



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education
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by
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HB 2411 – RELATING TO TECHNOLOGY TRANSFER AT THE UNIVERSITY OF HAWAII

Chair Choy, Vice Chair Ichiyama and members of the Committee:

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

One of the University of Hawai'i's (UH) strategic directions is to grow the portfolio of sponsored research done at the University and to promote innovation and workforce diversification in the state's economy. One critical phase of innovation is the ability to commercialize research ideas generated on campus. The phase is often known as "technology transfer" and is designed to strengthen economies by getting new ideas, inventions and processes developed in universities to the private sector as quickly as possible. 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 in these activities.

The purpose of this bill is to adapt the application of 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. If too stringently applied, certain requirements of the state ethics code will inhibit the efficient and effective commercialization of research generated at UH.

For example, current requirements may forbid equity participation in startup companies by state institutions, may limit direct involvement by faculty in new business ventures, or may broadly prohibit use of public property--such as university equipment, facilities or support personnel—to foster commercial products. As a result, benefits to the public created by new and useful commercial products are lost, employment opportunities for the state workforce will narrow, and the competitive stature of UH to attract research funding and research talent will be diminished.

To address these inhibitions, other states have enacted specific exemptions to their ethics laws, have created some form of "safe harbor" from specific sections of their respective ethics code or have established parallel institutions for their university researchers to be exempt from the jurisdiction of their ethics code.

The amendments proposed in this bill would facilitate technology transfer at UH by exempting such activity from certain sections of the ethics code. The University of Hawai'i believes these exemptions are proper and justified due to its unique mission and the countervailing benefit to the well-being of the state of Hawai'i and its citizens.