FROM LAB TO LIVELIHOODS: UNLOCKING UNIVERSITY IP

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Tshwane University of Technology
We empower people

Entrepreneuring the Future Together

Overview

1

Innovation and value

What turns research into something the market will pay for

2

Foundations of IP

Patents as a form of protection

3

Routes to market

Why a License matters

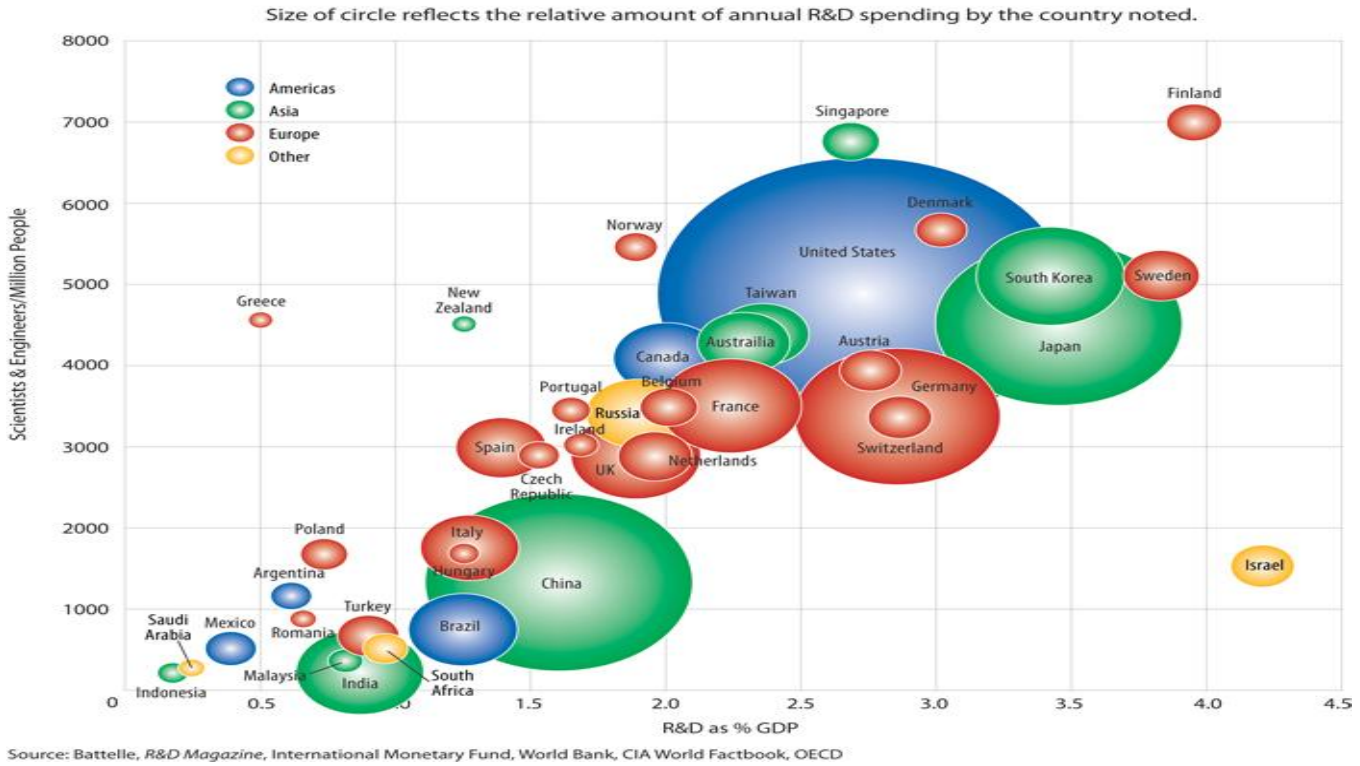
4

The exit strategy: licensing the deal

Market-standard terms and the red flags to watch

Introduction

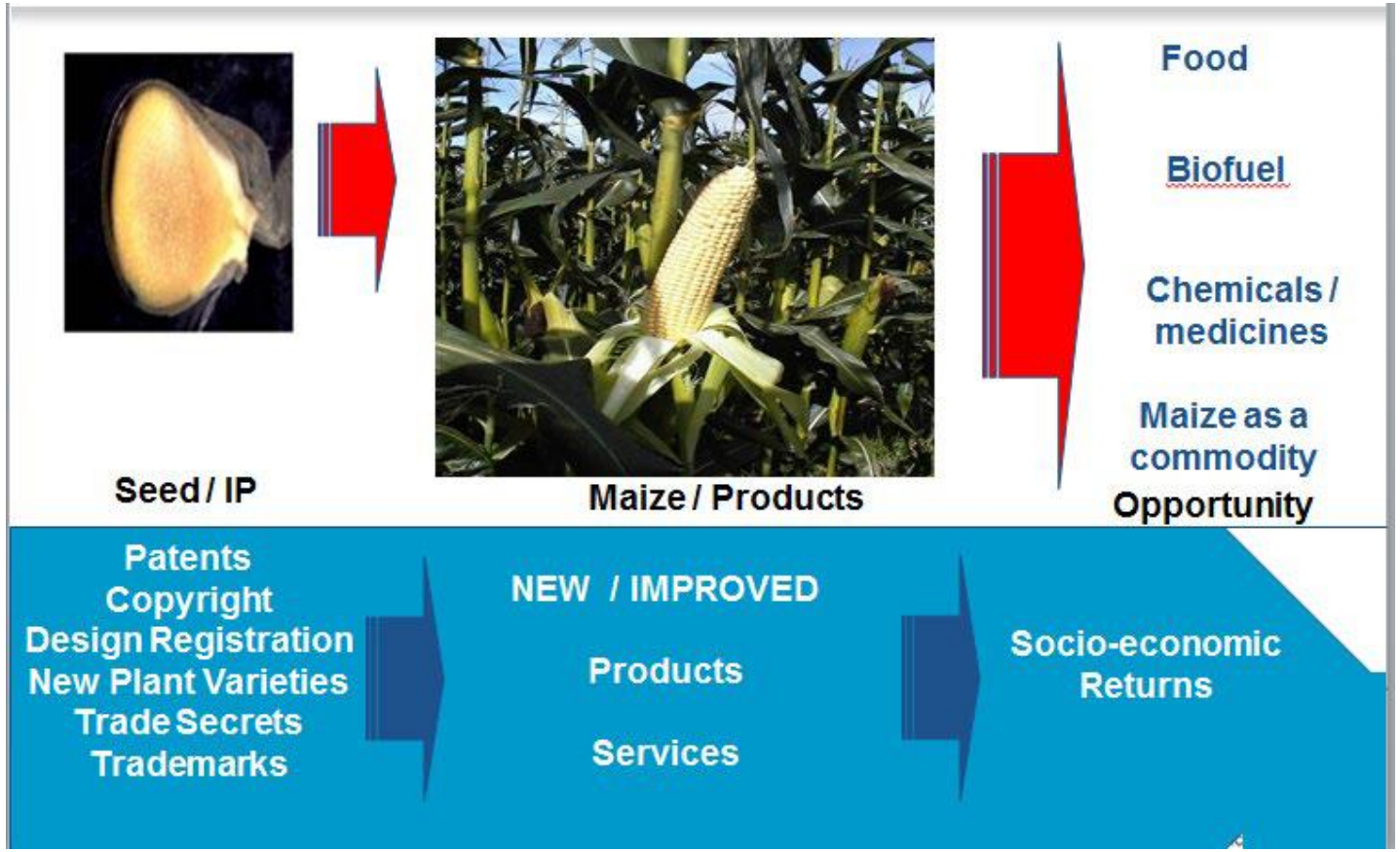
R&D – not primary source of innovation in Africa



Source: Battelle, *R&D Magazine*, International Monetary Fund, World Bank, CIA World Factbook, OECD

Highlighting the need for an ecosystem to drive innovation as well as de-risking opportunities

IP : The Value Proposition



Sibanda, 2020

TYPES of IP

Law	Covers	Registration	Duration
Patent	Technical	Yes	20 years
Utility Model	Technical	Yes	10 years
Design	Look	Yes/No	5 x 5 years
Trademark	Brand name of product or service	Yes/No	10 years x for ever
Copyright	Artistic and literary works/software	No	life + 70 years thereafter

Patents: what leadership should know

Publish before filing and the patent is lost

1

Basis of protection

Protection is the incentive for disclosure. Governed by the Patents Act 57 of 1978, the Paris Convention and the Patent Co-operation Treaty.

2

What qualifies

The invention must be new (absolute novelty), inventive (not obvious) and useful. Prior art includes any use or publication before filing.

3

What you get

20 years, subject to fees. It is a negative right to exclude others. You do not need a patent to practise an invention.

4

Where it applies

Patents are territorial. Ultimately you file in each country of commercial interest.

IP information: the ability to leapfrog

What IP data tells you before you spend on R&D

State of the art
Know what exists before embarking on R&D

Partners
Identify potential commercialisation and licensing partners

Suppliers
See who can supply into the value chain

Competitors
Track competitor developments

Validity and scope
Test patent validity and scope through search reports

Territoriality
See where protection applies, country by country

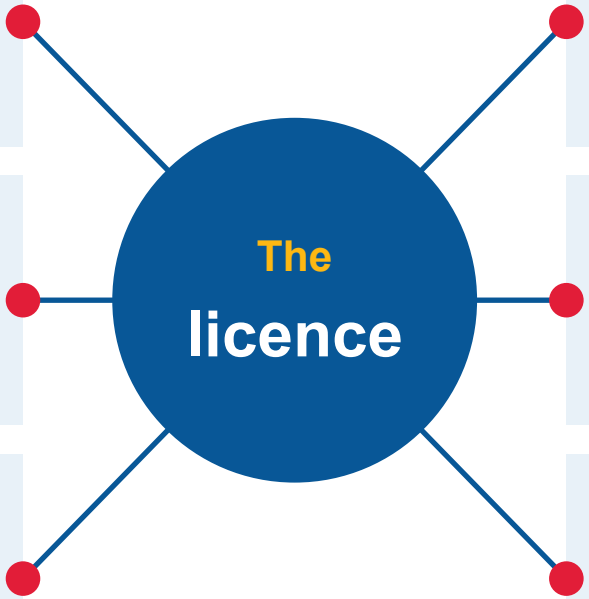
The licence: market standard versus red flag

If you can't measure it, you can't enforce it. Plan the exit on day one.

Grant and scope
Standard: Clear field, territory and exclusivity
Red flag: “Worldwide, exclusive, perpetual”

Improvements
Standard: Grant-back on future improvements
Red flag: Silent on who owns what is next

Exclusivity
Standard: Earned via sales or milestones
Red flag: Global exclusivity with no thresholds



Financial terms
Standard: Upfront fee, milestones, tiered royalty
Red flag: Undefined net sales, no stacking

Audit and records
Standard: Annual audit with a 2–3 year lookback
Red flag: No audit, or unlimited lookback

Term and exit
Standard: IP, payments and audit survive
Red flag: Sublicences left hanging

The transition: why ventures stall after incubation

The gap between grant-supported incubation and market operations

Grant dependence

Grants fund activity, not revenue. The venture has never had to price, sell and collect.

No paying customer

The technology is validated in the lab, not by a buyer. The first sale comes too late.

Thin teams

Technical founders lack commercial, finance and sales management around them.

The funding gap

Too advanced for grants, yet too early or too small for banks and venture capital.

Working capital

Long corporate procurement cycles and payment terms drain cash.

Compliance and scale-up

Certification, regulatory approval and production scale-up cost more and take longer than planned.

INNOVATION IS CREATED WHERE THERE IS NEED



Entrepreneuring the Future

