

# EDJ

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## Leveraging Private Industry Intellectual Property Assets

*By Matthew Wagner*

### A NEW STRATEGY FOR REGIONAL TECHNOLOGY-LED ECONOMIC DEVELOPMENT

**Technology-led economic development has tended to focus on methods** and best practices for commercializing university-based research. However, like spatial and skills mismatch, regions can also have a technology mismatch. Southeastern Wisconsin is just one of the many U.S. regions with a mature manufacturing base ill-prepared to develop early stage, basic research. As a response, the Center for

Advanced Technology and Innovation (**CATI**) **developed a unique technology-led economic development strategy** that leverages late-stage, applied research from private industry as a tool for regional entrepreneurial and small business expansion. While nearly 70 percent of U.S. applied research is conducted within private industry, the vast majority of the resulting patented technologies remain on the shelves as a source of untapped innovation. **CATI's comprehensive methodology focuses on acquiring these underutilized technologies** and matching those with the strategic industry clusters and needs of entrepreneurs and existing firms within the regional economy.

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# leveraging private

## INDUSTRY INTELLECTUAL PROPERTY ASSETS

By Matthew Wagner

### INTRODUCTION

**W**ith a changing global marketplace in which U.S. manufacturing is shifting unskilled labor production off-shore, communities across the United States are searching for that next big economic shift. First it was the Internet, which created incredible growth in areas such as San Francisco, Portland, Seattle, Boston, and Austin. During and since this time, a more technology-based economic development strategy arose with a focus on regions, such as the Boston 128 corridor, Silicon Valley, and the Research Triangle. Today, it is hard to find a region of the country that hasn't launched some sort of biotech/life sciences initiative.

The focus for much of this transformation is America's academic institutions. Fueled by the 1980 passage of the Bayh-Dole Act, which allowed universities to license patented technologies funded by federal research dollars, academic institutions across the country find themselves as a centerpiece for regional economic development by spawning the knowledge worker needed by modern industry, entrepreneurs to fuel the technology boom, and research made available to the public through growing technology transfer operations.

While the likes of Thomas Friedman contend the "world is flat," many regions may argue, like Richard Florida, the world is actually spiky



CATI's offices in Sturtevant, WI, represent a one-stop shop for economic development, education and training, technology transfer, and business incubation services.

and development still rather uneven at best. Communities and regions undeniably have had barriers lowered as far as communication and technology access. However, it is apparent not all regions of the country have enjoyed the employment, tax base, and new business growth promised by the New Economy.

In examining leading communities one is struck by a commonality not based on traditional economic development factors such as utility costs, access to natural resources/materials, or property

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### A NEW STRATEGY FOR REGIONAL TECHNOLOGY-LED ECONOMIC DEVELOPMENT

*Technology-led economic development has tended to focus on methods and best practices for commercializing university-based research. However, like spatial and skills mismatch, regions can also have a technology mismatch. Southeastern Wisconsin is just one of the many U.S. regions with a mature manufacturing base ill-prepared to develop early stage, basic research. As a response, the Center for Advanced Technology and Innovation (CATI) developed a unique technology-led economic development strategy that leverages late-stage, applied research from private industry as a tool for regional entrepreneurial and small business expansion. While nearly 70 percent of U.S. applied research is conducted within private industry, the vast majority of the resulting patented technologies remain on the shelves as a source of untapped innovation. CATI's comprehensive methodology focuses on acquiring these underutilized technologies and matching those with the strategic industry clusters and needs of entrepreneurs and existing firms within the regional economy.*

taxes. Instead, economic development now requires a new fuel for growth, defined by sources of innovation. A common characteristic seems to be the ability for that community or region to create internal economic development through innovation drivers, such as a large company with growing R&D intensity, a cluster of like-type R&D driven-industries, or a major university that serves as a pipeline for economic growth through federally-funded research and development.

Faced with the changing nature of economic development, what do regions do to compete in this new global marketplace where U.S. competitiveness is based on value-added production and services? In order for regions to be competitive, they must move beyond simply following the latest economic development fad, rather there has to be a strategic focus and executable plan based on a region's core competitive strengths matched with potential sources of innovation. The critical point is those sources of innovation must be matched with the region's economic infrastructure in order to drive new business development and existing business growth.

As identified earlier, the majority of communities have turned their focus to universities as that source. However, like spatial and skills mismatch, regions can also have a technology mismatch. Technology mismatch can be evaluated on several levels such as the stage of technology and resources required to successfully transfer the technology, including know-how talent and capital. One solution to this mismatch is to move beyond simply focusing on the university as the only technology transfer model for regional economic development. A complementary approach is a technology-based economic development model designed to leverage under-utilized or off-strategy private industry intellectual property assets as a source of innovation for more mature industrial-based regions. According to U.S. Patent and Trademark Office statistics, academic institutions along with U.S. federal labs account for less than 5 percent of annual granted patents. U.S. corporations represent more than 40 percent of all granted patents. However, economic development has tended to solely focus on university patenting activity as a gauge and source of innovation for economic growth. In other words, we're missing a large part of the innovation market.

## BACKGROUND - SOUTHEASTERN WISCONSIN: IN SEARCH OF INNOVATION

Due to the national transformation from a manufacturing based economy to service economy, a burgeoning global labor marketplace, and an aggressive move to automated systems of manufacturing, Southeastern Wisconsin has seen its fair share of job losses and plant closures. Racine County is centered in the heart of the Milwaukee-Chicago region and serves as a microcosm for the impacts of the region's deindustrialization. It is estimated that Racine County, for example, has lost 3,000 manufacturing jobs since 1999. During the 2001 through 2003 time period, a total of 15 companies

announced significant layoffs or closings affecting 2,000 jobs.

Labor force data compiled by the Wisconsin Department of Workforce Development from data provided by the U.S. Bureau of Labor Statistics shows that the average unemployment rate in Racine County for the most recent 24-month period ending on June 2007 was 6.0 percent. A significant concern lies in the City of Racine, with an unemployment rate of 9.3 percent. The data also reveals the level of economic significance from manufacturing, which despite losses, still maintains nearly 38 percent of the total county payroll. (See Table 1.)

**TABLE 1. Racine County 2007 Average Labor Force**

	<b>Racine County</b>	<b>City of Racine</b>	<b>Balance of County</b>
Total Labor Force	99,366	37,952	61,414
Employed	93,442	34,437	59,005
Unemployed	5,924	3,515	2,409
Unemployment Rate	6.0%	9.3%	3.9%
Source: WI DWD			
<b>2007 Manufacturing Employment Data</b>			
2007 Average employment in Manufacturing: 17,975			
Number of Manufacturing Companies 2007: 248			
Total Payroll: 3,093,886,560			
Manufacturing Payroll: 1,173,844,204			
37.9%			
Source: WI DWD, Bureau of Workforce Training, Quarterly Census Employment and Wages, June 2008			

In order to address the challenges faced by local entrepreneurs and existing companies, the Center for Advanced Technology and Innovation (CATI), Inc. was launched in 2001 as a non-profit technology-led economic development organization by a partnership of academic, workforce development, and economic development agencies. Located in the heart of the Midwest manufacturing belt, strategically between Chicago and Milwaukee, CATI's challenge is to be a source of innovation for entrepreneurs, companies, and students seeking new product development and/or market opportunities designed to be more value-added.

In evaluating the region's strengths, a key recognition by CATI was the fact that traditional forms of technology transfer, as defined by basic research from a university being spun-out via licensing to produce a product, was not prevalent in the region. Wisconsin's flagship academic institution, the University of Wisconsin-Madison, represented a major powerhouse in federal research and development expenditures, typically cited as one of the top federally funded research universities in the United States with nearly \$800 million in federal research dollars. Table 2 represents the total R&D expenditures at universities in close proximity to the



**TABLE 2. Level of Federal Research and Development Dollars for Wisconsin Academic Institutions (1996-2003)**

FEDERAL R&D FUNDS (\$ '000)								
Ranking and Institution	1996	1997	1998	1999	2000	2001	2002	2003
4 U. WI Madison	412,570	419,810	443,695	499,688	554,361	604,143	662,101	721,248
112 Medical College of WI	47,365	51,629	56,021	61,446	70,581	83,857	96,700	108,608
195 U. WI Milwaukee	19,679	19,995	20,807	21,325	20,010	23,492	24,933	27,259
262 Marquette U.	5,946	5,855	6,763	6,469	7,653	7,236	9,807	11,385
372 Milwaukee School of Eng.	1,335	1,518	1,704	1,776	2,020	2,117	2,499	2,448
396 U. WI Stevens Point	1,649	1,324	1,112	1,302	1,227	1,827	1,849	1,980
422 U. WI La Crosse	1,310	1,045	1,185	1,113	1,404	1,563	1,939	1,483
427 U. WI Stout	1,523	1,306	1,386	976	1,236	1,070	1,358	1,437
452 U. WI Eau Claire	386	479	613	604	684	514	839	1,131
454 U. WI Green Bay	590	533	491	478	543	602	900	1,122
459 U. WI Superior	951	494	383	505	380	404	889	1,057
474 U. WI Oshkosh	396	574	636	603	585	670	662	942
518 U. WI Parkside	338	339	187	158	362	575	769	559
554 U. WI River Falls	146	262	242	231	152	288	332	331
578 U. WI Whitewater	356	395	282	148	272	260	236	224

Source: National Science Foundation

Racine County area. Unfortunately there is very little evidence to suggest this has translated into a resource for Racine County industries or as a stimulus for new company formation.

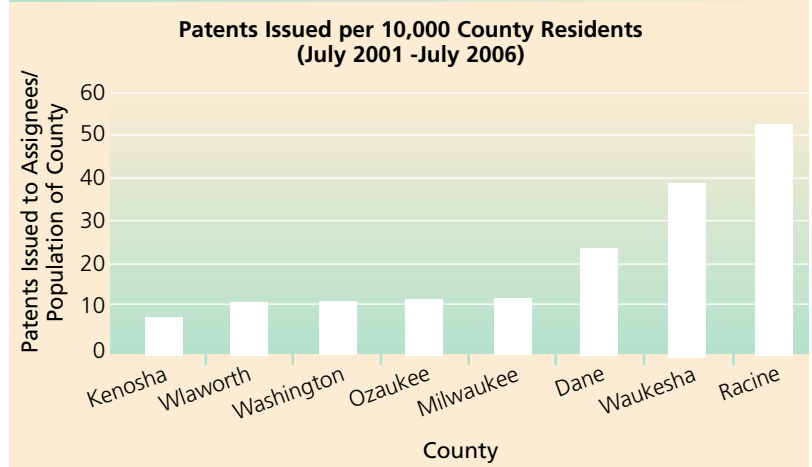
There are several potential reasons for the shortcomings of university technology transfer efforts in an area such as Racine County. A key to this may be the infrastructure of the local economy, based more in areas of manufacturing, resulting in a “technology mismatch” with university based research strengths in Wisconsin. For example, according to a Wisconsin report, UW-Madison’s research concentrations by subfields include strengths in Life Sciences, Physical Sciences and Environmental Sciences, but weaknesses in Engineering and Math and Computer Sciences, areas which would be better matches for the Racine County industry clusters.

Additionally, the reason may be a simple test of spatial considerations. A number of researchers suggest firms are much more likely to interact with sources of public research and development that are relatively close by. Racine County is approximately 100 miles away from UW-Madison.

The key is that university research is tacit, including its ability to be applied and how to manage a relationship with the university, so proximity is important to this sort of transaction. This is an important issue relative to regions of the country where small companies without comprehensive R&D activities are prevalent and the distance to a leading research firm is quite far.

However, we should not conclude that the area does not have a concentration in R&D. From 1990 to 1999, according to the U.S. Patent and Trademark Office, 599 patents were issued to Racine County companies, suggesting a strength more in line with applied research. In fact, Table 3 highlights that of the seven counties making up the Milwaukee metropolitan region, Racine County has the highest rate of patents issued per 10,000 capita. Dane County was added for comparison as the political jurisdiction location for the University of Wisconsin-Madison campus.

**TABLE 3. Patents Issued in Milwaukee Metropolitan Counties (2001-2006)**



Source: U.S. Patent and Trademark Office

Recognizing this key statistic and a fundamental knowledge of the Racine County economic infrastructure, CATI embarked on the creation of a holistic approach to technology transfer, teaming with local academic and economic development organizations. The goal was to design a methodology for transferring underutilized or off-strategy technologies from private industry to existing firms in Racine County or as a mechanism for spawning new ventures within the region.

The U.S. is a global leader in innovation and patenting activity through its locally-based corporations. However, anecdotally, most of those companies only utilize or maintain for defensive purposes approximately 60 percent of their in-house intellectual property. Of the underutilized or “orphan” patents remaining, there is typically 10 percent that have some economic merit either within that particular industry, or as a platform technology to be applied to multiple industry targets.

“Orphan” technologies, particularly from large companies, are a major source of licensed or purchased technology. Many companies develop technologies they never use or commercialize. Some firms recognize the inherent value of these innovative technologies and choose to license or sell them to benefit financially without having to commercialize them in-house. For example, IBM licensed its unused patents in 1990 and saw its royalty revenue jump from \$30 million a year to more than \$1 billion in 1999.

In 1999, U.S. businesses received one patent for every \$2.7 million in industrial R&D (total expenditures, \$180 billion); universities received one patent for every \$8.5-\$9.5 million in industrial R&D (\$28-32 billion); and the federal government had one patent for expenditures in the range of \$22-24 million in federally-performed R&D (\$22-\$24 billion). In terms of pure scale, consider this, in a typical year the number of patents granted to IBM will almost equal that to the number granted to all U.S. universities combined.

The key is understanding some of the fundamental differences between academic research and private industry R&D as it relates to regional economic development. Of the three phases of R&D activity (basic research, applied research, and development), industry dominates the latter two, the ones that most directly lead to patents. Industry provides over two-thirds of this country’s applied R&D expenditures and 89 percent of development expenditures, and spends 92 percent of its R&D funds on applied research and development. Unlike universities, private firms are intimately involved in the market for their products and can make good commercial judgments in areas of product or process development.

According to the National Science Foundation, **basic research** is directed toward increases in knowledge or understanding of the fundamental aspects of phenomena and of observable facts without the specific application toward processes or products in mind; **applied research** is directed toward gaining knowledge or understanding deemed useful in meeting a recognized and specific need; and **development** is the systematic



*Assisting small and mid-sized manufacturers with top line growth through new product development is a critical element to CATI's technology transfer mission.*

use of the knowledge or understanding gained from research directed toward the production of useful materials, devices, systems or methods, including design and development of prototypes and processes. More detailed definitions are available at <http://www.nsf.gov/sbe/srs/nsf99335/appa.htm#define>.

The other critical difference is in time to market as defined through commercialization. Typically, commercialization is a costly, lengthy process with a highly uncertain outcome. The costs of commercialization can run from between 10 and 100 times the costs of development and demonstration of a new technology. Moreover, success is rare – less than five percent of new technologies are successfully commercialized. Even when successful, technology commercialization does not happen quickly. On average, the commercialization of university research takes more than six years. Commercialization of radically new technologies can take well over a decade. Most small companies in mature markets can ill-afford to take that period of time to launch a product.

While much attention is paid to successful innovation in high-technology industries, such as biotechnology and software, market opportunities for innovative technology-based products exist throughout all goods-producing industries, such as carpets and automotive parts, for instance. In fact in 2001, less than 50 percent of the patents granted were for technologies in high-technology industries.

## **CATI'S TECHNOLOGY TRANSFER MODEL – THE SUPPLY SIDE**

CATI's comprehensive technology transfer model was a direct response to this embedded need to provide sources of innovation for entrepreneurship and existing firms' new product development strategy. The model itself includes two programs designed to approach tech-

nology transfer from both the “supply” and “demand” side. InovaTECH™ is designed to create a “supply” of late-state, applied technologies from the private sector, which can be linked to existing firms and entrepreneurs in order to stimulate regional economic growth. The program is directly linked to the county’s economic development strategy and cluster analysis, and thus attempts to secure patented technologies that enhance that strategy and act as a tool for stimulating growth within the emerging industry clusters.

CATI’s first approach with inovaTECH™ was to leverage “orphaned” patents from private industry via donation. Patent donations were initiated in the United States during the 1990s as a patent portfolio management and mining technique, led by large patent holding companies such as Dupont, Dow Chemical, P&G, and Boeing. From 2003 to 2005, CATI acquired nearly 40 patented technologies, valued at \$36 million from companies such as Kraft Foods, S.C. Johnson, Boeing, and International Specialty Products. The result was four new Racine County companies launched from licensed property, as well as nine successful licensing agreements with existing local companies such as Alliance Enterprises for a new healthy milk ingredient called Benelact, and global firms such as Bayer CropSciences in the Research Triangle for more environmentally-friendly pesticide applications.

However, in late 2005 Congress passed the Jobs Bill which included a provision strongly supported by the Internal Revenue Service, which for all intents and purposes removed patent donations as a viable intellectual property management alternative for U.S. businesses. With a fairly cumbersome new valuation approach based more on long-term royalty return, CATI decided to utilize a new approach based on creating joint venture opportunities. A variety of hybrids to this approach have emerged, including one in which CATI receives

more of a “finders fee” with a portion of the royalties coming to the organization for completed licensing transactions, and a more CATI-driven joint venture model by which CATI receives a no-fee license to sublicense the technology and royalties are split based on pre-negotiated terms. In both cases, CATI no longer serves as the ownership arm. Nonetheless, the results are the same, and expenses are kept low as CATI no longer has to maintain the patents, and most important there remains the ability to leverage private industry intellectual property in order to serve as a source of innovation for regional entrepreneurs and existing companies. CATI today has grown inovaTECH™ to a point where it currently owns and/or manages nearly 300 patented technologies.

The following case study outlines the steps taken by CATI to develop an off-strategy, patented technology originally developed by Kraft Foods. Wisconsin is known as the “Dairy State,” and thus this particular technology fits quite well with growing this industry cluster. The case study serves as an example of the comprehensive nature of CATI’s technology transfer process and service delivery model.

### Alliance Enterprises Case Study

In 2005, Kraft Foods donated six patented technologies to CATI Inc. The food-based technologies involved manufacturing processes for the extraction of cholesterol from eggs as well as milk. In addition, the process provided a more favorable ratio of saturated to unsaturated fats for finished products. Kraft had made an internal decision that the markets were too small for their internal product launch hurdles. Furthermore, as these were process oriented technologies, they were in opposition to Kraft’s business model of serving as a marketing and consumer branding company rather than a manufacturing or processing company.

There were several advantages to the technology. While the technology may have a market too small for Kraft, the market was huge for a small company or entrepreneurial team looking to supply a healthy dairy or egg product, which could still have the same taste and texture qualities as conventional high fat, high cholesterol products. In addition, Kraft had already taken the product through pilot production, with testing on a variety of products along with market focus groups, as well as provided access to R&D notes. Thus, not only did we have the technology to pass along for a new business start-up or existing business expansion, but it was much further along the commercialization path. This is actually fairly consistent with most of the deals completed with CATI and further adds to the value of the model, which stresses quickness to market at lower costs.

CATI’s first step was linking the technologies with area academic institutions to further develop the pathways to market. Carthage College, a private, liberal arts



*Through a technology formally developed by Kraft Foods and licensed from CATI, Alliance is now producing a healthy milk ingredient with lower cholesterol and fat content, while still preserving the taste, texture, and baking properties of traditional dairy products.*

institution, has “Scienceworks,” a well-respected entrepreneurship program directed towards science students. The program served as one of the original founding organizations for the National Collegiate Inventors and Innovators Alliance (NCIIA). A team of Scienceworks students developed a commercialization plan for using the dairy patents for a new line of healthy, Hispanic cheeses. Hispanic cheeses represented the fastest growing segment of the cheese industry but also represented some of the cheeses with the highest fat and cholesterol content.

One of the key steps in linking our technologies with existing companies or potential entrepreneurs is having solid partnerships with regional business and economic development organizations. Most technology transfer marketing efforts are rather passive, with available technologies displayed on an academic web site. While CATI offers that as well, deal flow is greatly enhanced by creating relationships with those entities whose job it is to engage existing businesses and entrepreneurs on a regular basis. Economic developers routinely interact in this fashion through business retention activities or a growing list of entrepreneurial development initiatives.

In this particular case, we approached a regional Hispanic business and professional association seeking interested parties. Ed Salinas, CEO of Alliance Enterprises, a food and consumer products packaging company, expressed early interest in the process and market potential. Seeking to further diversify, Mr. Salinas developed a comprehensive business model, based on the “Splenda” sweetener substitute model, which would use CATI’s dairy patents from Kraft as a new healthy milk ingredient.

CATI qualifies companies and entrepreneurs seeking its technology for licensing by evaluating the proposed business plan, commercialization strategy, management team, and capital structure. In some cases, an entrepreneur or company may want to review the technology prior to securing a licensing agreement. If this is an exclusive arrangement, there are typically fees associated with this agreement for a three- to five-month testing period.

In July 2006, Alliance Enterprises and CATI Inc. entered into an exclusive license agreement to manufacture and sell a new, healthy milk ingredient, “Benelact.” In January 2008, only 18 months later, Alliance Enterprises opened the doors to a new \$2 million R&D and pilot production facility within the CATI Center, which is a 40,000 sq.ft. incubator, education and technology transfer facility. The center was completed in 2003 through a partnership among Gateway Technical College, Racine County Economic Development Corporation, and CATI Inc.

Moving forward, the company will also receive additional technical assistance and internships through the Dairy Business Innovation Center, University of Wisconsin-Parkside, Gateway Technical College, Burlington High School, and Carthage College.



*Alliance invested more than \$2 million in a new pilot production and R&D operation within the CATI incubator.*

### **CATI’S TECHNOLOGY TRANSFER MODEL – THE DEMAND SIDE**

The second product suite for driving innovation in existing industries is called inovaDRIVE™, a program designed to assess a business’s technology needs and either develop or acquire the appropriate technology or solution.

Through inovaDRIVE™, CATI works with the company to identify new product development opportunities or higher value-added markets to increase margins and provide a stronger market position in comparison to low-cost production countries. The key is the inovaDRIVE™ four-part process that results in a technology development strategy or solution based on key identified platform products and/or issues. In many cases, the strategy involves the identification of know-how expertise, new patent filings, enhanced strategic R&D partnerships with other non-competitive industries, or in-licensing of late-stage corporate, university or federal lab technologies. The critical factor is that the final product reflects a new long-term business development strategy that facilitates economic development growth in our region.

Since 2005, the inovaDRIVE™ process has evolved to address the business retention and expansion needs of our local firms. The following case studies outline the program’s successes, as well as its evolution as a technology-based economic development tool.

#### **Case Studies**

- **Cast Tools**, a boutique foundry operation, approached CATI with a problem it was experiencing with a new, low-cost casting process that would fundamentally position the firm as one of only two foundries in the world that could utilize this process. The company needed specialized know-how to solve a problem with “pitting” that was occurring during the casting process, resulting in costly imperfections. Using inovaDRIVE™, CATI assembled a diversified team including personnel from NASA Glenn in Ohio



and Oak Ridge Laboratories in Tennessee to ultimately develop a simple coating application to solve this critical issue for Cast Tools. This solution helped Cast Tools to retain a significant contract for tooling with Corning Company, the world's largest manufacturer of glassware for highway and street light fixtures.

- **KAO, LLC** is an automotive parts supplier and one of the largest African American-owned businesses in SE Wisconsin. Through a small acquisition, KAO had acquired a patented sanitizer product sold primarily to Boy Scouts of America. However, while the product had very large margins, KAO realized it could not increase product sales until a significant issue was solved regarding the lack of functionality in cold water applications. Leveraging university faculty and CATI staff, a new powder form was developed in addition to designs for more cost-efficient packaging. This project resulted in cost-savings for the company, as well as a new product line for international and disaster relief markets. The project was honored with the 2005 Small Business Times Innovation Quotient Award for manufacturing.



Through CATI's InovaDrive process, KAO was able to expand their product line into more value-added global markets.

- **Merit Models and Summit Tool Works** were experiencing similar problems when they jointly approached CATI. Both worked with companies to develop molds and tooling for high volume parts. They both also had a significant competitive dilemma....low cost tooling from China, which threatened to put both out of business. Working with the inovaDRIVE™ process, CATI assisted the two companies by forming a new entity mutually owned by both firms – Maha Solutions, LLC. Maha Solutions was created as an outgrowth of an ideation session on how to develop a value-added alternative for U.S. companies needing low cost tooling from China. The solution – Give U.S. companies the low cost tooling they require, but provide a value-added service solution to their problems of working in China, such as quality control, proprietary infringement, and lead

time delivery issues. The result for Maha Solutions and the SE Wisconsin region has been the retention of higher paying engineering, sales, and project management staff, while transitioning two, small local firms into global players. CATI's work with Maha Solutions was ultimately featured on a front cover story of the *Small Business Times*. In three years, Maha Solutions has nearly reached \$1 million in sales and operates a second office in Shanghai.

- **Vista International Packaging** is a food packaging supplier. Using inovaDRIVE™, CATI created a technology development strategy that outlined an aggressive leap frog technology platform for the company. The results have included the filing of two new patents, in-licensing of a university patent, as well as a new joint R&D partnership.

*According to David Hagman, president and CEO, "Vista was searching for an outside resource, a 'think tank' for innovation and development of a technology strategy to accelerate the process on new product introductions and CATI came to the rescue. The relationship between Vista and CATI has evolved into a strategic partnership that will flesh out new market opportunities in packaging. Vista's goal is to be an industry leader and drive profitable revenue growth through innovation and offer value-added packaging to the food industry. I feel we can accomplish our strategic goals with CATI on the team."*

## CONCLUDING REMARKS

Technology transfer and commercialization programs have sprung up all across the country. While great strides have been made to link technology transfer with local economic development goals, there remains continuing efforts. For example, technology transfer organizations tend to operate on a scale more consistent with regions and states, while most economic development remains local in geographic scope. In addition, economic development agencies have tended to focus on business recruitment and retention, developing and implementing broad strategies, and helping businesses find the resources needed to be successful. Providing core services in technology transfer and commercialization may be more partnership oriented rather than driven with internal resources and capacity.


While CATI does not attempt to replicate a local or regional economic development agency, we have positioned the organization as another tool for economic development groups. In other words, the CATI model can be utilized as a resource when faced with businesses or entrepreneurs seeking innovation or struggling to develop more value-added products and services. As such in the last two years, CATI has developed relationships with nearly a dozen city and county economic development organizations in Southeastern Wisconsin.

However, we have recognized that the scale of a technology transfer model must go beyond the local and often regional level. In that regard, we believe there is



tremendous value in creating a national framework or exchange for linking private sector, underutilized patents with entrepreneurs and existing companies as part of a local or regional economic development strategy. The thought is that at a point in the future, technology in one region of the country that might be applied in Southeastern Wisconsin and vice versa can be linked by local and regional economic development groups.

CATI's first national engagement began in April 2006 when the state of Delaware's Economic Development Office awarded the organization a contract to manage its Patent Donation Initiative and establish a program based on the CATI model in order to commercialize patented technologies from the DuPont and Hercules corporations. Finally, while still in its relative infancy as a model, early successes have resulted in CATI receiving honors for inovaDRIVE™, and inovaTECH™, from the International Economic Development Council (IEDC) for Technology-Based Economic Development Programs in both 2007 and 2006 respectively.

Further information on CATI's unique private industry driven technology transfer efforts can be found at [www.thecati.com](http://www.thecati.com) or by contacting CATI staff directly at 262.898.7512. 

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