



# Patents I: The Bayh-Dole Act

*In addition to learning and discovery, universities are involved in economic development (engagement) activities, which often involve technology transfer from the university to industry. One key piece of legislation, the Bayh-Dole Act, governs ISU's policies on technology transfer.*

## What is the Bayh-Dole Act?

The Bayh-Dole Act and subsequent amendments were enacted between 1980 and 1985 to foster economic development by allowing universities to own, patent, and market inventions developed with federal funding. Prior to this act, inventions were owned by the government and only licensed non-exclusively to industry. The lack of an option to an exclusive research license was not attractive to industry, and thus many inventions were never taken on by industry for improvement and implementation. In addition, the Bayh-Dole Act ensures that all public universities maintain a consistent policy on intellectual property inventions resulting from government funding.

## Policies

With few exceptions, funds received from the federal government must abide by the Bayh-Dole Act. Regulations include:

- The regulations apply to all inventions conceived or reduced to practice as a result of research at least partially funded by the federal government. The provisions do not apply to federal training grants.
- The university must inform the government of each invention disclosure.
- Prior to public disclosure, the university has two years to determine if it wants to retain title to the inventions. If the university chooses not to retain the title, there is a series of provisions that determine title ownership.
- The government must be given a non-exclusive, non-transferable, paid-up license to all technologies invented.
- Any company that has an exclusive license to a patent that involves the sale of a product in the U.S. must "substantially manufacture" that product in the U.S. There are provisions for exceptions to this.

## Related Legislation

Developing Sponsored Research Agreements (Federal Register 59FR55673). The NIH published a set of guidelines in 1994 to provide guidance in ensuring compliance for researchers collaborating with industry on projects partially supported with federal government funds.

**For additional information, see [www.cogr.edu](http://www.cogr.edu) or use an internet search engine to search for BAYH DOLE.**

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