

STATEMENT OF CONSIDERATIONS

Request by Chrysler Group, LLC for an Advance Waiver of Domestic and Foreign Invention Rights under DOE Cooperative Agreement No. DE-EE0004529; W(A)-2011-019, CH-1605

The Petitioner, Chrysler Group, LLC (Chrysler), was awarded this cooperative agreement for the performance of work entitled "Advancing Plug-In Hybrid Technology and Flex Fuel Application on a Chrysler Minivan". The goal of the cooperative agreement is to demonstrate an economically-viable Plug-In Hybrid Electric Vehicle (PHEV) that can meet the demands of today's drivers. By assembling and operating a limited number of roadworthy PHEVs with technology that has been developed and funded outside of this program, and by collecting and analyzing performance data to be generated during the project, the program will develop a better understanding of market requirements for PHEV minivans with different interface requirements and customer expectations and will measure how the PHEVs meet customer needs in an efficient and cost-effective manners. Further details of the project's objectives are provided in response to Chrysler's answer to question 2 of its waiver petition. The waiver is intended to apply to Chrysler'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.

The total estimated cost of the cooperative agreement is \$13,235,783 with the DOE share being \$5,959,134, or 45%. Cost sharing of the project by Chrysler is \$7,276,649 or 56%. The period of performance of the agreement is from October 1, 2010 to September 30, 2014.

In its response to questions 5 and 6 of the attached waiver petition, Chrysler has described its technical competence in the field of automotive electric vehicle development. Specifically, Chrysler states that it began the development of electric vehicles in 1992 through a grant by the U.S. Department of Transportation to build 10 electric minivans. That was followed in 1999 by the EPCI minivan, a second generation, battery powered fully electric minivan with fast charge technology advanced nickel metal-hydride batteries and full minivan capabilities. Chryslers has continued to develop this technology and on April 1, 2010, Chrysler signed a grant with DOE for demonstrating a fleet of 140 PHEV Ram trucks for deployment in geographically diverse regions of the U.S., employing much the same base technology as this project. Chrysler has demonstrates it technological expertise in the area of automotive electric vehicle development.

From its response to question 10, Chrysler states that it is unlikely that grant of the waiver will place Chrysler in a dominant market position since any improvements resulting from this project will remain in competition with other vehicle technologies currently existing or under development. Granting of the waiver is not likely to place Chrysler in a dominant position since currently not a single technology satisfies all requirements for vehicle integration and production. It is therefore unlikely that competition will be adversely affected by grant of the waiver.

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 Chrysler agrees to substantial U. S. manufacture of subject inventions (attached hereto). Additionally, Chrysler agrees not to transfer subject inventions to any other entity unless that other entity agrees to these same requirements.

In view of the cost sharing and other equities between Chrysler 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 Chrysler'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 Chrysler 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 Chrysler'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.

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.

Mark P. Dvorscak [REDACTED]
Deputy Chief Counsel
Office of Intellectual Property Law
Date February 10, 2011

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:

APPROVAL:

[REDACTED]
Patrick Davis
~~Acting~~ Program Manager
Office of Vehicle Technologies Program,
EE-2G

Date

3/15/11

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

Date

3/18/2011

(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.