Funding & Commercialisation of Research

Faculty of Science

MQ Enterprise Partnerships & Commercialisation Team
I have an idea . . .

1. Market and invention assessments
2. Funding options
3. Importance of IP
   Philip Heuzenroeder (Spruson & Ferguson)
4. Innovation to market
5. Spin off versus licence
   Jeremy Crisp, Medical Technology Entrepreneur
6. Royalties and financial reward
Exploiting Technology

- Extremely difficult task
- Stanford University experience (1975-2000)
  - 1 invention yielded $255 M (> 50% of royalty income)
  - 1 in 4500 projects spectacular success
  - Next best $35 M
  - Another 28 yielded income > $1M
  - 50% < $10,000 pa
  - 15 years to break even

Source: Stanford
Critical Factors

- Realistic opportunity assessment

- Window of opportunity
  - Adequate resource allocation
  - Exploitation planning
  - Effective project management

- Asset protection
Window of Opportunity
Window of Opportunity

- Determined by benefits to users over time

- What is the sustainable competitive advantage provided?
- Technology is the means to an end.

- How long before equivalent substitutes are available?
What makes a good commercialisable invention?

- Not necessarily great science
- Not an “also ran”
- It is a sustainable solution to a compelling need of large numbers of people
Preliminary market assessment

- What is the problem?
- What is the compelling need for a solution?
- Why does your technology or idea solve the problem best?
- Who is the customer and can they be easily accessed?
- What is the value proposition to the customer or society?
- How many people will buy / use it?
- Who will pay for it?
- Can you make money at it?
- What's your competitive advantage over alternate methods of achieving the same or similar results?
Invention checklist

• Is it worth protecting?

• Is it new or is an inventive step or innovative step to an existing idea?

• An invention must:
  1. Be new,
  2. Involve an inventive or innovative step, and
  3. Be a 'method of manufacture'.

• Conduct a search to determine what prior art exists.

• Download and complete an Innovation Disclosure Form.
Funding options

Research Funding

- 2006:
  - Aust. Competitive Grants: 48%
  - Other Public Sector: 27%
  - Industry Funding: 22%
  - Co-Operative Research Centres: 3%

- 2007:
  - Aust. Competitive Grants: 51%
  - Other Public Sector: 25%
  - Industry Funding: 21%
  - Co-Operative Research Centres: 3%

- 2008:
  - Aust. Competitive Grants: 42%
  - Other Public Sector: 28%
  - Industry Funding: 26%
  - Co-Operative Research Centres: 4%

- 2009:
  - Aust. Competitive Grants: 45%
  - Other Public Sector: 32%
  - Industry Funding: 21%
  - Co-Operative Research Centres: 2%
Internal Funding Schemes

IP Development Fund

- To establish proof of concept for inventions being commercialised
- Invention Report filed and supported by IPCMC
- Typically in the $20,000 – $40,000 range
- Eligible activities include design and manufacture of prototypes or the collecting of experimental data
- Approved by DVC (Research) on recommendation of IPCMC
Internal Funding Schemes

Enterprise Partnerships Pilot Scheme

- Aimed at establishing relationships with external enterprises
- In the commercialisation context there is potential to use this scheme to establish path to market
- MQ funding up to a maximum of $50,000 on a dollar for dollar basis with industry partner
- Projects typically less than 12 months duration
- Approved by DVC (Research) on recommendation from EPC
What do I need to know about IP?

Philip Heuzenroeder (Spruson & Ferguson)
Technology Transfer Process

Research → Technology Disclosures

Intellectual Property Protection → Opportunity Assessment

Commercialization Strategy → Agreements, Start-ups

Products, Platforms → License Monitoring

Ideal Start of Business Planning Cycle

Reasonable Start of Business Planning Cycle

Maybe Too Late
Duty of Disclosure

When University Employees or Associates become aware of Intellectual Property, or potential Intellectual Property (which may be suitable for registration or commercialisation), ....... it is a requirement of the University that they notify the Intellectual Property and Commercialisation Management Committee (IPCMC) immediately.

Source: MQ IP Policy
Intellectual Property & Commercialisation Management Committee (IPCMC)

Å is a University Committee which manages the day-to-day Intellectual Property and commercialisation process and provides advice on these matters to the Enterprise Partnerships and Commercialisation team.

Å Chaired by Professor Jim Piper with a membership comprised of both internal and external people (e.g. Venture Capitalists).
Innovation Disclosure to IPCMC

Inventors Present

IP Assessment (Preliminary)

Market Assessment (Preliminary)

Assess positive?

Funding Prospects OK

Success within time allotted

To EPC

Rewards as per MQ IP Policy

Inventors

(Hand back to inventors as per MQ IP Policy)
Spin off company versus licence agreement?

Dr Jeremy Crisp
What is the financial reward in relation to royalties?

MQ IP policy states that the University owns the IP developed by staff and most HDR students, in the course of their employment.

Generous rewards where income is received from a successful commercialisation venture.

In most cases inventors share 50% of net returns.
The end

Thank you for your attention.