



University of  
South Australia

27 November 2015

Intellectual Property Arrangements  
Productivity Commission  
GPO Box 1428  
Canberra City ACT 2601  
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Dear Commission,

**RE: Intellectual Property Arrangements Public Inquiry**

The University of South Australia (UniSA) would like to thank you for the opportunity to review and contribute to the discussion paper released publicly in October 2015.

UniSA is committed to undertaking research that is inspired by challenges and opportunities, partnered with end-users and communities, and underpinned by excellence.

To this end, Intellectual Property (IP) rights and their effective management are a core element to transferring the outcomes of research to industry partners. This allows industry partners to commercialise the IP to the fullest extent and ultimately derive the maximum social and economic benefit.

At UniSA we appreciate the means by which many universities work with industry members is under increasing attention given the need to be able to partner effectively with industry but to also promote alternative means to financially support the research undertaken at our institution.

UniSA is positioning itself as Australia's University of Enterprise and we are in the process of finalising and launching a set of IP principles that clearly outline how we approach industry collaboration and IP management. Our approach is pragmatic, tried and tested.

Specifically, UniSA is committed to the effective management and transfer of IP developed by our research to our partners. We offer a flexible approach to ensure that the outcomes of our research have every opportunity to deliver economic, social and environmental benefits to our industry collaborators and entrepreneurs in Australia and internationally. We are committed to working in an agile and nimble way that respects the often tight timeframes and unique requirements of our partners allowing us to meet these requirements to the utmost of our ability.

Our principles outline that:

- We actively encourage students and staff to undertake research that is relevant to challenges faced by society and in partnership with community groups, government and industry.
- We aim to ensure new knowledge is most effectively applied to producing trained graduates and for the purposes of creating economic and/or social benefit to the community.
- We aim to be recognised as the partner of choice in collaborative and funded research partnerships and we encourage our industry partners to own and to take the lead in commercialisation of intellectual property.
- Our interactions with industry will be governed by a transparent and user-friendly

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- system that supports and encourages engagement using a range of flexible models.
- We provide open access to our Intellectual Property Policies and Standard Commercial Agreements, to provide a simple and transparent framework.
  - All partnerships and resultant commercial agreements will be developed and negotiated in a prompt manner and in keeping with these core principles.
  - We actively encourage and promote an entrepreneurial culture for our staff and students. This includes a system of supports to facilitate the creation of new ventures led by our staff and students or where they are actively involved.

As acknowledged by the issue paper, IP rights enable and support innovation and entrepreneurship in Australia. This is a key element that underpins our approach to technology commercialisation as a university and to how we partner with industry.

IP rights provide a means by which a new company or an existing company can define and protect their advantage in the market place. This is required in order to provide an appropriate return on investment for the overall risk of being innovative and entrepreneurial in the first instance. Without this there are insufficient drivers to encourage and incentivise people in the Australian marketplace to be entrepreneurial and innovative.

A key element in the delivery of new products and services is how to establish and maintain a sustainable competitive advantage. Doing so enables a company to continuously innovate knowing that they will be in a strong position to retain or grow profitable market share. As products or services become more commoditised and, in particular where IP rights have expired, it is then open to other entrants to compete expressly on gross margin. Innovation ensures that companies can continue to drive their advantage, IP ensures they can protect it and the prospects of a strong gross margin means that they are rewarded for investing in innovation and their entrepreneurial action.

From this platform companies can grow revenues and staff numbers. Products and services delivered to Australian residents continue to improve and the economic potential for Australian led innovation of the global market becomes greater. While this is true for most industry sectors it is even more so in the biotechnology and pharmaceutical areas where it can take many years and several hundreds of millions of dollars to get a product to market. Without the protection and monopoly afforded by the IP protection systems in Australia and internationally the commercial 'risk and reward' potential simply doesn't make sense and new therapies, devices and diagnostics will not be developed. While this is the case for Australian innovation, the same is true for innovations developed overseas looking to enter the Australian market.

With our IP rights systems in Australia, international companies with new innovations have confidence to enter the Australian market knowing that they will be afforded the rights of protection under our IP system. Without this, and given our population size, the Australian market could easily be overlooked.

We appreciate the fine balance required to ensure reasonable costs for protection to companies as well as the importance of having a productive and fair market place that protects the rights of the consumer. It is important that this is put in the context with the importance of the IP framework in Australia as a key driver for encouraging industry and entrepreneurs to work with universities to develop and access new IP that helps to deliver social and economic benefit.

Kind regards

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**University of South Australia**