

STATEMENT OF CONSIDERATIONS

Request by Eaton Corporation for an Advance Waiver of Domestic and Foreign Invention Rights under DOE Contract No. DE-OE0000592, W(A) 2012-025, CH-1664

The Petitioner, Eaton Corporation (Eaton) was awarded the subject cooperative agreement with DOE for the performance of work entitled, "Smart Grid Capable Electric Vehicle Supply Equipment". The scope of work under this contract includes commercial-grade electric vehicle supply equipment (EVSE) for commercial applications that incorporates smart grid functionality in an optimized design. The work will be done in two phases. Phase I will be research and development, and phase two is performance testing and certification.

The work under this agreement is expected to take place from May 1, 2012 through December 31, 2014. The total amount of the contract is \$2,828,509, with Eaton cost-sharing 34.7% or \$981,468. DOE is thus providing the remaining 65.3% or \$1,847,041.


In its response to questions 5 and 6 of the attached waiver petition Eaton states it is a world-wide leader in the design, manufacture and marketing of a comprehensive line of reliable and high-efficiency Electric Vehicle Supply Equipment (EVSE). Eaton is a global technology leader in electrical components and systems for power quality, distribution, and control; hydraulics components; and truck and automotive drivetrain and powertrain systems. Eaton is also a leader in electric vehicle and hybrid electric vehicle support components. Eaton's Electric Transportation Infrastructure group (ETI) currently provides one of the most robust and flexible offerings of electric vehicle supply equipment on the market. Its Pow-R-Station family of solutions is the electric transportation industry's premier EVSE. Eaton states that it has a strong portfolio of electric power distribution intellectual property; so, although it has no patents in the nascent electric vehicle charging market--the scope of the work in the contract--Eaton has demonstrated its technical competency in the field of electric vehicle and hybrid electric vehicle support components.

In its response to question 10 of the attached waiver petition, Eaton states that EV charging is a very new and emerging market. There is a very large number of competitors in the Level II EVSE marketplace, and as with any nascent market, some consolidations and attrition is expected. Eaton states, however, that this is anticipated to be an effect of market conditions and technical soundness products rather than assertions of intellectual property rights. Granting the waiver will not materially change or better Eaton's position in the EVSE market, but will allow Eaton to protect its ability to innovate and to commercialize EVSE solutions.

The subject contract will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12, wherein Eaton 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 Eaton agrees to substantial U.S. manufacture of subject inventions (attached hereto). Additionally, Eaton agrees not to transfer subject inventions to any other entity unless that other entity agrees to these same requirements.

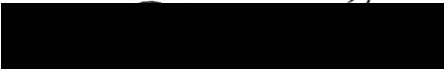
Considering the foregoing, it is believed that granting the waiver will provide the Petitioner with the necessary incentive to invest resources in the commercialization of the results of the agreement in a fashion which will make the agreement's benefits available to the public in the shortest practicable 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.

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
Deputy Chief Counsel
Office of Intellectual Property Law
Date: September 4, 2012

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:


Dan Ton, OE-10
Office of Electricity Delivery
and Energy Reliability

APPROVAL:


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

(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.