STATEMENT OF CONSIDERATIONS

Request by Applied Materials, Inc., for an Advance Waiver of Domestic and Foreign Invention Rights under DOE Cooperative Agreement No. DE-EE0003331, W(A) 2010-047, CH-1569

The Petitioner, Applied Materials, Inc., (Applied) was awarded the subject cooperative agreement with DOE for the performance of work entitled, "Recovery Act: Advanced Epi Tools for Gallium Nitride Light Emitting Diode Devices." The objective of the work is to achieve cost reduction of solid-state lighting (SSL) through improvements in manufacturing equipment, processes, and techniques. The primary objectives of the program are to reduce energy use and resulting pollutants by encouraging the adoption and installation of improved solid-state lighting products and to bolster the US manufacturing and technology base for related technologies. The program will support advanced manufacturing of LEDs to make SSL a more competitive technology to foster the ultimate goal of supplanting traditional incandescent and florescent lighting with more energy efficient lighting solutions. Further details of the program objectives are found in response to question 2 of the attached waiver petition. The waiver will apply only to inventions made by Applied employees.

The work under this agreement is expected to take place from June 1, 2010 through May 31, 2012. The total amount of the contract is $8,094,469, with Applied providing $3,993,891 or 49% cost share. DOE is providing the remaining 51% cost share or $4,100,578.

In its response to questions 5 and 6 of the attached waiver petition Applied has described its technical competence in the field of LED and SSL lighting. Applied states it is the global leader in substrate processing equipment to the semiconductor, flat panel display, and solar industries. Applied also has substantial experience and expertise regarding organic light-emitting diodes (OLED) manufacturing systems, roll-to-roll coating systems (such as for packaging and flexible electronics application), and energy efficient glass/window coating systems. Applied has conducted significant research and development in areas related to solid-state lighting epitaxy deposition systems, and has provided a list of over 90 U.S. patents it has obtained over the last 30 years covering silicon IC epitaxial systems and SSL epitaxial systems. Applied's response demonstrates its technical competency in the field of SSL and LED lighting.

In its response to question 10 of the attached waiver petition, Applied states that grant of the waiver will not likely have an effect on competition and market concentrations. There is substantial competition and R&D related to advanced manufacturing and process systems. Applied has competing vendors that are developing their unique manufacturing designs. Applied further states that the waiver is essential to Applied's ability to continue to compete effectively to achieve the commercialization of its SSL epitaxial growth system. Therefore grant of the waiver will have a positive effect on competition and market concentration.

The subject contract will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12, wherein Applied has agreed to the provisions of 35 U.S.C §§ 202, 203, and 204. This waiver clause will also include a paragraph entitled U.S. Competitiveness, in which Applied agrees to substantial U.S. manufacture of subject inventions (attached hereto). Additionally, Applied 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]

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

Date Sept 10, 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 of the scope described, 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]

James Brodrick
Office of Energy Efficiency and
Renewable Energy
Office of Building Technology, EE-2J

Date November 5, 2010

APPROVAL:

[redacted]

John T. Lucas, Acting
Assistant General Counsel for
Technology Transfer and
Intellectual Property, GC-62

Date 11/19/2010

(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.