

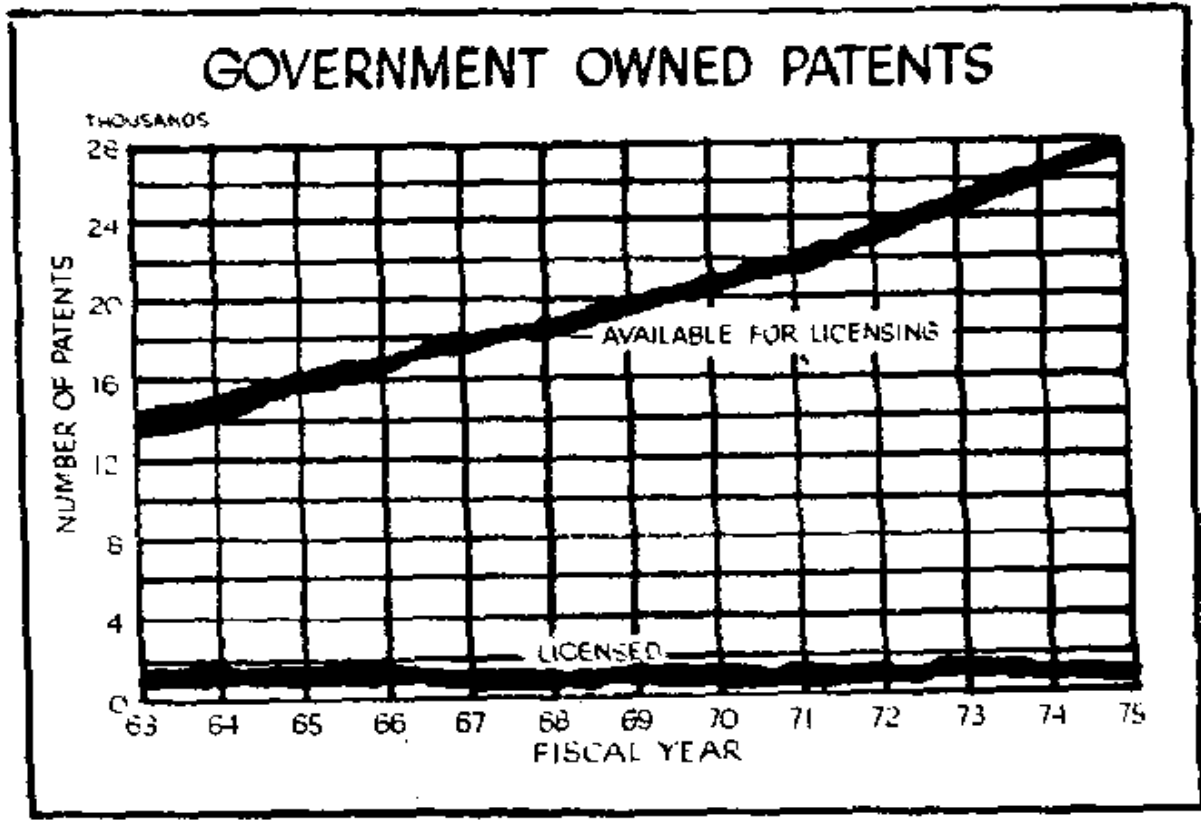
A quick overview of the Bayh-Dole Act

by Joseph P. Allen

(Sen. Bayh and me at the Bayh-Dole hearings)



Pre Bayh-Dole; Government takes inventions from creators, destroys patent incentives. Less than 5% of inventions licensed non-exclusively. No new drugs developed. Industry avoids partnerships with universities and federal labs.



Bayh-Dole

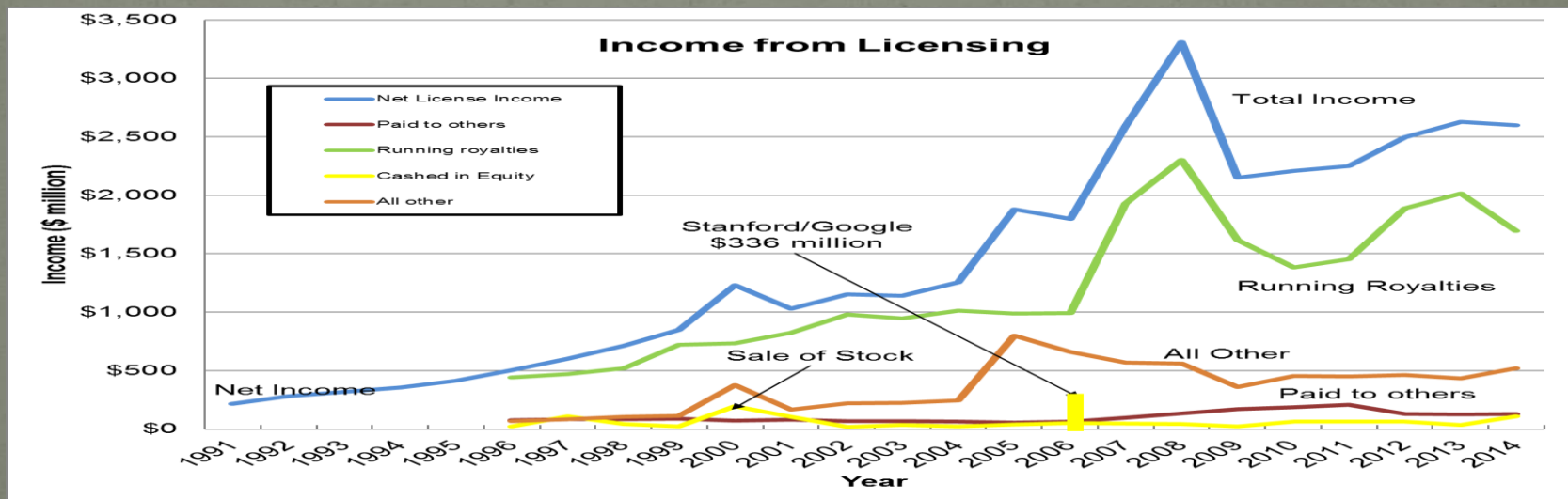
- Technology management decentralized from government to the institutions making inventions
- Must give preference in licensing to small companies, domestic manufacturers
- Royalties used to reward inventors, fund more R&D, pay tech transfer costs
- Government gets royalty free license
- Agencies can license their inventions, retain royalties , must reward their inventors
- Agencies can “march in” if technology being suppressed or developer can’t meet needs of national emergency

Bayh-Dole and restored confidence in U.S. patent system launches an Innovation Renaissance

- 1980: Supreme Court supports biotech patents and 1982 new appeals court restores confidence in the U.S. patent system
- Biotech revolution centered around research universities and spin out companies. U.S. takes lead in life sciences
- Public/Private Sector R&D alliances take off
- *“Possibly the most inspired piece of legislation to be enacted in America over the past half century... More than anything, this single policy measure helped to reverse America’s precipitous slide into industrial irrelevance” Economist Technology Quarterly*

The ROI is technologies commercialized and contributions to the economy

- 283 new drugs/vaccines commercialized
- 2 new companies/products every day of the year from academic inventions
- \$1.33 Trillion to US economy, 4.2 Million good paying jobs ('96- '15) from academic patent licensing
- 11,000 startups
- **Industry typically contributes \$100 for every \$1 in NIH funding, assumes the commercialization risk**



But the biggest impact is on human lives

Cancer survivor Betsy du Parry hugs Sen. Bayh

“Without your law, I would not be alive today”



An important lesson learned

PASSION IS THE MOST IMPORTANT INGREDIENT FOR SUCCESSFUL COMMERCIALIZATION. THE INVENTOR, MANAGEMENT, AND THE PARTNERING COMPANY ALL MUST SHARE THE PASSION FOR SUCCESS. IF ANY PARTY DOES NOT, THE DEAL WILL FAIL.

John Preston, former director of MIT's Office of Technology Transfer

Killers of Passion

- **GREED**
- **DESTRUCTIVE CRITICISM**
- **LAWYERS AND COMMITTEES**
- **BUREAUCRACY AND RED TAPE**

Innovation comes from surprising places and can't be micromanaged

(would you have invested in Microsoft in 1978? Do you recognize Bill Gates?)

