

STATEMENT OF CONSIDERATIONS

Request by Philips Research, N.A. for an Advance Waiver of Domestic and Foreign Invention Rights under DOE Cooperative Agreement No. DE-EE0003978

W(A)-2010-056, CH-1579

The Petitioner, Philips Research, N.A. (Philips) was awarded this cooperative agreement for the performance of work entitled "Energy-Efficient and Comfortable Buildings through Multivariate Integrated Controls (ECoMIC)". According to its response to question 2 of the attached waiver petition, Philips states that the objective of the proposed work is to develop solutions that reduce energy consumption in new and existing commercial buildings while improving comfort. To accomplish this, Philips will develop integrated energy optimization control solutions for electric lighting, daylight and local HVAC, by exploiting the interdependencies among the multiple variables involved. Occupant comfort considerations will be integrated into the comprehensive solutions. Philips will also develop a reconfigurable architecture for improved efficiency and communication addressing reliability and scalability challenges in building-wide connectivity; validate key concepts through simulations and test beds; perform measurements, assess performance and quantify the benefits, and write a final report summarizing the findings. The waiver is to apply only to Philip's employee subject inventions.

The total estimated cost of the cooperative agreement is \$2,740,892, with the DOE share being \$2,197,713, or 80%. Cost sharing of the project by Philips is thus \$548,179 or 20%. An e-mail from the DOE-NETL Program Manager explaining the project costs is attached for reference. The period of performance of the agreement is from August 1, 2010 to April 30, 2013.

In its response to question 5 of the attached waiver petition, Philips has described its technical competence in the field of lighting and building controls. Specifically, Philips states that it is track record of successful transfer of new technologies to business units for further development and commercialization. It has ongoing research on energy efficiency in solid state lighting, lighting controls, low-power electronics and energy management solutions. Philips states it has a strong Intellectual Property position in lighting, and provided a representative sample of IP assigned and patents associate with lighting and building controls. Philips has demonstrated its technical competency in the field of lighting and building controls.

From its response to question 10, Philips states that there are many much larger controls manufacturing companies, and that grant of the waiver will make Philips a stronger company able to compete more effectively in this market. Philips also states that grant of the waiver will provide a better balance of Intellectual Property and sales in the U.S. lighting and building controls industry. It is therefore unlikely that competition will be adversely affected by grant of the waiver.

Accordingly, DOE will waive title to all subject inventions made by Philip's employees. 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 Philips agrees to substantial U. S. manufacture of subject inventions (attached hereto). Additionally, Philips 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 October 7, 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]

Roland Risser
Program Manager
Office of Building Technologies Program,
EE-2J

APPROVAL: 1
[Redacted Signature]

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

Date 11/8/10

Date 11/10/2010

(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.