



30 September 2011

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Chair, ACIP Working Group

### **Collaborations between the Public and Private Sectors: The Role of Intellectual Property**

Knowledge Commercialisation Australasia is the peak body representing organisations and individuals associated with knowledge transfer between the public and private sectors. Our members include universities, government research organisations and departments, medical research institutes, and rural research and development corporations. Members from CRCs and industry are also welcome, and we have strong links to counterpart professional associations internationally. Our focus is on helping develop best practice amongst our membership base and in helping to inform the broader public debate on matters of innovation and knowledge transfer from the perspective of our members. Accordingly we welcome the opportunity to provide comment on this issue. We note the many other contributions to this debate, and the commonality of the views we express with those of a number of others.

KCA welcomes the intent of the Australian Government to double the level of collaboration between business and publicly-funded research organisations (including universities) over the next decade. KCA has seen the value of this engagement grow considerably over recent years: see for example the Commercialisation Metrics Survey Report 2009 issued in April 2011.<sup>1</sup> This is partly measured by the growing value of contract engagement between KCA's members and business. But it is also witnessed by numerous positive stories of "value adding" that contribute a return on investment for the economy that is orders of magnitude greater than the value of those contracts alone.

KCA also supports the view that innovation in isolation is inferior to collaboration, and that researchers benefit from developing a better understanding of what is relevant to the marketplace (while not being solely driven by that). Indeed KCA suggests that innovation in isolation is not innovation – innovation is about translation to effect and that this can only be done in collaboration. Such collaboration is often best done by early engagement. Knowledge is "sticky": understanding takes time to develop and is embedded in a specific cultural context relevant to each business or community sector.

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<sup>1</sup> [http://www.kca.asn.au/images/stories/KCA\\_Commercialisation\\_Metrics\\_Report\\_2009.pdf](http://www.kca.asn.au/images/stories/KCA_Commercialisation_Metrics_Report_2009.pdf)

## **The role of Intellectual Property**

KCA's view is that IP can enable collaborations where such property rights are relevant to the end outcomes sought. IP itself cannot disable collaborations – it is simply a property right. Attitudes towards IP occasionally might, as might lack of clarity around potential models for IP management and exploitation, but these issues must be addressed on a case by case basis in context. Similarly, concerns over confidentiality and publication can be another point of discussion between universities and industry partners but, provided these are approached with an understanding of the needs of both sides, most concerns are adequately dealt with by putting clear processes in place up front.

KCA sees any possible positive intervention on such issues as being more of a role for DIISR than ACIP, and notes the intended reporting of outcomes to the Minister. The form of any such intervention is a matter for further consideration based on the outcomes of the report, but we would be happy to provide further input on that topic once the views of the different stakeholder groups have been articulated.

### **Considering IP in context**

Sometimes collaboration between business and publicly-funded research organisations can be hampered when there is an uninformed or unsophisticated understanding of, or approach to, IP. In KCA's view such problems are best addressed by providing education on these issues and showing examples of successful engagements and outcomes for others to learn from and model their behaviours around.

Based on past experience this is likely to give superior performance over mandated structural or contractual approaches – especially as any such approaches will necessarily lack the flexibility that is required to adapt to the specific needs of different situations (and so would prove counter-productive). KCA notes the broad definition of collaboration in the terms of reference, which appropriately recognises the diversity of mechanisms involved in knowledge and technology transfer and the fact that collaborations can take many forms. This reinforces the need for a flexible approach.

### **Developing a positive culture of commercialisation**

KCA's view is that, rather than any structural or property rights reform, what is more important to the ongoing health of the Australian innovation system is the development of a positive culture. Often in the media and in general public debate there is an assertion that Australia is great at innovation but lags in commercialisation. KCA's view is that Australia is great at innovation, and that its performance in commercialisation is superior to that commonly portrayed, and improving.

This improvement is portrayed by some of the metrics collected in alternate years by DIISR and KCA. But again those metrics only tell part of the story. KCA and its members intend to do a better job of conveying to the public the narratives of benefit to the economy and the community that are being daily delivered from the innovative results of partnerships between Australian researchers and Australian (and international) business. Making

statistics meaningful by putting flesh on the bones – showing specifics – is one part of what is required.

### **Supporting Collaboration**

There are undoubtedly other things that the various players in the innovation system – business, research providers and government – can do collectively to ensure better outcomes. A few suggestions follow:

- *Development of an improved culture of collaboration* might be supported by a variety of means, including showcasing examples of success and the provisions of new models or templates for interaction (while acknowledging that adoption cannot and should not be mandated)
- *Expanding funding for existing programs that support collaboration between business and publicly-funded research organisations* (eg ARC Linkage, NHMRC Development Grants, RDC programs and many others). There may also be some adjustments possible to these schemes to enhance the collaborative outcomes. However (in line with the Cutler review outcomes) KCA would advocate rationalisation of the number of such schemes, rather than the proliferation of new schemes on top of existing schemes – as the grant support landscape is already too complex for many to navigate
- *Grow the market focus*: Support for networking and communication that enables business to help universities better understand business needs
- *Training support to improve commercialisation outcomes*: for development of better understanding of IP management approaches and options within business and publicly-funded research organisations (acknowledging that ownership is only one component of the equation, and that rights of use and translation into effect must be at least as prominent)
- *Proof of concept support*: KCA acknowledges the support provided by Commercialisation Australia, but also the limits in scope on that support, and believes there is room for additional help to earlier stage conceptual and technical proof of concept activities (provided that assistance is directed beyond the point of basic research supported by other government grant programs).

KCA would be happy to provide more detailed options for consideration if that might be helpful. Some other countries (eg the UK) provide extensive support to publicly-funded research organisations to better enable engagement with business. But KCA recognises that the best interventions will arise from a focus on the interests of all of the stakeholders in the knowledge transfer ecosystem: that is, through collaboration.

KCA – as a member organisation directed at improvement of commercialisation skills and outcomes and collaboration between business and publicly-funded research organisations – is delighted at the government’s focus on this topic.<sup>2</sup> We are keen to do whatever we can to assist.

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'Rob Chalmers', with a long horizontal flourish extending to the right.

Rob Chalmers

KCA Vice Chair (Innovation Policy) on behalf of KCA Executive

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<sup>2</sup> KCA notes that there are a number of other reviews that looking at related issues – including the 2011 Review of Industry and Other Income (Category 3), and Joint Research Engagement (JRE) Scheme