

Companies that work with universities can protect proprietary secrets

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Companies that conduct and publish research with universities can implement a "knowledge protection effect" strategy to guard against business rivals poaching their ideas, according to a new study from a

business researcher at The University of Texas at Austin.

When companies forge partnerships with institutions of higher learning, they often reap substantial benefits from the innovations that arise. But the fact that university researchers nearly always publish the results of their research collaborations in [academic journals](#) can give pause to potential company collaborators. Such public sharing of company data could feed information to rivals looking to create competing products.

But there's a way to balance these competing forces, according to a new paper from Francisco Polidoro Jr., professor of management at UT's McCombs School of Business. Companies whose research and development inventors collaborate often with their internal company colleagues can better hedge against rivals discovering company secrets, while still benefiting from academic partnerships. On the flip side, companies with low levels of inventor collaboration could be more at risk.

The research is published in the *Strategic Management Journal*.

Internal collaborations create a so-called knowledge protection effect that helps organizations, said Polidoro and co-authors Curba Morris Lampert of Florida International University and Minyoung Kim of the University of Kansas. Companies with high levels of [inventor](#) collaboration are better off because when information is spread out across multiple labs, competitors have a higher hurdle to get a full picture of a company's research-based knowledge.

This heightened collaboration is a sound strategy for companies that want to co-publish [scientific articles](#) with universities. Typically, traditional protective measures such as [patent protection](#) are less effective because academics prefer to make their research public.

"Although we tend to celebrate the benefits of collaboration, collaboration is a two-way avenue," Polidoro said. "That's because knowledge produced by universities becomes openly accessible. Internal collaborations can protect the knowledge of the company."

Polidoro and colleagues reached this conclusion after compiling a list of the 157 pharmaceutical companies that introduced a new drug into the market from 1980 to 2004, according to U.S. Food and Drug Administration data.

Using the Web of Science, they identified the [scientific publications](#) these companies co-authored with universities.

Meanwhile, to measure the level of internal collaboration among business organizations' inventors, Polidoro and his colleagues examined data on companies' successful patent applications. Patent documents showed how many inventors were involved in projects and the location of those inventors.

Polidoro and colleagues discovered that the [pharmaceutical companies](#) with high levels of collaboration among their inventors across locations co-authored more [research papers](#) with university scientists.

"These companies are more inclined to engage in research partnerships with universities because their knowledge is protected," Polidoro said. "These findings can also be applied to industries outside the pharmaceutical sector. Through internal [collaboration](#), companies can mitigate their risk while still reaping the benefits of partnering with universities in research."

More information: Francisco Polidoro et al, External knowledge sourcing, knowledge spillovers, and internal collaboration: The effects of intrafirm linkages on firm-university co-authorship linkages, *Strategic*

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