

Streamlining University IP Innovation: How the Improving Efficiency to Increase Competition Act Could Advance University Inventions

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University-driven innovation is a cornerstone of societal progress, as academic institutions play a pivotal role in advancing research and technology that fuel economic growth, enhance quality of life, and address global challenges. With access to federal grants and a collaborative environment, universities are uniquely positioned to transform groundbreaking ideas into real-world solutions. Recognizing the importance of supporting these efforts, leaders in both Houses of Congress are aiming to make life a bit easier for universities that hope to innovate industry with federal grant dollars. Senators Chris Coons (D-DE) and Thom Tillis (R-NC) have introduced the Improving Efficiency to Increase Competition Act (“the Act”) to amend the Bayh-Dole Act (“Bayh-Dole”). Both Senators have expressed hope that this legislation will make it easier for institutions of higher learning to access federal funds and drive innovation into the future.

Passed in 1980, Bayh-Dole enables universities, small businesses, and non-profit research institutions to patent and monetize inventions developed with the aid of federally funded research programs. Bayh-Dole has been credited with fostering competition, innovation, and economic growth through America’s institutions of higher learning. While this is an undeniable boon to America’s academic and economic progress, the legislation also contains outdated reporting requirements that burden the very universities it intends to benefit.

Under Bayh-Dole, government grantees or contractors must report any and all intellectual property developed with federal funding. While simple in theory, it is anything but in practice. Each government agency offering intellectual property grants has its own methods for reporting developed projects, has various forms of communicating with grantees, and maintains its own standards for retention of a grantee's intellectual property. All of this leaves universities dealing with a dizzying array of bureaucratic red tape that obfuscates which agency needs what when for the institution to patent, license, and monetize its inventions. Legislators on both sides of the aisle have come together to ease this burden.

The Act is Congress's attempt to rewrite the federal grant process for intellectual property. It directs the Government Accountability Office's ("GAO") Comptroller General to conduct a study on these grant disclosure processes. With a goal of reducing barriers to funding and increasing efficiency in grant delivery and product monetization, the Act will ask the GAO to determine how grantees of varying size, budgets, specialties, and locations are hampered by existing regulations and how to better enable them to access grant funding. This means that universities with differing sizes and focuses across the country should expect to benefit. If passed, the goal is for institutions of higher learning to have an easier time continuing to monetize their commercial innovations, driving the American economy forward for generations to come.

As the Act progresses through Congress, we will closely follow its developments and provide updates on how it may influence the landscape of academic innovation and intellectual property management. This legislation holds promise for reducing the bureaucratic hurdles that universities currently face and could significantly enhance their ability to bring groundbreaking ideas to market. Stay tuned for further insights as we track and provide commentary on the potential effects the Act may have on fostering research and driving future economic growth.

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