



February 7th, 2018

Representative Paul Evans, Chair
House Committee on Veterans and Emergency Preparedness

**TECHNOLOGY TRANSFER AND
BUSINESS DEVELOPMENT**

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Dear Representative Evans:

On behalf of the office of Technology Transfer and Business Development at Oregon Health and Science University (OHSU), and my peers at other universities, I am writing to express concern about House Bill 4039 (HB 4039).

From a perspective of revenue generation, a challenge this bill faces is that revenues from patents are long-term and highly uncertain. Fewer than 1 in 1,000 patentable technologies result in significant revenues, and most take over 10 years from invention to a successful product. Thus, the measure is unlikely to significantly contribute to state revenues in the foreseeable future.

From an economic development perspective, the proposed bill will inadvertently create a disincentive for development of innovative research by requiring a return on State investment that no other state requires. This will dampen the impact of State economic development initiatives, which this measure is intended to support. In addition, it will make other states more attractive for later stage development work, which employs more people and has a greater economic impact.

Moreover, it may dissuade private investment in research in Oregon. While excluding public bodies and universities, OHSU would meet neither criterion under ORS 174.108(3) and ORS 352.002 definitions. As a result, had this been in place with the Knight Cancer Challenge State Grant to OHSU, the State might have claimed a right to receive from OHSU royalties or revenues deriving from work in the Knight Cancer Research Building. That would have impeded success of the Knight Cancer Challenge, as well as hindered the recruitment of the most entrepreneurially-minded faculty from places like the University of California and the MD Anderson Cancer Center.

We appreciate the commitment of the legislature to prepare our state for an emergency and their willingness to think creatively about how to fund those activities to keep Oregonians safe. But, given the significant unintended consequences in this bill to research in our state and specifically public universities we are opposed to this direction.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brendan Rauw", enclosed within a blue circular scribble.

Brendan Rauw, MBA, CLP
Vice President
Technology Transfer & Business Development
Oregon Health & Science University