The Importance of Bayh-Dole

The Bayh-Dole Act (1980) enabled the decentralization of patent management. Academic institutions, nonprofits, and businesses now had ownership of any intellectual property (IP) that arose in part from federal funding. These entities could then license that IP to industry, enabling commercial development. This new method of technology transfer incentivized researchers to pursue commercialization of their innovations.

Under Bayh-Dole, the government retains non-exclusive, non-transferrable rights and a provision known as march-in authority ensures that patent holders commercialize their inventions. The U.S. experienced a 10-fold increase in patenting in the first two decades after Bayh-Dole was enacted. Without the reliable patent protections included in Bayh-Dole, innovators couldn’t risk decades and billions of dollars in R&D for the next treatment or cure.

Additional Legislation Ushering in Innovation

- **1980- Stevenson-Wydler Technology Innovation Act**: Provides a pathway for federal labs to share inventions with state and local governments and the private sector.
- **1981- R&D credit**: 25% tax credits given to entities that invest a certain amount in R&D. Aims to solidify private investments in R&D.
- **1986- Federal Technology Transfer Act**: Cooperative Research and Development Agreements (CRADA) were strengthened, ensuring federal researchers retain patent rights and receive reimbursement.

Impacts of Technology Transfer

Between 1996 and 2017:

- **$1.7T** contributed to Gross Industrial Output
- **100,000+** patents issued
- **420,000+** inventions
- **13,000+** start-ups formed
- **5.9M** jobs supported
- **$865B** contributed to U.S. GDP

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