



THE UNIVERSITY OF  
MELBOURNE

29 April 2005

Committee Secretary  
Standing Committee on Science and Innovation  
House of Representatives  
Parliament House  
CANBERRA ACT 2600  
Email: [scin.reps@aph.gov.au](mailto:scin.reps@aph.gov.au)

Dear Secretary,

**RE: Inquiry into Pathways to Commercialisation of Technological Innovation**

Thank you for the opportunity to make a submission to the Committee's inquiry into commercialisation. Commercialisation at the University of Melbourne has a long and distinguished history, much of which has been the subject of a separate submission from the University itself, and it is not the intention of this submission to duplicate that material.

Melbourne Ventures, as the Technology Transfer company of the University of Melbourne, is providing this submission to augment and extend the University's own submission, building on some of our specific experiences of recent years. Melbourne Ventures was established in 2004 to drive more directly the University's activities in the area of technology transfer, and continues the work of its predecessor organisations Melbourne Enterprises International and the Ventures Division of Melbourne University Private.

**General Observations on Commercialisation**

Melbourne Ventures' experiences in commercialisation of University technology have highlighted three key features of pathways in this area:

1. *No one pathway is suitable for all technologies* – innovative technologies, and the markets for them, are diverse, ever-changing, and fast-moving, and attempts at commercialisation that fail to acknowledge this will fail. Whilst certain processes are common, it is important that each case is treated on its merits, with an approach customised to its particular needs. This can include choices with regard to development pathway (start-up or license), funding source, target market, and development program.
2. *Support personnel are vital* – a corollary of point 1 above is that the availability of skilled "pilots" to help steer technologies through the commercialisation process is a critical success factor. In the University sector, commercialisation offices are the natural homes for such "pilots", and Universities should be supported in their efforts to build and maintain such

offices, as they represent significant investments which create benefits far beyond the Universities' own walls.

3. *Success requires patience and tolerance* – Commercialisation success requires, above all, time and a tolerance for failure. The journey from idea to revenue generating product is measured in years, not months, and the risks for inventors and investors along the path are considerable. Against this background, it is important that stakeholders in the process (be they government, University, licensee or investor) are willing to make long-term commitments to support their initiatives, and that participants have sufficient scale to spread their risks across a number of opportunities.

### **Specific Case Study**

The Committee requested that responses include some specific case studies of successful commercialisation pathways. The long timescales referred to above make the timing of the selection of case studies quite significant. The University's submission highlights some technologies which have had sufficient time to reach the revenue generation stage, however we believe there is also value in examining a more recent case of commercialisation which, though still a "work in progress", illustrates some of the activity of the more recent past. The Melbourne Ventures team has successfully transferred a number of technologies from the University of Melbourne in recent years, and the start-up company Cryptopharma Pty Ltd described below is a good example of our work. Cryptopharma was originally supported by investment from the pre-seed fund Uniseed (a joint venture between the Universities of Melbourne and Queensland), and has subsequently gone on to secure significant external Venture Capital funding. Reinforcing point 3 above, however, is the fact that even though Cryptopharma has had several years of success in Research and Development, and also in capital raising, it is still some time away from generating revenue.

### **Cryptopharma Pty Ltd**

Cryptopharma was formed in 2001 to develop novel compounds for the treatment of cancer and inflammatory diseases discovered in the lab of Dr Alastair Stewart at the University of Melbourne's Department of Pharmacology. Dr Stewart has over 20 years experience in airways research, and is a recognised world leader in his field. An initial seed investment from Uniseed was augmented by an Ausindustry Biotechnology Innovation Fund grant, enabling the company to generate exciting early results in in-vivo models of airway inflammation. These results suggested that the underlying technology may involve a hitherto untargeted disease pathway, opening up a broad range of technical opportunities. During this period, considerable support in the area of patent management and strategic business development was provided by the commercialisation team at Melbourne University Private's Ventures Division (the predecessor of Melbourne Ventures). On the basis of these results further investment was secured from a consortium of investors including GBS Venture Partners and Biocomm Services Pty Ltd, to bring the company's lead compounds through a process of rigorous pre-clinical testing. In 2004 Cryptopharma was also successful in securing a \$1.5m Ausindustry Start grant, which will enable a more comprehensive program of testing to be completed. Cryptopharma's compounds continue to show considerable promise as innovative therapeutics for globally significant diseases, and the company continues to build its capability as an Australian-based drug developer.

Cryptopharma is but one example of a number of commercialisation stories at the University of Melbourne that are currently under development. I would be happy to provide further information for your inquiry should you require it.

I wish you well with your inquiry, and please don't hesitate to contact me should you have any further questions or if I can be of assistance in any way.

Yours sincerely,

Dr Charles Day  
Managing Director.