Towards a Research and Development (R&D) Commercialization Policy for Birzeit University

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Introduction General

• Research and Development (R&D): a main component of academic work, even locally
• R&D sustainability is an issue worldwide
• Public funding is inadequate, not a priority (here)
• Share of GNP spent on research is minimal
• Private sector contribution is essential
• R&D: a major component in high tech industrial output: High Techs Spend much on R&D!
• Global competitiveness is becoming the norm
Introduction R&D Commercialization

• The Process of making financial gains from introducing R&D output: ideas, products, algorithms, programs,... into the market
• Related to Intellectual property protection
• Has legal and ethical implications to university work
• Dictated by need to interact with industry
Motivation

• Industry-Academia interaction is limited, though very much needed
• Difficult to engage faculty/students in R&D
• R&D support is limited
• Return on investment in R&D: generally not adequate
• Good academic work must appreciate market needs
• R&D results will be commercialized anyway: better be party to that
• Challenge: Keep Academia and Private sector happy!
R&DC Goals: University

• Incentive for University community to engage in R&D
• Encourage innovation/cutting edge research by faculty, staff and students
• Retention of qualified staff
• Income source for the University
• Sustain an innovative R&D environment.
R&DC Goals: Society

• Infusion of innovative products into the local market
• Increase the competitiveness of the local industry
• Better understanding of industry needs on part of academia
• Return on public investment in higher education, R&D
BZU RDC Policy Structure

One year work by a Committee of technical, legal and business experts (2008):

• Preamble and responsibilities
• Policies and procedures
  – Policy has the static part
  – Procedures define changing implementation parameters
• References to IP, IT, Ethical conduct policies
Responsibilities

University staff and students required to:

• Adhere to RDC policies
• Disclose inventions made while at BZU
• Commercialize their innovation through BZU
• Obtain permission for contracts with outside bodies regarding IP/Innovations
• Encourage Commercialization of outside innovations through BZU
Responsibilities

University staff and students prohibited from:

• Using University name/logo on inventions/products without the explicit permission
• Disclosing innovative ideas/products conceived during their employment and enrollment at BZU to outside parties without the prior written approval

Applicable even without signing nondisclosure agreement/pledge.
The RDC Policy

• Innovation sources: research, student projects, product development at university
• RDC includes: Licensing, Creating start ups for ideas/products with market appeal.
• Protect innovation through local and international IP legislation mechanisms
• University retains sufficient presence on the company boards to protect its interests.
• Agreements with spinoff/licensee to guarantee adherence to University policies
The Policy: **Stake Holders**

- Parties to the innovation (student and staff) have a major stake in the revenue.
- Share distribution to encourage RDC through the University.
- Licensees and start ups to operate on commercial footing.
- Revenue from commercialization mainly to encourage R&D
- Part of the revenue must go to the Unit where the innovation originated.
RDC Procedures: Revenue Distribution

- Products developed for an outside entity that pays full development cost
  - resulting product will be the exclusive right of that entity in the local market.
  - BZU retains rights in other markets,
  - Maybe joint venture: BZU/product ordering entity.

- Products developed by paid employment:
  - 100% owned by the University.
  - BZU required to allocate part of revenue to involved employees as an incentive for creative work.
RDC Procedures: Revenue Distribution

– Work based on innovation by a faculty member:
  • 51% for the faculty member and
  • 49% for the University.

– Work based on non-employee student with faculty member ideas and under supervision
  • 51% for students
  • 24% for the faculty liaison with the idea
  • 25% for the University.

– University [President] may negotiate contracts not agreeing fully with the above.
RDC Procedures: University Share Distribution

BZU share of commercialization revenue distributed as follows:

1. 40% central R&D and the University Technology Transfer Office (TTO)
2. 20% to the College of the innovation,
3. 20% to the department of the innovation
4. 20% for overhead.

TTO responsible for RDC under University President: delegated to a Center of Excellence!
The Policy: **Commercialization Steps**

1. Staff member/student A makes an invention/conceives a product idea
2. A completes a confidential disclosure to TTO using the special forms.
3. TTO evaluates the disclosure in consultation with subject matter, business, legal experts
4. TTO obtains IP protection if needed.
The Policy: Commercialization Steps

5. TTO solicits commercial interest.
6. TTO negotiates the terms of the contract in view of the R&D commercialization policy.
7. TTO sanctions the Spinoff or grants the license.
8. TTO Monitors the work of the licensee or spinoff company to guard BZU interests.
Conclusions

• Current RDC Policy: still “Work in Progress”
• Continuous evaluation and monitoring needed
• Industry feedback is essential: maybe viewed as competition
• Success stories will validate the policy
• Publicity and much convincing (PR) needed
• Environment (legal, business, ethical,..) will influence the success
• So far: main success in Education!