

# Importance of Establishing IP & Technological Innovation Policy & Strategy in Universities & R&D Institutions









#### **Mohamed Shariff Mohamed Din**

Advisor, Putra Science Park Universiti Putra Malaysia

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### **Mohamed Shariff**

- © Universiti Putra Malaysia (since 1977)
- Doctor of Veterinary Medicine



### FAST TARGET<sup>TM</sup> WHITE SPOT VIRUS DETECTION KIT

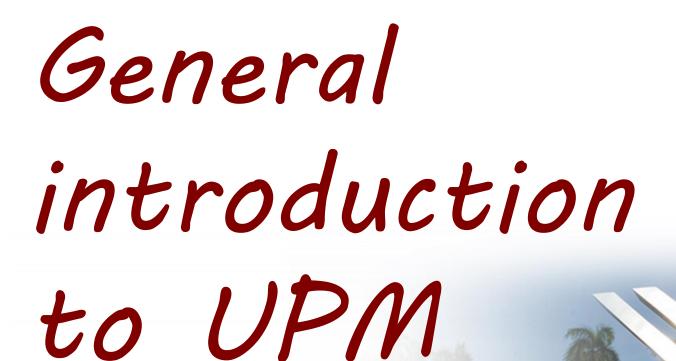


### **Mohamed Shariff**

✓ 2006 -2010Director, Innovation ar commercialisation Cen

✓ 2010 - 2013Director,Putra Science Park

- Scientists
- Inventor
- Commer technology
- EstablishedCommm.Centre > 7 yrs
- Still fish Dr.



eading research university in Malaysia is located in Serdang, next to Malaysia's administrative capital city;
As a world renowned centre of learning and research, UPM has attracted students and staff from all around naking it a well- respected global entity.

### **UPM** main campus



### **UPM Faculties**

- Agriculture
- Biotechnology & Biomolecular Sciences
- Computer Science & Information Technology
- Design & Architecture
- Economics & Manage.
- Educational Studies
- Engineering
- Environmental Studies

- Food Science & Tech.
- Forestry
- Human Ecology
- Medicine & Health Sciences
- Modern Languages & Communication
- Science
- Veterinary Medicine
- Agri. & Food Sciences

Total:



### **Human Capital**

Professor	197
<b>Associate Professor</b>	349
Senior	1611
Lecturers/Lecturers	
Administrative Staff	918
Support Staff	3427
Total	6502

83.8%
Academic
Staffs with
PhD

2157

2014



#### **Number of Students**

Level	Local	Inter- national	Total	
Undergraduate	15, 495	696	16, 191	60%
Postgraduate	7,369	3,412	10, 781	40%
Total	22, 864	4,108	26, 972	



### Intellectual Property







Patents Pending
Industrial Design



281

Copyright

### **Cumulative Patent 2012**

- Australia
- Brazil
- Canada
- •China
- Egypt
- European
- Hong Kong
- •India
- •Indonesia
- Japan
- •Korea
- Libya
- Mexico

- Morocco
- New Zealand
- Philippines
- Singapore
- South Africa
- Sri Lanka
- Switzerland
- Taiwan
- Thailand
- •UAE
- United Kingdom
- •USA
- Vietnam



Filed in Foreign countries

### Commercialisation

- Products commercialized 97
- Gross Sales > \$16.5 million
- Income (royalty, licenses fee, outright)

**= \$2.9 millions** 

2015





### Requirements for Innovation

### Research that benefits the nation



### Commercialization: Moving to the global market



Pakistan India Philippines South Africa

Guam **Papua New** Guinea **Thailand Vietnam Egypt Turkey United Arab** Republic Indonesia **Bangladesh** China Sudan Cameroon **Nigeria** USA



### **Preparing Malaysia Today for Tomorrow**

**Dot EIA** 

(Require cold chain)

Thermo stabilised Immuno- chro **PCR** matography

Universal **PCR Chip** (Nanotech nology)

Scientific Discover y 50kDa 1986-1991

**TYPHIrapid**™

(No cold chain)

15 min



2005

EZ TYPHI carrier DNA



2008



1997

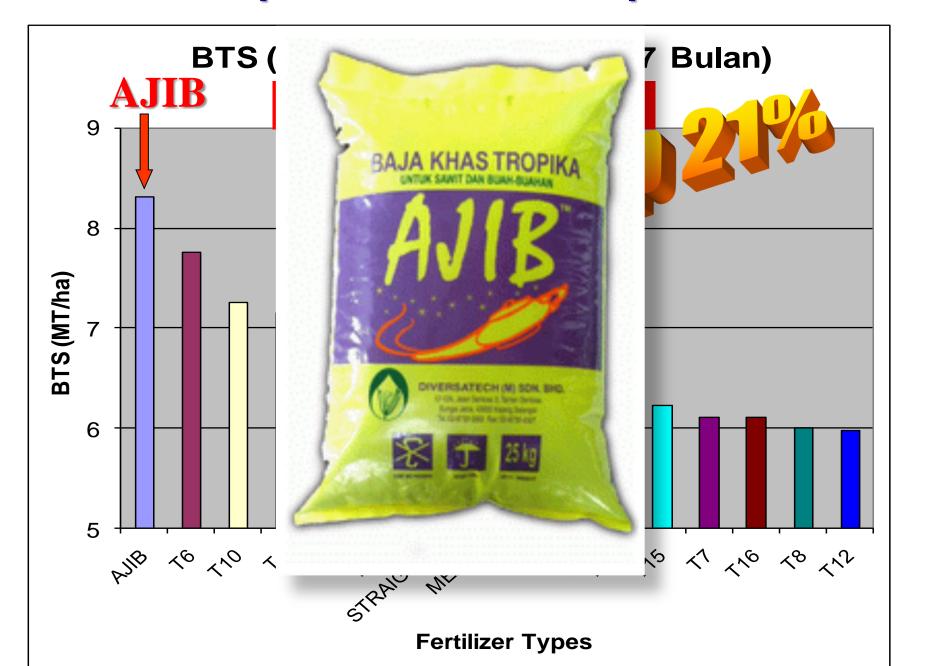
1998

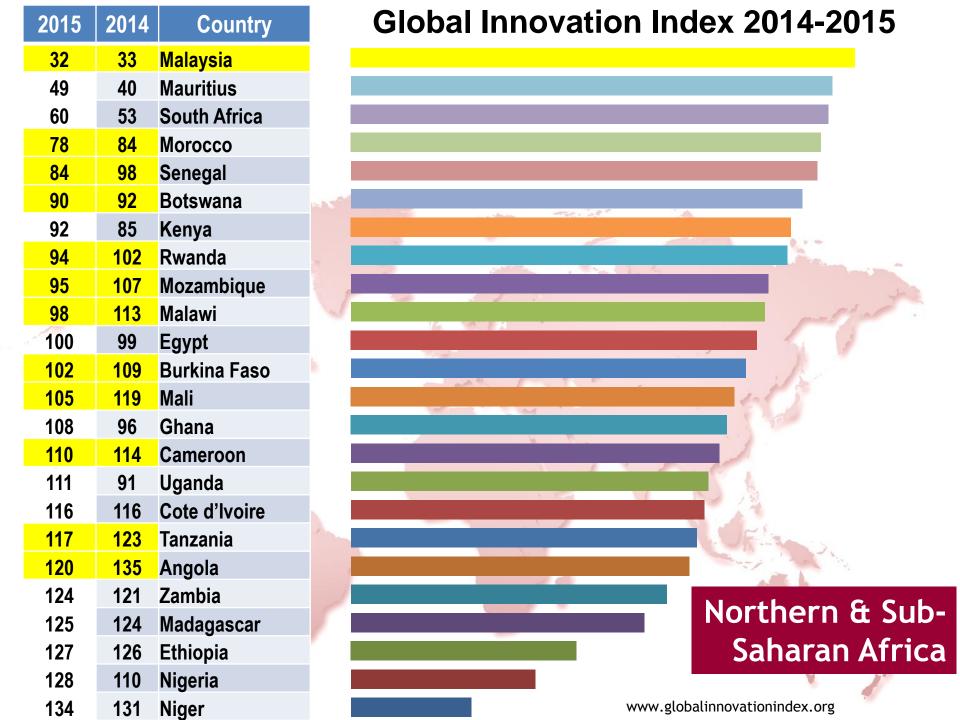
2004

1994



#### Rank top out of 16 others products!





### Transforming Malaysia into Innovation - led Economy

### Success: from zero to world top producer

### Origin of rubber plant to Malaysia





### Natural Rubber - Malaysia

- ➤ Prior to 1957, economy heavily dependent on primary products
- > 1990 World's largest producer



1/4 of world production

### **Natural Rubber**





Exported raw commodity - source of cash income for millions of rural household

### **Natural Rubber**





Processing raw rubber sheets

Exported smoked rubber sheet

Sold at relatively low price

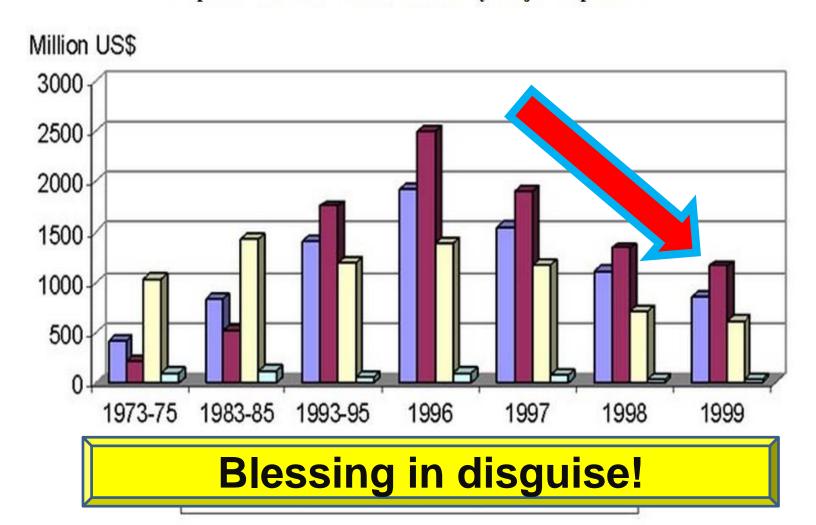


### Imported value added rubber products



### Drop in value of agriculture (Rubber) based commodities

**Exports Value of Natural Rubber by Major Exporters** 



### Globalization

Cannot be complacent or else we will be dependent on other forever!





Have to compete with the rest of the world!









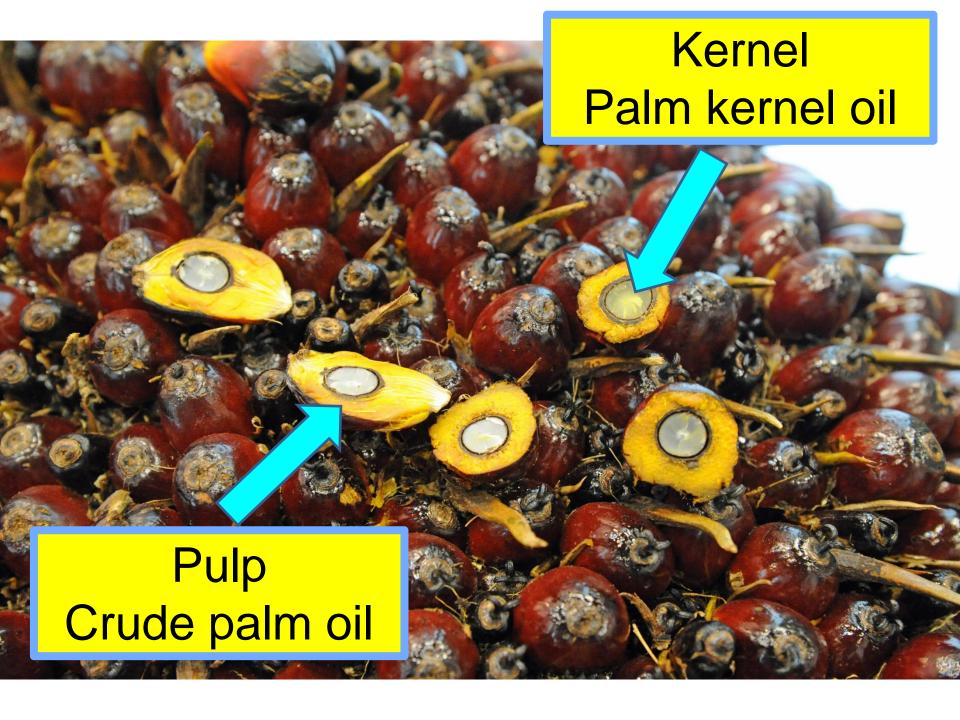


### Malaysian export earnings from natural rubber & rubber products (Value in RM Billion)











### Historical perspective

#### Ghana

- □ British establish plantation in 1900
- ☐ Independence 1957
- ☐ Industry small industry by global standard
- ☐ 2008 300,000 ha

#### **Malaysia**

- □ British establish plantation in 1917
- □ Independence 1957
- □ Production increased dramatically & expanded into higher-value products
- □ 2008 > 2,000,000 ha

## How did we do it?



#### **Strategies & Roadmaps**

#### **MALAYSIAN POLICY**

**National Biomass Strategy 2020** 





New wealth creation for Malaysia's palm oil



Increase growth National Income (GNI) to \$10 billion

Success due to appropriate policies & strategies



develop renewable

#### **Act of Parliament:**

- \$3.50 /MT of CPO produced for R&D =\$65 million
- \$.60 for promotional activities =\$12.5

## Oil Palm





#### **Exploitation of oil palm phenolics**

- Antioxidant
- Anti microbial
- Anti atherogenic
- Anti cancer
- Anti diabetic
- Anti hypertensive
- Anti inflammatory
- Anti obesity
- Anti spasmodic
- Anti thrombotic
- Anti allergenic
- Anti ulcer
- Memory enhancing







Confirmed:

In vitro, whole animal and microarray studies



# GENETIC ENGINEERING OF THE OIL PALM





## **Targeted Traits**



FRUIT FORM (SHELL) TISSUE CULTURE UNIFORMITY











HEIGHT









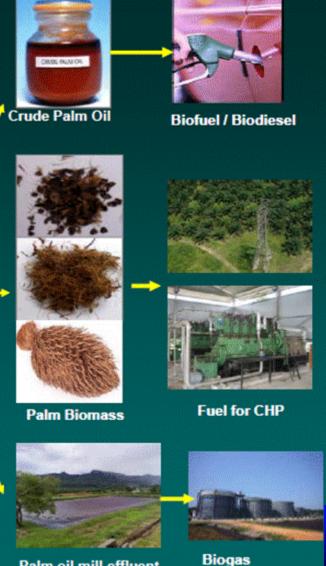


**FRUIT COLOUR** 

#### Diversification by adding value to biomass

**Abundance of Biomass -**110 million tons 2020

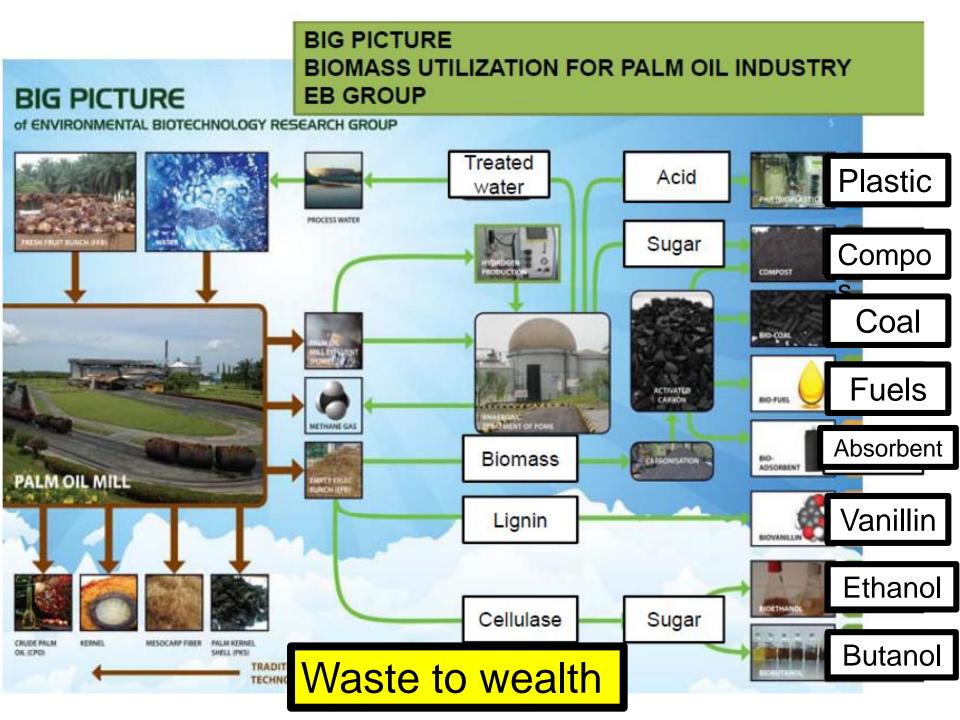




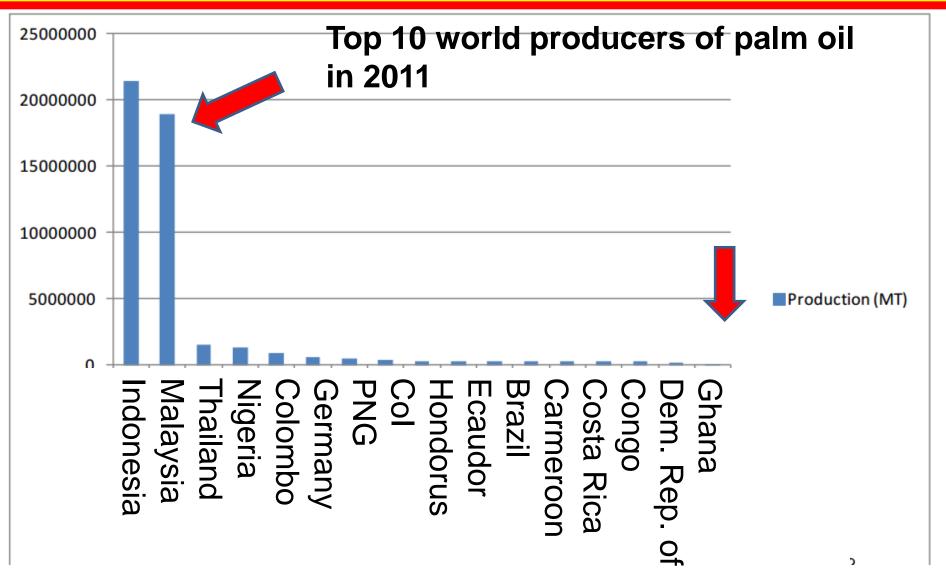
MPO

(POME)

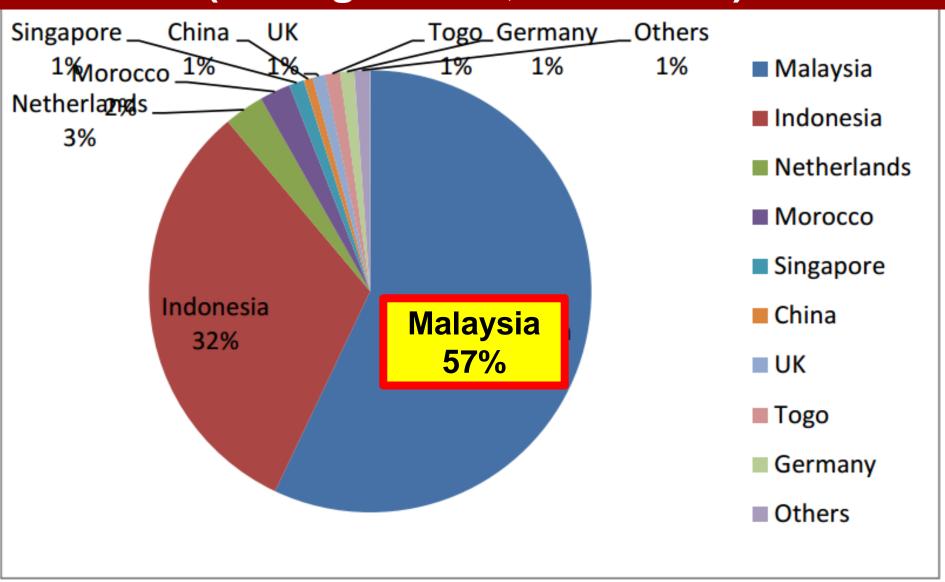
90% biomass



# Ghana 1st country British started oil palm plantations in 19th century



## Countries exporting palm oil to Ghana (average share, 2005-2010)



Source: UN Comtrade, 2012

#### Disincentives for

- Poor attention at po
- Lack of diversification added products
- Negative impact
  - High access costs
  - Illicit tavation

## Palm Oil in Chana In Malaysia

- Several Strategies/ Policies
- Established Institutions
- Incentives upstream & downstream products
- Capital Investment incentives

Exploitation of IP & Appropriate Policies/Strategies makes the difference between success & failure

# Success: due to appropriate policies & strategies

#### Patent - financial benefit to nation

20% Oil Extraction Rate (OER)

\$26 Billion (2011)



**OER increased by 1%** 

+ \$260 million

increase by

2%

+ **\$320** million

#### Without IP strategy/policies

Waste valuable resources & miss opportunities to protect valuable assets





## Innovation a key factor



**Business** 

sector financing with Public Private

Partnerships as an intermediate step. The Government will sup-

port development of knowledge-

viding access to spe-

schemes, improving

ovation capabili-

ding specialised

eliberately

s and oppor-

Jan companies

ation, through the

nent process and the

It's vital to help increase productivity, competitiveness

INNOVATION is a vital ingredient to increasing productivity and ultimately raising the competitiveness of the country

Through exploitatio al value c same base

resource. Innovati tion and di Governme will pron across the

The bu

critical ingredient of this innovation process. For example, by ensuring a competitiv right price see a clear Investir

and educa powerful an econor innovation the desire The Gov

of action

dimension; shaping a supportive ecosystem for innovation creating innovatio in place funding in innovatio

innovation system along rour key

Without linking scientific knowledge to innovation policy, it is impossible to have

sustainable development

Trade and investment policy will be biased towards building innova-

to promote participation from the

industry to co-sponsor employees

Information technology (IT)

to obtain industrial PhDs.

An improved public procure-

ment process is a key opportunity e level of innovation in anies. Procurement

eate demand for SMEs to develareas and tential. ey driver compete to

that are more ad safer. atory changes are

ve innovation. There

will be a push towards green technology through the National Green cy, in preparation

ts and services red choice for

Investing in science, research & education

serves as a powerful engine of innovation in

an economy

through incubators. The success of innovation agenda innovation, and will also partner

ship for programmes that support

stigma of failure and allow those who failed in the first instance to

To increase productivity, & ultimately raising competitiveness of the country



# Role of Public Policies & Institutional Policies

#### Role of public & institutional policies

■ Increase R&D funds

- Support innovative activities in public & private sector
- □ Support for public private sector partnership

#### Role of public & institutional policies

☐ Stronger efforts to combat counterfeiting & piracy

☐ Serious & growing problems

#### **Policies**



## INNOVATING MALAYSIA

A Joint Effort by
MOSTI & AIM

NATIONAL INNOVATION POLICY

### Biotechnology for Wealth Creation and Social Well-being

#### Long term goals - going global







By 2020 Malaysia will be a global player in biotechnology & will generate at least 20 global Malaysian companies

# Malaysia moving toward innovation-led economy, driven by knowledge, creativity, technology & innovation

1960s - 1970s

Agriculture-Based Economy

Basic Input Factors

- Land
- Labour



1980s - 1990s

Resource-Led Economy

Basic Input Factors

- **■**Infrastructure
- •Collateralized risk- free capital
- **Labour**



**Target: By 2020** 

Innovation-Driven Economy

Knowledgebased Critical Success

**Factors:** 

- Technology
- Markets





#### **Continuous improvement**

## Science in the nation has reached a crossroad and new strategies are needed

#### Injecting new vigour in nation's science agenda

#### MAKING TWO INITIATIVES WORK:

Science in the nation has reached a crossroads and new strategies are needed

CIENCE is important in nation-building. Not many would dispute that. A recent discourse on the future of science at the academy, which brought together two members of parliament and an ex-deputy minister, was unanimous on this.

The panel even went as far as articulating the need to urgently establish a parliamentary standing committee to monitor and debate on the state of science in the country.

In the Untied States, the President of the US National Academy of Sciences briefs the US Congress on the state of science every year. The reason why the US Academy of

Sciences is given the task is because it is independent and can, therefore, report objectively.

Likewise, if Malaysia is to have a parliamentary standing committee, the academy's president is the right person to report to the committee.

Many sectors have benefited from the country's past investments in science. These include plan-

tation, agriculture, electric, electronics and to some extent, construction.

Oil palm and rubber would not be where they are today without the prudent investment in science. The same goes for the information communication technology and electronics sectors.

plicate the need to have the right talent in the coming years.

The demands on science have also changed. The years ahead would witness the emergence of

> new sciences, such as nanotechnology, biogenetics and sustainability, just to name a few.

The impact of climate change will also be felt more in the coming years. Though spending by government has been on the rise, the same cannot be said for industry.

Getting industry to invest more in science continues to be a challenge.

In developed economies, it is not uncommon to see industry bearing almost 80 per cent of the country's spending on research and development (R&D).

We would not be wrong if we say that science in the country has reached a crossroads. New strategies are needed. S2A has three thrusts: Science for Industry, Science for Wellbeing and Science for Governance.

Science for Industry essentially aims to motivate industry to invest more in research and innovation. In developed economies, more than 70 per cent of research funding is borne by industry.

This is especially true for applied research, or research closer to the market. It is the opposite here. Most of the funding comes from government.

Science for Wellbeing covers the investment in science for the public good. These include the science needed to resolve issues on the environment, climate change, public health and the like.

Science for Governance necessitates more transparency and accountability in the allocation of resources for science. After all, science is an expensive investment.

S2A very much reflects the new Science, Technology and Innovation (STI) Policy anchored by the Energising Industry: Governance; Promotion; and, International Linkages.

What is needed now is how to translate the two initiatives into action. Over the years, effective implementation of policies has always been the sore point. The monitoring mandate has always been weak.

What we need is a robust institutional framework to drive the efficient delivery of both initiatives. To get the best out of both plans, S2A and the STI Policy must converge. This is where the National Science and Research Council should be given the muscle to act.

The long awaited Science Act must be concluded soon. The Act will hopefully provide more teeth to a new institutional framework of science governance.

The new commitment shown by the government should pave the way for a refreshed mood on the positive future of science.



Dr Ahmad Ibrahim is fellow of the Academy of Sciences Malaysia

# New institutions/units established to provide financial support



National Committees Headed by Cabinet Members	
Committee	Chairperson
Innovation Eco-System Committees	
1.Innovation Skills	Dato Seri Mohamed Khaled Nordin
2 Intellectual Properties	Dato Seri Ismail Sabri Yaakob
3 Investment (Public Fund)	Datuk Seri Panglima Dr Maximus Johnity Ongkili

Prof Emeritus Tan Seri Dato Lim 4Innovation Megatrend **Kok Wing Wealth Creation Committees** 

1. Innovation Impact

2. Investment (Equity)

Fund)

**Projects** 

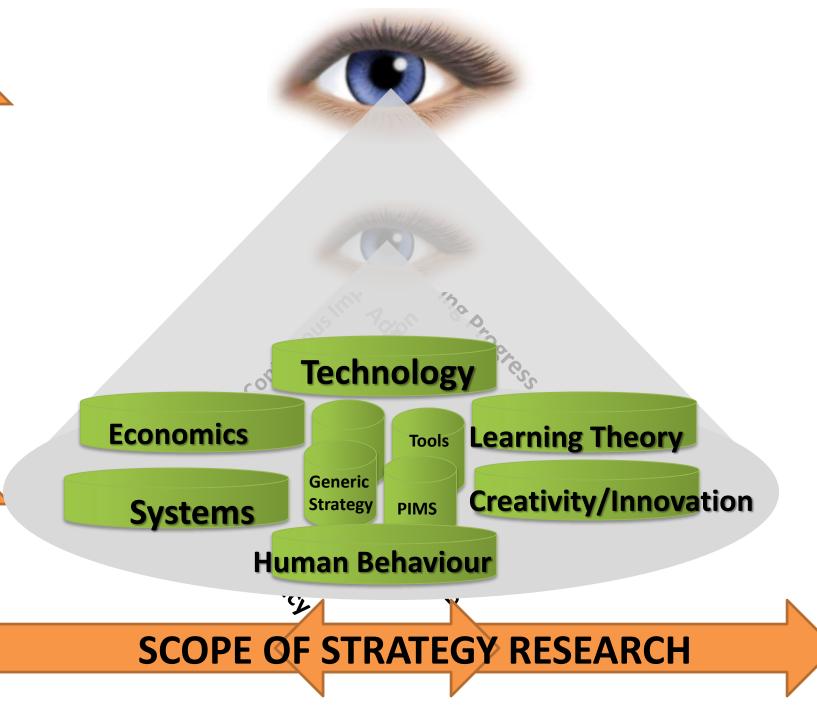
**Dato Mustapa Mohamed** 

Yan Sri Nor Mohamed Yakcop

#### Requirements for Innovation

# Political Commitment & support of national authorities







#### Public Service - TOGETHER WE TRANSFORM



### Think out of the box

By TEH ENG HOCK

enghock@thestar.com.my

he Civil Service needs to focus on innovation and creativity in today's competitive environment in order to change the public sector transformation.

Embracing innovation and creativity is key to successfully supporting the four pillars of the Government, namely the IMalaysia concept, the Government Transformation Programme, New Economic Model and the IOth Malaysian Plan.

Government agencies need to prioritise efforts in introducing innovation to all aspects, including management and service delivery to people and clients.

Innovation, coupled with proper planning, will help the country achieve its objective of being a high-income nation within a short period of time.

Prime Minister Datuk Seri Mohd. Najib Tun Abdul Razak had emphasised' that the Government would transform Malaysia through a holistic innovative process, ranging from innovative administration in the private and public sector, societal innovation, urban and rural innovation, and branding innovation.

Other fields singled out for innovation were education, healthcare, transportation and social security.

through pre-cursors such as the IMalaysia concept, National Key

Result Areas (NKRAs), Key Performance Indicators (KPI), New Economic Model, and the establishment of Special Taskforce to Facilitate Business (PEMUDAH), Performance Management and Delivery Unit (PEMANDU) and the National Economic Advisory Council (NEAC).

This underlined the Government's commitment in bringing about total innovation to bring the country to the next economic level.

"If previously, Quality Control Circle (QCC) focused on solving problems pertaining to main issues within departments, today, Innovative and Creative Circle (ICC) has given space to the members of its organisation to be innovative and creative in producing new ideas, without having to wait for issues or problems to occur within the department."

"In accordance to that member of the organisation must be more sensitive, concern, and proactive within their respective working environment, in line with the aim to improve our service," said Najib

He said: "If once upon a time we succeeded in transforming the economy from agriculture to industrial based, now we are moving forward towards a new economic model based on innova-



Najib: 'I do not want the automation culture to become the lifestyle among the civil servants'

While the achievements of the civil service had been measured in terms of productivity in the past, he said the civil

Government agencies have been encouraged to create an environment that is conducive for creative thinking,



The agencies and departments mus also raise awareness on the necessity o the innovative approach in service delivery. This can be done through campaigns exhibitions, seminars, talks and con-

Internally, each agency and depart ment must set up a mechanism which encourages and gathers ideas from its staff. All suggestions must be received regardless if it brings about a big of

#### **Innovative Nation**



"To become an innovative Nation, we need a mental transformation in the Government, industry and the education sector. This is to shape the attitude of our future generations. This is our mission."

YAB Dato' Sri Mohd Najib bin Tun Abdul Razak Prime Minister Malaysia

#### LAWS OF MALAYSIA

#### Act 718

#### AGENSI INOVASI MALAYSIA ACT 2010

An Act to incorporate the Agensi Inovasi Malaysia, to stimulate and develop the innovation eco-system in Malaysia towards achieving Vision 2020, and to provide for matters connected and incidental thereto.

]

#### **Agency Innovation Malaysia**



CONCEPT



RESEARCH & DEVELOPMENT



PROTOTYPE / PILOT



COMMERCIA -LIZATION



SCALE UP



SUSTAIN GROWTH

Strengthen the Building Blocks of Innovation

- Build FutureSkills in the Education System, IHLs, the Private Sector and Government
- Nurture and Develop Intellectual Capital
- Creating a seamless funding pipeline for innovation

Leveraging on Innovation Enablers

- Utilizing multi-platform ICT technologies to engage the citizens
- Adopt open innovation collaboration between academia, industry, government and citizens
- Involve all levels of citizens in the nation's innovation agenda

World class innovative nation

- Develop world-class PRIs and COEs in niche areas
- Develop global companies with distinctive capabilities through innovation, leading to global penetration
- Encourage the Rakyat to out-perform themselves

# Creating a culture of Innovation

#### Innovation - Inland Revenue Board wins PM Award

27 May 2010 The Star

THE STAR. THURSDAY 27 MAY 2010

# Nation

thestar.com.my/news/nation

free seats

kok >NI8

Illegal sand mining angers folk >N29



Rep: We need more reports on activities > N6

.

#### Two

Feminine feminist
Miss Universe
Malaysia 2010 Nadine
Ann Thomas is a selfconfessed feminist
who is into make-up
and looking pretty.

Biz

TM's backhaul rates too high In Bhd says Telekom Malaysia aul charges are expensive it is forced to build its own acilities.

ro

to move its headquarters hah Alam soon. Meanwhile,

## RMImil award for IRB

#### Reward could be used for bonus or training, says PM

**KUALA LUMPUR:** The Inland Revenue Board (IRB) has taken home a RM1mil incentive for winning the Prime Minister's Innovation Award

The reward, said Prime Minister Datuk Seri Najib Tun Razak, could be used in any way deemed meaningful by the board – including for training purposes or to be given out as bonus.

Najib hoped the award would be a strong encouragement for the department – all the way from the head of department to the lowest level of staff – to want to perform even better.

The Prime Minister presented the award at a ceremony vesterday.

IRB chief executive officer Datuk Hasmah Abdullah said the department had always been negatively perceived by the public, but this would not dampen its determination to keep improving.

"Many people have the common perception that paying taxes is burdening. Our key to innovation is to make tax payment easy and we have done it successfully," she said after receiving the award from Najib.

Earlier in his speech, Najib said Malaysia had no choice but to be willing to embrace change in this globalised era. The public sector must be able to think out of the box and be creative to bring about development.

"We need to engage new methodology and approach because other countries which were not our competitors before have changed and are competing against us," he said.

He added that the Government sector had taken a big leap when it introduced the National Key Result Areas and Key Performance Index to ensure that the country was not lagging behind when others were moving forward.

"There must be innovation in the government administration to ensure that its outcome will please and satisfy the *rakyat*," he said.

#### **Income Tax filing done Online**



## E-Filing LHDNM Easy, simple & Safe

PENGESAHAN PENERIMAAN e-BE BAGI TAHUN TAKSIRAN 2011

ACKNOWLEDGEMENT RECEIPT e-BE FOR YEAR OF ASSESSMENT 2011

Nombor Siri BE 240174

Serial Number

Nama PROF DR MOHAMED SHARIFF BIN

Name MOHAMED DIN

No. Cukai Pendapatan SG 02184673010

Income Tax No.

No. KP Baru 490314055093

New IC No.

Jumlah Pendapatan RM 209,402

Total Income

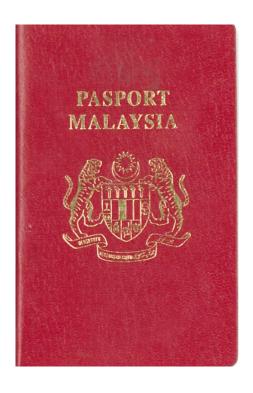
Pendapatan Bercukai RM 190,369

Chargeable Income

Jumlah Cukai Yang Dikenakan RM 10,144.94

Total Tax Charged

#### Renew passport

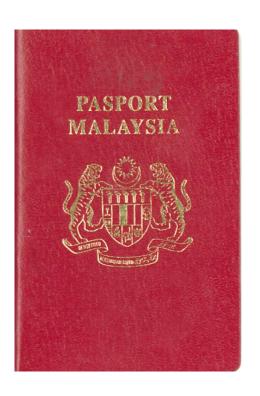


**Deposit old passport** 





#### Renew passport



1 hr New passport ready

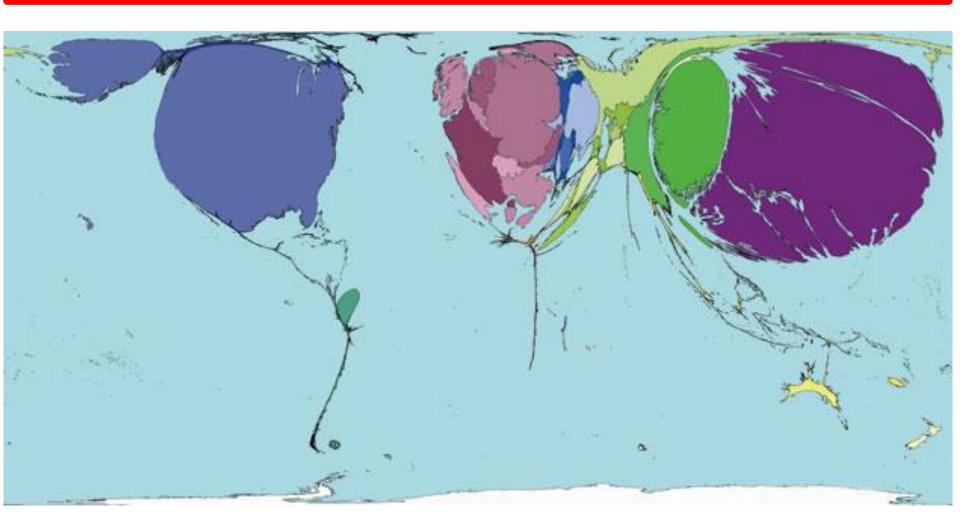




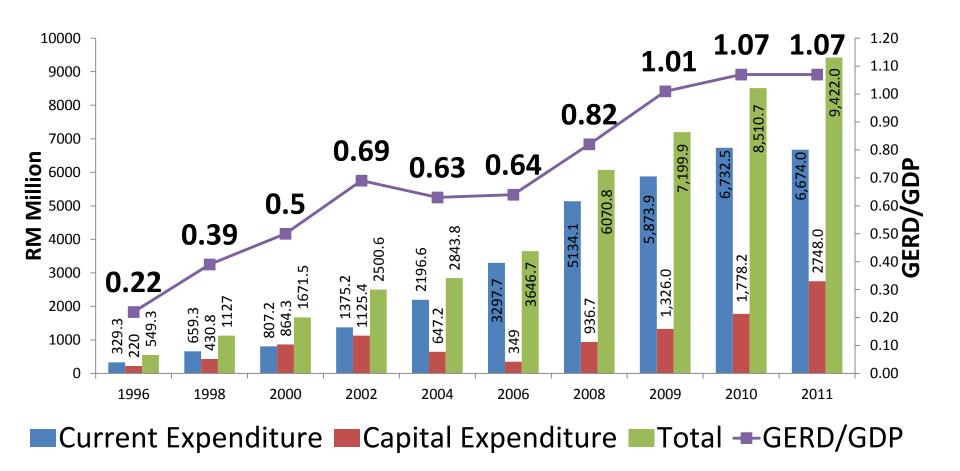
# **R&D** Expenditure

Strong link between the growth in national economies and their corresponding R&D budgets

Cartogram - countries are distorted in proportion to No. of annual patents granted there. Japan & USA each accounts for roughly 1/3 of patents worldwide.



### Gross expenditure on R&D (GERD) 1996-2011



Source: MASTIC(2012

### **TTO Practices**

- Apply best practices & structured innovation methodology
- Create healthy relationship between private sector & institution

#### Strengthen building blocks of innovation



TTO & Graduates – must have:

Innovation methodology

Build future skills today

The Workforce must:

■ Master Innovation Methodology for creating new products & services





# Poultry vaccines production















# Lessons from successful nations

# Top innovation country

# Switzerland No. 1 in 2013 Global Innovation Index



# Lessons from successful countries

1 st:

- Well-constructed innovation policies/strategies
- Effective implementation

Successfully able to influence &

to increase their innovation capacity &

competitiveness

# Lessons from successful countries

2<sup>nd</sup>

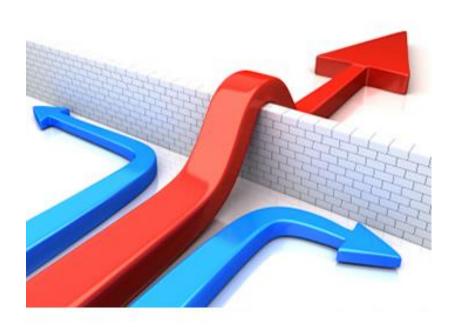
Countries at frontiers of innovation shift dynamically - over the last 25 years

# Top innovative countries

#### Common in 26 nations

- Inventor high academic achievement & high-tech advantage
- Transformer attract inventive firms from other countries because of production & marketing expertise
- Financier high R&D spend per capita & availability of local & foreign venture capital

# Challenges



# Policy/Strategy formulation

Crystal clear strategy

Vague policy/strategy will limit implementation

# IP policy/strategy

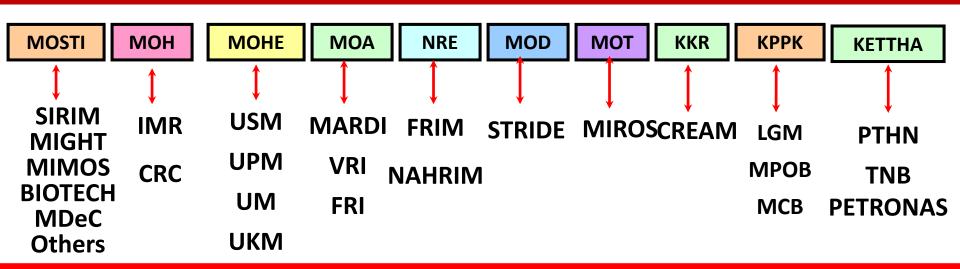
Spells out

How best to develop the talent base for an innovation system

# No single policy/strategy works for all countries

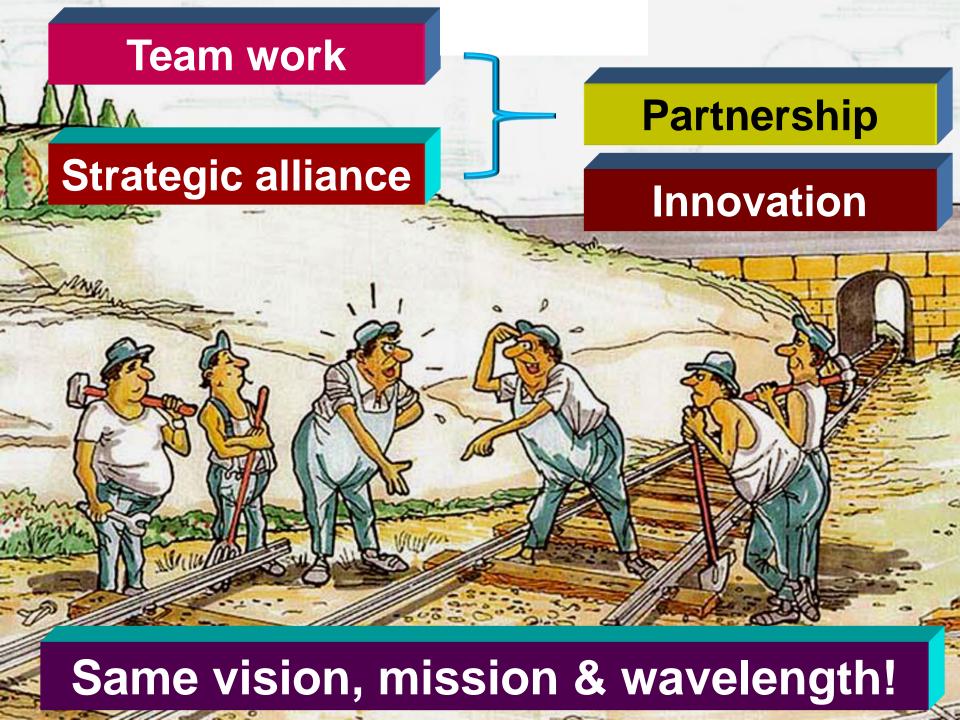
- □ Each country is different & need to crafts its own policy/strategy
- Understand comparative advantages& design innovation policies
- Exploit advantages & raise the odds of success

# Fragmented research activities within ministries



- Fragmented & working in silo
- No single agency to collaborate R&D
- Low No. of commercialized research output
- · Weak linkages between RI & industry
- No centralised database on research activities
- R&D allocation is not optimally utilised

**Source: MOF** 



### Talent Pool

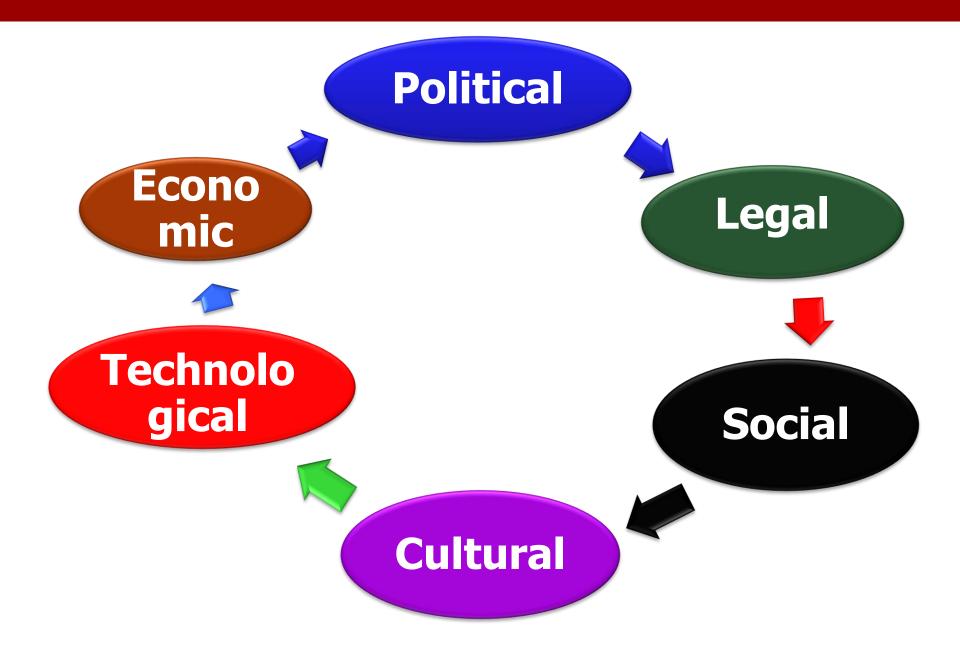
- > Adequate No. of skilled human capital
- > Continuously enlarge talent pool
- > Researchers need to be:

International players

Exploiters of the world market

Contributors to world's agenda

## **Barriers**



# Awareness

- Keep communications open so that every one know what's going on
- Involve policy makers & implementing agencies in awareness campaigns
- Awareness campaigns Phase I
- Awareness campaigns Phase II, III...

### Nation's success

- □ Development & integration of bold policies
- □ Restructuring tax & regulatory systems to become more competitive
- ☐ Increase support for R&D
- ☐ Introduce IP into education programs
- Many other pro-innovation steps

# No quick fixes

- Innovation is still new & evolving
- Innovation culture takes decades to accomplish
- Short-term results difficult to demonstrate & to quantify
- Policy makers must recognise these facts & build flexible programs that takes time to mature & evolve

Nothing is impossible!

You can do it!

