

## STATEMENT OF CONSIDERATIONS

**Request by Ford Motor Company Research and Advanced Engineering  
Laboratory for an Advance Waiver of Domestic and Foreign Invention  
Rights under DOE Cooperative Agreement No. DE-EE0000020;  
W(A)-2010-023, CH-1553**

The Petitioner, Ford Motor Company Research and Advanced Engineering Laboratory (Ford), was awarded this cooperative agreement for the performance of work entitled "Ford Thermoelectric HVAC Project". The goal of the cooperative agreement is to investigate the technical and business feasibility of zonal thermoelectric HVAC hardware and design methodologies that can support advanced climate control activities. Ford and its partners (Visteon) will provide an assessment of the technical and commercial feasibility of using a zonal thermoelectric HVAC for light-duty vehicle applications. This waiver is for inventions of Ford and its subcontractor Visteon. Further details of the research to be conducted under this agreement are provided in response to question 2 of the waiver petition.

The total estimated cost of the cooperative agreement, including subcontracts, is \$8,400,000, with the DOE share being \$4,200,000 or 50%. Cost sharing of the project by Ford and its subcontractors is thus \$4,200,000 or fifty percent (50%). The period of performance of the agreement is from April 1, 2009 to March 31, 2012.

In its response to questions 5 of the attached waiver petition, Ford has described its technical competence in the field of automotive vehicle technologies. Specifically related to the work to be conducted under this agreement, Ford states that it has a long history of developing innovative technical solutions for vehicle systems. It was the first company to introduce a no-compromise hybrid-electric crossover vehicle, the Escape HEV. In addition to full capabilities for product development of these systems, Ford Research and Innovation Center (RIC), has played an important role in the research of advanced vehicle climate control technologies. Ford has listed selected patents filed in the past four years covering climate control technology in response to question 5 of the petition. In addition, Ford states that Visteon, as a vehicle Tier-1 supplier, has been actively working on a climate control system hardware development and integration of advanced climate system technologies for many years. A representative listing of Visteon patents covering climate control technology is provided in response to question 5. Ford's and Visteon's technological experience and financial investment demonstrate its expertise as well as its commitment to further development and improvement of hybrid vehicle technologies.

From its response to question 10, Ford states that it is unlikely that grant of the waiver will place Ford in a preferred market position since there are a number of Original Equipment Manufacturers (OEMs) that are actively pursuing research in this area. Ford also intends to commercialize any inventions covered by this waiver, such that Ford will most likely become one of several competitors in the field along with others who are presently engaged in HVAC system and development. It is unlikely that competition will be adversely affected by grant of the waiver.

In view of the cost sharing and other equities between Ford 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 Ford'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 Ford 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 Ford'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. Furthermore, a subcontractor has the right to request a waiver from DOE in its own right, rather than having to pass through the contractor to acquire title to subject inventions. Additionally, subcontractors who receive title under this waiver shall notify DOE Patent Counsel in writing of such disposition of patent rights.

The subject cooperative agreement will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12. This waiver clause will also include a paragraph entitled U.S. Competitiveness, in which Ford agrees to substantial U. S. manufacture of subject inventions (attached hereto). Additionally, Ford agrees not to transfer subject inventions to any other entity unless that other entity agrees to these same requirements.

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 agreement'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 Signature]

Mark P. Dvorscak  
Deputy Chief Counsel  
Office of Intellectual Property Law

Date May 6, 2010

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 and consent to assignment 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 Signature]

Patrick Davis  
Program Manager  
Office of Vehicle Technologies Program,  
EE-2G

Date 10/26/10

APPROVAL: /

[Redacted Signature]

John J. Lucas, Acting  
Assistant General Counsel  
for Technology Transfer and  
Intellectual Property  
for Technology Transfer and  
Intellectual Property

Date 10/26/2010

(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.