



Stanford eCorner

Faculty and Startups: Conflict of Interest or Conflict of Commitment?

John Hennessy, Stanford University

April 21, 2004

Video URL: <http://ecorner.stanford.edu/videos/923/Faculty-and-Startups-Conflict-of-Interest-or-Conflict-of-Commitment>

Hennessy answers the question: Can the walls between Stanford and Silicon Valley ever become too permeable? Yes, he says, there are situations in which a conflict of interest or conflict of commitment can cause problems. The break between academia and business should occur when the focus of the research becomes about productizing the research rather than about the research itself.



Transcript

I think now only can I imagine it, it sometimes happens. I think it happens when people don't keep straight what their university involvement is and what their involvement to the Valley is particularly if they're involved in both. And it does happen from time to time and I think it's something we have to keep an interest on so there were opportunities for conflict of interest or conflict of commitment that somebody has two full-time jobs and obviously when you have two full-time jobs, neither one of them quite becomes a full-time job. So I think that is an ongoing danger. It tends to happen less in the information technologies states for a simple reason and that's, that I've observed over time and that's for all the companies that I have talked about and all the ones I have seen in Valley. Once you spin them out, you tend to increase the engineering development commitment by probably a base of lower magnitude over what it would've been in the university. And the project quickly moves away from the research in the universities establishes its own identity and the company becomes rather distinct. But it is clear that that break has to occur and that break should occur at the time when the research, when the focus is on thinking about productising the research rather than that the research itself. And so this is actually a much more tricky question in the biotech and the medical area where the ongoing research maybe actually quite crucial to capitalizing on the invention of the product. And so there I think extra care is needed to issues around conflict of interests and conflict of commitment and which is why the university has some rather clear policies on that issue.