

PATENTS & IPR

Agenda:

- **Intellectual Property Law: the basics**
- **Eight components in the protective shield:**
 1. *The Patent*
 2. *The Utility Model*
 3. *Design*
 4. *Trademarksbrand*
 5. *Secrecy*
 6. *Niche Protection*
 7. *Speed Protection*
 8. *Brain drain plumbing*
- **Valuation of IPR**
- **Buying and selling IPR**
- **The Capital Conflict**
- **Protection Strategies**

IP By Definition:

Intellectual Property **is the ownership = the exclusive right to commercially exploit intellectual achievements = a specific monopoly** (in time and location)

Monopoly is society's incentive to encourage you to pursue innovations in the interest of mankind

You need to specify your claims to allow others to object against- or to stay away from your monopoly

Intellectual properties and their commercial exploitation is regulated by national law and international conventions



Protecting your IP (The Protective Shield)

PATENT

Global, efficient, expensive, resource consuming

UTILITY MODEL (Poor Man's Patent)

National - local, cheaper, risky (no novelty search)

DESIGN PROTECTION

National, decisive in certain business areas

TRADEMARKS, BRANDS

National, crucial when leaving your niche

SECRECY

Can be cost-efficient, is risky, requires secrecy agreements with employees => extra payments

NICHE PROTECTION

Patent not worthwhile

SPEED PROTECTION

Patent useless

KEEP the BRAINS!

They contain your knowledge



THE PATENT

A geographically and time limited **monopoly on sales and production** of products, whose function rely on **processes, procedures or constructional embodiments, which are described in the patent claims.** (Monopoly = right to prevent others from doing business within your field – and you have to exercise your rights proactively)

To obtain a patent requires

Novelty

Unknown to Mankind

Usefulness

In a commercial-industrial context!

Inventiveness

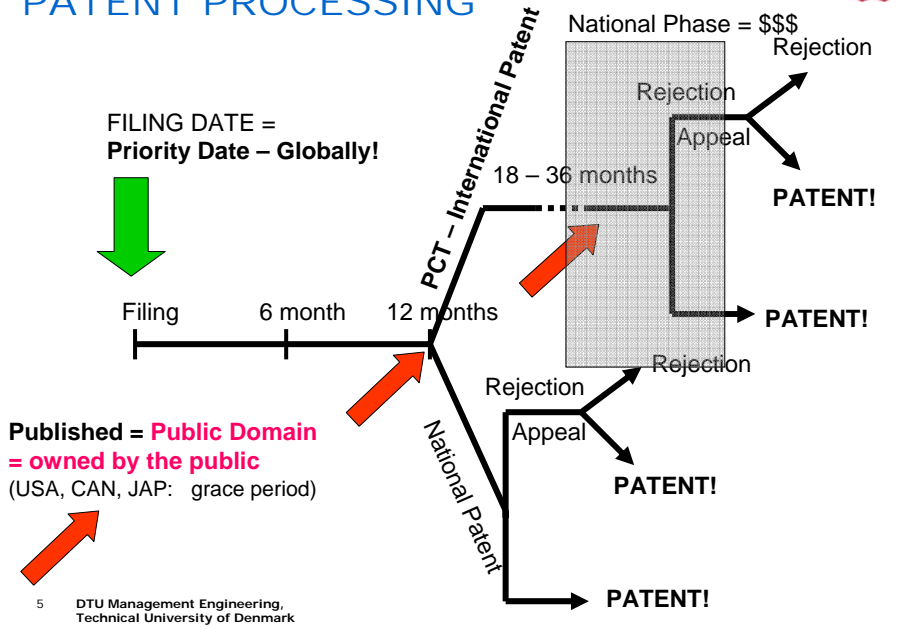
Not obvious to the skilled but unimaginitive specialist

Not offensive to public moral

Not diagnostic methods

National differences within software & biotech

PATENT PROCESSING

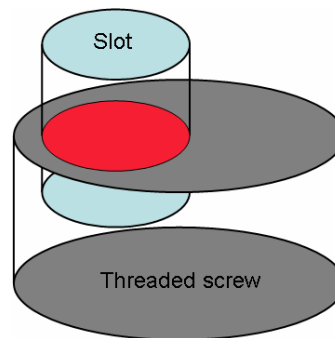


Patents - interaction and impact



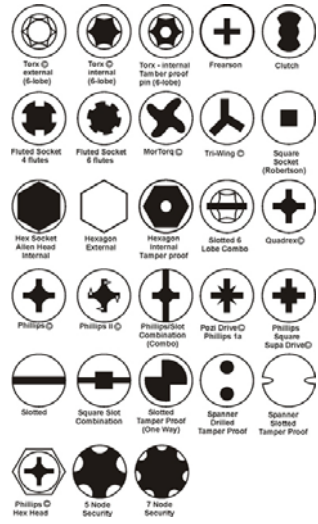
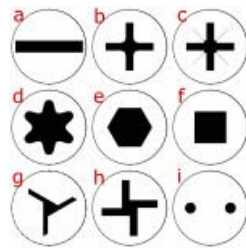
Any one **may file a subsidiary patent on an invention, which improves an existing and patented invention**

No one **is allowed to exploit the subsidiary patent without the permission of the owner of the existing patent**



Subsidiary patents are door-openers to cooperation and license revenues

Subsidiary patents are door-openers to cooperation and license revenues - and only Man's fantasy sets the limits



The Novelty Search:

- Identify your Freedom-to-Operate
- Look your competitors over their shoulders
- Find yourself a domain: make your claim

The Google:

<http://www.google.com/patents>

European Free Search Facility:

<http://www.espacenet.com/index.en.htm>

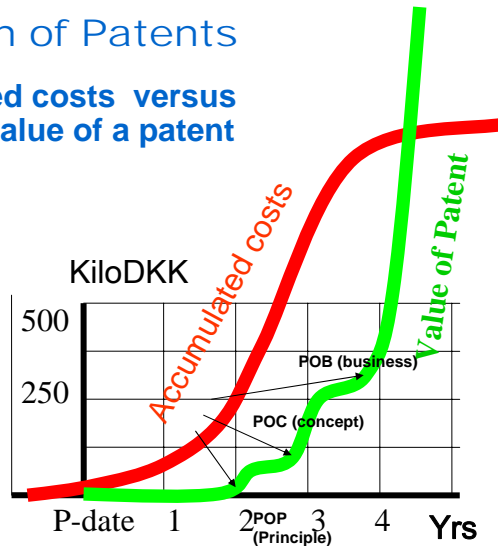
Free patent search online:

<http://www.freepatentsonline.com>

Real good recipe for novelty search: [click here](#)

Valuation of Patents

Accumulated costs versus perceived value of a patent



Selling Patents (Tech-trans)

1. Valuation

Commercial verification increases valuation

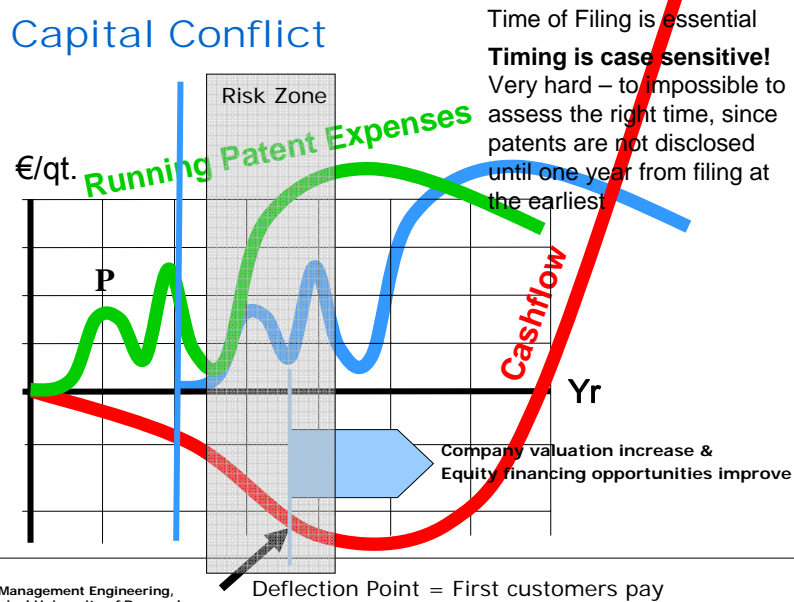
2. Tactics of Negotiation

- Hire professionals – the process is complex
- Non-disclosure agreements before hand outs.
Include response deadlines, and non-attack obligations
- Keep a distance to major expenses
- Beef up your staying power

3. Sales procedure

- Serial or parallel contacts to potential buyers?
- Exclusive or non-exclusive licensing agreements?
- Hybrids? (Regional exclusive licensing agreements)?

The Capital Conflict



Protection Strategies, IP

1. Production

Secrecy agreements, niching, stock options, Non-compete obligations, patents, design, trademarks

2. Consultancy

Non-compete obligations, stock options, niching

3. ICT

Speed protection, niching, stock options, secrecy agreements, non-compete obligations – and patents

4. Biotec

Patents, stock options

All for Now!

Coming up next:

CASES

**Check your mailbox on Thursday 15
November.**

**Join the classroom for discussions of
real-life problems in a start-up**