



# Management and exploitation of IP Assets

## Licensing

### Linking universities with industries

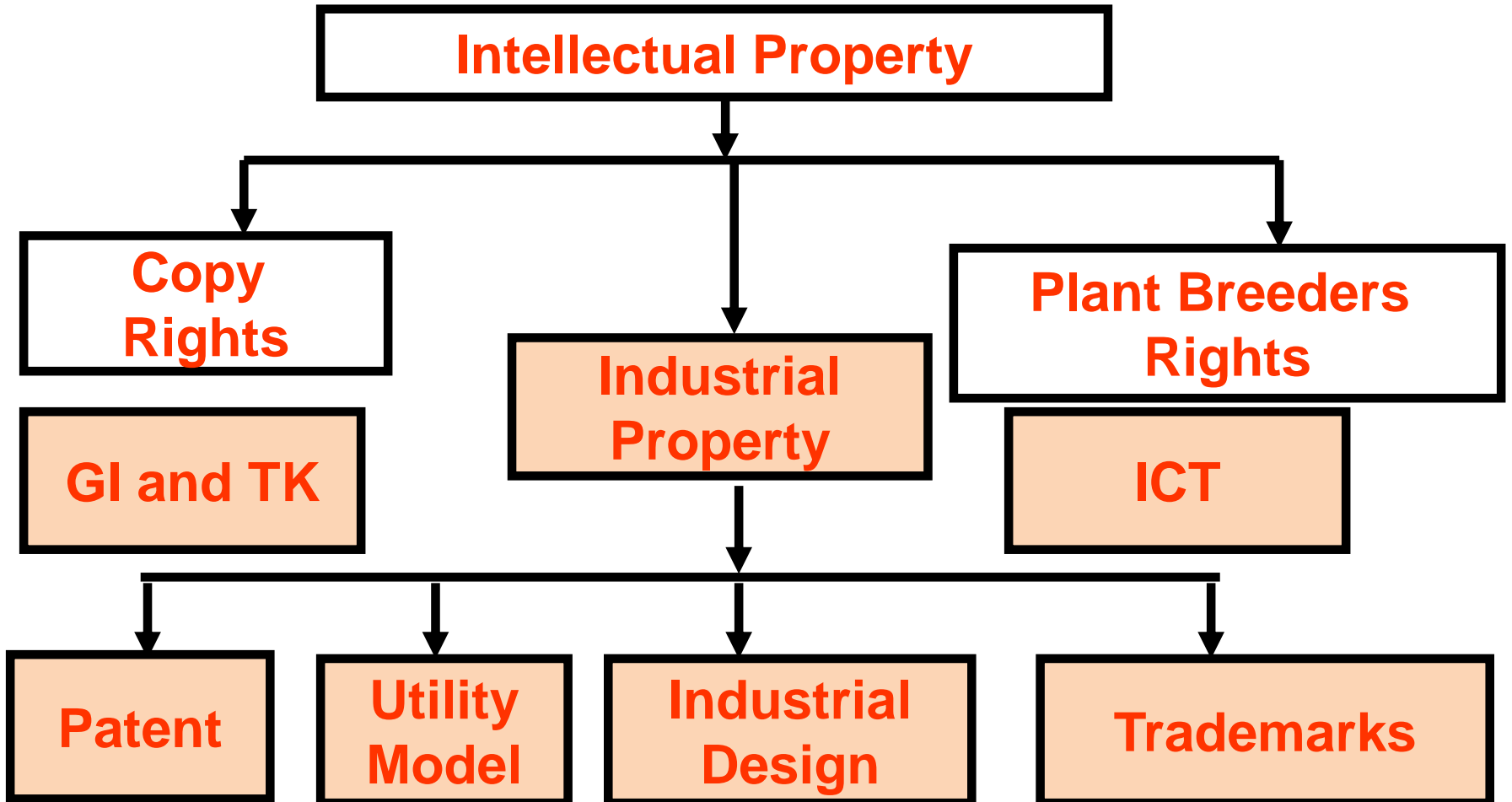
**OGADA TOM**

**Accra, Ghana, May 6-10, 2019**

# CONTENTS

- 1. Introduction**
- 2. Routes for commercialization of Innovation and technology transfer**
- 3. Licensing of IP Assets**
- 4. Success story: Licensing of Biofix**
- 5. Linking industry with universities**

**We start from here**



# Exploitation of IP Assets

## 1. Routes for commercial exploitation of IPRs

Own  
Exploitation

Sells of  
IP rights

Licensing

Joint  
Venture

Merger and  
Acquisitions

# Introduction to IP Licensing

## 1. Definition

**Licensing is permission granted by the owner of the IP rights (Licensor) to another entity (Licensee) to use the IP rights on**

- **Agreed terms and conditions**
- **Defined purpose**
- **Defined territory**
- **Agreed period**

## 2. Benefits of licensing

### Licensors gains on the licensee

- **manufacturing capability**
- **Distribution network**
- **Local knowledge**
- **Ability to enter into a new market faster**
- **Turning a competitor or infringer into an ally**

## 3. Benefits of licensing

### Licensee gains on the licensor

- Technology
- Knowhow
- Training
- Knowhow
- Partner

## 4. Risks of licensing to licensor

- **Self exploitation can generate more income**
- **Licensee can become your competitor**
- **Licensor critically depends on the skills, ability and resources of the licensee for generating profits**



## 5. What to do before licensing

- **Technology search**
  - What is in public domain
  - What is protected
- **Potential technologies**
- **Potential Licensors/Licensees**
- **Market transactions**
- **Legal and business environment**

## 6. Scope (technical) of technology licensing

- **Patent**
- **Accompanying trademark**
- **Accompanying trade secret**
- **Accompanying copyright**
- **Improvement**
- **Training and capacity building**

## 7. Pitfalls in Technology Licensing

- **Licensee not obtaining all the rights that are required to utilize the technology**
- **Not properly defining the subject matter**
- **Not Addressing issues of confidentiality**

## 8. Extent of rights in Licensing Agreement

- **Exclusive rights**
- **Non Exclusive rights**
- **Sole licensing**
- **Sub Licensing**

## 9. Scope (coverage) of Licensing

- **Duration**
- **Geographical Territory**
- **Improvement**
- **Technical Assistance**

# 10. Commercial and financial consideration

## Lump sum payment

- Single lumpsum
- Multiple lumpsum payments
  - Time based
  - Performance based

# 11. Commercial and financial consideration

## Royalty payment

- Royalty base
  - Number of products
  - Sales
- Royalty Rates
  - Constant
  - Variable

# 11. Financial Administration

- **Keep proper accounts and records**
- **Report the results on a quarterly basis and pay the subsequent royalty**
- **Rights of the licensor to inspect books of account**
- **Penalty on discrepancies in reporting**

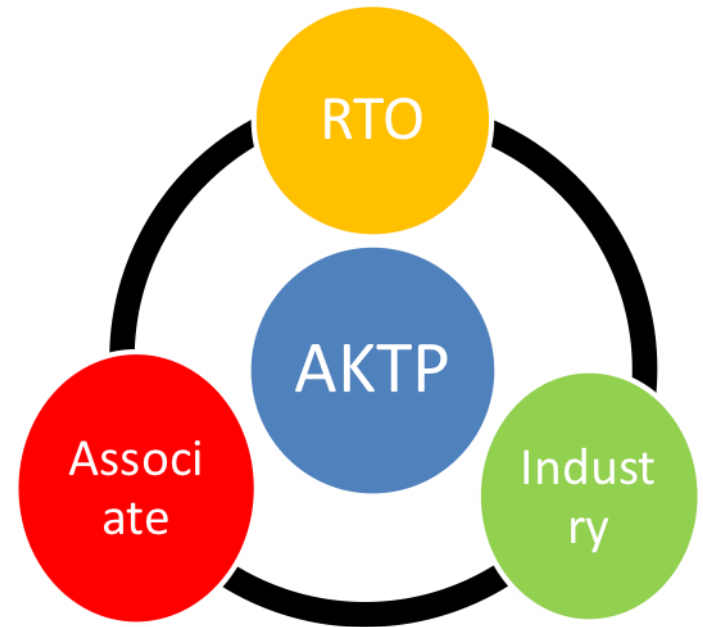


## SUCCESS STORY

### The African Knowledge Transfer Partnership

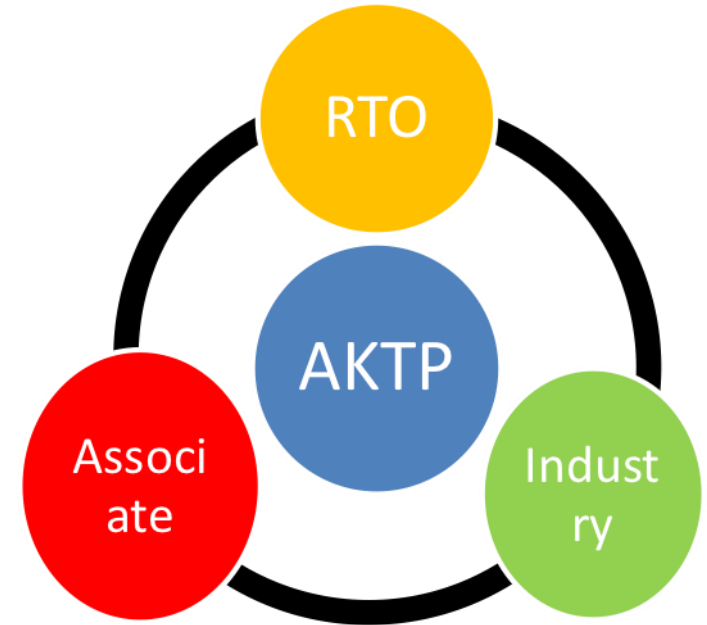
#### Licensing of Biofix

**Piloted in 2008-2012 in  
Kenya,  
Uganda,  
South Africa,  
Ghana and  
Nigeria**



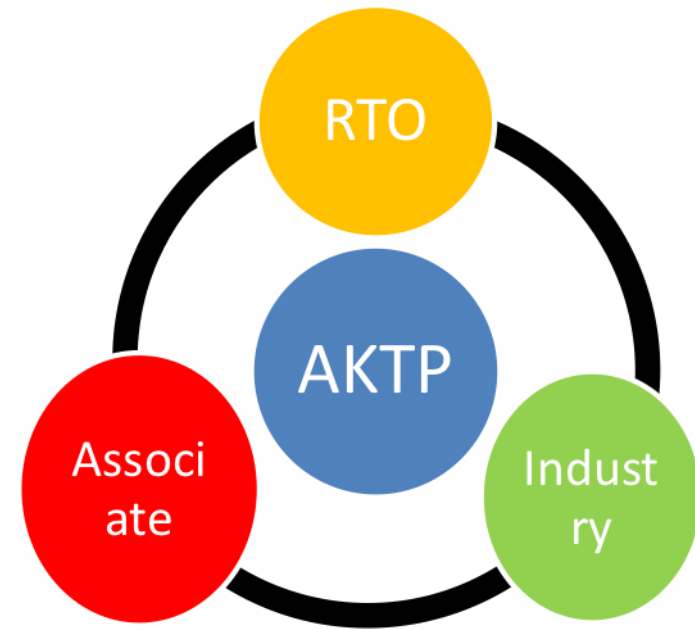
# 1. The Product

- BIOFIX was developed by University of Nairobi in the 1970s
- UoN engaged in small scale production of BIOFIX which was marketed during agricultural shows (sales: 2000 kg per year)
- For 20 years, UoN was happy with this arrangement and was unwilling to license it out.



## 2. The Company

- MEA Limited a private company established in 1997
- A leading provider of fertilizer in the country
- Had sales outlets throughout the country and in Tanzania, Uganda and Rwanda
- in 1996 the company decided to diversify to organic fertilizer in line with increased global demand for organic product

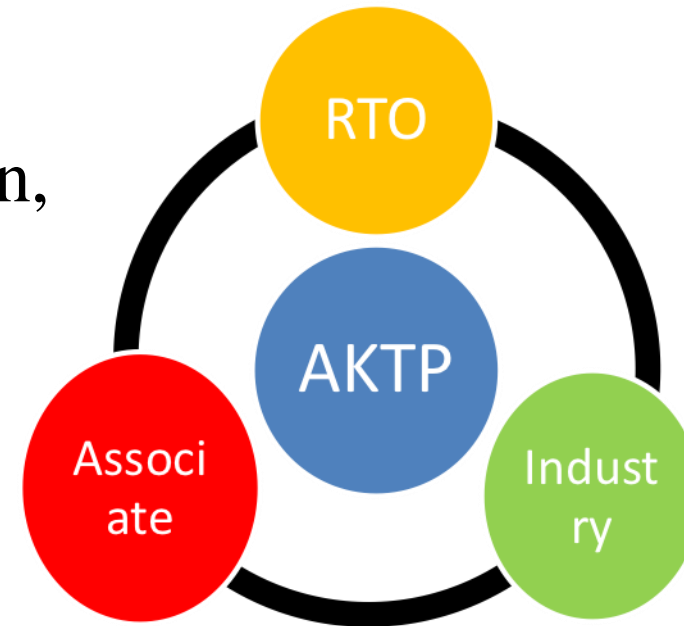


### 3. The Licensing

AKTP brokered a partnership agreement that led to the licensing of the BIOFIX to MEA for mass production

To create successful commercialization, MEA wanted to

- Establish the BIOFIX laboratory
- Diversify application from grains and legumes to other crops
- New packaging, market research and demonstration plots
- Certification from relevant authorities



## 4. Key feature of Licensing

- It involved a technology that had been commercialized
- What was licensed: Trademark and knowhow
- Exclusive licensing
- Covered several countries
- It involved one off payment and royalty based on sales
- It specify minimum performance
- Took care of improvement
- It did not allow sub licensing
- It allow joint ownership of any IP that arises out of the collaboration.

## 5: Ten years later (2008-2018)

### A: Production increased 10 times:

- Production increased 10 times to 21000 kg per year from 2000 per year IN 2018

### B: Market expanded

- Biofix product is currently used in Kenya, Malawi, Zambia, Rwanda, Uganda, Nigeria and Ghana
- Due to its high performance and effectiveness, it has attracted international clients such as Clinton Foundation, USAID, N2Africa

## **C: Strengthened collaboration**

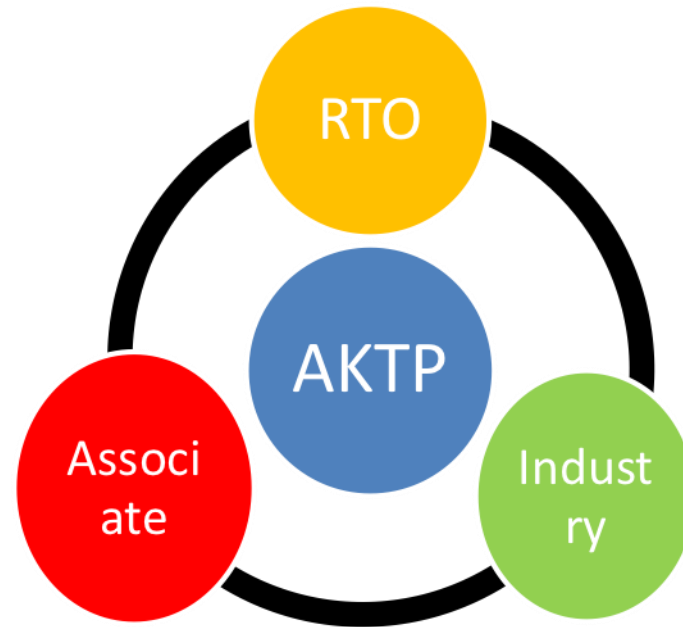
- UoN and MEA recently developed a new packaging material that increases the shelf life of the product from 3 to 8 months
- UoN and MEA have managed to reduce contamination of the inoculants to zero
- To date some 200 UoN students have been attached at MEA

## **D: Impact on the economy**

- 225,000 household farmers in Africa have benefited
- Soybean production increases from 600kg/ha to 1200kg/ha. This is more income to the farmers

# Linking universities and Research Institutions with Industries

Why did the biofix take 30 years before it was licensed??

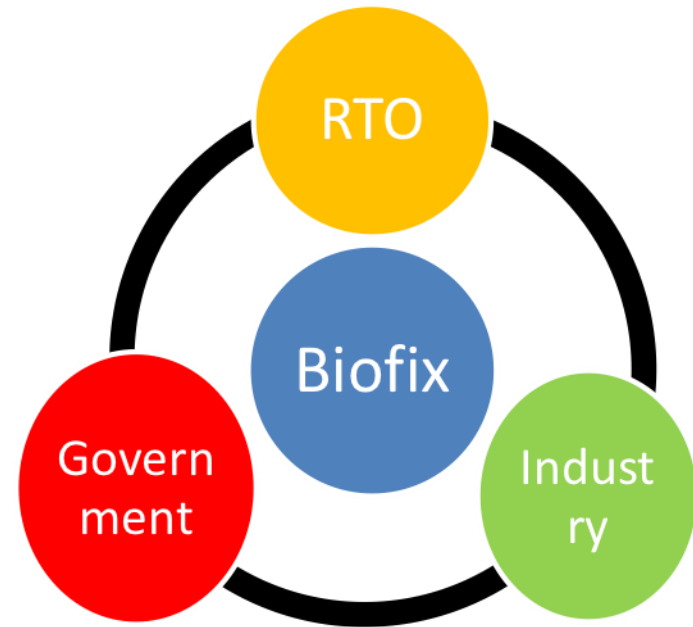




# Linking universities and Research Institutions with Industries

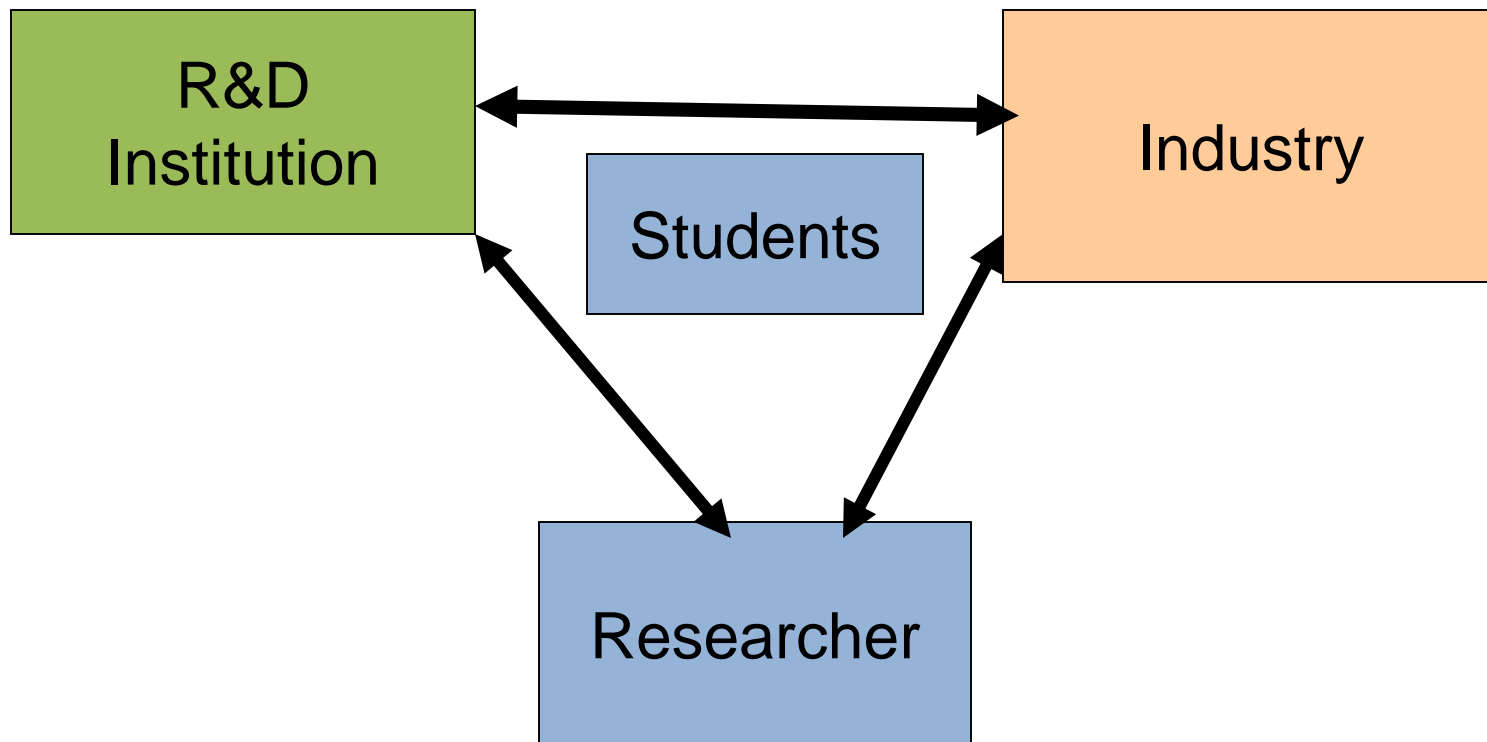
What should have been the role of the the following on the Biofix project

- ❖ **University???**
- ❖ **Private sector???**
- ❖ **Government???**

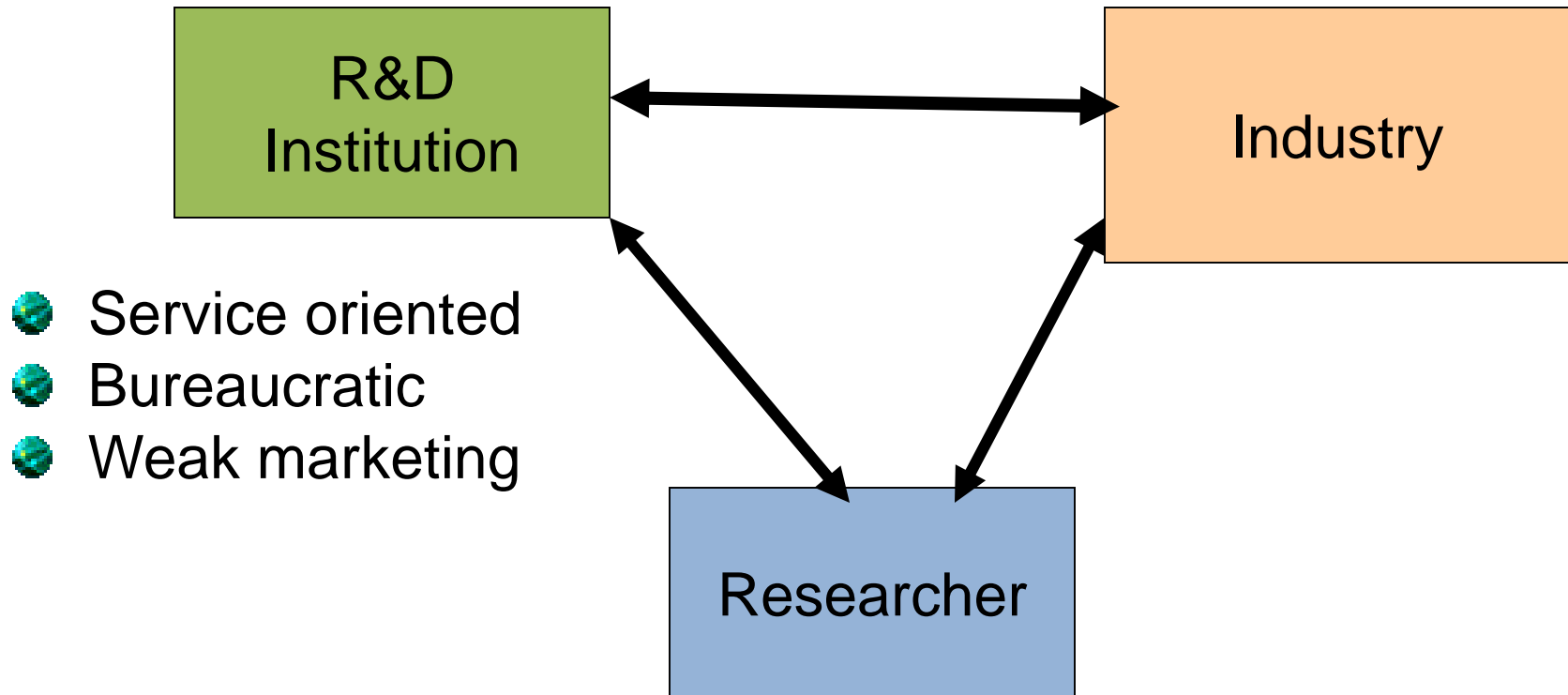


# Barriers and Challenges to University-Industry Linkages

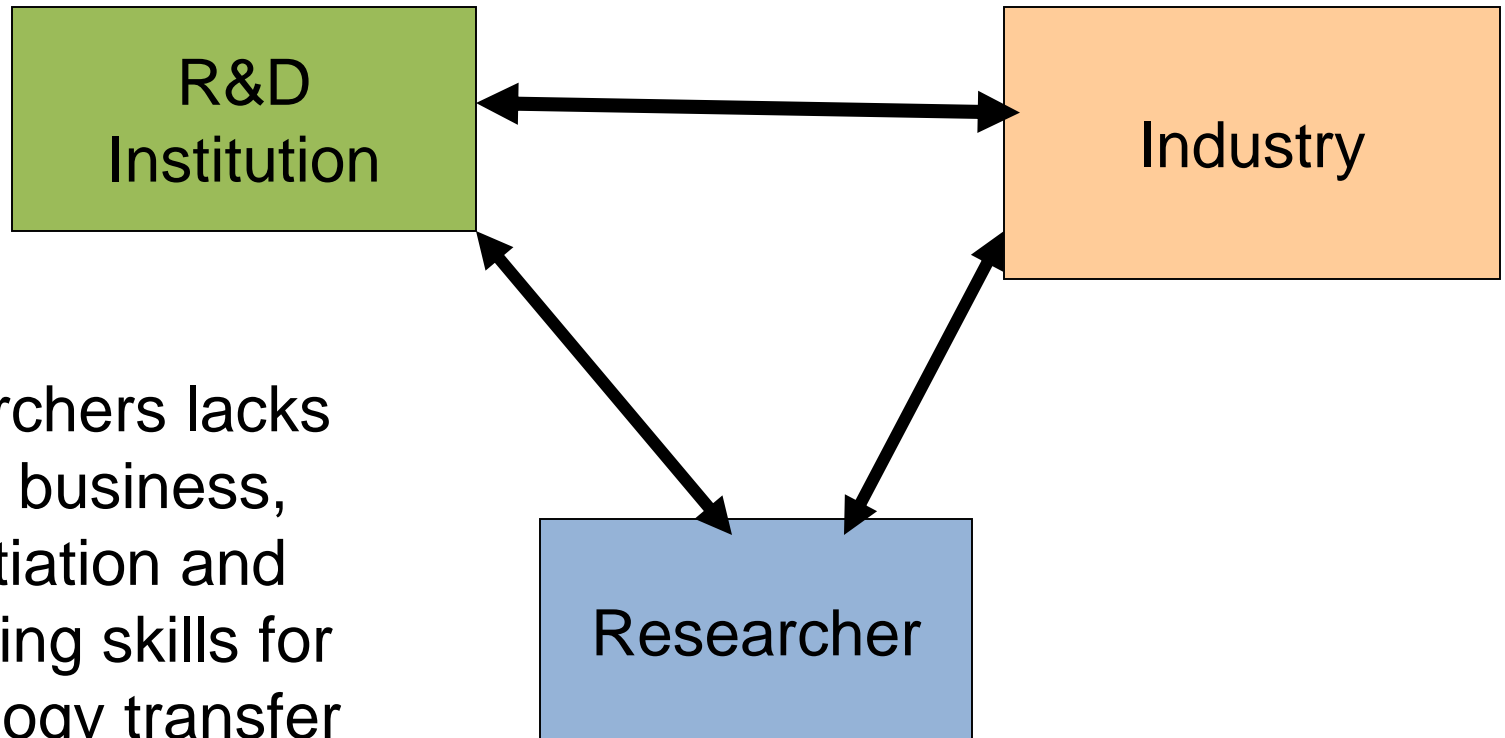
## 1.1. Players in Technology Transfer and commercialization of R&D Results



## 1.2. Challenges and Barriers: R&D Institutions



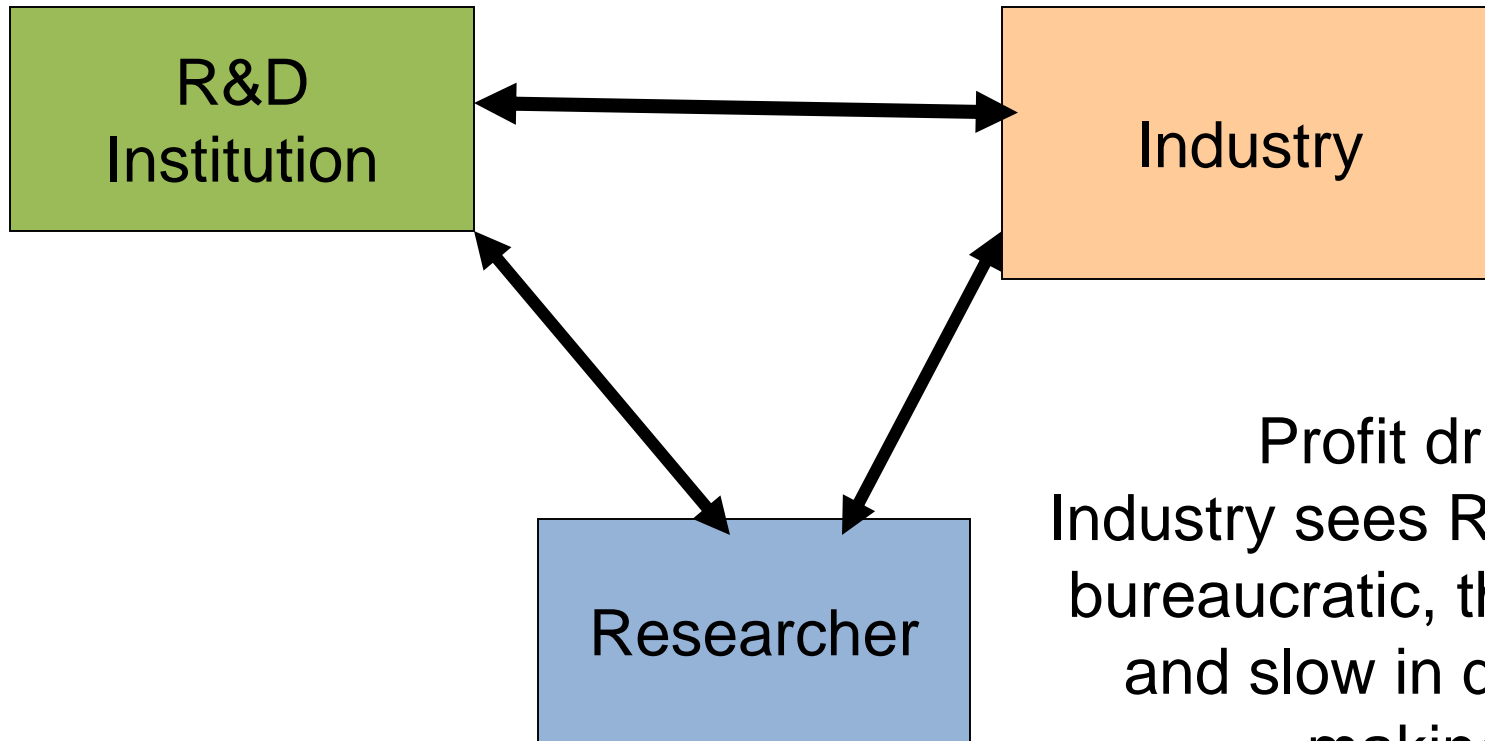
## 1.3. Challenges and Barriers: Researchers



Researchers lacks legal, business, negotiation and marketing skills for technology transfer

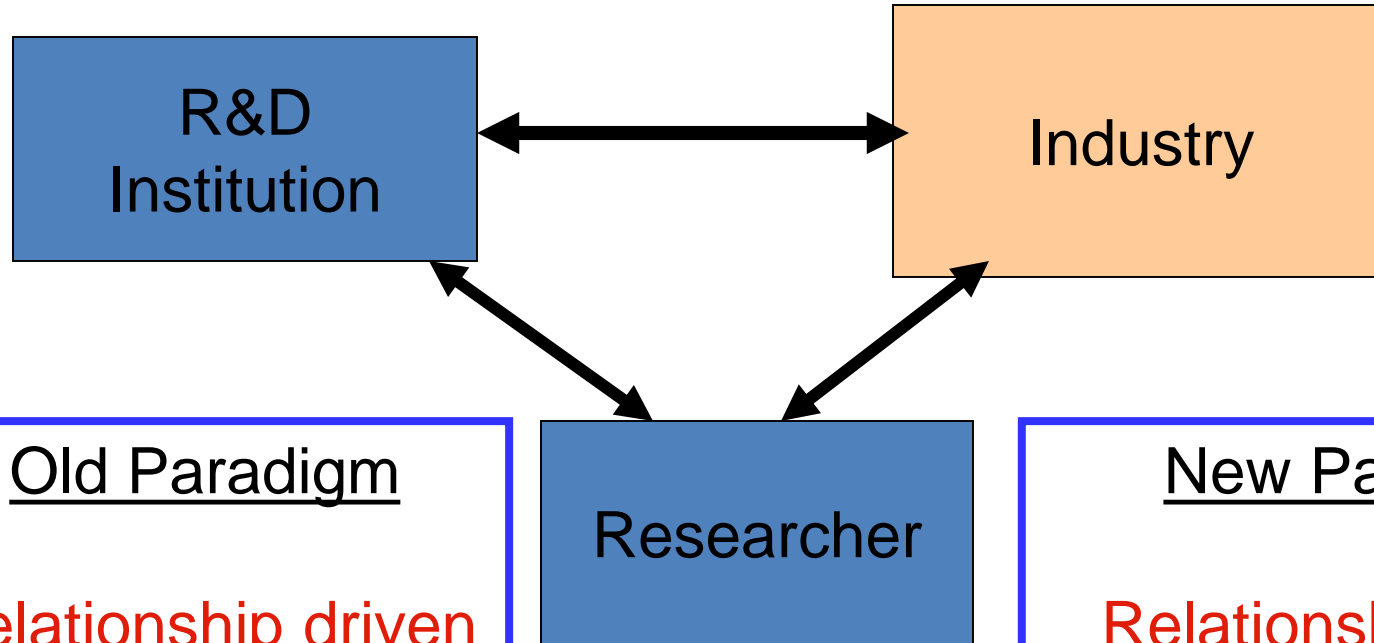
# Barriers and challenges

## 1.4. Challenges and barriers: Industry



Profit drive  
Industry sees RTOs to be  
bureaucratic, theoretical  
and slow in decision  
making

## 2.1. Changing the Paradigm



### Old Paradigm

Relationship driven  
by Service

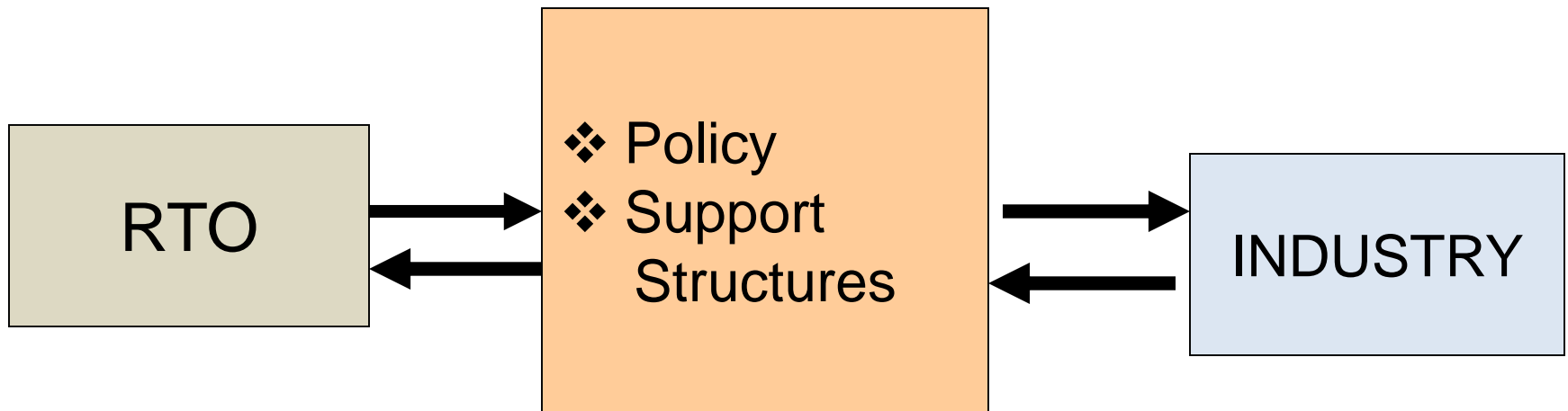
No pains if nobody  
uses products  
of R&D

### New Paradigm

Relationship driven  
by Business

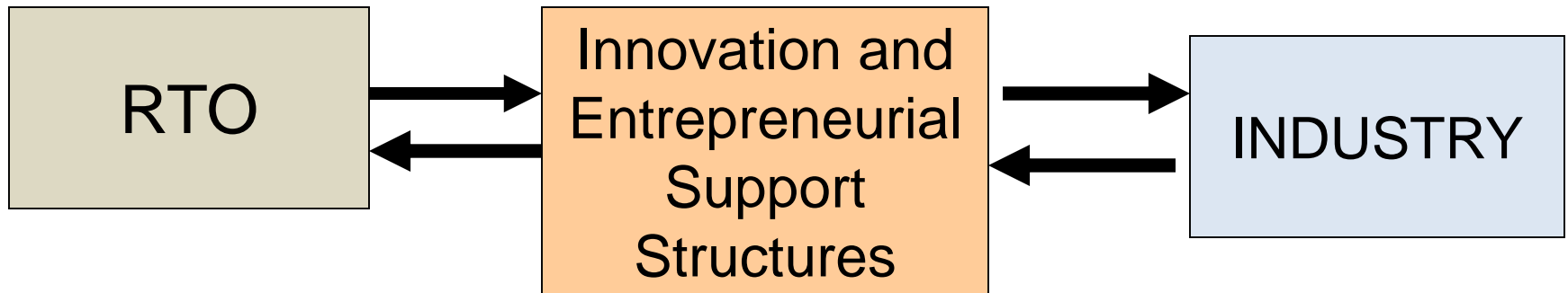
Industry=Customer  
R&D = Enterprise  
Product = Knowledge  
Researcher = Marketer

## 3.1. What is required



Policies and Administration Units that supports and facilitates technology transfer and commercialization of R&D results

## 3.2. How it works



Understands RTO culture, speaks the language of industry and behaves like a private enterprise



## 3.3. What should universities do



- Technology Transfer Office
- Business Incubation Services
- University Companies
- Industrial/Science Park
- Create enterprises

## 3.4. What should the Government do?



- Fund joint innovation
- Provide tax rebate
- Fund business incubators and science parks

## 3.4. What should Government do



- Fund joint innovation
- Seek support of universities
- Fund R&D
- Tap technologies from Universities