

ventions prior to the passing of the BDA, newly motivated universities began to petition the government for title. In the 1970s, the government would hear these petitions only on a case-by-case basis.<sup>29</sup>

Though universities engaged in technology transfer on a limited scale in the 1970s, the process was complex and confusing.<sup>30</sup> Each government agency had its own policies and procedural requirements with respect to technology transfer, and the vast majority of patents went unlicensed.<sup>31</sup>

#### 4. Birth of Bayh-Dole

Prior to the BDA, the government owned the title to any federally funded invention. Ownership included the exclusive right to develop, market, and license the invention.<sup>32</sup> The agencies that maintained title over these inventions often were unable to fully commercialize the invention, which led to underutilized patents and sub-optimal public benefit.<sup>33</sup> Furthermore, the government often made it difficult for companies to gain an exclusive license to the invention, which hampered the ability to fully explore and market the idea.<sup>34</sup>

The 95<sup>th</sup> Congress had been wrestling with the recommendation that legislation to develop a reliable and uniform technology transfer mechanism should be created.<sup>35</sup> Congress and President Jimmy Carter advocated a change to ensure that those receiving federal funds had a greater ability to commercialize inventions and contribute more to society.<sup>36</sup> Senators Bayh and Dole created a bill to be a compromise

29 See David C. Mowery and Bhaven Sampat, *University Patents and Policy Debates: 1925-1980*, prepared for Conference at Columbia University, October 13-15, 2000, available at professor-murmann.net/nelsonfest/moweryp.doc.

30 See The Bayh-Dole Act at 25: BayhDole25, Inc., April 17, 2006, at 2.

31 See *id.* at 2.

32 See Office of Technology and Transfer and Economic Development. What is the Bayh-Dole Act, What Prompted it, and Why is it important to University Technology Transfer? University of Hawaii., available at <http://www.otted.hawaii.edu/what-bayh-dole-act>.

33 See Marcia Boumil and Harris Berman. Revisiting the Physician/Industry Alliance: The Bayh-Dole Act and Conflict of Interest Management at Academic Medical Centers. 15 MICH. STATE UNIV. OF MEDICINE & LAW 1 (2010). The government agencies often lacked the resources, expertise and relationships with industry necessary to commercialize the inventions created under governmental funding.

34 See Innovation's golden goose, *supra* note 4. Additionally, the difficulty in acquiring exclusive rights made it uneconomical for a company to invest their own money in bringing an idea from general invention to commercial success.

35 See Boumil and Berman, *supra* note 33, at 2.

36 See Ralph C. Nash and Leonard Rawicz, INTELLECTUAL PROPERTY IN GOVERNMENT CONTRACTS 238 (The George Washington University 6 ed.) (2008). President Carter originally wanted title to stay with the government, but exclusive licenses to be granted to the Contractor. He changed his stance upon noting that if small businesses and nonprofits (including universities) retained title to their inventions, this would not stymie commercialization. See *id.*

of sorts: under the original bill, the possibility for a shift of title away from the government would occur only in the case of universities and small businesses.<sup>37</sup>

Shortly prior to the passing of the BDA, Congress noted that "many new discoveries and advances in science occur in universities and federal laboratories, while the application of this new knowledge to commercial and useful public purposes depends largely upon actions by business and labor."<sup>38</sup> Furthermore, Congress stated that cooperation among academia, industry, and the government is vital and should be expanded and strengthened.<sup>39</sup>

Pursuant to its own findings, Congress passed the Patent and Trademark Law Amendments Act ("Bayh-Dole Act") with minimal conflict on December 12, 1980, and President Carter signed the legislation into law shortly thereafter.<sup>40</sup>

37 See Mowery et al., *supra* note 5, at 89. This compromise satisfied the executive branch of the Government as well as the members of Congress who fought against similar proposals that transferred ownership away from the government in all federally funded inventions. However, President Reagan in 1983 signed an amendment stating that the Act "is not intended to limit the authority of agencies to agree with to the disposition of rights in inventions... with persons other than nonprofit organizations or small business firms." 35 U.S.C. § 210(c). This significantly widened the scope of the Act and effectively ensured that disposition of *all* federally funded inventions can be dealt with under this scheme. See Kevin W. McCabe, IMPLICATIONS OF THE CELLPRO DETERMINATION ON INVENTIONS MADE WITH FEDERAL ASSISTANCE: WILL THE GOVERNMENT EVER EXERCISE ITS MARCH-IN RIGHT? 27 PUB. CONT. L.J. 645, 652 (1998).

38 See 15 U.S.C.A. § 3701 (2011).

39 See 15 U.S.C.A. § 3701(2011). Congress further notes that no comprehensive national policy to enhance technological innovation currently existed, and that such a policy would "reduce trade deficits, stabilize the dollar, increase productivity gains, increase employment, and stabilize prices." *Id.*

40 See Nash and Rawicz, *supra* note 36, at 237; Mowery et al., *supra* note 5, at 91.