Cummins response:

Cummins involvement with the National Labs is primarily through DOE-funded CRADA projects and the User Facility/Work-for-Others programs. We have no improvement comments related to the latter mechanism. Therefore, we are limiting this response to the CRADAs.

Overall, the CRADAs proved to be a successful mechanism for leveraging the unique capabilities and expertise of the National Labs, while ensuring practical relevance of their work to making US industry competitive. The only major issue, which evolved recently, relates to Battelle's increased emphasis on protecting IP developed in the National Labs, including in the course of CRADAs. For example, our CRADA partners at FEERC/ORNL developed a new method for measuring oil dilution with fuel. They applied for a US patent, which is appropriate since they have made the invention in this case. In order to use this technology developed under the CRADA, Cummins was required to licence it from Battelle. In this particular case, the license was issued at no cost to Cummins since the invention will be used for research purposes only. However, if this were a technology Cummins wanted to incorporate into our product, then, as we understand, Cummins would be required to pay a royalty. This new development is very disturbing, as it undermines the very basis of the CRADA's success out of a concern over an ownership of IP. Open sharing of the information and ideas among the CRADA team becomes problematic.

We believe that this shortcoming of the current CRADA agreements can be resolved by providing an option for a nonexclusive, no-cost licensing of IP among the CRADA parties. The industrial CRADA partner provides information, knowledge, impetus and substantial financial contribution to the overall work, which leads to an invention. Therefore, the industrial partner should have no-cost accessing to that technology.