

July 13, 2017

Mr. Denis Martel
Director of Patent Policy
Strategic and Innovation Policy Sector
Innovation, Science and Economic Development Canada
235 Queen Street
Ottawa, ON K1A 0H5

UNIVERSITY OF ALBERTA
THE UNIVERSITY OF BRITISH COLUMBIA
UNIVERSITY OF CALGARY
DALHOUSIE UNIVERSITY
UNIVERSITÉ LAVAL
UNIVERSITY OF MANITOBA
MCGILL UNIVERSITY
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UNIVERSITY OF OTTAWA
QUEEN'S UNIVERSITY
UNIVERSITY OF SASKATCHEWAN
UNIVERSITY OF TORONTO
UNIVERSITY OF WATERLOO
WESTERN UNIVERSITY

Dear Mr. Martel:

We are writing about the consultations on Canada's new Intellectual Property Strategy. We would like to thank you and your colleagues for holding these consultations on this important topic.

Given the Strategy's goal of supporting commercializing Canadian innovation and creativity, we believe that there is an additional area the Strategy should consider: commercializing cutting-edge discoveries.

Researchers in Canadian universities are continuously working to push the frontiers of knowledge. Although many of their discoveries benefit Canada in other ways, many also have significant commercial potential. In most cases, once a researcher makes a discovery, the researcher discloses the IP to their institution's technology transfer office, which in turn assesses it, and then (if warranted) protects and commercializes it.

In 2015 alone, U15 researchers made 1,536 invention disclosures, filed 875 patent applications, and received 246 patents. These patents are then commercialized through licensing or spin-out companies. As a result of their commercialization activities, U15 institutions have built a portfolio of more than 2900 active licences and have created an estimated 600 companies that are active today. We are proud of these impacts, but believe that the IP Strategy could help us improve our outcomes.

Almost by definition, ground-breaking discoveries with significant commercial potential occur at a very early stage and need significant work to make them

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market-ready. Commercializing these discoveries often requires creating proof-of-concept, building prototypes, and/or compiling other evidence of commercial viability to reduce the risk for potential investors, acquirers and customers. Canada's limited support for reducing the risks involved in supporting early-stage IP creates a significant gap in our commercialization ecosystem. Filling this gap could help unlock significant commercial opportunity for small businesses, start-ups, and spin-outs from public research institutions.

Other countries have filled this gap in different ways. For example, the United States has created the Small Business Technology Transfer Program, which is modelled on the Small Business Innovation Research program, to help fund the R&D required to turn discoveries into commercial products and services. The United States also has a complementary program called I-Corps, which provides robust entrepreneurship training for founders of companies commercializing cutting-edge IP. Other countries, including the United Kingdom, France and Israel, have developed their own mechanisms for closing this gap. Learning from these other jurisdictions and launching a Canadian program modelled on international best practices could be an effective way of turning intellectual property into jobs and prosperity for Canada.

We also believe the IP Strategy should consider ways to support the commercialization activities of research universities. Technology transfer and the commercialization of university IP are among the institutional investments that the Research Support Fund (RSF) is intended to offset. However, at large research universities, the RSF covers less than half of the various facility and administrative costs associated with federal research. As a result, universities have fewer resources available to support critical activities like educating researchers about how to manage IP, filing patents, and promoting university IP to businesses that could benefit from it.

The federal government's recently released Fundamental Science Review identified the RSF funding gap as a significant challenge. The report also recommended immediate reinvestment to begin closing the gap. Whether through the RSF or some other mechanism, supporting Canada's technology transfer offices with additional financial resources would help build our country's capacity to turn discovery into economic activity.

We believe that the IP Strategy presents Canada with a significant opportunity to better capitalize on the IP our university researchers create. The Strategy could ensure adequate resources are available to support technology transfer offices and create programs that help close the gap between commercial potential and market-ready products and services.

We would be happy to discuss this further. If you have any questions, please don't hesitate to contact us.

Best regards,

A handwritten signature in blue ink, appearing to read 'Guy Breton', with a horizontal line extending from the end of the signature.

Guy Breton
Chair, U15

A handwritten signature in black ink, appearing to read 'Suzanne Corbeil', with a horizontal line extending from the end of the signature.

Suzanne Corbeil
Executive Director, U15

cc: U15 Executive Heads