



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

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House Committee on Energy & Environmental Protection
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HB 1501 – RELATING TO THE HAWAII NATURAL ENERGY INSTITUTE

Chair Lowen, Vice Chair Marten, and members of the committee:

HB 1501 amends Chapter 304A of the Hawai'i revised statutes to include, as part of the responsibilities of the Hawai'i Natural Energy Institute (HNEI), the requirement for HNEI to administer a research partnership program. The purpose of this partnership program is to allow businesses or private entities to partner with or utilize research conducted by the institute for the purposes of expanding the business or private entity, under certain conditions. While HNEI supports the intent of HB1501 we believe it is unnecessary as there are already well-defined pathways for partnerships between HNEI and other private and public entities. These include

- access to research results that have been made part of the public domain
- development of Memorandum of Agreement to establish programs of mutual interest
- licensing of intellectual property developed at UH,
- direct funding of research with "first right of refusal" to IP developed under the contract
- participation in joint research proposal to seek extramural funding provided that there is mutual interest

However, should the legislature still desire that a partnership program be formally included in Chapter 304A, HNEI respectfully offers the following suggestions.

For background, the HNEI, is an Organized Research Institute, within the University of Hawai'i at Mānoa (UHM) subject to the general management and control of the Board of Regents (BOR). Consistent with BOR policies, HNEI is dedicated to the expansion of knowledge through research and academic scholarship. This includes the publication and dissemination of research by HNEI faculty. In some instances, the results of this research may have commercial value which may be protected by patent, copyright, or

other means provided by law. The BOR policies provide a framework to identify and preserve research of commercial value that includes rights for both the inventors and the university.

As a matter of practice, HNEI collaborates and/or shares the results of its research with business, private and other public entities whenever it is not constrained by intellectual property issues. When HNEI's research is funded by governmental agencies or other sources, there may be constraints on the dissemination of the information. HNEI's collaborations include agreements with Hawai'i-based, US-based, and international entities. HNEI is concerned that special access for Hawai'i-only entities would impede our ability to maximize the value and commercialization of our research, reduce our ability to establish funded research partnerships outside of Hawai'i, and may well violate conditions of the funding received from various federal agencies.

That said, HNEI welcomes opportunities to expand its research partnerships with businesses and other private entities based in Hawai'i for which there is mutual interest. HNEI recognizes such collaborations to be consistent with its mandate and welcomes the opportunity to report the outcomes of these collaborations to the legislature as part of its annual reporting. However, as stated above, we feel that existing university policies provide adequate means for establishing such partnerships, consistent with the intent of HB 1501.

Thus, we respectfully suggest that 304A be amended as follows:

“§304A- Research partnership program. (a) There is established within the Hawaii Natural Energy Institute a research partnership program.

(b) Under this program, HNEI shall report partnerships with business or private entities, including those headquartered in the state, to accelerate the commercialization of HNEI's research especially where applicable to the transformation of Hawai'i's energy systems.

(c) The institute shall follow UH BOR executive policies to establish appropriate agreements to facilitate commercialization of its research.”

Thank you for the opportunity to provide this testimony on HB1501.