



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Written Testimony Presented to the  
Senate Committee on Higher Education  
Tuesday, February 4, 2020 at 3:10 p.m.

by

Vassilis L. Syrmos  
Vice President for Research and Innovation  
University of Hawai'i System

SB 3059 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Kim, Vice Chair Kidani and Members of the Committee:

The University of Hawai'i (UH) supports this bill.

This measure would remove the sunset provision of Act 39, Session Laws of Hawai'i 2017, and thereby allow UH to sustain its Innovation and Commercialization Program. Act 39 provides the University of Hawai'i express statutory authority to sponsor and directly participate in the transformation of innovations created by UH researchers into viable commercial enterprises. Pursuant to Act 39, the program is now codified as Subpart P, of Part IV of Chapter 304A, Sections 1951 through 1959.

Universities across the country increasingly recognize that they can play an active role to support the transformation of inventions and discoveries generated on their campuses and to transfer these technologies to the commercial realm. The University of Hawai'i needs to match its peers to remain competitive to attract sponsored research, enterprising faculty and talented students.

Commercial innovation is inherently risky and takes time to develop. The path leading from an idea, through its development and refinement, through protection of intellectual property, through formally organizing a corporate structure and hiring managers and staff, through locating a facility to physically incubate the venture, through obtaining external financing, and ultimately leading to a successful and sustainable commercial operation is fraught with uncertainty.

Act 39 recognizes that UH is uniquely positioned to assist a home-grown fledgling venture navigate these uncertainties. The University of Hawai'i has established and manages an incubator program that identifies promising start-ups built around innovations created by its faculty, students and alumni. This accelerator program provides focused training and networking opportunities to those ventures selected to participate in a cohort with other start-ups. Through this program, UH may provide initial seed funding if the venture reaches certain performance milestones. In return for the financial investment, UH may obtain equity shares in the venture. The University of Hawai'i may also provide temporary space to the startup at reasonable rents at its Mānoa Innovation Center.

Active participation in technology transfer is a comparatively new responsibility for a public university, but it has its parallels with a university's traditional mission of instruction. The University of Hawai'i selects incoming freshmen, instructs these students via multiple curricular offerings and pathways, provides career guidance and development, may grant financial scholarships or loans and may also provide temporary housing, all of which are subsidized with public funds. The goal is to transform students into engaged and contributing members of society once they graduate. The University of Hawai'i's Innovation and Commercialization program does the same for promising start-up enterprises.

To sustain the Innovation and Commercialization Program, the University of Hawai'i respectfully requests that the sunset provision of Act 39, Session Laws of Hawai'i 2017, be deleted.



## **Testimony to the Senate Committee on Higher Education**

**Tuesday, February 4, 2020**

**3:10 P.M.**

**Conference Room 229**

### **SB 3059: RELATING TO THE UNIVERSITY OF HAWAII**

Chair Kim, Vice Chair Kidani and Members of the Committee:

My name is Gary Kai and I am the Executive Director of the Hawaii Business Roundtable. The Hawaii Business Roundtable supports Senate Bill 3059 to allow the University to continue its work in research commercialization and economic development by removing the sunset provision in Act 39.

The Hawaii Business Roundtable strongly believes that a strong research and innovation sector led by the University of Hawaii will be a large and important magnet for new money and new fields of job growth in Hawai'i. We supported the Legislature in the creation of Act 39. We agree with the Legislature that the commercialization of the intellectual property created by basic and applied research conducted at the University of Hawaii, holds great promise to contribute to the creation of jobs and economic growth. It is a vital component of the creation of jobs in the local economies of many universities across the country and although it is in its early stages, it is being done here in Hawaii.

Commercialization of research is a long-term investment in Hawaii's future. As we have all seen it is not an overnight venture but develops slowly. We continue to support this activity and recently held our Future Focus V Conference in October, 2019. As we look forward to Future Focus VI, it is with the belief that long term and sustained efforts are vital to the development of our Innovation Sector. We, therefore, fully support the request to delete the sunset provision of Act 39.

Thank you very much for the opportunity to testify.

Gary K. Kai, Executive Director  
Hawaii Business Roundtable



1012 Piikoi St.  
Honolulu HI 96814  
www.spectrum-photonics.com

Statement of  
**Edward Knobbe**  
**President**  
**Spectrum Photonics**  
before the  
Senate Committee on Higher Education  
Tuesday, February 4, 2020 at 3:10 PM

In consideration of:

SB 3059  
RELATING TO THE UNIVERSITY OF HAWAII

Chair Kim, Vice Chair Kidani and Members of the Committee

Spectrum Photonics **supports** SB 3059, a measure that would remove the sunset provision of Act 39, Session Laws of Hawai'i, 2017 and thereby allow the University of Hawaii (UH) to sustain its existing Innovation and Commercialization Program.

Spectrum Photonics is a small, high technology company whose core business is largely based on intellectual property licensed from UH. Since our startup in 2008, we have brought approximately \$30,000,000 to the State in the form of federal SBIR contracts and competitively-awarded Broad Agency Announcement (BAA) programs. Today we support 18 employees, many of whom are UH graduates. We consider Spectrum Photonics to be a terrific example of how intellectual property invented at UH can ultimately lead to significant economic development and expansion of the State's high tech sector through the University's licensing and commercialization programs.

Technology transfer and commercial innovation are inherently difficult processes, with many difficult barriers to overcome. We have had the opportunity to work with several university technology transition offices, and Spectrum Photonics has passed up opportunities to license intellectual property from other universities as a result of onerous licensing terms or processes. UH's Innovation and Commercialization Program is an exemplary example of striking a difficult balance, with fair and reasonable treatment of commercial licensing partners while also maintaining the highest internal standards of ethics and compliance policies. UH is best suited to establish and maintain an Innovation and Commercialization compliance program, using a model that has been specifically adapted to the unique features of University-generated innovations. I urge the Committee to delete the sunset provision of Act 39, Session Laws of Hawaii, 2017.

Thank you for the opportunity to offer these comments.

## Legislative Testimony

Written Testimony Presented to the  
COMMITTEE ON HIGHER EDUCATION

Tuesday, February 4, 2020 at 3:15 p.m.

By Olga Boric-Lubecke

President/Founder

Adnoviv, Inc.

SB3059 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Senator Donna Mercado Kim, Vice Chair, Senator Michelle N. Kidani, Members of the Committee:

Adnoviv, Inc., supports this bill.

I am a professor of Electrical Engineering at the University of Hawai‘i at Manoa, and I founded Adnoviv, Inc., in 2013. My company would not be here today if not for the help and support provided by the University of Hawai‘i, including participation in two rounds of UH accelerator program, and subsequent UH investment in Adnoviv. In the last three years Adnoviv has provided two federally funded subawards to UH, employed three UH graduates full time (two PhD and one MS), and two UH PhD graduates as consultants. Adnoviv has provided support for two UH undergraduate students and one UC Berkley summer intern (Kalaheo HS graduate), and is currently supporting three UH military veteran graduate students, and two UH community college faculty, through NSF educational supplements for engagement in commercialization.



Adnoviv, Inc.  
2800 Woodlawn Dr. Suite 297  
Honolulu, HI 96822  
info@adnoviv.com  
www.adnoviv.com

I believe that the relationship between the University of Hawai‘i and Adnoviv is mutually beneficial, and ultimately beneficial for Hawai‘i economy. Through this relationship UH students have access to hands-on training and employment opportunities in a start-up environment, and Andoviv has an opportunity to recruit UH graduates. Through Andoviv funded research agreements, UH students participate in research and development efforts to help commercialize new technology. The University of Hawai‘i’s Innovation and Commercialization program is crucial for success of such relationships.

On behalf of Andoviv, Inc., I respectfully request that the sunset provision of Act 39, Session Laws of Hawai‘i, 2017 be deleted.



ELEMENTAL  
EXCELERATOR

**Written Statement of Elemental Excelerator  
before the Senate Committee on Higher Education  
February 04, 2020**

**In consideration of SB 3059  
RELATING TO THE UNIVERSITY OF HAWAII**

**Aloha Chair Kim, Vice-Chair Kidani, and Members of the Senate Committee on Higher Education:**

Elemental Excelerator **submits support of SB 3059** which repeals the sunset provision in Act 38, Session Laws of Hawaii 2017.

Elemental Excelerator is a Honolulu-based non-profit organization that supports climate positive startup companies that are helping solve Hawai'i's most urgent environmental problems. Our role is to accelerate cleantech startups by bringing forward important commercial inflection points through real-world demonstration projects and tailored business model impact. Each year, we select 15-20 companies annually that best fit our mission and fund each company up to \$1 million. To date, we have awarded \$36 million to 99 companies resulting in over fifty demonstration projects in Hawai'i & the Asia Pacific.

**We support SB 3059** because it will contribute to our state's efforts to diversify our economy and provide our next generation of Hawai'i residents with career opportunities in science, technology, engineering, and mathematics right at home. In our work, we have seen three widely recognized gaps in funding that test the survival of startups with capital-intensive solutions; technology, commercialization valleys of death, and market expansion. By passing SB 3059, the university can continue to attract outside investments in innovation from entities like the federal government, private, and philanthropic sponsors and solidifies the state's commitment to the long-term development of our entrepreneurial ecosystem.

Diversifying our economy requires collaborative efforts between the private, government, and educational sectors. We urge you to pass this bill and look forward to continuing working with the University of Hawai'i in realizing our innovation economy.

Sincerely,

Aki Marceau  
Managing Director, Policy & Community

**SB-3059**

Submitted on: 2/3/2020 4:41:10 PM

Testimony for HRE on 2/4/2020 3:10:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jesse Daniel Thompson	Individual	Support	Yes

Comments:

My name is Jesse D Thompson, Co-founder, and CEO of UH startup Radial3D Inc and technical staff at the John A Burns School of Medicine Department of Anatomy and I support

SB 3058 and SB 3059.

I had the unique pleasure of entering into Honolulu's startup paradise at an amazing time as

both a two-time co-founder who has attended both Blue-Startups and XLR8UH. I've spent many

hours in both coworking spaces freelancing in video games and offices in Manoa Innovation

Center (MIC) as a board member at HICapacity Makerspace. I've come to learn that one of the

most critical parts of a startup is responding to change, and I don't mean lack of focus but using

data to make the right pivots and changes as they arise. In short, it's learning, research, and

education.

The digital information age has genuinely been a paradigm shift in society. Ideas are not as valuable as they once were. You can find them in bulk online, some good, some fake, with

an ever-increasing difficulty to defend them. Society now views use patent protections for

personal gain while contributing nothing to those ideas coming to fruition negatively. (aka

"Patent Trolling"). In today's economy, execution and traction are just not, if not more important

than the original idea. It's here where you'll find agile fast-moving startups making leaps past

large companies, and that's what makes them valuable for acquisition. It's more important than

ever that the University of Hawaii pivot its business model to not just selling ideas but selling

ones that have substantial evidence of traction.

In my eyes, the most successful parts of the State's efforts to assist technological



development were spaces and policies like the Entrepreneurs Sandbox. A safe space for startups to learn and grow with time. Not a date and time that success must be achieved along with a set of policies that moves for no-one. What we need from the State is to expand projects that allow for exponential growth and not rigid demands that expect linear progression year after year and don't make exceptions for exceptional cases. My recommendation is to for the State to foster growth by leaving research and mentorship to the ones who excel at providing it. For the University of Hawai'i to continue to evolve its tech transfer and seed capabilities. The University of Hawai'i is playing a vital role in the State in learning to adapt to a new digital economy, and the University itself needs to change how it monetizes research and development to suit. To these ends, I request that the sunset provision of Act 38 & 39, Session Laws of Hawaii, 2017 be deleted.