Historical Background

Bayh-Dole Act of 1980

gives universities title to
intellectual property developed
with taxpayer money
The decade of the 1980s was a watershed for the university sector. Academia became highly commercialized, especially notable in the life sciences. This effect has been in great part brought on by legislation, a Supreme Court decision, patent policy decisions, declining federal science budgets, and executive orders.

These policies and legal decisions have turned research universities into private enterprise zones and made “academic capitalism” a new mission for American higher education.

The following timeline presents the policies that have transformed the ethos of the modern research university and turned many scientists into academic-entrepreneurs.
Time line I: University-Industry-Government Ties

- 1980: Diamond v Chakrabarty; Supreme Court approves patenting of life forms; leads to patents on genes, plants and animals.

- Bayh-Dole Act of 1980: (PL 96-517). Also called the Patent and Trademark Law Amendments Act of 1980. Inventions made by academic scientists on federally-funded research were no longer the property of government; institutions can transfer rights to inventors and commercial partners.

- Federal tax code was revised to encourage investment in university research, allowing Research and Development Limited Partnerships (RDLPs).
Stevenson-Wydler Technology Innovation Act of 1980

Public Law 96-480

- The Secretary of Commerce shall provide assistance for the establishment of Cooperative Research Centers where individuals from industry and universities participate in cooperative technological innovation activities.

- Sec. 12: Each Federal agency may permit the director of any of its Government-operated Federal laboratories…to enter into cooperative research and development agreement with industrial organizations.

- Promote technological innovation by encouraging cooperation among industry, government and universities. Cooperative Research & Development Agreements (CRADAs) between government & industry are created.
Office of Productivity, Technology & Innovation

The Office of Productivity, Technology & Innovation (OPTI) was created in the Department of Commerce in 1981 by the Reagan administration. OPTI advocated the use of Research and Development Limited Partnerships (RDLPs) at universities as a means of developing alternative sources of research capital and accelerating the transfer and private appropriation (patents) of federally developed and funded technology.
Time line II: University-Industry-Government Ties

1981: Economic Recovery Act: tax credits for private investment in university research


1986: Federal Technology Transfer Act: (PL 99-502) gives to companies licensing rights to federally-funded research discoveries.

1997: FDA Modernization Act of 1997 (PL 105-324) allows FDA to add official industry representatives to advisory committees.

2000: University R&D funding by industry rises to 8% of overall contributions; up from 3.5% in 1970s. Universities awarded 3200 patents. (Only 96 granted in 1965.)
Under the CRADA initiative, federal agencies can form R&D agreements with for-profit companies to commercialize inventions arising from federal laboratories.