



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
House Committee on Judiciary  
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by

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### HB 425 HD1 – RELATING TO TECHNOLOGY TRANSFER AT THE UNIVERSITY OF HAWAII

Chair Nishimoto, Vice Chair San Buenaventura, and members of the Committee:

The University of Hawai'i (UH) supports this measure.

One of UH's strategic goals is to grow its portfolio of sponsored research and take commercially promising inventions to market. The process of creating, proving, refining and transforming research concepts from the laboratory into viable commercial products in the market is called "technology transfer." Technology transfer emanating from UH benefits the state by diversifying the state's workforce, by creating a more robust economy and by offering potential return on the public resources committed to UH.

Technology transfer occurs throughout the nation at other universities, and it is vital for UH to be able to support its faculty and student researchers who wish to engage in these activities. Also, these activities contribute to UH remaining competitive in attracting extramural research funds and in attracting or retaining talented faculty and researchers.

It is often the case that UH and its faculty/inventor needs to partner with people or organizations in the private sector that possess the skill, know-how, experience and resources to successfully commercialize the ideas. A key deterrent, however, is whether such technology transfer activities at UH are permissible under the State Ethics Code, because such technology transfer activities might be viewed as impermissibly using public resources to promote a private business or to confer upon the inventor an unfair, personal benefit. The purpose of this bill is to amend the Hawai'i State Ethics Code to reflect current day realities of technology transfer activities and UH's unique mission as the state's largest research enterprise.

The University of Hawai'i currently enjoys a productive professional relationship with the Ethics Commission staff. However, it is too important to leave the treatment of technology transfer under the Ethics Code to personal/professional relationships. The University of Hawai'i strongly prefers that support for UH-based technology transfer be more transparent and more permanently set forth in appropriate legislation.

Outside private sector partners would be reluctant to invest their funds, their efforts, and their resources if there is always a cloud hanging over the project, which could only be resolved by case-by-case discussions with the Ethics Commission staff.

This measure provides clear guidance to UH, to its faculty and research staff and to potential private partners by exempting technology transfer activities from selected provisions of the State Ethics Code.

Thank you for the opportunity to testify in support.