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UNIVERSITY  
RESEARCH  
PARKS**

*Creating Communities of Innovation*

## Reducing Barriers to Commercialization; Helping Universities Work with Industry:

### What Can Congress Do? (And Not Spend Too Many \$)

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**CHANGED  
PRIORITIES  
AHEAD**

**40**



## U.S. no longer home to:

- largest research parks: China, Middle East and Europe
- most efficient university tech commercialization: United Kingdom
- highest per capita of technology start ups: Israel
- most generous international R&D corporate tax credits: 17 other countries



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# US Universities, Industry, and Government Labs Working Together (?): Cultural Differences

	University	Industry	Government Labs
Intellectual Property (IP) Rights	Want to own IP rights	Want to own IP rights	Generally, Bayh-Dole controls
Value of IP	This could be the next "Google!"	I have to invest \$\$\$ up front	Reservation of march in rights
Public Domain	"Publish or perish"	If you publish we "perish" (lose)	Increasing interest in publishing
Decision Makers	Very bureaucratic	Very bureaucratic	Very bureaucratic
Who can say no?	The professor; the tech transfer office; the business office; lawyers; etc.	Business leader	The program officer; the support office; the lawyers
Who can say yes?	???	Business leader	Contracts or grants office/???
Value of time	Lots of meetings	Time is money	Lots of meetings



**Work Around Innovation Choke Points**

# What Congress Do? (In Era of Fiscal Constraint)

1. **Support research park infrastructure** and the development of Communities of Innovation (S. 583)
2. **Improve university technology transfer:** reform the federal grant and contract university funding model to encourage commercialization in a new OMB Circular *A-21.1* focused on removing choke points
3. **Keep more corporate R and D in US:** eliminate the test of university patent licensing in determining “private use” restrictions in facilities financed with tax exempt bonds (IRS Revenue Procedure 2007-47)



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## What Can Congress Do?

4. **Improve technology commercialization from federal laboratories** by creating a Congressionally chartered technology intermediary foundation to improve working with industry, based on best state/university practices
5. **Connect federal researchers** with private companies with new Land Grant Act for federal labs
6. **Ensure new federal funding initiatives** don't penalize university or state funded start ups: e.g., Qualified Therapeutic Tax Credit (QTTC) in Health Care Act



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## What Can Congress Do?

7. **Expand the** corporate R&D tax credit; give extra benefit for working with US universities
8. **Reform export** controls: higher controls over smaller set of technologies; modernize rules to encourage corporate/university partnerships
9. **Reauthorize now** the SBIR/STTR program for minimum 10 years
10. **Embed entrepreneurship** in federal STEM initiatives:  
New paradigm: **ESTEEM**: *Encouraging* Science  
Technology Engineering *Entrepreneurship* and Math





# \$1 Billion Qualified Therapeutic Tax Credit for Small Bio Technology Companies

- Wonderful Program
- However Certain Companies excluded: An applicant that is legally organized as a partnership or other type of pass-thru entity may not apply for a grant if a § 501(c) organization exempt from tax under § 501(a) is a direct or indirect partner or other holder of an equity or profit interest. Why?



# Does Your University Work with Industry? You Could Lose Your Funding If You Fail to Comply with Federal Export Controls!

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**Federal Register / Vol. 75, No. 57 /  
Thursday, March 25, 2010 / Notices**



**Office of Science and Technology Policy  
National Economic Council**

**Commercialization of University Research Request for Information**

**ACTION:** Notice.

**SUMMARY:** In September 2009, President Obama released his national innovation strategy, which is designed to promote sustainable growth and the creation of quality jobs. Two key parts of this strategy are to increase support for both the fundamental research at our nation's universities and the effective commercialization of promising technologies.



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# Building An Innovation Coalition



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# THE POWER OF PLACE **2.0** THE POWER OF INNOVATION



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Thank You,  
Brian Darmody

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