



## Stanford eCorner

### The Bayh-Dole Act

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Video URL: <http://ecorner.stanford.edu/videos/1300/The-Bayh-Dole-Act>

Ku explains the impact of the Bayh-Dole Act on international and domestic technology licensing.



#### Transcript

So the Bayh-Dole Act is a law that was passed in 1980. Prior to 1980 all the US government agencies had a different policy about intellectual property. Sometimes the university could own. Sometimes the agency would own. And at the time the view was that even though the government kept titles to many of these inventions they were just lying fallow in the patent office. Nothing was happening to them. And as you can imagine it can be pretty bureaucratic to deal with the government. So after a little bit of effort about two years effort by the universities, they lobbied and were successful in getting this law passed, which enabled the universities to take title to government funded inventions. So it became a uniform law, which is really nice that meant anytime the government funded research at a university and at Stanford maybe 85% of the research is funded by the government then the university had a first crack at all the inventions that came out of the research. If we wanted to take title we could.

If we didn't want to take title, then it would go back to the government, title would go back to the government and they could then take title. So again, this law made it uniform for all universities in the US. It was an incentive for many of the tech transfer offices to set up licensing offices and they are the ones who tell us how to license government-funded inventions. So since 1980 tech transfer in the US has flourished and there's a view internationally that this law made the transfer of knowledge from the universities to industry faster. It enabled this transfer of knowledge to happen in a more formalized way and therefore the US kept it or increased its technological advantage. So they think of us as high tech and they think that Bayh-Dole had a role to play in it. So recently in the last five years or so, countries all over the world have been looking at this very, very seriously and many of them have been passing laws that are very similar to this Bayh-Dole Act. So in Japan for example about five years ago they passed a law that has started to move for the Bayh-Dole thing. But in the nine US countries most of them said that the inventions belonged to the inventor. So this has been pretty much a sea change for the countries to change their basic law about universities.

And even in Japan it was illegal for university people to start companies or to consult in a way that would be viewed as a potential conflict of interests. So they've had to do a lot of rethinking in all the countries. So Japan has now changed to Bayh-Dole-ish system. Taiwan is like that. The European countries have gradually changed. Germany is changing. Scandinavia is, Denmark is changing but Finland maybe and etc. etc. So a lot of the countries are changing gradually but it's making the faculty at the universities unsure because they used to own an invention and now the university is stepping in and claiming ownership. So that relationship between faculty and university is changing and then between companies and the faculty are changing.

Many faculty in these countries who didn't have Bayh-Dole would say, OK, if you company will give me research funding then I'll give you my invention and it could be royalty-free. Whereas now, the universities are expected to get some royalty. And so again the industry is not sure that they like this but I think it is going to be a change in the world.