

## Higher Education Research Commercialisation IP Framework

Submission to the Department of Education, Skills and Employment  
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### Introduction

Business SA has long been an advocate for the need to improve university business collaboration, a focus of our [September 2020 9 Point Plan](#) and we thank the Department of Education, Skills and Employment for the opportunity to contribute to this discussion.

We have, for example, long argued for the need to provide 200% payroll tax incentives to business to employ and encourage PhD students to find employment in industry. Ensuring that research level graduates have a clear pathway into industry is one of the key avenues to facilitate greater university-business collaboration in South Australia. Australia has consistently ranked below the OECD average when it comes to the number of researchers employed in industry, although this has been rising in recent years.<sup>1</sup> Facilitating the hiring of graduates by industry is a key step in being able to address the general lack of mobility between industry and academia in Australia.<sup>2</sup>

The DESE consultation paper clearly highlights the concerns businesses have shared with us and the proposal of a framework for intellectual property (IP) management and negotiation in higher education research commercialisation to incentivise and increase partnerships between businesses and universities addresses many of the problems raised.

Negotiating Intellectual Property (IP) agreements is one of the key components of university-business collaboration. It is also one of the key areas in which disagreements can arise and can become mired in red tape and bureaucracy. A consistent, transparent, and flexible approach to IP is a fundamental pillar of industry and university collaboration.

The alleviation of the existing complexity around intellectual property negotiations and agreements which vary across universities should also be viewed as an incentive to business which could assist in addressing some of the barriers to industry participation.

### Barriers and Solutions

Feedback provided to Business SA from members indicated that it is a perception of industry that Australian universities, and Governments for that matter, often over-value patents that could otherwise be commercialised. This is seen as a significant inhibitor to developing the innovations needed to grow both the State and National economies. Universities seeking unrealistic returns from commercialised products often inhibits private sector proponents from the outset. If the private sector is not incentivised to partner with universities to commercialise patents, they will not risk their own capital which ultimately results in a missed opportunity for Australia.

Negotiation of IP should also be done in as flexible manner as possible when it comes to facilitating commercialisation. Universities aim to retain the IP generated from their own research. However, not all IP owned by universities will be taken through the expensive and time-consuming process of commercialisation. This represents a significant missed opportunity when it comes to translating research into commercial outcomes.

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<sup>1</sup> Department of Industry, Innovation and Science, *Australian Innovation System Report*, 64-65.

<sup>2</sup> Innovation and Science Australia, *Australia 2030*.

Subsequently, for the sake of the broader economy, the Framework must enable parties to be as flexible as possible when negotiating shared access to IP. Offering business partners improved access to IP will help to maximise the commercialisation potential of university research.

A lack of understanding of IP policy is one of the key issues which prevents businesses from collaborating with universities. There is a general perception, within the SME business community in particular, that universities are uncompromising when it comes to negotiating IP. In many cases, this is an unfounded perception which serves to unnecessarily hinder collaboration.

One way of addressing this issue is to ensure every effort be made to educate the business community on the steps involved in negotiating IP and working with Universities generally. It would be useful if examples of standard IP agreements were provided, for example, to ensure that potential business partners are made aware of the likely outcomes of collaboration from the outset. While universities need to maintain a degree of confidentiality around IP policy for commercial reasons, it is also necessary to ensure university IP policies are as transparent as possible.

We encourage the Higher Education Research Commercialisation Framework Panel to strive for an IP Framework that provides flexibility and transparency. The framework needs to allow for the provision of knowledge, resources and support to businesses to make good decisions about IP and successfully collaborate with universities.