



Commercialization of research

In his recent speech at the Mansion House, Lord Mandelson said:

Government needs to lend its energy to the stimulation of new innovation and enterprise from our world class research base and universities. We need to ensure that in a period of reduced funding our universities give increased priority to science, technology, engineering and mathematics, and to commercialization of research.

Whilst it can be expected that universities will prioritize the sciences over the arts when allocating limited resources, there is a danger that this will not be matched by improvements to the infrastructure necessary for effective commercial exploitation of innovation.

Even before the recent cutbacks, university technology transfer offices had been experiencing significant restraints on the resources available for protecting innovation and for pursuing routes for its possible exploitation. A common aim is for TTO's to be self-funding, being financed by a share of the income from exploiting university inventions. This is hard to achieve, particularly for smaller and developing universities whose current income may be limited and insufficient to support an effective and dynamic technology transfer department. There are signs of universities collaborating and pooling technology transfer resources but the underlying problem remains.

The result of the pressures on TTO's is that there is less room for taking risk. Presented with a potential invention, a decision has to be taken on whether to invest in filing a patent application, something that must be done before there is a public disclosure of the invention in a thesis, scientific journal or otherwise. A professionally drafted patent application can cost several thousand pounds and, if there are not clear prospects for commercial exploitation, an invention may simply be allowed to enter the public domain.

Some universities are prepared to take a limited risk by filing a "quick and dirty" patent application, sometimes without the assistance of a patent attorney at all. In the context of the European patent system, in particular, this can compromise the prospects of worthwhile patent protection. In any event a decision has to be taken within a year on whether to incur the expense of seeking international patent protection, and that may not be long enough to assess the commercial prospects. Searching out avenues for the exploitation of inventions requires time and manpower, something that a depleted TTO may not have.

The fact is that a significant number of our "world class universities" in the UK do not have access to world class resources for investment in the protection of innovation at an early stage.

The importance of the role of TTO's needs to be recognized and they should be encouraged to take more risk, in the knowledge that whilst there will be some failures there will be successes that more than make up for them. In this period of reduced funding for universities, priority must be given not only to research in the sciences as such but, as Lord Mandelson says, to the "commercialization of research".

The Government has announced a "Patent Box" scheme in which there will be a 10% rate of corporation tax on income from patents from April 2013. The aim is to ensure that the UK is an attractive location to invest in and exploit innovation.



However, there must be the patents to license and whilst pharmaceutical companies will be major beneficiaries of the scheme, the resources must also be provided to enable universities to be a significant source of patents.

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First published in Pharma Magazine, June 2010

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