

The Goodyear Tire & Rubber Company
Response to DOE's Questions
Technology Transfer Practices at DOE Laboratories

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**Office of the Assistant General Counsel for
Technology Transfer and Intellectual Property
U.S. Department of Energy
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Response to DOE's Questions

Question 1. Existing and other agreements

(i) What improvements to the existing transactions would you suggest that DOE consider?

- a) The process of finalizing agreements is complex and slow. It takes too much time to start new engagements which adversely affects businesses' need to be faster to market – a critical issue in today's business environment. In one case, we almost lost funding and support for the project. One solution might be to give laboratories authority to approve and enter into agreements with industrial partners directly.
- b) The 90-day advance funding requirement in today's economic environment is a huge burden on industrial partners such as Goodyear. Businesses have to work under the net term of 60 or 90 days for goods and services purchased. Pre-paying for work at laboratories is against the business practice of industrial partners and therefore difficult to fund. We propose elimination of 90-day advance funding requirement or at least reduce it to 30 days advance.
- c) We propose elimination of the 3% FAC (Federal Administration Charge). For major industrial partners, it is a significant amount. This available money can be used for initiating new projects.
- d) The FTE rate at laboratories is relatively very expensive (in excess of \$400,000 per FTE). We recognize laboratories offer excellent quality research. However, it limits our use of Sandia's resources to only the most essential projects.
- e) Reestablish some project funding support from DOE for industrial partnerships. This will attract new partners and increase involvement from existing industrial partners.

(ii) Are there terms and conditions that are troublesome and what steps might DOE take to streamline these agreements?

- a) We suggest that the obligation of protecting CRADA confidential information be reduced to 5 years from the current duration of 10 years.
- b) Certain software that Sandia is providing to the CRADA may be export controlled under Department of Commerce EAR-99. Goodyear has technical centers in the US and in Europe. When possible, Goodyear would like to use the technology in all its technical centers, and would appreciate some flexibility in requirements of obtaining export licenses or removing the controlled portions of the technology from the CRADA products where feasible.

(iii) Are there other types of research agreements or mechanisms that should be offered at DOE labs?

- a) None

(iv) How much would such new agreements types or mechanisms be an improvement on or augment the existing agreements?

a) None

Question 2: Best Practices

(i) Are there other agency, industry, nonprofit or university technology transfer “best practices” DOE should consider adopting? (ii) What are they and how would they improve DOE’s current technology transfer programs?

a) Despite many successful laboratory/industry partnerships, industry in general finds it hard to do business with DOE laboratories due to complex processes and lack of adopting “best industry practices”. A new Governance model for technology partnership programs in which laboratories should be given full responsibility, authority, flexibility and accountability may help bring more new projects and new industry partners.

Question 3: U.S. Competitiveness

(i) What alternative approaches to addressing U.S. competitiveness would you suggest DOE consider? (ii) How would these alternatives help transactions/interface with DOE facilities? (iii) Would any of these three be a useful approach to industry to better streamline the process of the U. S. competitiveness negotiation process? (iv) Does DOE’S current implementation of U.S. competitiveness have a negative impact on technology transfer? How?

a) Goodyear has a strong manufacturing presence in the U.S. and therefore is not affected by more stringent DOE policy. However, most of the major industrial partners now have global manufacturing capability. Any restriction placed on minimum manufacturing base in U.S. will discourage their participation in technology partnership programs with laboratories. This can adversely affect U.S. competitiveness.

Question 4: Intellectual Property Rights disposition in WFO agreements

(i) How would these proposed changes affect the attractiveness of WFO agreements (ii) What other options do you recommend for DOE to consider? (iii) What is the desirable disposition of IP rights that would stimulate

working with a DOE laboratory or facility?(iv) Does the Government reserved license in Sponsor inventions, March-In Rights, and U.S. preference clause pose any problems for a successful project?

- a) Current agreement on IP rights is satisfactory.
- b) Goodyear is increasingly interested in forming relationships with other partners in universities and industry that would include Sandia as well. This often raises questions of IP rights between the three parties in the partnership. Increased flexibility will be required in working out acceptable ownership of inventions, along with streamlining of the process.

Question 5: Negotiable or Non-negotiable User Agreements

(i) Do you think these new DOE-wide standardized User Agreement formats which allow for some negotiation will promote more timely placement of User Agreements? (ii) Should DOE allow some negotiability of the terms or utilize the agreements that are non-negotiable? Please describe pros and cons of each approach.

- a) The standard format will promote timely placement of User Agreements.
- b) Do not have any position on negotiable vs. non-negotiable terms.

Question 6: Experiences working with Sandia National Labs

The Goodyear/Sandia partnership is in its 15th year. We have been very pleased with the benefits of a long term relationship with Sandia in which both organizations have developed mutual respect and trust, can share proprietary information with confidence that it will be respected, and can quickly start new technical tasks with Sandia engineers who are already familiar with Goodyear's technology. We consider our partnership with Sandia to be very strategic in that it allows us to stay competitive in very tough business environments. We are very privileged to have this long lasting partnership with Sandia.