

Structuring Collaborations – How should IP Ownership and Entitlements be allocated ?

CASE STUDY: SEE 3 Program

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Today's Presentation

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- Introduction to “SEE 3”
- Structuring; IP Ownership and Rights
- Lessons learnt from “SEE 3”



SEE 3 Program

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- A 5 Year R&D Collaboration to develop Contact Lenses suitable for “Extended Wear” (i.e., overnight wear)
- Novartis and the CRC for Eye Research and Technology (CSIRO, University of New South Wales)
- Developed the Focus “Night & Day” lens, released 1999
- Lens approved by FDA for overnight wear



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R&D

Timing

1992 - 96

Objectives

Development
Technology

Contracting Intent

Collaboration
and Risk
Sharing

Desired outcomes

Test and
Demonstrate
Technology

Collaborators' Role

Breakthrough
technology

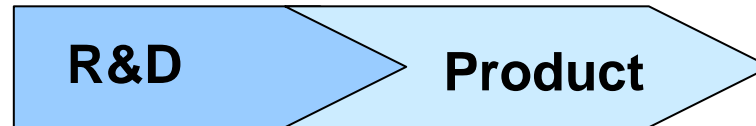
IP Protection

Unstinting Collaboration
between 3 Groups

Internal Competition

First to Market with true
Breakthrough Product

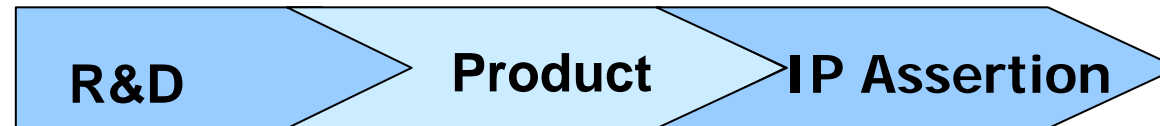
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	R&D	Product	
Timing	1992 - 96	1996 - 1999 -	Researchers' Role
Objectives	Development Technology	Development of Product	Product clinical testing Some manufacturing support
Contracting Intent	Collaboration and Risk Sharing	Commercial Rights; ROI	Licence
Desired outcomes	Test and Demonstrate Technology	Successful Break-through Product	Product to Market

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Timing	1992 - 96	1996 - 1999 -	1995 onwards
Objectives	Development Technology	Development of Product	IP Protection Assertion of Patents
Contracting Intent	Collaboration and Risk Sharing	Commercial Rights; ROI	Collaboration and Roles
Desired outcomes	Test and Demonstrate Technology	Successful Break- through Product	Protection of Commercial Value through IP Assertion

1. Unincorporated Joint Venture, R&D Collaboration and Licence

2. Critical Elements:
 - **Alignment of Objectives around shared Vision**
 - **Predetermined Sharing of Commercial benefits**
 - **Joint Management of the Program**
 - Joint IP ownership
 - Joint Resource allocation
 - **Senior Management involvement in, and responsibility for, the Program**

- **Background IP brought unstintingly**
- Foreground IP jointly owned
- **IP Licence, with predetermined Royalty rate**
- Joint decision-making on IP Protection
- Company has IP assertion rights



IP Ownership and Rights: At different Phases



	R&D	Product	IP Assertion
Researchers	JOINT: 50:50 partner with company	Licensor	Joint Owners
Company	JOINT: 50:50 partner with Researchers	LEAD : Licensee and Developer	LEAD: Joint owners and leads assertion of IP rights
Desired outcomes	Develop Product	Product to Market	Protection of Commercial Value

For the Researchers

- Funding for research to develop important Technology
- Energising collaborative partnership
- Terrific partner to market
- Implementation and impact from R&D Outputs
- IP Ownership
- Commercial constraints (Publication; Confidential IP usage; Clients)
- [Win]

For the company

- Technology for corporate growth/revitalisation
- Technology position vs Competitors
- Sharing of financial risk of R&D
- Access to Capability and Background IP
- Necessary IP rights secured
- Cost/complexity vs Fully in-house
- [Win]

- Alignment of Objectives is critical
- Senior Management involvement to provide stringency, but can empower the team
- Management role includes to “fly air cover” internally
- Legal structure is a secondary issue if behaviours are aligned



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