

Media Coverage

Company: LESANZ
Publication: Australian Financial Review
Date: 20 June 2011
Page: 28

Buchan

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Our future depends on intellectual property

Opinion

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With the appointment of Don Russell as the new head of the Department of Innovation, Industry, Science and Research, it's time to talk about real change for innovation in Australia.

Russell's appointment highlights an opportunity to shake things up for innovation in this country, with structural changes long overdue. Given his previous life as Paul Keating's adviser and as a high-flying financial executive, Russell should be used to making big decisions. But his private-sector experience may make him less inclined to spend the real money needed to get our innovation system up to scratch.

To protect our ideas and extend the commercialisation possibilities that arise from them, we need to think about how intellectual property can serve the needs of our country, not just five, but 50 years from now – after the mining boom has gone bust.

The department needs to foster an innovation culture that generates enough national revenue to be the next "big thing", once the steel factories of China have wound down.

We may be resource rich now, but this won't last forever. There has been a lot of argument about Australia's next "economic weapon" – from bolstering biotechnology, to creating a more robust services sector, to providing greater investment in higher education.

The Licensing Executives Society believes the answer is intellectual property. In fact, IP underpins each of the other opportunities too. And it's not just the creation of IP, but also the management and commercialisation of it, that will make the difference.

IP represents the property of the mind – it is the knowledge and ideas that we create.

IP rights protect those ideas, through patents, trademarks, designs, copyright, confidentiality or trade secret rights.

But creating ideas doesn't

automatically mean you can exploit those rights for commercial gain. Formal steps are required to perfect your entitlement to IP rights and give the basis for exploitation.

Although our laws for protecting IP are well developed, our governments have failed to recognise the importance of a national strategy that would base our standard of

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living in the knowledge economy.

To become a truly knowledge-based economy, we need to lay the right foundations. The first step is the development of a national IP strategy. Any innovation effort we put in place will struggle to deliver the expected benefits in a global context if it's not based on sound IP rights.

No doubt Russell would agree that if China can make IP a core element of economic development, we can too, and even more effectively so. Someone needs to take the lead, and the Department of Innovation would be a good place to set the train in motion.

We also must come to terms with the fact we need to spend some money to make some money. The government needs to invest in the future and build a culture of exploiting innovation.

Extending current funding programs like Commercialisation Australia to at least come up to par with previous innovation funding programs should be high on the priority list.

The axed Commercial Ready Program was worth \$1 billion. It's going to take a lot more than the government's current commitment to get back to that level.

How can we expect to continue moving forward with IP if the government's primary source of commercialisation assistance is

taking a step backwards in the funding it can provide?

Commercialisation Australia is a program with great potential and good bones, if only it was given the opportunity to play a more resounding role.

Last week's progress on implementing a research and development tax credit, promised since mid-2009, is extremely good news for start-ups and small businesses, and a big step in the right direction. It will encourage greater investment in research and development and drive internal innovation.

But what comes next is the commercialisation of those ideas, a concept which still needs to be properly addressed.

It's also time for the department to take stock of what Australian innovators really need from their government. Creating greater dialogue between the bureaucrats and the people actually creating the ideas will open up more opportunities for the department to be truly effective.

Collaboration should be both at the heart of the department itself and a key message it strives to convey. At least in the short term, collaboration should be one of Australia's greatest goals to drive innovation forward.

Canberra should lead the way in creating a culture that encourages businesses, research organisations and government to work together to develop ideas that have greater potential than going it alone. But it can only do so if they are first willing to listen and engage with IP stakeholders.

Australia's innovation is falling behind and the only way forward is to change. There aren't many opportune times to breathe new life into the department, but a change in leadership presents one such opportunity. And while these structural changes are certainly challenges, they'll be worth it in the long run.

■ *Mark Horsburgh is president of the Licensing Executives Society of Australia & New Zealand*