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# Bayh-Dole Act Has Stood the Test of Time Re: Technological Innovation

Article By:

Recently, the Bayh-Dole Act has come under attack as inhibiting the spread of technological innovation. One thing the writers seem to have in common is the absence of any ability to recall what the situation was pre-Bayh-Dole when private companies tried to license inventions from "universities" that were made with Government funding. Title to such inventions rested with the U.S. Government agency that had financed the research, and Government agencies in the 70's and early 80's did not have anything like the modern technology transfer offices that many universities and other non-profit institutions have today. When I arrived in Minneapolis in 1984, my employer, Merchant & Gould represented both the University of Minnesota and the Mayo Clinic, and had filed fewer than 20 patent applications for each of them—although Merchant & Gould had been in business for more than 80 years.

As a result, it was nearly impossible for the private sector, no matter how experienced in "tech transfer", to obtain exclusive licenses to Government funded inventions, and the inventions just sat on the shelf, while the deadlines for obtaining patent protection passed by. The originating universities had no incentive to patent, since they could not offer licenses. Occasionally, a researcher "professor" might have the clout to get title from his/her university and, if the technology was not Government funded—or sometimes even when it was—the professor would spend his/her own funds to patent it, and would be on his/her own to find a licensee. When I worked in NYC in the early 80's, I met exactly one professor who had profited by acquiring this portfolio of skills. Professor/inventors with really bright ideas were highly motivated to leave academia and to cut deals to work on their ideas in for-profit arenas.

Following the enactment of Bayh-Dole, the universities administering the grants could elect to take title in patentable inventions that came out of the funded research. The universities had to do this expeditiously since they also were required to file patent applications on the inventions – including the now-well known statement about Government grant support and rights. If the university did not want to patent the technology, it had to give it back to the Government, but the Government agency would almost always allow the institution to assign the invention to the researcher – who then could take over responsibility for patent costs and for licensing or otherwise developing the technology.

This system worked then and works today. Hundreds of "university inventions" have reached the marketplace. True, the Government has "march in rights" if the agency finds that the technology is

being neglected or improperly applied, but I don’t think such rights have ever been used. In fact, Government agencies like the NIH have their own well-organized tech transfer offices, and have become adept at patenting and licensing technology developed in their own departments. Of course I have an ax to grind because, if it wasn’t for Bayh-Dole, I wouldn’t be employed – the majority of “my” inventors are university researchers in the medical/life sciences areas. I like to joke that I am the only type of attorney that a doctor likes to see coming down the hall, but it’s true.

New Bayh-Dole Talking Points (AUTM)



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