
IP ASSET STRATEGY

Generation Protection Enforcement

Going back to the basics

- Patents
- Trade Secrets
- Trademarks
- Designs
- Geographical Indications
- Plant Variety Protection

Copyrights

IP Asset Identification

- Effective IP protection of innovation depends on IP asset identification. One of the most crucial roles of the IP manager is to identify new forms of IP that qualify for protection and to take the necessary steps to secure protection.
- The core elements to identify future valuable patents are:
 - *Technical Brightness*
 - *Legal Strength*
 - *Economic Potential*

Technical Brightness

- Radical Innovation or Improvement Innovation
- Do we have a platform technology which is protected by the patent or do we have the 1001st variation of an established technical solution? Is it a technical solution which could help a licensee become No. 2 or even No. 1 worldwide?

Legal Strength

- Are IPRs protected and Patent status alive
- Is the patent strong enough that the costs to destroy or to design around the patent are higher than the royalty for the potential licensee?

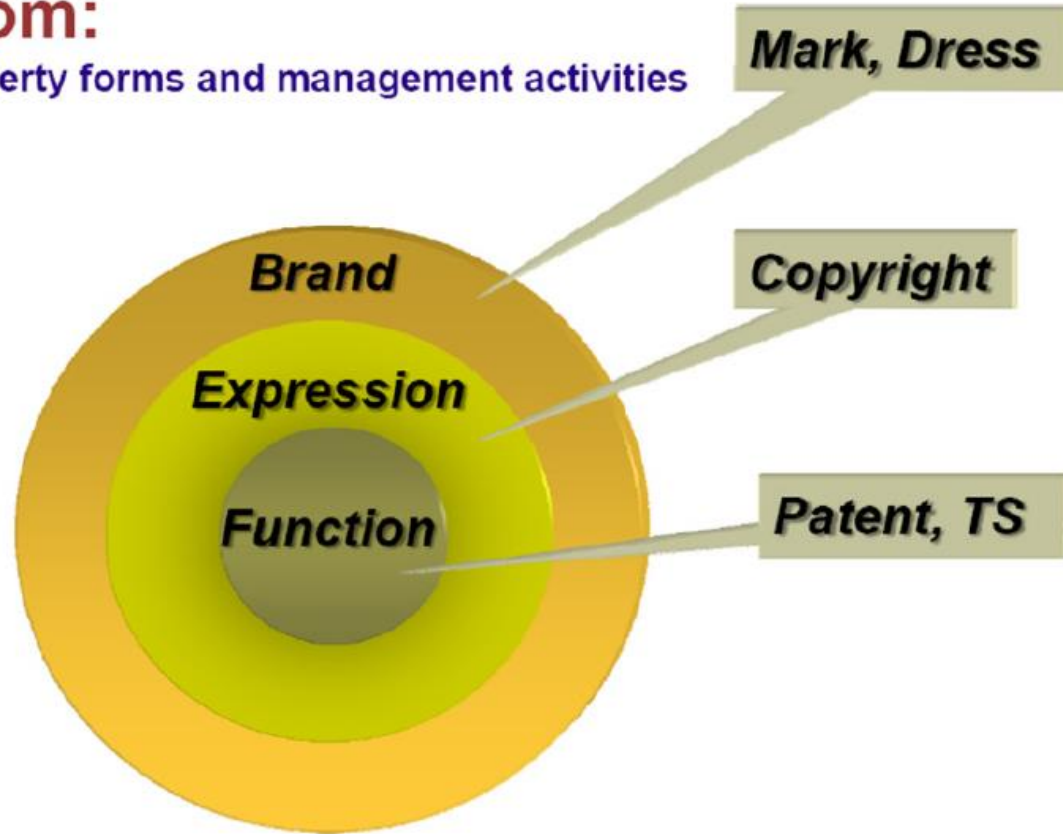
Economic Potential

- Does the patent protect a technology that can be addressed to a worldwide (or mass) market or are there only a few around the globe who are interested in it?
- Monopolistic (few actors) or oligopolistic (many actors) market?

Patents are not alone

The IP Atom:

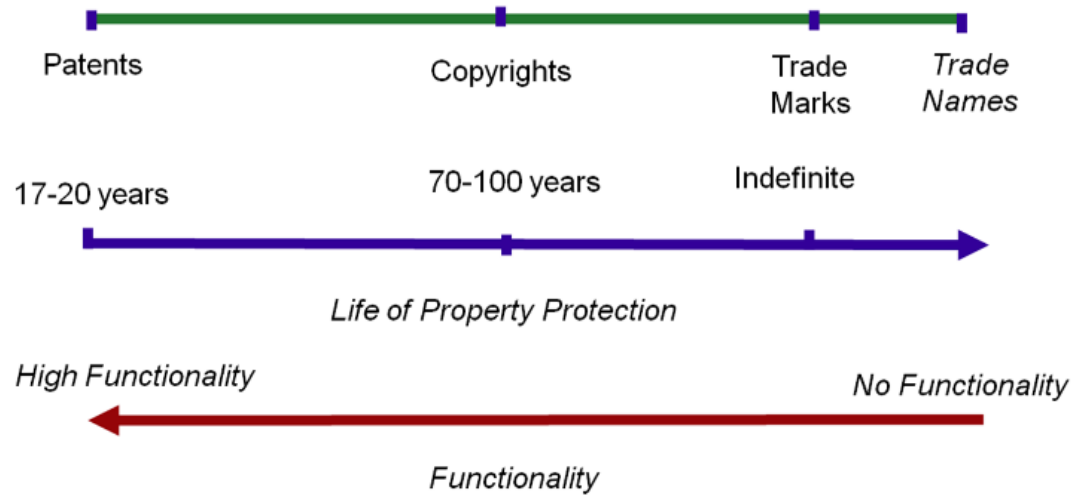
Reconciling property forms and management activities



Eg. Purple Pill

Holistic Framework

Intellectual Property (IP) Continuum of Protection (maps to product life cycle)



....a Framework for Innovation Life Cycle Management
See Conley & Szoboscan, *Snow White Shows the Way* in Managing Intellectual Property, June 2001

Forms of IP preferred to be protected

- Patents vs Trade Secrets
- Know how

Forms of IP preferred to be protected

- Cost Implications
 - What type most suitable: provisional patent application/patent application/utility model patent/ industrial design?
 - Which field of technology is involved and what is the difference between the new IP and the prior art?
 - What are the needs and demands of the marketplace?
 - Should applications be lodged regionally or internationally – i.e. does this product have both a domestic market and an international market?
 - Is there any possibility to offer this IP in an e-commerce environment?
 - Who are the likely infringers and the strongest competitors?
 - What are the licensing possibilities?
 - What are the present and future cost implications?

Value transference

- A time sequenced logic for allocating resources that yields an IP portfolio of assets that can build and sustain a competitive advantage.
- Eg. Aspirin – Felix Hoffman 1897- Patent to Trademark Aspirin ®
- Coca cola – Trade Secret to Trade Mark



Why?

Technologies, products, services

Which technologies are relevant? What type of technologies are these? How are important platform technologies / standards going to develop?

Short term

Define period

Medium term

Define period

Long term

Define period

Who and what?

IP ecosystem stakeholders

Consider the different IP ecosystem actors. Which actors are likely to play important roles? Which roles do they play?

IP purpose

Consider the different purposes that IP can serve, such as to accelerate technology development and facilitate R&D cooperation. Which purposes should IP serve?

How?

IP assets and strategies

Which IP assets (e.g. patents, trade secrets, design rights, copyright) can be best used to best support the IP purposes?

Which IP strategies are best suited to help achieve the IP purpose, e.g. defensive publishing, cross-licensing, litigation, pooling?

Summarizing narrative

How does the above translate into a narrative for an IP strategy on sector / industry level? What are implications for government policy?



ANAND & ANAND

Patent databases- valuable source of information

- Patent information is available to the public in the form of publications, databases and official gazettes.
 - Patent and utility model gazette
 - Trademark Gazette
 - Industrial design gazette
- Useful Patent Information Analysis

Patent databases- valuable source of information

- Accessible
- up-to-date
- More than technical information
- Cost effective
 - Espacenet
 - Patentscope
 - DEPATISnet
 - IPAIRS
 - USPTO
 - JPO Abstracts
 - Global patent dossier

The Economic Consequences of a Neglect of IPM

A company that successfully manages IPRs can reap vast economic rewards. The converse is true of the neglect to manage IPRs. The following two brief case studies are stark reminders of the economic losses that could follow.

Kambrook Example

- In 1972, Frank Bannigan, Managing Director of Kambrook, developed the electrical power-board. The product was hugely successful and was the basis for Kambrook's growth to become a major producer of electrical appliances.
- However, the power-board was not patented and Kambrook ended up sharing the market with many other manufacturers.

According to Mr Bannigan: "I've probably lost millions of dollars in royalties alone. Whenever I go into a department store and see the wide range of power-boards on offer, it always comes back to haunt me."

- Kambrook has a number of patents and pending applications for improvements for a range of consumer goods.

The Economic Consequences of a Neglect of IPM

Kodak Loses \$3 billion

- Kodak did not pay much attention to the cluster of patents relating to instant camera technology which a small rival company, Polaroid, had accumulated. Instead, Kodak launched a new line of instant camera and film products in 1975. Polaroid launched a patent infringement suit and after a 14-year court battle, the court ruled in favour of Polaroid.
- Kodak suffered a staggering blow. It not only had to pay Polaroid \$92.5 million in damages, it had to close down its 1.5 billion manufacturing plant and buy back the 16 million cameras it had sold to customers between 1976 and 1985. Kodak had to pay \$100 million for legal fees. Kodak also had to write off ten years of R&D expenditure for the development of its infringing products.

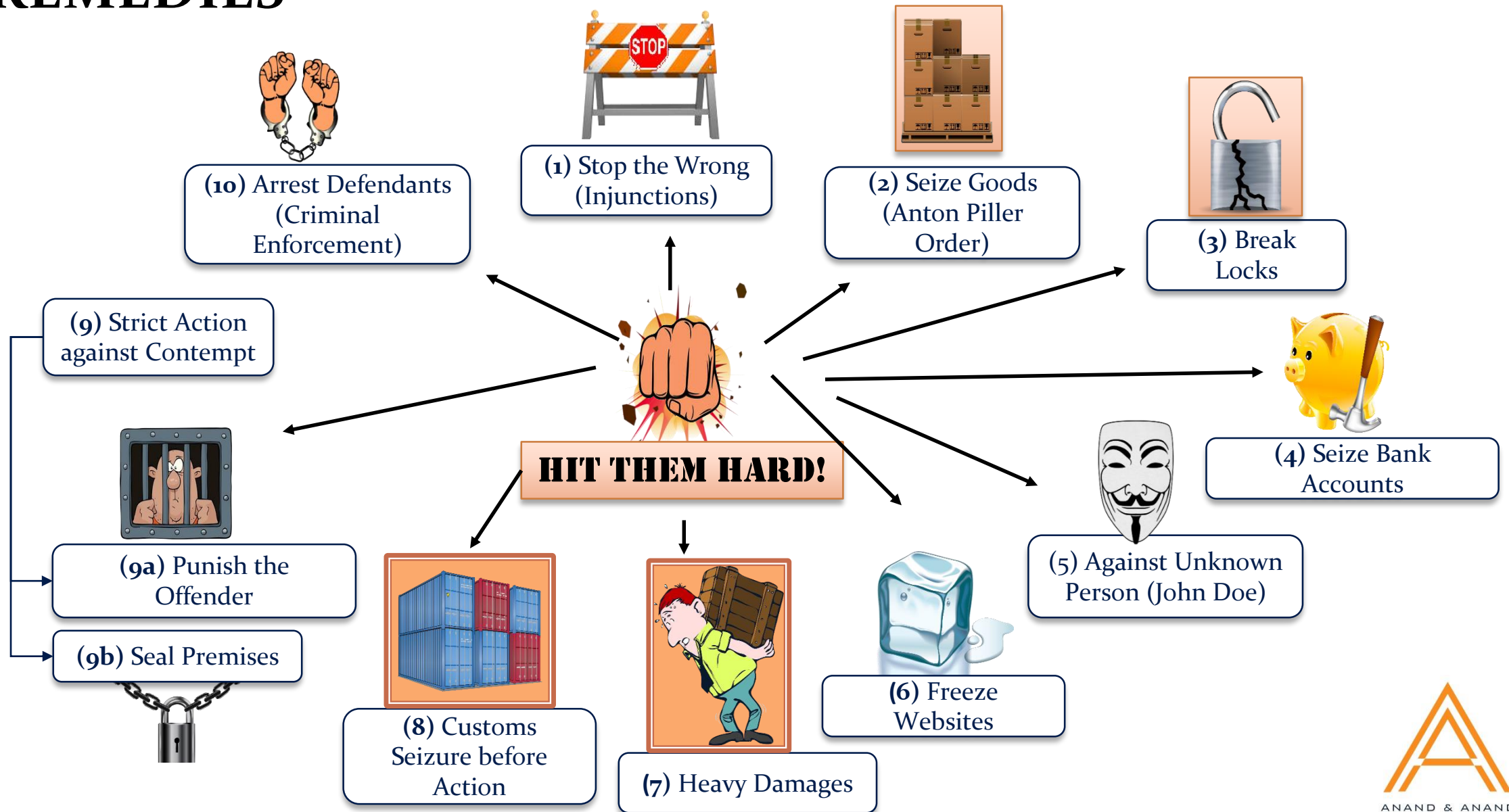
On-going innovation

Gillette

- Number 1 in Razor industry
- Gillette Sensor
- R&D
- Mach 3 before sale drop



REMEDIES



Patent Valuation

THANK YOU

