

Commercialization Mandate Policy Framework

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INTRODUCTION

Ontario is home to world-class postsecondary institutes and research. Discoveries and innovations stemming from Ontario colleges and universities are helping to solve the pressing social, environmental and health challenges of our day; shaping our understanding of society and the cosmos; redefining industries; and creating new economic opportunities.

The Expert Panel on Intellectual Property was established Spring 2019 to help Ontario become more strategic in its approach to generating, protecting and commercializing intellectual property (IP), including IP that stems from postsecondary research. By various measures, Ontario is falling behind peer jurisdictions significantly on protecting IP and generating licensing revenue. For example, while Ontario is the only province in Canada with two cities in the top 100 global science and technology clusters, domestic output has been on a downward trend in recent years.¹

This continues to stand in our way when it comes to competing in the global intangibles economy, and is more important than ever as we seek to recover from the effects of the COVID-19 pandemic.

In July 2020, the government released the province's first **Intellectual Property Action Plan** – in response to the recommendations of the Expert Panel – to help bend this curve by strengthening our overall approach to commercialization of IP. One of the key pillars of the Intellectual Property Action Plan is a commitment to clarify the commercialization mandates of postsecondary institutions.

The other three commitments of the Intellectual Property Action Plan are:

- Strengthening IP literacy by developing standardized, digital basic and advanced IP education curriculums.
- Developing a governance framework for organizations supporting entrepreneurial and innovation activities, which incorporates IP considerations.
- Creating a centralized provincial resource to increase access to IP legal expertise and educational resources everywhere in the province.

In January 2022, government created Intellectual Property Ontario (IPON), a new agency that will provide sophisticated IP knowledge, advice and services to support Ontario innovators, researchers, businesses and entrepreneurs. IPON will help support the implementation of this Commercialization Mandate Policy Framework by providing support to colleges and universities – and their researchers – and preparing an annual report that summarizes the sector's progress in implementing the framework and improving commercialization outcomes.

1. Sources: WIPO Global Innovation Index, 2021; CIPO Annual Report 2020.

We know that maximizing the value of our homegrown IP is a shared commitment with the postsecondary sector. Clarifying the commercialization mandate will help everyone be more intentional in their focus on this important goal of ensuring that made-in-Ontario innovations benefit Ontarians.

This framework helps us achieve that commitment.

The Commercialization Mandate Policy Framework (Policy Framework) is comprised of:

1. Statement of Principles
2. Commercialization Policy
3. Annual Commercialization Plans
4. Reporting
5. Establishment of a Joint Working Group on Commercialization Metrics.

Implementation of this Policy Framework is intended to strengthen focus on the generation and management of IP and improve commercialization outcomes across campuses, while accounting for institutional diversity within the sector.

We recognize that no two institutions are alike. Similarly, successful commercialization outcomes may take many forms, from new company formation to engagement with established industry partners. Moreover, we acknowledge that each college and university is starting from different points in terms of areas of research/innovation strength, policy and program infrastructure and industry relationships. These differences will inform institutional pathways to commercialization and thus institutional implementation of this Policy Framework.

Other components of the Intellectual Property Action Plan – including the establishment of IPON – will provide important advice and support to innovators and entrepreneurs as they seek to unlock the full potential of their innovations.

To increase transparency in how we talk about and measure commercialization outcomes, IPON will establish a Joint Working Group on Commercialization Metrics as one of its first actions. The group will be chaired by IPON's CEO and will include representatives from the postsecondary sector, government and industry. It will collaborate on a set of common performance metrics, standards for institution-specific baselines and targets and a uniform approach to reporting.

1) STATEMENT OF PRINCIPLES

Commercialization is the process of taking an invention or scientific discovery (i.e., new technology or new or improved manufacturing process) to the market.²

The following five principles reflect government's recognition that we need to work together to a common purpose to improve the province's IP position, improving commercialization outcomes and realizing the benefits of publicly-funded research and innovation in a cooperative, accountable and sustainable manner.

1. A **shared commitment** to generate, commercialize and protect IP for the benefit of Ontario's economy and long-term competitiveness.
2. Focus on **continuous improvement** and **flexibility** to recognize different institutional approaches and strengths.
3. **Transparency** and **accountability** through annual reporting of progress, outcomes and impact, beginning in December 2022.
4. Recognition of the need to **continue to build institutional capacity** to commercialize innovation in Ontario, including using IPON's services and supports to strengthen capacity.
5. Success requires **collaboration** across the postsecondary sector and with the innovation ecosystem as a whole.

2) COMMERCIALIZATION POLICY

Each publicly-assisted university and college is to create and publicly post a Commercialization Policy by **April 29th, 2022** on its website.

The Commercialization Policy that each institution develops can and should be customized to its own context, while including the common elements set out below. The Commercialization Policy will act as a blueprint guiding each institution as it adopts or modifies its policies and practices to help improve commercialization outcomes.

It is expected that the Commercialization Policies will be fleshed out and strengthened over time as institutions grow in their capacity and experience.

The Commercialization Policy must include the following elements:

1. **A commitment to the management and protection of IP** in a manner that maximizes commercialization opportunities, protects Ontario interests and strengthens the Ontario economy.
2. **Defined roles and responsibilities** for relevant stakeholders within the institution to achieve that commitment.

2. Source: Expert Panel on Intellectual Property. Report: Intellectual Property in Ontario's Innovation Ecosystem (February 2020).

Note: Relevant stakeholders within the institution include, but are not limited to, staff, faculty, Technology Transfer Offices [TTOs], applied research offices, on-campus accelerators, researchers and students.

3. A commitment to **increase IP capacity** through programming and related activities including the provision of access to **IP Education and Awareness resources** for all relevant stakeholders within the institution.
4. An **invention disclosure policy** such that the Technology Transfer Office [TTO], or equivalent institutional body, is made aware of, and can provide advice regarding, IP protection and commercialization opportunities.
5. Guidance for relevant stakeholders regarding the commercialization of IP generated with the institution's resources in a manner that seeks to provide a **net benefit to Ontarians**. This could include advice regarding the prioritization of domestic industry partnerships, where possible, and support for the negotiation of global industry partnerships and/or licensing agreements.

Note: For the purpose of this Policy Framework, a "net benefit" refers to a net social and/or economic value generated for the people of Ontario, the Ontario economy and/or the Ontario innovation ecosystem.

6. Guidance for relevant stakeholders regarding **institutional engagement with the innovation ecosystem** (e.g., companies, incubators and accelerators, research institutes, market facilitators and intermediaries, etc.) to expand institutional capacity to achieve the goals of this Policy Framework.

The Ministry expects each institution to develop a Commercialization Policy in adherence to the Ministry's timeline, with each institution setting its own internal deadline for full implementation of all elements of the Commercialization Policy.

Note: The Ministry reserves the right to request that institutions provide a draft of the Commercialization Policy for Ministry review prior to public posting. Ministry review will be limited to ensuring that minimum requirements are met.

In the first year the expectation is that the Commercialization Policy will be publicly posted on the institution's website by **April 29th, 2022**.

In subsequent years, the Ministry expects that institutions will work toward full implementation of all elements of the Commercialization Policy on a phased-in basis. Progress will be documented in Annual Commercialization Plans.

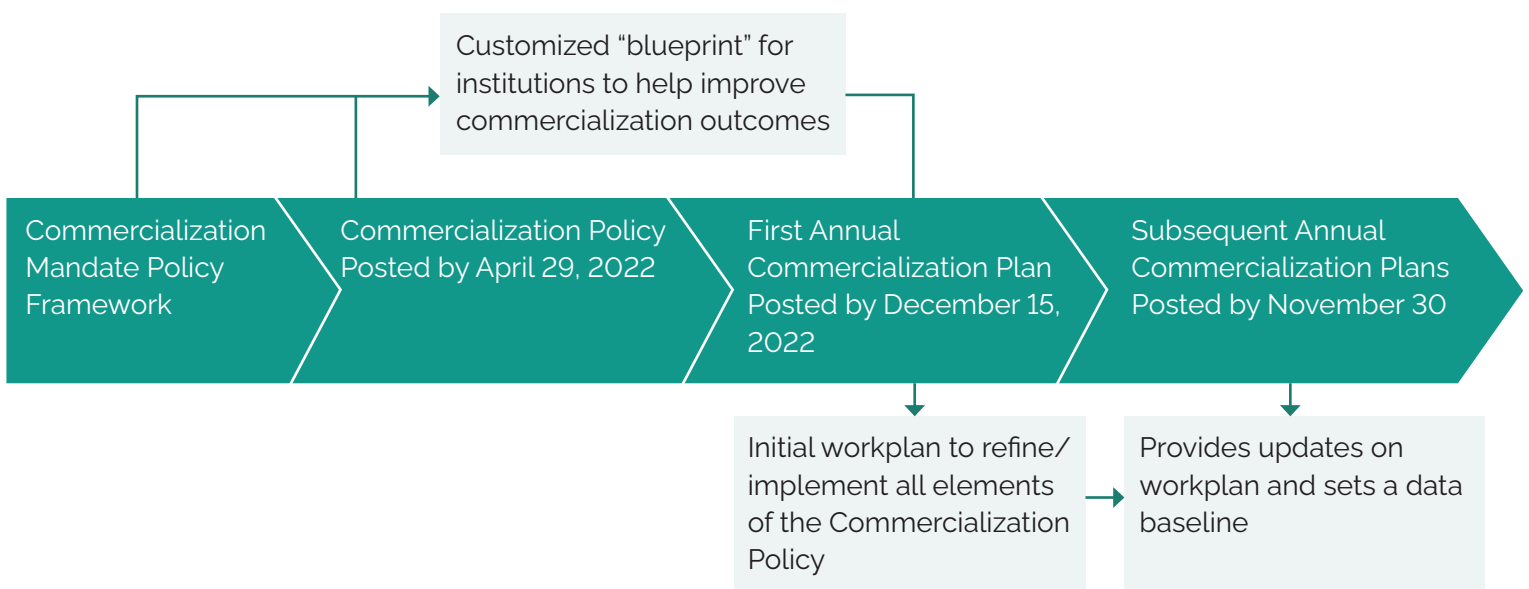
3) ANNUAL COMMERCIALIZATION PLANS

To demonstrate progress toward building institutional capacity to prioritize the protection and commercialization of IP (including modifying existing policies and practices, where necessary) and track commercialization outcomes, publicly-assisted universities and colleges are to develop and publicly post an Annual Commercialization Plan.

The institution's first Annual Commercialization Plan must be publicly posted by **December 15th, 2022** and will establish the institution's initial workplan to refine/implement all elements of its Commercialization Policy (with associated timelines and progress measures).

Starting with the second Annual Commercialization Plan, institutions must publicly post their plans by **November 30th** of each year and provide updates on the workplan. It is expected that these plans will also include baseline measures of commercialization outcomes as identified through the Joint Working Group on Commercialization Metrics.

Commercialization Mandate Policy Framework Reporting System Snapshot



The Annual Commercialization Plans will include the following elements:

1. **Timelines** to identify and incorporate additional information into the institution's Commercialization Policy (assuming not all elements will be finalized in the initial posting of the policy).
2. **A plan to address any misalignments or gaps** in capacity, incentive structures and/or other institutional policies, to foster the protection and commercialization of IP.
3. **Strategies and execution plan to prioritize institutional engagement** with Ontario- and Canadian-headquartered companies to provide a net benefit for Ontarians.

4. **Evidence of a plan for engagement with the new designated IP agency (IPON) and local organizations that support commercialization of IP** (e.g., Regional Innovation Centres, Ontario Centre of Innovation [OCI], local accelerators and incubators, etc.) to identify commercialization opportunities and to protect and manage IP intended for commercialization developed with the institution's resources.
5. **A plan for cross-institutional collaboration** to leverage strengths and address gaps in capacity to increase commercial benefit from IP generated with the institution's resources.
6. **Reporting on key performance metrics** to track progress toward improving commercialization outcomes across the sector.

It is expected that each Annual Commercialization Plan will provide (on a phased-in basis):

- **Progress metrics** to assess implementation of each institution's Commercialization Policy (e.g., #/% of commitments fully implemented; # of plans completed or updated; #/% of TTO staff accessing IP education/training).
- **Outcome metrics** focused on commercialization (e.g., number of patents filed and granted, number of licenses executed, licensing revenue, number of copyrights, number of start-ups established/supported, per cent of domestic industry partners). These outcome metrics will be the subject of consultation and refinement through the Joint Working Group.

4) REPORTING

Institutions are to publicly post their Commercialization Policy and Annual Commercialization Plans.

Once established, the new designated IP agency (IPON) will review and advise on Annual Commercialization Plans at the request of the Minister of Colleges and Universities and publish an annual report on overall sector progress in implementing commercialization policies and meeting commercialization metrics targets.

5) JOINT WORKING GROUP ON COMMERCIALIZATION METRICS

IPON will establish a Joint Working Group on Commercialization Metrics, with support from the Ministry. It will include representatives from the postsecondary sector, government and industry. It will be chaired by IPON's CEO and be tasked with:

- Identifying a set of common commercialization performance metrics;
- Establishing standards for institution-specific baselines and targets for commercialization metrics; and
- Developing standardized reporting templates and resources.

The metrics developed by the working group will be reported in each institution's Annual Commercialization Plans (on a phased-in basis). In co-developing these criteria, the Joint Working Group will play an important role in identifying appropriate metrics that capture the diversity of institutional approaches to supporting commercialization and that do not place an unreasonable burden on the sector.

CONCLUSION

Ontario's long-term economic competitiveness requires new policies and initiatives that prioritize the generation, protection and commercialization of IP. The government of Ontario recognizes this and has been implementing the Intellectual Property Action Plan for the benefit of Ontario researchers and entrepreneurs.

The Commercialization Mandate Policy Framework is the next step in the government's continued progress toward the implementation of the Intellectual Property Action Plan. In releasing this Policy Framework, the government has now fully actioned all four components of the plan.

By helping publicly-assisted colleges and universities clearly define their commercialization policy and develop annual plans to build institutional capacity, make progress and track outcomes, we will see an increase in commercialization outcomes across the province. In combination with the launch of new accessible IP tools and supports through IPON, as well as working together to develop a common set of metrics, we will strengthen our innovation ecosystem for the benefit of every Ontarian for generations to come.