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INVENTIONS AND RESEARCH RESULTS**

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**THE ROLE AND FUNCTION OF AN INNOVATION CENTER:
DISCUSSION OF AN ACTION PLAN**

*Document presented by Dr. John Turner, Managing Director, Flinders Technologies Pty Ltd,
Flinders University, Bedford Park (Australia)*

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INTRODUCTION

WIPO has commissioned a study into an action plan to meet the needs of developing countries and support local groups in establishing and running Innovation Centers and Center networks. I will be presenting in this address the results of that study as background material for a discussion by everyone at the Seminar.

Innovation Centers have a crucial role to play in the successful commercialization of inventions and technology arising from research and development (R&D). Some members of the public who are not aware of the role and function of Innovation Centers might wonder why they are needed. They may quite properly inquire why their Government should invest in an Innovation Center, especially when there are other demands from society for Government support.

I will begin, therefore, by discussing reasons for establishing an Innovation Center and why Government support is justified. I will then talk about some fundamental features of Innovation Centers and finally will summarize the 'Master Plan for the Establishment of Innovation Centers' as a prelude to the discussion.

REASON FOR HAVING AN INNOVATION CENTER

A reason for having Innovation Centers is that invention and innovation are important for the successful development of economies and society in the modern world. Invention and innovation have the potential to enable quantum step improvements to an economy and society.

Invention and innovation can lead to the creation of new industries and the re-vitalization of old ones with novel value-added products and more efficient processes. Growth through innovation creates new employment opportunities and wealth at local and national levels.

Moreover, economic environments conducive to successful innovation, with sound intellectual property regimes that comply with international conventions, are attractive for investment by international corporations. This can result in the introduction of new technologies and ideas that further enhance the development of a modern industrial society.

As an aid to boosting economic performance, Governments in developed countries have encouraged invention and innovation in their jurisdictions through various initiatives. A key feature in most cases is the establishment of organizations to provide assistance to inventors, as well as small to medium sized enterprises ("SMEs"), R&D Institutions and the like. These organizations may generally be called "Innovation Centers", although other names are used to describe such centers, often reflecting their particular style of operation.

For example, in Europe there is a network of Innovation Relay Centers (backed by the EU's Innovation Program). Each is staffed with professionals in business and technology and is able to provide advice on technology commercialization strategies, intellectual property management and networking with other organizations in the region.

In the USA, there is a network of about 590 business incubator centers, represented by the National Business Incubation Association. 51% of these centers are sponsored by government and non-profit organizations, 27% are academic related and 16% are a hybrid of Government and private enterprise. About 8% are private 'for profit' centers. Overall, these centers have created nearly 19,000 companies that are still in business.

There are networks of companies affiliated with universities in the USA (ie, AUTM) and Australia (ie, ATICCA) that engage in Innovation Center related activities in their region. Each has its own style and I have already described how Flinders Technologies operates. Innovation Centers established or supported by WIPO could benefit from affiliations with established networks such as those mentioned above.

GOVERNMENT SUPPORT IS JUSTIFIED

In developed regions of the World, it is notable that Governments provide significant support for Innovation Center type activity. This is because Innovation Centers provide a public service to a range of inventors, SMEs and Research Organizations from which the economy and society in general will benefit after several years.

As I pointed out in my previous address, the challenges facing the commercialization of a new invention are so great that professional support is essential for the majority of inventions to have any chance of commercial success. Innovation Centers can provide that assistance.

An important driver for the establishment and running of an Innovation Center is Government commitment to invention and innovation as key elements for developing and sustaining a modern economy. An Innovation Center needs that support for a minimum of five years.

Private sector investors are only likely to support activities specific to their needs and to require a return on investment in a relatively short time period. This was a central problem for the Management Investment Companies (MIC) Scheme in Australia in the mid-1980s.

SOME GUIDING PRINCIPLES FOR THE PLAN

Innovation Center normally develop their own management structures and policies relevant to the particular circumstances in their country. However, a general and important role of all Innovation Centers is to assess the commercial prospects of inventions and business proposals and to promote the most promising opportunities through providing various forms of assistance.

Accordingly, technically unsound or commercially unfeasible proposals are set aside and those with good prospects developed through the elaboration of business plans and, if appropriate, investment.

Optimization of the commercial outcomes can be facilitated through an executive from an Innovation Center (a Center's champion for a particular project) working closely with an

inventor or project team in an R&D organization or SME during the implementation of the business plan.

These general features were guiding principles for the elaboration of the Master Plan for the Establishment of Innovation Centers. Another guiding principle was to make the plan not only comprehensive but also modular and flexible to meet specific needs with no imposition of cost-recovery or profitability.

Because of this, WIPO can offer a Plan and expertise for whatever is required to support the local management team in a single Innovation Center, or in a national network of Innovation Center branches with core services provided by headquarters in, say, a major city location.

FORMAT OF PLAN FOR ESTABLISHMENT OF INNOVATION CENTERS

The Plan was designed using Microsoft Project ("MP"). The MP version will be useful for practical purposes, eg for customizing the Plan for a particular country's requirements and for the subsequent implementation. There is an Appendix that contains further details on the various formats in MP, MS Word and there are electronic files on floppy disk.

Resources and time have not been allocated to each task in the Master Plan. This is because resources, time and costs will depend upon the circumstances in each country. However, as a guide, an Innovation Center could be set-up and operational between 10 to 18 months with Government support and goodwill from the community. It is likely that individual components of the Plan could be integrated as needed more quickly with existing organizations engaged in some innovation center type activity.

SUMMARY OF PLAN FOR ESTABLISHMENT OF INNOVATION CENTERS

There are several ways and models that countries could choose for establishing an Innovation Center. For example, assistance could be sought from individual experts or from other innovation centers, or from countries with the necessary experience. An alternative option is to have WIPO provide assistance.

I believe there are many benefits for a Government in having WIPO support the establishment and running of an Innovation Center. Rather than risk a single-handed approach, a Government will be able to draw upon WIPO's many years experience in the development of intellectual property regimes throughout the World.

WIPO's assistance can be provided for the total set-up and support of an Innovation Center if required. Alternatively, modular packages of support can be provided if, for example, there are pre-existing agencies already undertaking some of the responsibilities expected of an Innovation Center, or a Government wishes initially to start in a small way.

In other words, the Plan enables WIPO to offer whatever is needed in a particular country to assist a local group.

Support from WIPO would usually involve three stages as follows:

FEASIBILITY STUDY

Assistance in running Innovation Center Subject to a request from Government, WIPO will as a first stage, carry out a feasibility study for the successful operations of an Innovation Center (tasks 2 to 13)

ESTABLISHMENT OF INNOVATION CENTER

If the prevailing conditions for an Innovation Center are favorable and Government approves, WIPO will facilitate the establishment of an Innovation Center (tasks 14 to 64).

This has two phases:

- (a) elaboration of strategic directions (tasks 14 to 34), and
- (b) operational planning and implementation (tasks 35 to 64).

ASSISTANCE IN RUNNING INNOVATION CENTER

For the third stage, WIPO can provide assistance in running the Innovation Center, eg creating innovation awareness, project evaluation, development of business plans, management, training and skill development (tasks 65 to 70).

This last stage, is a particularly important element for an Innovation Center. The credibility of WIPO and its endorsement of an Innovation Center's activities, should greatly enhance awareness and acceptance of Government policy to promote invention and innovation as a basis for a modern economy and social development.

In addition, it will be apparent from the earlier discussion (and details of the Innovation Center Master Plan) that smaller separate components, or tasks, could be adopted according to the particular needs of each country.

As noted above, an Innovation Center could be set-up and operational between 10 to 18 months with Government support and goodwill from the community. Smaller individual tasks should take less time.

TASKS IN THE PLAN

The List of Tasks in the Plan is attached. The text in capitals signifies major headings; text in italics signify sub-heading tasks. There are detailed notes in the Plan describing the purpose of tasks and how they can be implemented. It would be too voluminous to include further details in this paper. The details of the Plan can be discussed by delegates in the open forum.

WIPO MASTER PLAN FOR ESTABLISHMENT OF INNOVATION CENTERS IN DEVELOPING COUNTRIES

LIST OF TASKS (1 - 70)

TASK

1. DECISION BY GOVERNMENT (OR OTHER ENTITY) TO CREATE AN INNOVATION CENTER
2. FEASIBILITY STUDY FOR INNOVATION CENTER
3. *Study of Gov't policies and support for innovation and IP regimes*
4. *Identification of fields of technology where innovations/inventions are created*
5. *Identification of SMEs, R&D organizations, etc. needing assistance*
6. *Study of economic and financial environment for SMEs and public sector R&D*
7. WIPO CONSULT GOV'T MINISTERS (NATIONAL AND RELEVANT LOCAL)
8. *Consult Gov't depts (patent office/industry/science & technology)*
9. *Consult R&D organizations*
10. *Consult universities*
11. *Consult industry associations (chambers of commerce)*
12. *Consult patent attorneys/IP lawyers' associations*
13. *Consult Inventors' associations*
14. ESTABLISHMENT OF INNOVATION CENTER: STRATEGIC DIRECTIONS
15. IDENTIFY CHAMPION OF INNOVATION CENTER (POSSIBLY FUTURE CHAIRMAN)
16. DEFINE OBJECTIVES OF CENTER (WITH CHAMPION)
17. DEFINE THE CENTER'S CORPORATE STRUCTURE
18. DEFINE PARTICIPANTS (STAKE-HOLDERS) IN CENTER AND THE BOARD
19. *Government agencies (Depts of Industry & Technology)*
20. *Universities & other public R&D organizations*
21. *Financial institutions*
22. *Private persons and organizations*
23. *Board Membership*
24. DEFINE ACTIVITIES OF CENTER
25. *Innovation Awareness Advertising*
26. *Training & Awareness Seminars for Inventors/ Researchers/SMEs/ Investors*
27. *Invitations to Inventors/Researchers/SMEs to submit proposals*
28. *Evaluation of project potential (Technical & Commercial)*
29. *Selection of potential successes (& rejection of uncommercial projects)*
30. *Creation of commercialization strategies (business plans)*
31. *Management advice for project development & commercialization*
32. *Node for Professional Networks*
33. *Internet site with information on Center and links to other relevant sites*
34. LAWYERS INSTRUCTED BY BOARD TO FORMALIZE INCORPORATION OF INNOVATION CENTER

35. ESTABLISHMENT OF CENTER: OPERATIONAL PLANNING & IMPLEMENTATION
36. *Recruitment of CEO by Board*
37. *CEO (& PA) in temporary accommodation with phones, fax, computers etc*
38. *Recruitment of Personal Assistant for CEO (temp initially)*
39. *Identification of site/premises for Innovation Center*
40. *Obtain quotes then various insurances*
41. OFFICE FIT-OUT
42. *Design and implement layout for office*
43. *Select and order furniture, desks & chairs, filing & storage cabinets (secure)*
44. *Installation of FAX and phones (first for CEO & PA)*
45. *Installation of Computers and peripherals with networking (CEO & PA first)*
46. *Outsource Design & Printing of Letter-head paper, Comp. Slips & Business Card*
47. FORMULATE POLICIES AND PROCEDURES FOR OPERATIONS AND DISCUSS WITH BOARD
48. *Policy relating to initial free consultation (eg 1hr duration)*
49. *Policy on further support (eg project equity, not fee by Center : see notes)*
50. *Produce check-list to assist Inventors/Researchers/SMEs submit proposals*
51. *Produce score sheet to facilitate project evaluation*
52. SELECT LOCAL ADVISERS TO INNOVATION CENTER AND DISCUSS WITH BOARD
53. *Select project assessment panel and seek views on check-list & score sheet*
54. *Select accountants and auditors for Innovation Center*
55. *Select legal advisers for Innovation Center*
56. *Identify technical experts to assist in project evaluation*
57. OBTAIN PRO-FORMA AND MODEL AGREEMENTS
58. *Pro-forma Confidential Disclosure Agreement*
59. *Pro-forma Supply of Materials Agreement*
60. *Pro-forma Assignment of Rights*
61. *Model R&D, license, and Joint Venture agreements*
62. INTERNET SITE WITH INFORMATION ON CENTER AND LINKS TO OTHER RELEVANT SITES
63. ENGAGEMENT OF BUSINESS DEVELOPMENT EXECUTIVES
64. COMMENCEMENT OF OPERATIONS
65. *Opening the Innovation Center and Creating Innovation Awareness*
66. *Invitations to Inventors/Researchers/SMEs to submit proposals*
67. *Evaluation of project potential (Technical & Commercial)*
68. *Creation of commercialization strategies and documentation as business plans*
69. *Management of Project Commercialization*

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