



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Higher Education and the Arts
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by
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SB 1144 – RELATING TO TECHNOLOGY TRANSFER AT THE UNIVERSITY OF HAWAII

Chair Taniguchi, Vice Chair Inouye, and members of the committee:

The University of Hawai'i supports this measure to facilitate the University's ability to structure complex arrangements with private sector organizations to promote the commercialization of research ideas generated on its campuses.

This commercialization (often called "technology transfer") is designed to strengthen economies by getting new ideas, inventions, and processes developed in universities--most often with federal funding support--to the private sector as quickly as possible. Technology transfer occurs throughout the nation at other universities. It is a vital component to the University's efforts in the Hawai'i Innovation Initiative, a partnership with local businesses to diversify the state's economy.

Many other states have conflict of interest laws that hinder timely and efficient commercialization. These laws, for example, may forbid equity participation in startup companies by state institutions, or they may limit direct involvement by faculty in new business ventures, or may broadly prohibit use of public property--such as university equipment, facilities or support personnel--for business purposes.

Several other states have enacted specific exemptions to their ethics laws, or have created some form of "safe harbor" from specific sections of their respective ethics code, or have established parallel institutions for their university researchers exempt from the jurisdiction of their ethics code.

The purpose of this proposal is to facilitate University-driven technology transfer by requiring that whenever the Hawai'i Ethics Commission applies the state Ethics Code to University-supported technology transfer arrangements, the Ethics Commission must consider the overall context and purpose of technology transfer activities, the research compliance programs established by the University, and the specific facts of the arrangement under question. These additional factors would include, for example,

private use thresholds under bond financing covenants, applicable federal regulation and guidelines, federal policy, and specific conflict of interest and financial disclosure policies and requirements established by the University for its faculty.

The proposed amendment would permit technology transfer arrangements where specific benefits to the state or the public are likely to result.