



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
House Committees on Economic Development & Business  
and Labor & Public Employment  
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by  
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### HB 1157 – RELATING TO TECHNOLOGY TRANSFER AT THE UNIVERSITY OF HAWAII

Chairs Nakashima and Johanson, Vice Chairs Keohokalole and Holt and members of both committees:

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

The University of Hawai'i is increasingly called upon to create intellectual property and to develop discoveries that show commercial potential into useful and viable products. These products may include better and more efficient ways to cool and store food; may allow quicker and more accurate means to assess and respond to natural disasters; may permit less invasive and more reliable medical diagnosis. The potential public benefits for new technology are far reaching.

The faculty and administrative support staff at UH are eager to step up to this challenge. Their efforts are deterred, however, by the possible “wooden application” of the State Ethics Code to restrict or prohibit the use of public university resources or university personnel to create these new commercial products, because such technology transfer simultaneously allows potential private economic gain to the private entrepreneurs. The inventors, themselves, may also have “private benefit” though opportunities for equity participation or an allocation of patent royalties. Multi-sector benefits is the inherent nature of a collaborative project among the individual inventor, UH and the private “partner”

There is uncertainty in the application of the Ethics Code to university-sponsored technology transfer activities because the same text of the Ethics Code must also be uniformly applied to cover a wide range of circumstances--from school teachers chaperoning mainland excursions for their students, to permissible uses of state facilities for non-profit fundraising, to self-dealing in approving contracts with one's agency. Compounding this uncertainty in applying the Ethics Code for UH technology transfer activities is that at one time, the Ethics Commission may have been liberal in permitting these technology transfer activities. At other periods of time, the Ethics Commission may have been more cautious. The Ethics Commission and its staff must

interpret and apply Ethics Code to such “public-private” collaborations that are not expressly set forth by the words of the Code.

The purpose of this measure is to provide clear guidance to UH and its individual and private sector collaborators by exempting technology transfer activities from selected provisions of the State Ethics Code.

The University of Hawai'i requests the support and advancement of this measure by both committees.

Thank you for the opportunity to testify.