



Science & Technology

**XL Sci-Tech, Inc.**


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*Memo*

*From:* Ben Peng  
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*To:* Mr. Paul A. Gottlieb  
Office of the Assistant General Counsel for  
Technology Transfer and Intellectual Property  
U.S. Department of Energy  
1000 Independence Avenue S.W.  
Washington, DC 20585  
ATTN: TECHNOLOGY TRANSFER QUESTIONS

Telephone: (202) 586-3439  
[GC-62@hq.doe.gov](mailto:GC-62@hq.doe.gov)

*Subject:* RESPONSE TO NOTICE OF INQUIRY; TECHNOLOGY TRANSFER PRACTICES AT  
DEPARTMENT OF ENERGY LABORATORIES (73 FR 72036)

*Date:* [March. 23, 2009](#)

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Dear Mr. Gottlieb:

Thank you for the opportunity for XL Sci-Tech as a small business concern to respond to the questions published in the Federal Register. XL Sci-Tech was incorporated as a result of DOE's Entrepreneurial Leave of Absence Program administered by the Pacific Northwest National Laboratory managed by Battelle Memorial Institute. Majority of comment is from the small business concern point of view.

CRADA is a reasonable good way for small business to work with DOE labs, in our case, the PNNL. We are not able to take advantage of the mechanism mostly due to the cash-in requirement that is heavy for us. From the practical point of view, the burden of putting a CRADA together requires significant amount of work. Since we limited cash-in, our project will have to trim accordingly. We simply feel we are more effective to put our effort in SBIR grants than CRADA or STTR. Both CRADA and STTR are slightly burdensome to us in terms intellectual propriety clauses. PNNL has been extremely successful helping companies I know using CRADA mechanism. We are looking at cash-in CRADA as effective means when we achieve the needed capitalization of our company.

Technology assistance programs (TAP)

We have found that the Technology Assistance Programs managed by Dr. Gary Spanner at the PNNL the most effective program. We can identify a well defined technical issue that can not be solved by existing commercial service companies. PNNL personnel are provided with funds for up to one week of their time to assist us solving a critical problem or measurement or calibration. It is effective to us since we work with Dr. Spanner's office guide pre-planning and established



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technical referral. PNNL staff are practical and rigorous scientists. They truly extend our staff member's capability that are otherwise impossibly to achieve.

**Negotiable or Non-negotiable User Agreements.** User Agreements at PNNL's Environmental & Molecular Sciences Laboratory (EMSL) is a very valuable mechanism. We did use once and then choose not to use due to the publication requirement. As small company we are not always able to seek full intellectual property protection until have got a technology reduced to practice and commercially viable. Publication requirement may force us to spend our financial resources one year too early. We would like to see the inclusion of a period of 1 to 2 years before publication is required.

### **Other Transfer Issues**

We have in the past benefited tremendously from equipment transfer or equipment excess programs through PNNL. These great programs have essentially disappeared and becoming hard to implement. DOE's Entrepreneurial Leave of Absence Program was in many ways very visionary at the time.

Overall, most important issues such as US Competiveness will take longer time to see clearly. Not all national labs are equally successful in transfer programs or technical assistance programs. Track records should be important criteria for DOE to authorize specific lab to do specific transfers or specific areas of technical assistance that matches the lab's core capability. For example, we have worked with PNNL on medical radioisotope programs. It is a surprise to us that the radioisotope program is now housed at Oak Ridge. Medical radioisotope is one area the U.S. is losing its competitiveness.

Thank you for the opportunity again.

Sincerely