

Technology transfer landscape in Hungary

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Technology Transfer Network of Hungarian Universities

Brief summary

Past

- First IP policies were introduced at Hungarian Universities after 2001
- University TTO's were established between 2005 - 2010
- Funding has been provided through grants

Present

- 10-12 technology transfer offices at universities and PROs
- Technology Transfer Network of Hungarian Universities
- Regular meetings, close cooperation
- Part of the ASTP National Association Advisory Committee (as a national TT-network)
- We also follow AUTM

Typical TTO in Hungary

- One TTO per institution
- Central, internal department of the university operating under the supervision of the chancellor or the rector
- Activity covers all the faculties
- Operation administrated by the IP policy of the University
- Staff: 2-8 full-time employees
- Innovation Committee (supervisory board)
- Solid IP management system has been established
- 5-10 IDXs and priority patent applications per year
- 10-30 patent families in the patent portfolio
- 3-4 spin-off companies

Legal background

Innovation Act

- Public R&D institutions, including universities are required to establish **IP policy**
- IP created at or acquired by public universities is **owned by the institution**
- Equity in a spin-off company is also owned directly by the institution

Definition of a spin-off company: a company **expressly established to develop or exploit IP created at university**, having a **formal contractual relationship with the university** for the use of this IP. Companies that have no written agreement for commercially developing IP or know-how created by the institution will not qualify as a spin-off company.

Higher Education Act

- Universities are allowed to establish companies with certain limitations

Comparative analysis of IP policies in Hungary, 2018

(Study published by the Hungarian Intellectual Property Office)

Main recommendations:

- IP created at universities and shares acquired by a university in a spin-off company should be **owned directly by university** (*resolved from 2019*)
- The definition of **spin-off company** should be improved (*resolved from 2019*)
- Institutions should establish their own **knowledge transfer strategies**
- TTOs should be provided with predictable, long-term **funding schemes**
- Proper funding to **bridge early-stage** research should be introduced
- **More incentives** should be provided to the researchers creating the intellectual property
- **Conflict of interest** rules should be harmonized between different acts
- Support should be provided for the **professional training** of TT experts
- A system should be developed on how to **measure the efficiency** and the **impact** of knowledge transfer activities

Typical IP policy at Hungarian universities

Personal scope

- Researchers, visiting researchers, PhD students, students

Scope of application

- All IP, including copyrighted works

Ownership

- Researchers: university owns the IP
- Visiting researchers: university owns the IP, agreement should be signed. Separate agreement may be needed with home institution.
- PhD students: university owns the IP, declaration must be signed.
- Students: university does not claim ownership, except if the IP is created using significant institutional resources or via commissioned work (agreement should be signed before using institutional resources or joining research activity)

- When university waives the ownership right, the invention goes back to the inventors

Typical IP policy at Hungarian universities

Conflict of interest and confidentiality

- The researchers are bound by confidentiality
- Conflict of interests should be disclosed to the TTO or the respective committee

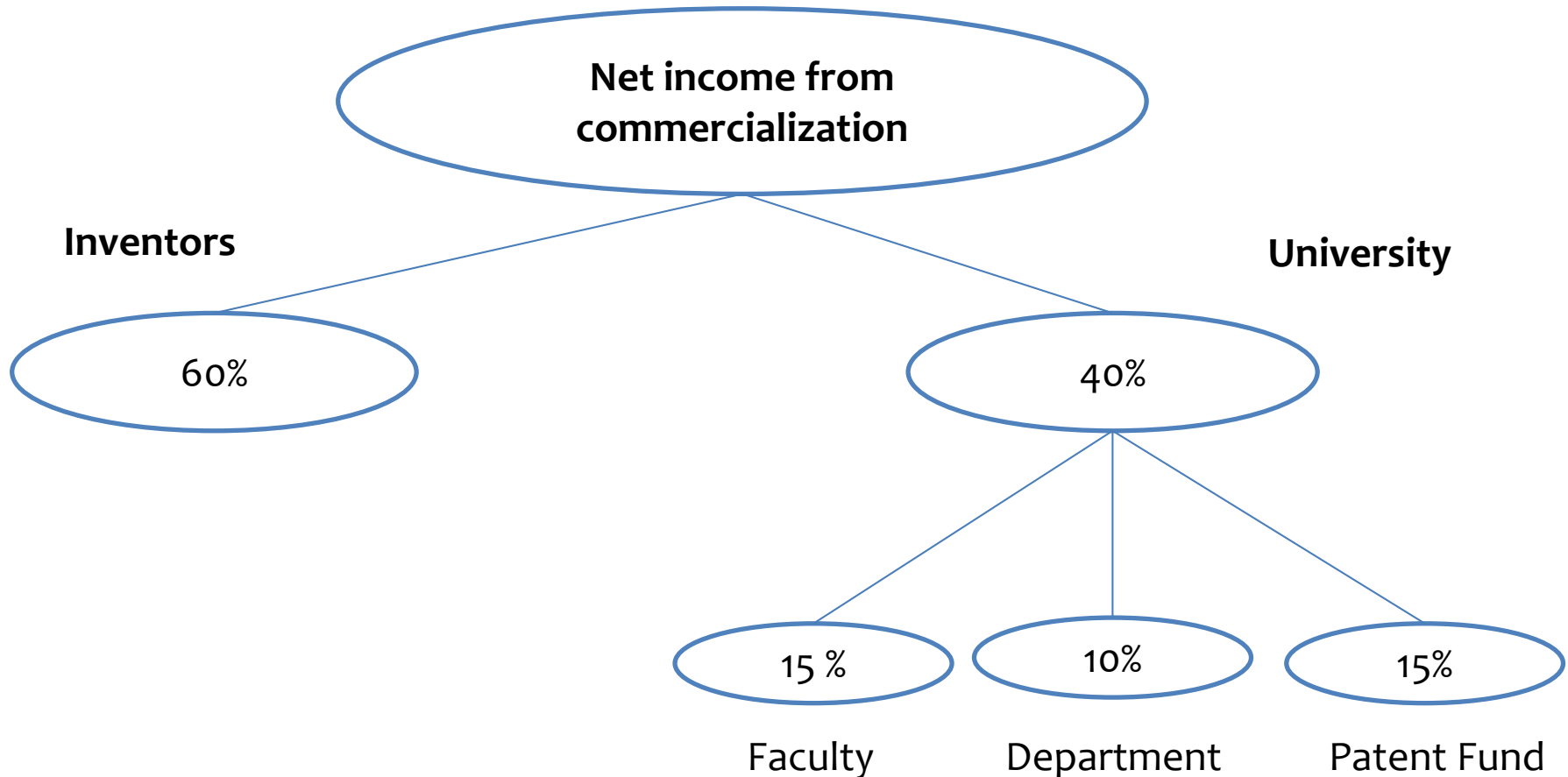
R&D agreements (CDA, MTA, RA, CRADA, SRA, etc.)

- TTOs play different roles in managing agreements

IDX, protection, commercialization

- Written IDX is required to start the IP management procedure
- Researchers should avoid early publication (vs. academic freedom)
- Decision in 50-90 days from the date of IDX
- Researchers are obliged to cooperate with TTO in case of patenting
- Major decision point: at the expiry date of PCT protection
- Commercialization is done either through licensing or start-up company
- Innovation Committee approves major decisions

Example: income sharing at University of Debrecen



Spin-off companies: different income distribution structure may be agreed in separate written agreement

Key questions in technology commercialization

- Is the invention evolutionary or revolutionary?
- What is the stage of development?
- Is the invention patentable and could a patent be enforced?
- Are there available resources to help further develop the inventive technology?
- Is there a market for the invention?
- Can we find a business interested in licensing, developing and commercializing this technology?
- Can we start a new company?

Commercialization routes

1. **License strategy:** license the technology to an existing business.
2. **Spin-off strategy:** create a new company and contribute the technology to the spin-off in exchange for equity and royalty payments.

Challenges

- Get more invention disclosures
- Capacity building in terms of business competencies
- Create long-term financing model for TTOs
- Strengthen cooperation between academia and industry
- Ensure proper funds to cover IP costs
- Proof-of-concept financing
- Recognize innovation results in the academic career system
- More incentives for inventors (tax burden)

Thank you.

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