

# Actualizing Russian Ideas

Finland can export  
Russian innovations,  
says an American  
entrepreneur

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**T**he internet cafe is crowded during the evening but there is one customer who pays no attention to the surrounding

world. Martti Vallila, a man staring the screen of his laptop, is running his virtual office. Despite his Finnish name, Mr. Vallila, 60, knows few words in Finnish. His father was a diplomat who found a wife in

Prague during the second world war and took her family to the USA.

Martti Vallila made a career at IBM before starting a private consulting. In the small café in Helsinki he has big visions for the future of Finland.

"Finland must become the gateway for Russian ideas."

In a small country like Finland the number of new ideas is limited. In Russia the number of inventors is superior but even the most ingenious inventions do not find their way to the world. This gives Finland a great opportunity.

It is relatively cheap to get a patent in Russia but a lot of money is needed to get a valid patent outside of Russia. Russian researchers do not have enough money for that, Mr. Vallila says, but players in the Finnish innovation system could give them a helping hand. All is clear for the American. First VTT would evaluate the commercialization potential of the ideas. If VTT shows green light, it does make sense to export the innovation. And then the players interested in commercialization, the innovator and investors for example, will found a company in Finland. The role of the company is to file patents in Finland and maybe also in other countries.





## A Different Perspective

### Who pays the bill?

Several civil servants are familiar with the ideas presented by Martti Vallila as people working for the government have been thinking how to foster interaction between Finland and Russia in the field research and innovation.

During the soviet era Finland had close commercial relationship with Russia and the countries had firm technical and commercial cooperation.

"We must find out are that are we able to launch cooperation in the field of innovation that would be useful for both parties", says Kari Komulainen from Tekes.

The Finns have realistic expectation related to the cooperation. No one is expecting that the Russians give their best inventions away for free.

"We got one solution from Mr. Vallila. It can be implemented, but only if it is funded by Finnish public side. According to Mr. Komulainen, the identifying of inventions, evaluation of their commercial potential and first steps of a new startup need public funding. "As Mr. Vallila's model requires 100 percent financing from taxpayers it is unlikely to be carried out."

According to Mr. Komulainen Tekes has not made a decision on how to build connections to Russia. "In order to make a decision we need a clear blueprint. If we don't find it during this year, we have a reason to take a time-out."

"The commercialization process would give opportunities for many Finnish companies starting from law firms to machine shops making prototypes", Mr. Vallila says.

The Russian inventor can utilize the invention within Russia but the Finnish company is licensing the technology outside of Russia.

"This is a new competitive edge for Finland", Mr. Vallila says.

There is no limit of ideas in Russia. If Finland is not taking its changes, someone else will do it. But do the Finns know how to sell Russian ideas as the marketing of our own innovations has not been successful.

Mr. Vallila has described his ideas during the last year for several influential players in the Finnish innovation system. Civil servants in the Ministry of Employment and Economy found the ideas in the beginning so interesting that they ordered a report from the American.

In theory the idea of a gateway sounded good, Mr. Vallila was told, but Finnish bureaucrats did not share Mr. Vallila's excitement. No concrete action was taken.

At least the problem is not with the timing. The relationship to Russia has repeatedly been on the political agenda recently.

The government announced the Russia Action Plan last spring aiming to closer interaction with Russia. Civil Servants at Ministry of Employment and Economy are evaluating how to increase co-operation in the fields of research and innovation.

"I do have an idea of how to implement the action plan", Mr. Vallila says. The man full of passion does not understand why Finnish bureaucrats have not shown any interest in his offer.

There is no lack of explanations. There are prejudices based in the history, lack of money, not enough cooperation in the field of research.

**But maybe it is all about how the idea has been invented.**

Despite his Finnish roots, it is difficult for Mr. Vallila to understand the Finnish way of whealing and dealing. If he is not successful with his efforts, he does not give up but tries again or finds a new contact who hopefully understands what his ideas are all about.

Mr. Vallila does not give up, maybe because he has strong personal interest in the case.

**A few years back the American was in Moscow** where he met a Russian biochemist with the name Igor Pomitkin. According to Mr. Vallila, Mr. Pomitkin has developed a medicine to Alzheimer disease. Mr. Vallila realized the potential of the medicine and decided to export it.

Mr. Vallila has a ten percent share in the Finnish-based company Buddha Biopharma whose goal is to license the Alzheimer medicine to western medical companies. The rest of the company is owned by innovator Pomitkin and by a Russian investor.

**Buddha Biopharma was to become the ideal case for Mr. Vallila's Finland as a gateway model,** but things did not go along the plans.

The medicine developed by the Russian researcher is stimulating energy metabolism in brain cells and in this way prevents Alzheimer disease to develop. The same ingredient has been in use in Russia more than 20 years, not to stimulate metabolism in brain cells but cells in the whole body.

Buddha Biopharma applied half-a-million from Tekes for testing the medicine but Tekes found the risks too huge and rejected the application.

"The decision is a scandal", Mr. Vallila says. He appealed against the decision and was also in contact with some people in the Tekes board. The campaign was not fruitful as there was no change in the decision.

Buddha Biopharma intended to complete preclinical testing, that is laboratory tests and animal tests, with the money from Tekes and to prepare the clinical trials.

Despite adverses Mr. Vallila will not give up. He is planning further action in his virtual office. The clinical trials are planned to be started in Kazakstan and Buddha Biopharma is looking for new partners for example from Portugal and Switzerland.

**There is a risk the medicine of Buddha Biopharma will not ever become the huge success Mr. Vallila hopes.** Nevertheless, there are numerous other ideas and inventions in Russia with huge commercial potential.

Russians have long traditions in developing and testing new medicines. First results of this are about to emerge.

A year ago Pfizer paid 500 million euros for patents of a medicine that was originally developed to cure allergy. The medical giant aims – surprise, surprise – to sell the medicine to cure Alzheimer disease.