

For Immediate Release

IP Advocate Guest Experts Discuss How to Improve Bayh-Dole Act
to Facilitate Innovation as Act's 30-Year Anniversary Approaches

*'Unintended Consequences' Often Hurt Inventors and Stifle Innovation,
According to New Expert Opinions Featured on IPAdvocate.org*

ATLANTA (Oct. 22, 2009) – Non-profit organization IP Advocate today announced it has published three new Expert Opinions on its award-winning website, www.IPAdvocate.org, all discussing the Bayh-Dole Act of 1980 – what went wrong and how it might be improved to more effectively translate innovation at America's universities into inventions that will benefit society.

Experts from the University of California at Davis, the State University of New York and the Research Technology Enterprise Initiative (RTEI) at the University of Washington all share their opinions at www.IPAdvocate.org.

In *Reconsidering the Bayh-Dole Act*, IP Advocate features excerpts from an October 2009 article in *Research Policy* by Dr. Martin Kenney and Dr. Donald Patton. Kenney and Patton argue that the current university invention ownership model – a model that evolved in response to Bayh-Dole, wherein universities maintain de jure ownership of inventions – is not an optimal model in terms of economic efficiency, nor does it advance the social interest of rapidly commercializing technology and encouraging entrepreneurship.

They contend instead that this model is plagued by ineffective incentives, information asymmetries, and contradictory motivations for the university, its faculty inventors, potential licensees, and university TLO's. These structural uncertainties, according to the authors, can lead to delays in licensing, misaligned incentives among

parties, and delays in the flow of scientific information for the very materials necessary for scientific progress.

In addition to their detailed critique of the current functions under Bayh-Dole, Kenney and Patton also present two university commercialization models as superior alternatives for consideration. The first is to vest ownership with the inventor, who could choose the commercialization path for the invention. For this privilege, the inventor would provide the university an ownership stake in any returns to the invention. The inventor would be free to contract with the university TLO or any other entity that might assist in commercialization.

The second alternative presented by the authors is to make all inventions immediately available to the public through a public domain strategy or, through a requirement that all inventions be licensed non-exclusively. Both alternatives, according to Kenney and Patton, would address the current dysfunctional arrangements in university technology commercialization.

The 'Unintended Consequences' of the Bayh-Dole Act

In an Expert Opinion piece penned for IP Advocate, Elizabeth Popp Berman Assistant Professor in the Department of Sociology at the State University of New York at Albany, addresses the "[Unintended Consequences of the Bayh-Dole Act](#)."

Dr. Berman acknowledges that Bayh-Dole has "accelerated the development of many inventions that might have languished in the public domain. As a bonus, it has created a valuable income stream for some universities that can be ploughed back into support for scientific research.

"On the other hand," her piece states, "the very value of that income stream can affect the university's priorities. With so much at stake, there is a temptation to let dollars displace dissemination as the core goal of technology transfer and university patenting.

"When revenue becomes the sole motivation for patenting, the results can be ugly. Technology transfer offices focused exclusively on income may launch legal

attacks on faculty over once-ignored inventions that turn out to have unexpected earning potential. Or they may embark on lawsuits with the sole purpose of increasing licensing fees, regardless of whether these efforts truly reflect the university technology transfer mission.”

Dr. Berman makes it clear that there are many hard working and highly ethical technology transfer professionals who are committed to acting in ways that are consistent with the larger social interest. “In fact, some of the best ideas about how to keep the focus on technology transfer come from that community.”

A few of those ideas, according to Dr. Berman, are for all universities to embrace the "[Nine Points to Consider in Licensing University Technology](#)" and a call for alternate metrics for measuring technology transfer results.

A Solution: Give Inventors More Choice

In an [interview with IP Advocate](#), Dr. Gerald Barnett, Director of Research Technology Enterprise Initiative at the University of Washington, explains that the problems arise not from the Act itself, but rather in how the Act is implemented at some universities.

As Dr. Barnett puts it: “In response to the law, many universities established Technology Transfer Offices (TTOs) to act as a central reporting agency and to facilitate the selection of inventions that will benefit from use of the patent system. The result was pressure to monetize patent rights rather than to create an environment that promoted innovation. The TTO works great for paperwork reporting, but not so well when you have a diversity of inventions, from biotechnology and nanotechnology and software and compositers, moving through a single office. Even if the TTO is well-funded and staffed, you still only have a one in a hundred chance of a monetary success worth talking about.”

Dr. Barnett recommends allowing inventors more choice in commercialization partners: “Choice opens up diverse ways of managing invention based on differences in research objectives, practice communities, value chains and industry practices.”

“With the 30th anniversary approaching, it’s a great time to re-examine the Act and make sure it’s accomplishing what it set out to do,” said Dr. Renee Kaswan, founder of IP Advocate, former research professor at the University of Georgia and inventor of the billion-dollar drug Restasis®. “It was created to cut through bureaucracy and get inventions into the marketplace faster, but has instead created another bottleneck at the university level that keeps that innovation in the lab and out of the hands of the people who need it. I’m thrilled that so many experts are engaged in this conversation and are sharing their insights with our audience at IPAdvocate.org. That’s exactly why we created the online community.”

About IP Advocate

IP Advocate (www.IPAdvocate.org) is a non-profit organization that educates and empowers faculty researchers on patent rights and the process of commercialization – helping inventors protect their rights during the complex process of getting their invention from the lab to the people who need it. IP Advocate is a rich resource of information and best practices related to the commercialization of intellectual property. The organization was founded by Dr. Renee Kaswan, inventor of the billion-dollar drug Restasis® and a former research professor at the University of Georgia; and is led by executive director Rhaz Zeisler, a recognized international interactive media brand strategist, and former Walt Disney producer and IBM creative executive. IP Advocate is a 501(c)(3) organization, based in Atlanta.

#

Media Contact

Ken Greenberg
Edge Communications, Inc.
818/990-5001
ken@edgecommunicationsinc.com