-9 of the waiver petition, Gore is a leading technology company that has been selling products to the fuel cell industry for over 10 years. As of 2008, Gore has nearly 60 technical publications by GFCT Associates that have appeared in the open literature since 1995. In 2005, Frost & Sullivan honored Gore with the Excellence in Technology of the Year Award and again awarded Gore with a Technology Leadership Award in the field of transportation fuel cell membranes for its continued development and improvement of Gore™ PRIMEA® series 57 family of MEAs for transportation.

At this time a number of fuel cell membrane technologies are in commercial or pre-commercial stages. New technologies generated under this cooperative agreement will offer alternatives to the existing commercial technologies, fostering greater competition. Therefore, the grant of this waiver should effectively promote the continued development and commercial utilization of the subject inventions under this cooperative agreement since Gore will be able to develop these technologies and incorporate them into its commercial portfolio without an adverse patent interest overshadowing its development efforts. Thus, the waiver is necessary for development to proceed given the size and nature of the investment necessary to commercialize fuel cell inventions.

Gore has agreed that this waiver will be subject to the march-in and preference for U.S. industry provisions, as well as the U.S. Government license, set out in 35 U.S.C. 202-204. Further, Gore has agreed to the attached U.S. Competitiveness provision (paragraph (t)). In brief, Gore has agreed that products embodying a waived invention or produced through the use of a waived invention will be manufactured substantially in the United States unless the Gore can show to the satisfaction of the DOE that it is not commercially feasible to do so. Gore has further agreed to make the above conditions binding on any assignee or licensee or any entity otherwise acquiring rights in the waived inventions, including subsequent assignees and licensees. Should Gore or other such entity receiving rights in a 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 inventions is suspended until approved in writing by DOE.

Referring to item 10 of the waiver petition, granting this waiver will not have an adverse impact on competition. Although a large company with significant investment in fuel cell technology, Gore is currently one amongst many companies in the fuel cell field. As there are many other companies working towards DOE's cost target for transportation fuel cells, the granting of this waiver will only help encourage competition in the market.

Considering the foregoing, it is believed that granting this waiver will provide Gore 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 784, all of which have been considered, it is recommended that the requested waiver be granted.

/Brian J. Lally/
Brian J. Lally
Assistant Chief Counsel
Intellectual Property Law Division

Date: 3/12/10

/Michael J. Dobbs/
Michael J. Dobbs
Patent Attorney
Intellectual Property Law Division

Date: 3/12/10

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:



Richard Farmer
Acting Program Manager
Office of Fuel Cells Technologies
Program, EE-2H

Date: 3-19-2010

APPROVAL:



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

Date: 3-19-2010

WAIVER ACTION - ABSTRACT
W(A)-08-040

REQUESTOR

W.L. Gore &
Associates
Inc.

CONTRACT SCOPE

Determine a base line characterization
of standard Membrane Electrode
Assemblies (MEA) performance

RATIONALE FOR DECISION

Gore has contributed research
expertise and significant capital
for the characterization of fuel
cell membranes and the grant
of this waiver will encourage
further development and
commercialization of fuel cells.

(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.