



# COMMERCIALIZATION OF UNIVERSITY IP

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# THE COMMERCIALIZATION CONUNDRUM

Pool of potential commercial partners within Australia is limited

Often have to seek partners overseas

Pool of competitors for potential partners in other countries is very large

Competitors often have more resources

**How can universities improve their chances of finding a commercial partner?**

# PROBLEMS WITH UNIVERSITY IP

**“Product” to be licensed has not been developed in response to any market need**

**Technology is at an extremely early stage**

**Uncertain whether invention will work in a commercial setting**

**Financial risk to licensee is very high**

**Licensee must project what market will be like in many years' time**

# PROBLEMS FOR UNIVERSITIES

**Lack of funding for identifying and protecting IP**

**Lack of funding to make IP investment-ready**

**Lines of authority which hinder decision-making**

**Lack of knowledge of IP issues among inventors**

**Balancing priority and enablement**

**–resisting the pressure to publish**

# THE INVENTOR'S ROLE

**Conceive invention, reduce it to practice**

**Take part in obtaining patent protection**

**Help to identify potential industry partners**

**Answer technical questions**

**Host lab visits by potential partners**

**Provide know-how for commercialization**

**This is outside the normal job description!**

# WHAT DO INVESTORS LOOK FOR?

*Is the technology clearly protected?*

What and where is the market opportunity?

Who is the potential customer?

Will the technology be developed, then sold or licensed to another party?

Will revenue come from sales, services or both?

Will the revenue be large enough to establish and support a company?

Who are the competitors? Are they a threat ?

# WHAT DO INVESTORS NEED?

Clarity of what IP is being offered

Clear ownership of IP

Reasonable pricing of IP

Maintenance of confidentiality

Single contact person, with authority to make timely decisions

**IP which is at an investment-ready stage**

**Understanding of commercial realities**

# **AN INVESTMENT-READY IP PROPOSAL**

**Estimate size of potential market and potential competition in that market**

**Indicate whether there is prior art which could affect novelty or inventive step**

**Offer a portfolio of IP**

**Could any previous agreements affect proposed transaction?**

**Are there any rights potentially held by others?**

**Ensure that laboratory records are properly maintained, signed and witnessed, and archived**

# CORRECT OWNERSHIP

Who *should* own the invention?

Who *does* own the invention?

Have all inventors been properly identified?

Have they executed assignments?

Are patent applications filed in the correct name?

# OWNERSHIP QUESTIONS

**Do all inventors have contracts of employment or agreements which oblige them to assign rights to the university?**

**Were any students involved in project?**

**Did project involve any collaborators, contractors or affiliates?**

**Were any materials used which may be subject to proprietary rights?**

**Was research supported by a granting body which may assert rights in invention?**

# **PRIORITY IS CRITICAL**

**To ensure priority in the major markets, a specification must satisfy the patentability criteria in those countries**

**eg for the United States there must be**

**Specific, substantial and credible utility**

**Support for scope of claims**

**Enabling disclosure**

**Written description**

**Best mode**

**Thus a strong provisional application is the most important step in the patent protection pathway, and a key point for commercial partners-**

**Cost-cutting at this stage is a false economy!**

# COST-EFFECTIVE PATENTING

*Don't file too early!*

Need support for breadth of claims

*Before* contacting patent attorney, check:

Is the invention novel?

Search free databases

*Before* proceeding with a PCT application, consider an International-type search

Pursue national applications **only** in countries where protection is meaningful and of commercial value

# FOR FURTHER INFORMATION:

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# HOW WILL THE IP MAKE MONEY?

Will the invention lead to  
manufacture and sale of products?  
or to sale of services?

Will the IP be licensed or sold?

If licensed, will the licence be  
exclusive, sole or non-exclusive?

*What IP strategy will be best to  
deliver the university's objectives?*

# INVENTORS NEED INCENTIVES

- From company:** Share of net royalties  
Up-front research funding  
Paid consultancy  
Employment by licensee  
Scientific Advisory Board position  
Cash and/or equity payment
- From university:** Recognition of role in invention  
Improved promotion prospects  
Salary bonus  
Research funding

# QUESTIONS FOR INVENTORS

- (a) Are the claims supported by comprehensive data?**
- (b) What further results could be obtained before filing?  
Over the next 12 months?**
- (c) Identify steps need to bring invention from bench to market– what further experimentation is needed?  
How would this be done? What experimental models can be used?**
- (d) Are there alternatives to what the inventors have actually done?**
- (e) Can the invention be used in other fields?**