

# Commercialisation Australia

## Assistance for local entities/subsidiaries

The Australian Government's new grant programme, *Commercialisation Australia*, has been in operation since January this year. Principal Rob McInnes, who heads the Spruson & Ferguson commercialisation team, spoke with Senior Associate Sylvie Tso about how the programme has fared so far, and opportunities for our clients.

**S:** Rob, the first group of grant recipients under *Commercialisation Australia* has been announced. This is an exciting time for Australia's innovative companies.

**R:** Yes, indeed. In fact, I act for a few of the recipients and have congratulated them.

**S:** You have been in the commercialisation field for over 20 years assisting businesses and research organisations large and small, what do you think of this new grant programme?

**R:** *Commercialisation Australia* is not entirely a brand new programme. Australian innovators have had the benefit of government assistance in the form of grants such as the COMET and the Commercial Ready grants, and certain aspects of *Commercialisation Australia* are reminiscent of COMET at least. Perhaps the most noteworthy aspect is that *Commercialisation Australia* has been designed to provide support for different stages of commercialisation under a single umbrella, which means that applicants may access and exit the programme at multiple points.

**S:** The dollars available sound very attractive, can anyone apply for funding?

**R:** The programme is an important component of the Australian Government's 10 year vision – *Powering Ideas: An Innovation Agenda For The 21st Century*, so it is targeted to the innovative sector of the Australian economy, such as researchers and innovative companies. Most importantly, the programme is designed to help inventors, entrepreneurs and researchers to turn their ideas into money-making products and services, which is the essence of



commercialisation. It's not a research funding scheme.

**S:** So what are the eligibility criteria for funding?

**R:** To be eligible, an applicant must be one of the following:

- a non-tax-exempt Australian company;
- a researcher applying through an Australian university or a publicly funded research agency's commercialisation office;
- an individual or researcher applying through an eligible entity, or
- an individual who warrants to form a non tax-exempt company.

There are also turnover requirements which the applicant must satisfy, and applicants will need to prove that they will be able to fund their share of funded project costs. As the grant programme is technology-related, it is important that applicants demonstrate that they have ownership or beneficial use of the intellectual property necessary to carry out the commercialisation project.

**S:** The applicants will need to prove that they will be able to fund their share of project costs, that's a key issue.

**R:** Yes, the grants require a successful applicant to match the funding. The programme offers a suite of grants to assist companies at different stages of commercialisation. These include:

- Skills and Knowledge Grants** provide funding up to \$50,000 to access specialist advice and services;
- Experienced Executive Grants** provide funding up to \$200,000 over two years to assist in the recruitment of experienced CEO's and other executives;
- Proof of Concept Grants** provide funding from \$50,000 to \$250,000 to test the commercial viability of a new product, process or service; and
- Early Stage Commercialisation Grants** provide funding from \$250,000 to \$2,000,000 to undertake activities that enable a new product, process or service to be developed to a stage where it can be taken to market. However, an applicant will be required to repay the grant at a percentage of sales income from outcomes of the project and/or a percentage of company profits, depending on the success of the project.

With the exception of the *Skills and Knowledge Grant* under which the applicant funds 20% of the costs, all other component requires that the applicant match funding on a 50:50 basis.

**S:** I understand that these grants are merit based, does that mean that it will be highly competitive? And if so, what tips can you give to potential applicants?

**R:** As with all applications for discretionary government funding, getting a grant is going to be competitive. *Commercial Australia* has issued guidelines as to how the applications will be assessed. All applications will be assessed against the following five merit criteria:

- the need for funding,
- commercial plan and potential,
- market opportunity,
- management capability and
- national benefits.

Each of these merit criteria are explained fully in *Commercialisation Australia's Customer Information Guide* which may be downloaded

# Grace Periods

## A safety net only under certain circumstances

at its website ([www.commercialisationaustralia.gov.au](http://www.commercialisationaustralia.gov.au)). I suggest that all potential applicants thoroughly address each of these criteria.

**S: Commercialisation Australia has indicated that an application will be turned around within 45 days - that's pretty quick, isn't it?**

**R:** This approval period is pretty quick. However, applicants often underestimate the time and effort involved in preparing the application. Remember that the programme is competitive, so you will need to convince your assessor why you should be the one getting the grant by making a compelling case, using coherent and concise language and providing persuasive evidence, if available.

**S: What happens to the successful applicant, apart from getting the funding, of course?**

**R:** Well, successful applicants will need to sign a Funding Agreement with the Australian Government. The Funding Agreement sets out, amongst other things, the timetable for receiving the grant money, the conditions as to how the grant money should be spent, and the conditions relating to intellectual property rights generated from the project. It is important to ensure that the Funding Agreement is complied with when carrying out the project, and especially when applicants are also receiving investment from a third party.

The applicants will further receive help from a case manager, and from volunteer business mentors, to guide them through the commercialisation process.

**S: Thank you Rob. This is a new era for Australia's innovative community. We wish all applicants the best of luck.**



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It sometimes arises that an invention has been published or used before a patent application covering the invention is filed. In most jurisdictions, the prior publication or use will form part of the prior art base against which any subsequently filed patent application will be assessed, potentially jeopardising the ability to secure valid patent rights for the invention.

For this reason, the golden rule for protecting your invention is to file a patent application before making any disclosure of the invention.

Fortunately for Australian applicants, there is a safety net in the form of "grace period" provisions, which offer an opportunity under limited circumstances to protect an invention that was disclosed before an Australian patent application has been filed.

### Self disclosure and authorised disclosure

Where an owner has published or used, or authorised publication or use of, the invention without first having filed a patent application and the owner subsequently files a **complete** Australian patent application (as opposed to a provisional patent application) within 12 months of that publication or use, the publication or use will be disregarded when deciding the novelty, inventive step, or innovative step of the invention claimed in the complete patent application.

Thus, if you believe that there has been or may have been disclosure of any aspect of your invention before you have filed a patent application relating to that invention, it is imperative that you seek professional advice from your patent attorney as soon as possible.

### Reasonable trial and experimentation

If the physical nature of the invention makes it reasonably necessary for working of the invention for the purpose of reasonable trial to be in public, then such working of the invention may be disregarded when deciding the novelty, inventive step, or innovative step of the invention, provided that a patent

application is filed within 12 months of the earliest date of public working of the invention. The recent case of *Mack Innovations & Anor v Rotorco Pty Limited & Anor* in the Supreme Court of Queensland considered such reasonable trial in respect of a "Cable Pulling Apparatus for Helicopters" and confirmed that a provisional application filed within 12 months of the earliest date of public working of the invention was sufficient to enliven this particular "grace period" provision.

### Learned Societies and Recognised Exhibitions

The "grace period" provisions also provide limited opportunities to protect an invention disclosed in relation to a "recognised exhibition" or a "learned society". It should be noted that "recognised exhibitions" are a particular class of international exhibition and generally exclude exhibitions of an essentially commercial nature. There are strict requirements associated with the "grace period" provisions for recognised exhibitions and learned societies and we recommend that you seek professional advice from your patent attorney regarding the specific circumstances prior to disclosing your invention.

Whilst the "grace period" provisions offer limited opportunities to obtain patent protection in Australia for inventions that may have been disclosed, most jurisdictions do not offer equivalent saving provisions. Accordingly, to maximise opportunities for patent protection and commercialisation in Australia and overseas, we recommend that patent applications be filed prior to any disclosure of an invention.



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