



**C-Tech Innovation**  
...advantage through technology

[www.ctechinnovation.com](http://www.ctechinnovation.com)

# Commercialising IP



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What is Intellectual Property (IP)?

*“....a number of distinct types of creations of the mind for which property rights are legally recognised. Examples include copyrights, trademarks, patents, industrial design rights, trade secrets and know-how.”*

Wikipedia

# Who is C-Tech Innovation?



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- Independent, leading Technology Development and Innovation Services company
- Commercialisation of innovative products, processes and ideas for the benefit of our clients
- 40 year pedigree in product and service provision
- Management Buy Out in 2001
- 60+ consultants, scientists and engineers - wide ranging expertise
- Own labs and workshops



# Commercialising IP



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- C-Tech as an '*atypical*' SME company
- Technology and Innovation Specialist – but still face SME type challenges
- 10 year direct history of commercialising IP
- 40 year indirect history as part of other organisation
- Focus on:
  - Know-How
  - Licensing
  - Spin-out



# Key Considerations



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- Funding
  - Legal / Contractual
  - Patents
  - Background Research
- Internal Resourcing
  - Commercial support e.g. negotiation
  - Technical support e.g. tech transfer
- Market access
  - Choice of partner
  - Geographical issues
- **Need for external support for any of the above?**



# Know-How



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- *Practical knowledge of how to get something done, as opposed to “know-what” (facts), “know-why” (science), or “know-who” (networking).*
- Is this just another word for Consultancy?
- No - can be more immediate tangible benefits to client
- C-Tech experience
  - Technology transfer in absence of patent or client owns IP
  - Contracts can be longer period – ongoing support may be required from client
  - Ongoing royalty as ‘add-on’ possible but challenging
  - Needs careful contractual arrangement and attention to details

# Licensing



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- *“To give permission to use”*.....typically software or patented invention
- Very common in ICT and Electronics
- Lower risk – lower gain compared to Spin-Out?
- Potential for multiple licenses across different applications / geographies
- C-Tech experience
  - 6 current...more in negotiation
  - Mostly industrial processes historically but current focus is on domestic consumer products
  - Variable success – ‘not invented here’ and ‘technology burying’ are key issues
  - Insist of minimum annual royalty and / or non-exclusive licenses to optimise licensor performance
  - Revenues are rarely as high as Licensor predicts or you expect.

# Spin-outs



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- C-Tech approach
  - Grant funding for IP / Patent generation
  - Form new company and incubate within
  - Seek VC funding and spin-out with close 'paternal' support
- 3 companies formed to date – only 1 now trading
  - Oily wastewater treatment
  - Radio Frequency defrosting
  - **Chemical manufacture – membrane product separation**
- Key lessons learned (ourselves and from others)
  - Hire the right people – VC's back people as much as ideas
  - Seek 2<sup>nd</sup> stage funding as soon as you have 1<sup>st</sup> stage – timing out is common problem
  - As inventors don't be **too** protective of the idea / equity – better a small piece of a large pie than 100% of nothing
  - Be prepared / willing to fail - 9/10 start ups fail
  - Kill off lame ducks early and keep cash for the next idea



# Future Models?



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- Trend towards Open Innovation
- Supply chain stimulus by large companies
- Role of University IP and government approach to funding
- Move to '*Impact*' based funding – positives & negatives
- Centres of Excellence (Hauser and Dyson Reports)

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- **‘People only accept change when they are faced with necessity and only recognise necessity when a crisis is upon them’**

Jean Monnet

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