

# Irish Government View of Licensing

*Irish Minister of State gives overview of licensing importance to nation, world*

BY FERGUS O'BRIEN, T.D.\*

Licensing is an important issue for individual firms, for research institutions and colleges and for industrial and economic development generally. I need hardly say that investment and involvement in the development and application of technology is obviously prone to uncertainties. Equally it is an area of potentially great returns. Above all the technology landscape is a varied and ever-changing scene — not unlike our Irish landscape, which I hope many of you will be able to see after this Conference ends.

Technology transfer involves the movement of products, processes and people from one organization to a different one, from one location to another, or from one use to a new one. As licensing executives you act as facilitators in this process of applying science and technology in industry and services. It is this diffusion of technology throughout the economy that has the major impact on growth and development. Essentially, you are the oil in the machine. If industry is to reap the rewards of new product and process development it must always keep in touch not only with the importance of technology itself but the significant role of licensing and technology transfer professionals.

Individual firms, private consultants, state organization, the higher education sector and the intellectual property field: these are the areas from which I understand LES draws its membership. For our part the Irish Government has been increasingly concerned that technology itself and those who facilitate its transfer to productive use should play a more central role in industrial and economic development.

As you are no doubt aware Ireland has been chosen as the location for the subsidiaries of many of the world's high-technology firms. But we have become more and more aware that this does not stem directly from factors present in the Irish industrial environment. Many of these subsidiary plants carry out relatively little research and technological development in Ireland and often do not have a marketing arm or sales force based here. Our indigenous firms have also shown weaknesses in terms of our ability to compete internationally into the medium term.

*\*Minister of State at the Department of the Taoiseach, Government of Ireland; keynote presentation at LES International Conference, Dublin, Ireland, June 1986.*

That is why in the fundamental review of industrial policy through which we have been going in recent years, we have emphasized building technological and marketing capabilities in both overseas and indigenous firms. We believe that by putting this capacity to innovate in place we can help guarantee that a new generation of competitive products will be developed and commercialized in Ireland.

The importance of this new innovation-centered approach was marked by our first National Innovation Day held in October 1985. Sponsored by the Minister for Industry and Commerce and supported by all the state development agencies, this included New Product and Excellence in Technology Awards from the National Board for Science and Technology that went to both foreign and indigenous firms.

As a small country it is clear that much of the technology involved in new-product and process innovation in Ireland will continue to come from abroad — through parent companies and increasingly through independent sources. This is why formal technology transfer and licensing relationships have taken on a new significance in our continuing and evolving international orientation. In a new Technology Acquisition Program, coordinated by the Industrial Development Authority (assisted by technically-based organizations like the Institute for Industrial Research and Standards) the basic infrastructure for identifying and following through on technology-transfer opportunities has now been put in place.

Executives engaged on a full-time basis in "searching" for suitable products and licensors have been posted to overseas offices; evaluation procedures have been developed at home and licensing has been placed in the context of overall company development plans. I believe that members of LES in both the public and private sectors in Ireland will have a major role in making this program a success. They will bring to it the ethics and expertise of professionals. Your choice of Dublin for this important Conference also offers us a major international forum in which to announce and outline this new approach.

I know that you are also going to hear about some of our success stories. The Plastronix case, for example, involves a link up with a medium Japanese company not itself involved in international trading. The experience in this case suggests that the cultural and language differences your conference program refers to can be overcome if the right strategy and approach is adopted on both sides. And like any other negotiating situation we all know there must be benefits for both parties in a technology transfer deal.

For successful licensing we also all know that a na-

tional economy must have a certain research and development capability of its own. We in Ireland increased industrial R&D by 46% in nominal terms and 20% in real terms between 1982 and 1984, admittedly from a relatively low base. We are also emphasizing the important area of university-industry relationships.

I understand that this is also an area of major concern for LES Britain/Ireland as well as other chapters of the Society, and that most of the industrial liaison officers in our higher-level colleges are members of LES. I am delighted to see that this is also featured in your program.

The transfer issues and processes in this situation are generally of a "vertical" nature — how to get from discovery in the lab to use on the factory floor? But many of the same personnel and management-related issues apply as in the "horizontal" transfer process between firms. We have recently identified a number of the major barriers in Ireland to the development of closer integration between the needs of industry and the resources of the higher education sector and vice versa. Those mainly stem from a lack of awareness of each others' needs and abilities and bureaucratic procedures which reinforce these tendencies.

We believe that many of the barriers could be eliminated rather easily and at little or no expense to the taxpayer and to the parties directly involved. What is needed is greater interest on both sides, and LES can do much to create this more conducive environment.

#### Technology Preoccupation

We are also proud of the fact that we produce more graduates in computer-related disciplines in Ireland on a per-capita basis than even the United States. As the advertisement that many of you will have seen at Dublin Airport states our young people may soon be employing

you. Technology is certainly becoming one of their central preoccupations.

Licensing-out activities are not confined to the private sector. For example, we recently licensed the design specification of a new Offshore Patrol Vessel that is mainly involved in fisheries protection. In 1985 the state sector, which is organized in a joint-marketing group known as DEVCO, clocked up earnings of IR£80m, mainly in developing countries. This is another area in which I know LES has an interest through your LESIAC Committee, which liaises with all the major international development bodies, such as OECD, UNIDO, WIPO and ICC.

The Irish higher-education sector has also been involved in know-how and technical assistance activities overseas. Through the Higher Education Development Cooperation Organization we have been involved in the Middle East and the African countries in particular in setting up new science and technology-related and other educational facilities.

Technology transfer and licensing is a people-based activity and this conference is a microcosm of that process. With delegates from 38 countries worldwide you are bringing together many diverse facets of that human element — people with different backgrounds and nationalities; from large and small firms; from technology suppliers and technology recipients. China, India, Eastern Europe, the Middle East as well as the U.S. and European Community countries are all featured in your program.

This is the kind of diversity and openness that we in Ireland are aiming at our new approach to technology transfer and industrial development. The application of technology is not a zero-sum game. We can all benefit.

That is what this conference is all about — reaping the rewards and avoiding the risks — together. I wish your proceedings well.