Testimony Presented Before the
Senate Committee on Judiciary and Labor
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by
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SB 2940 SD1 – RELATING TO TECHNOLOGY TRANSFER AT THE UNIVERSITY OF HAWAII

Chair Keith-Agaran, Vice Chair Shimabukuro, and members of the Committee:

Thank you for this opportunity to testify in support of the intent of this measure.

The University of Hawai‘i (UH) believes there is consensus that the State Ethics Code
needs to be adapted to reflect current-day practices of technology transfer at public
universities. While there may be agreement with intent, there are reasonable
disagreements on how the statutory language effectuating that intent should be written.

UH understands the State Attorney General is concerned that Senate Draft 1 of this bill
raises constitutional concerns because SD 1 purports to exempt certain employees from
the State Ethics Code. This measure as originally introduced, however, may comport
with constitutional requirements because it specifies how technology transfer activities
are to be treated under the Ethics Code.

To mitigate the constitutional concerns, UH recommends that SB 2940 SD 1 be
reported out as Senate Draft 2, with a reversion to the language as originally introduced.

UH also suggests that the operative statutory text for University-sponsored technology
transfer activity be added to Chapter 304A (governing the University, in general), and
not as an amendment to Chapter 84 (State Ethics Code).

UH further suggest amending the definition of technology transfer to clarify that the
primary goals of successful technology transfer include practical benefits to society,
innovation and introduction of new products, and diversification of workforce
opportunities. Personal financial gain to the inventor may be a consequence of
successful commercialization of research, but this consequence is not the purpose
driving the UH’s sponsorship of technology transfer.

The University of Hawai‘i is in discussion with staff of the State Ethics Commission to
craft acceptable language.