

STATEMENT OF CONSIDERATIONS

REQUEST BY DOW CORNING CORPORATION FOR AN ADVANCE WAIVER OF THE GOVERNMENT'S DOMESTIC AND FOREIGN PATENT RIGHTS UNDER DOE COOPERATIVE AGREEMENT DE-EE0003915; DOE WAIVER NO. W(A)2011-006; CH1590

The Petitioner, Dow Corning Corporation (DOW), has requested an Advance Waiver of the Government's domestic and foreign rights to inventions in the above cited research and development cooperative agreement issued by DOE's National Energy Technology Laboratory (NETL). See attached Dow's Petition, Answer 1. The waiver is to apply to DOW's and its subcontractors' employee subject inventions, except inventions made by subcontractors eligible to retain title to inventions pursuant to P.L. 96-517 as amended.

Subject of the R&D Cooperative Agreement

Title: Contributing to Net Zero Building: High Energy Efficient EIFS Wall Systems

The goal of this project is to develop an innovative solution to fill the need to improve energy efficiency of building envelopes in commercial construction through a significantly improved form of insulated cladding material. DOW is focused on achieving Clear Wall R-40 values in Exterior Insulation and Finish Systems (EIFS) by incorporating high efficiency Vacuum Insulated Panel (VIP) insulation into the envelope technology. The project will confirm that the VIP is a viable insulation material to incorporate into EIFS wall systems. See Petition Answer 2 for more details of this project.

DOW's Expertise in the Field

DOW has developed industry expertise in building technology and commercialized products in multiple areas of the building envelope. DOW has invested in the development of silicone based products since the late 1940's including the silicon sealants and other adhesive technologies to be used in this project. See Petition Answer 6 for more details on these products. These and other tools will be utilized in this project. DOW is currently developing and evaluating routes to commercialization of Vacuum Insulated Panel systems in the construction industry. This significant effort will supplement the work to be performed under this contract.

Furthermore, employees of Dryvit Systems, Inc. will also be members of the project team. Dryvit EIFS (Exterior Insulation and Finish System) is an enormously popular insulated cladding system in commercial and residential construction, offering a highly energy efficient, lightweight engineered cladding system.

The Allocation of Patent Rights

DOW and its subcontractors have requested the worldwide rights in all inventions developed under this cooperative agreement (see the next paragraph for more details). The total budget for the three-year project is \$1,551,400 where Dow is providing \$310,280 as its cost share equal to

20%, which meets the required minimum. See Appendix, Petition Answer 3. In addition, DOW has invested more than \$5M over 3.5 years in the preliminary work associated with the scope of this contract. See Petition Answer 7.

In view of the cost sharing and other equities between DOW 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 cooperative agreement. Accordingly, DOE will waive title to all subject inventions made by DOW'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 DOW 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 DOW'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.

Due to DOW's established presence as a leader in this field, it is important for DOW to own, maintain and commercialize any inventions under this cooperative agreement. This will assist in advancing the US market and economy since DOW is a US company with manufacturing facilities in the United States. The patent rights waiver is subject to the retained government-use license, march-in rights, reporting requirements, 35 U.S.C. 204, and following DOE's standard U.S. Competitiveness provision:

U.S. Competitiveness

The waiver recipient 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 waiver recipient can show to the satisfaction of DOE that it is not commercially feasible to do so. The waiver recipient further agrees 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.

Conclusion

DOW was selected as the most qualified U.S. company capable of performing the tasks under this cooperative agreement. The technology being developed in the cooperative agreement is closely aligned with DOW's business and extensive research in this field. Therefore, the

Government believes that the inventions created under this cooperative agreement should be owned by DOW or its subcontractors, respectively, for commercialization as being best to commercialize the technology and advance their products in this field.

For the foregoing reasons, 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.

[Redacted Signature]

Date: [Redacted Date]

Gary Drew
Assistant Chief Counsel for Intellectual Property
DOE Chicago Office

Based on the foregoing Statement of Considerations, it is determined that the interests of the United States and the general public will best be served by waiver of the United States' domestic and foreign patent right as set forth herein, and therefore, the waiver is granted. This waiver shall not apply to a modification or extension of the DOW cooperative agreement where, through such modification or extension, the purpose, scope or DOE cost of the cooperative agreement has been substantially altered. This waiver shall not affect any waiver previously granted.

CONCURRENCE:

[Redacted Signature]

Date: [Redacted Date]

Ronald Kisser
Program Manager
Office of Building Technologies Program

APPROVED:

[Redacted Signature]

Date: [Redacted Date]

John Lucas
Assistant General Counsel
for Technology Transfer and Intellectual Property