

Company: LESANZ
Publication: NZ Lawyer
Date: 23 July 2010
Page: 15

Putting science back on the political agenda

New Zealand needs a national IP strategy to become internationally competitive, says **Frik de Beer**, a Trustee of the Licensing Executives Society of Australia and New Zealand

The Government has painted a bright picture for science, technology, and innovation in the future. It would seem that, in its funding announcements for innovation in the May 2010 budget, the government is putting science back at the forefront of the political agenda.

And so it should be. New Zealand is alarmingly in decline against OECD comparators. Our relative productivity is down and we are ranked surprisingly low on scales of innovation.

According to the Government, the nation's Crown Research Institutes (CRIs) have the potential to act as powerful engines of economic growth in the future – but they first require some fine tuning. There are currently eight CRIs operating around New Zealand, employing a combined staff of 4400 people. In 2008-2009, total revenue of these CRIs was \$675 million and accounted for a quarter of the country's total research effort. Yet, with more streamlined management to commercialisation, these CRIs can and should contribute much more.

In February this year, the Government released *How to enhance the value of New Zealand's investment in Crown Research Institutes*, the Report of the Crown Research Institute Taskforce, outlining recommendations on how to enhance the value of New Zealand's CRIs and improve their contribution to the country's economic, environmental, and social well-being.

The report found the main factors impeding CRI performance related to their funding, ownership, and governance arrangements. Thus, it is assumed that with reform and redistribution of funding, CRIs will be better positioned to deliver economic value and innovation outcomes to the State.

But the report and recommendations ignore a fundamental flaw in New Zealand's innovation system, which is threatening its currency and competitiveness on a global scale.

Intellectual assets are the main and most important output of science, but they rated no more than a mention in the CRI review. Indeed, the role of intellectual property management has been neglected for too long. IP managers are employed in only three of the eight CRIs – it is clear that there has been only limited thought afforded to the importance of technology transfer in our national innovation policy to date.

There are certainly changes coming; the result of the Government's investment in science and technology in the May budget has been to shift focus onto business research and development, as attempts are made to capture the commercial value of New Zealand research activities. However, there is a long way to go. New Zealand currently lacks the skills and knowledge base necessary to effectively manage the transfer of our technology – a factor which is no doubt halting the commercialisation of our science on a local and international scale.

This lack of IP knowledge and expertise in technology transfer is a major obstacle to our national innovation outcomes and one which requires more attention than it is currently receiving. We need to foster the ability to identify, document, evaluate, protect, and optimise the use of high-value technology. Minimising trade secret loss by improving protection and outward licensing on more competitive terms are both areas where New Zealand's innovation outcomes can be improved.

In order to bridge the gap between the outcomes of our CRIs and deliver strong economic value, we must first commit to building the national level of understanding and skill in IP management. In short, we need a national IP strategy. Only then will New Zealand see a true improvement in the outcomes of our CRIs and in the global competitiveness of our national innovation.