

$$\sqrt{\frac{2GM_e}{R_e}}$$

Commercialising Inventions

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Personal Experiences

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Equity and Investment Portfolio

Other than IP, what are the main factors for successful commercialisation on an invention?

- Most importantly, one needs ...

A PROBLEM !

- Working Capital
- The Execution
 - Particularly “The Team”
- “Opportunity”
 - Luck + Capability

What is...?

- **Invention**

- Creativity
- Cool
- Science
- Art
- ...is the offspring of Necessity

- **Commercialisation**

- Process of translating an idea/invention into a “product” and taking that product to market

- **“Successful” Commercialisation**

- Product demonstrates “utility” – ie it is chosen to do its thing
- Product is “valuable” – ie some one will forego something else (usually money) to access/use your product
- Product can be “efficiently” taken to market – ie cost is less than the value
- Product is “competitive” – ie chosen over others, or obliged to be the one that is selected

Examples of Successes

- WL
 - Energy sector; IP indirect – generates opportunity
 - Good funding and plan
 - Good management and board
- MX
 - Analytics;
 - Dogged Management
 - “Problem” wasn’t seen for 6 years
 - Company survived until the market caught up
- EN
 - Photonics;
 - Great idea
 - Great Management
 - Able to secure multiple rounds of capital to IPO

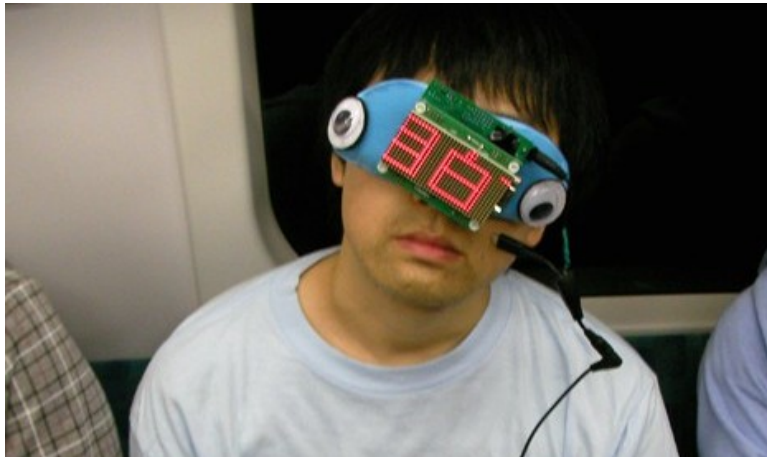
What can go wrong?

Common Point(S) of Failure

- **Plan**
 - Business Plan
 - Projections
- **Execution**
 - Markets and Competitors
 - Product
 - People
 - Customers
 - Growth
- **Investment Context**
 - Value
 - Investors
 - Follow-Ons
 - Exits

Is there a Shortage of Inventions or Funding?

- No shortage of inventions
 - Great ideas everywhere
- BUT is it an invention looking for a problem?



Common Mistakes by Inventors ...in obtaining Investment

- Very Smart People
 - But don't know everything
 - Too well read
- Its about the team
 - Some may not be willing to accept help
- Focus on (commercial?) Utility / Value
 - Some focus on the Invention rather than the Customer Problem

Funding shortage?

- Current financial malais?
 - “Possible” shortage of funding?
 - Where will the funding come from?
- BUT Taking away “a Pain” is attractive
 - Eg. All these “bad” inventions received funding
 - Is it of Value?

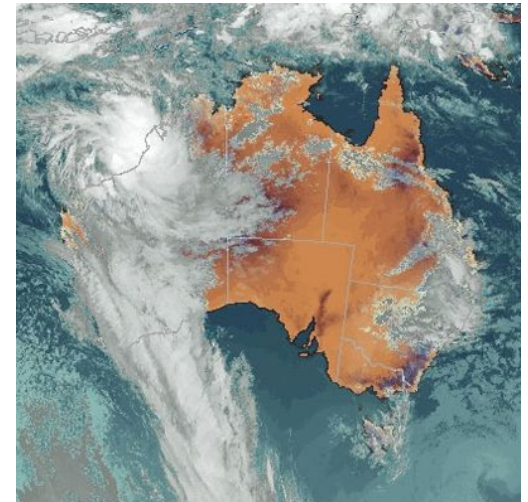
BBC Focus Magazine Study
(2008)

“WORST INVENTIONS”

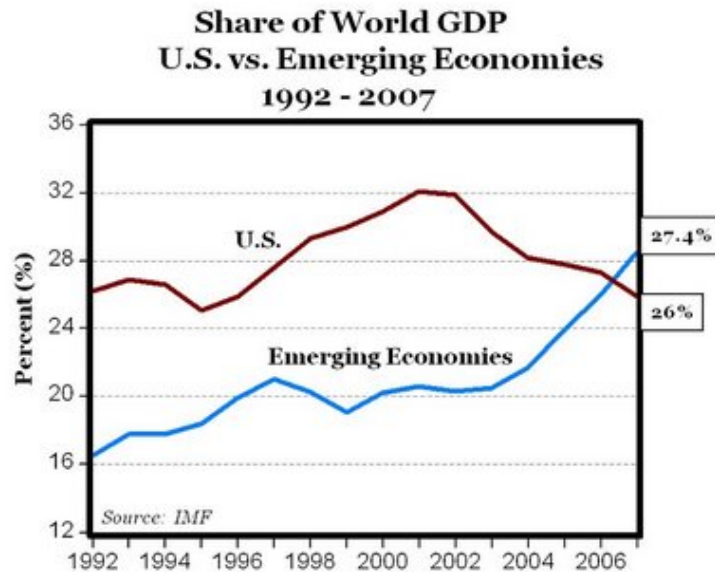
Weapons	35%
Mobile Phones	17%
Nuclear Power	9%
Sinclair C5	9%
Television	9%
The Car	6%
Cigarettes	6%
Fast Food	3%
Speed Cameras	3%

What does this “Current Climate” mean?

- **Batten down the hatches**
 - Focus on survival business models
 - “Band” together
- **Cash is still King**
 - (unleveraged) Money is out there
 - The Golden Rule
 - Excellent buying for the next 5 years
- **Less Venture activity**
 - Here? Overseas?
- **More Strategic M&A and alliances**
 - Scrip is also cheap
 - Increased mergers and acquisition based on vision and fundamentals
 - Risk pricing and modelling
 - Build vs Buy
 - Increased attractiveness for “Outsourced Innovation”



Positive Perspectives



- Increased “Nation State” Self-Sufficiency
 - le many more places to look
- Increased Govt Spending initiatives
 - In all countries in all sectors
- Increased demand for efficiencies
 - Agriculture, Health, Production, Commodity discovery/usage, Energy, Communications, etc
- Increased Collaboration
- Increased Innovation
- Increased need for “Packaged” technology
 - Spin-outs and Research

Is IP Protection required to obtain Investment?

- Two answers
- Financial
 - Not necessarily
- Strategic
 - Not necessarily
- Best answer is “what protection” and “how much” does the protection add value to the investment – from an INVESTOR perspective?
 - Eg “spring boarding” exceptions in pharma (and other) sector
 - Jurisdictional/Geographic knowledge arbitrage?
 - Strategic driver for acquisition/investment or lucrative employment packages?

Financial Motivation

“Show me the money” (Cuba Gooding Jnr, 1996)

- VC provides returns to its investors
 - Superannuation Funds
 - Global Businesses
 - Wealthy Individuals
 - Shareholders
- Expectations
 - 10 X return
 - Based on the premise that 9 in 10 will fail
- Life
 - Heuristic 5 years
- Basis of Return
 - Efficient Execution
 - Increasing Market Share
 - “Realisable” Value

Strategic Motivation

“Me, Me, Me” (Hugo Weaving, 2003)

Investment	Acquisition
<p>Product or Service initiative</p> <p>You have a technology that is good for us</p> <p>We have a technology that is good for you</p>	<p>Defensive</p> <p>Patent blocks on competitors</p> <p>Anti-litigation strategies</p>
<p>Market Development</p> <p>Let's grow the market together</p> <p>Tell me about the market</p>	<p>Aggressive</p> <p>“IP Mop”</p> <p>Capture resources (people)</p>
<p>Innovation</p> <p>Drive R&D</p> <p>Define future product spaces</p>	<p>Creative</p> <p>Kick-start new businesses within (benign)</p>

Commercialisation without IP Protection?

- **Secret Sauce**
 - Is there one?
 - Is one needed?
 - If you told anyone, what would/could they do with it?
 - If you protected it, is it valid? (“obviousness”)
- **IP Protection based on scale of investment?**
 - Need (or obligation) to generate “financial return”?
- **Execute better than your competitors?**
 - Is Copyright enough? Trademarks? CC?
- **Open Innovation?**
 - Obfuscating intellectual “property”, “capital” and “assets”
 - Bi-lateral Open Innovation is a growing reality of Protected Commercial Strategy
- **Value of the Protection versus Core objectives**

Strategic IP Protection

- An “APPLIED” context
 - ...within a “regulatory” context
 - ...complementing an “intellectual” context
 - Targeted IP Strategy ... Directed IP Portfolio ...
 - eg “Large, Global Semiconductor manufacturer”
 - Trade Secrets, Broad and Growing Patents, Press and Educational Copyright, Strategic (multimodal) Trademarks, Novel Marketing Programs ...Great Execution (team)
 - ... Value creation
 - “IP is not the goal – it’s [a] means to achieve your goal”
- National Scale – Strategic Application
 - To conduct our own nation’s basic future economic activity
 - To minimise restriction of key domestic economic exploitation
 - To grow revenue based on increased utilisation of our country’s intellectual capital
 - To efficiently and economically maximise National Competitiveness

**Equity and Investment Portfolio,
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Thank you

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