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SEPTEMBER 13, 1978

Public universities have traditionally sought ways to put their scholarly research to practical use in the public interest. In many cases this can be done only through the patent system. For example, most academic institutions receiving federal funds for support of research have a well-defined patent policy that (1) stimulates creativity, (2) encourages industry to invest risk capital to bring a new concept into the marketplace, and (3) protects the public interest.

Most new inventions at universities are not ready for the market and, hence, for public use or consumption. To make this possible requires risk capital by an industry willing to undertake development. It is at this point that patent protection and a license are critical. Without patent protection and a license that will provide an opportunity for an industry to recover investment in an invention, the new idea will more likely than not lie dormant. What evidence do we have of this assertion? As one illustration, at the end of FY 1975, the United States Government had title to more than 27,000 patents but only 4.8 percent had been licensed. On the other hand, a recent survey of forty-eight universities by the Society of University Patent Administrators showed that fifty percent of the patents titled to those institutions were licensed.

This brings us to the intent of the new bill. The bill would permit universities to retain title to inventions and to license them under conditions that will attract the essential risk capital for the development of new technology. The rationale behind this approach to a patent policy is simple. The university, where the invention originated, is in a better position to transfer technology than the government. One reason is that the direct interaction of the inventor and the licensee is essential for development of the technology. Such interaction permits the inventor to work with the licensee and convey know-how, background and data essential to the development of the licensed invention. As the university invention is usually only at the embryonic stage of development, it requires constant attention, continuing interest and complete dedication to development by the inventor. This can best happen if title is vested in the university.

The increased technology transfer that can result from this legislation will lead to new products, new competition, job creation, and economic growth so essential for a strong America. Senators Bayh and Dole are to be commended for their foresight in sponsoring this legislation.