

Statement of Considerations

REQUEST BY ACUITY BRANDS LIGHTING, INC., FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN RIGHTS IN SUBJECT INVENTIONS MADE IN THE COURSE OF OR UNDER DOE GRANT NO. DE-EE0004534; DOE WAIVER DOCKET W(A)2010-059 [ORO-801]

Petitioner, Acuity Brands Lighting, Inc., (ACUITY) has made a timely request for an advance waiver to worldwide rights in Subject Inventions made in the course of or under DOE Grant No. DE-EE0004534 entitled, "Energy Saving Phosphorescent OLED Luminaires." The scope of the project includes ACUITY working as a subcontractor to, and in cooperation with Universal Display Corporation (UDC) as the prime contractor in the development of phosphorescent organic light-emitting diode (OLED) luminaires. In the first phase, UDC will be responsible for the basic OLED technology and device architecture, and ACUITY will be responsible for establishing physical, optical, photometric, environmental, and aesthetic criteria for the OLED sources that are suitable for various lighting applications. In the second phase, ACUITY will research, develop and prototype OLED luminaires based on the OLED light sources developed by UDC, exploiting the ability of OLEDs to reduce energy consumption in general lighting applications. This work is sponsored by DOE's Office of Energy Efficiency and Renewable Energy (EERE).

The total program budget is \$2,500,610. Total cost share will be \$500,122 (20%), to be proportionally paid by prime contractor UDC (\$277,565) and subcontractor ACUITY (\$222,557). ACUITY's total costs for this project are \$1,112,785. Most of ACUITY's costs are in the form of labor and materials applied directly to perform the work under this effort. The period of performance is twenty-four (24) months, commencing on October 1, 2010 and ending on or before September 30, 2012.

ACUITY's primary businesses relate to the design, manufacture, and sale of lighting fixtures and lighting-related controls. As one of the world's largest manufacturers of lighting products, and in keeping with the company's commitment to new and emerging technologies, ACUITY has formed and dedicated significant company resources to an internal OLED Design Center. The company has filed for a number of patents related to the use of OLED devices in the general illumination market; ACUITY's current patent portfolio numbers near 500 issued patents.

To support the work under the DOE Grant, the ACUITY project team will be comprised of leading technologists and engineers from ACUITY's OLED Design Center. The Principal Investigator and Director of OLED Technology has 15 years of experience in OLEDs and OLED displays. The support team of designers and engineers include personnel with 25 yrs of experience in OLED and related technologies.

Due to ACUITY's size and position in the commercial, industrial, institutional, and residential lighting fields, ACUITY has a long track record of independently, successfully commercializing technologies to improve and value proposition of lighting to their customers.

ACUITY has a leading market position in many key lighting verticals, and its market presence, experience, and understanding of lighting customers allows the company to focus its research, development, and commercialization activities in a manner that supports accelerated technology adoption. ACUITY believes that its participation in the DOE SBIR/STTR program, with the intent to develop luminaires that can be immediately commercialized in key markets, will drive increased adoption of new, energy-efficient OLED technology.

ACUITY has a substantial financial investment directly related to the work to be performed under this agreement, and will continue to invest heavily in the development of OLED luminaires, using internal funds to support R&D work at its OLED Design Center and other company innovation centers not covered under the DOE program. While the funds obtained through the DOE program will prove useful in the acceleration of the commercialization of OLED technology, the company has invested, and plans to invest, millions of dollars in R&D in OLED development.

Headquartered in Atlanta, Georgia, ACUIITY employs approximately 6,000 associates and has operations throughout North America as well as in Europe and Asia. The efforts being undertaken via the current project will supplement this privately funded work, as well as support, and possibly expand the current ACUIITY U.S. workforce.

ACUIITY has agreed to the standard DOE waiver terms and conditions, including march-in rights, background patent and data provisions, retention by the government of a license, preference for U.S. industry and U.S. Competitiveness clauses. ACUIITY has agreed 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 ACUIITY can show to the satisfaction of DOE that it is not commercially feasible to do so. In the event 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. ACUIITY has further agreed to make the above condition binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees. Should ACUIITY or other such entity receiving rights in any 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 invention is suspended until approved in writing by DOE.

Granting of the waiver should have little effect on competition since there are several technology options, this being one of many previously, currently, or yet-to-be developed in the marketplace. Thus, there should not be undue market concentration products of ACUIITY'S products.

Furthermore, grant of the requested waiver should serve as encouragement to other DOE contractors and subcontractors that significant cost sharing will be recognized as an acceptable consideration for granting greater rights in Subject Inventions.

In view of the substantial level of cost sharing by ACUIITY and the objectives and considerations set forth in 10 CFR 784.4, all of which have been considered, it is recommended that the requested waiver for worldwide rights be granted.

Emily Schmerder
Patent Attorney

Date: _____

Based on the foregoing of Statement of Considerations in the attached and the representations, in the attached Waiver Petition, it is determined that the interest of the United States and the general public will be best served by a waiver of U.S. foreign patent rights, and, therefore, the waiver is granted. This waiver shall not apply to a modification or extension of the cost-shared agreement where, through such a modification or extension, the purpose, scope or cost of the subcontract has been substantially altered.

CONCURRENCE:

Steven G. Chalk
Office of Energy Efficiency and
Renewable Energy, EE-1

Date: _____

APPROVAL:

John T. Lucas
Assistant General Counsel for
Technology Transfer and Intellectual Property

Date: _____