

Intellectual Property



Agenda:

- **Intellectual Property Law: the basics**
- **Eight components in the protective shield:**
 1. *The Patent*
 2. *The Utility Model*
 3. *Design*
 4. *Trademark/Brand*
 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**

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

Protection against other parties' exploitation is governed by national law and international conventions



Protecting your IP (The Protective Shield)

1. **PATENT**
Global, efficient, expensive, resource consuming
2. **UTILITY MODEL** (Poor Man's Patent)
National - local, cheaper, risky (no novelty search)
3. **DESIGN PROTECTION**
National, mandatory in certain business areas
4. **TRADEMARKS, BRANDS**
National, mandatory when leaving your niche
5. **SECRECY**
Can be cost/efficient, risky, requires secrecy agreements with employees = extra payments
6. **NICHE PROTECTION** Patent not worthwhile
7. **SPEED PROTECTION** Patent useless

THE PATENT

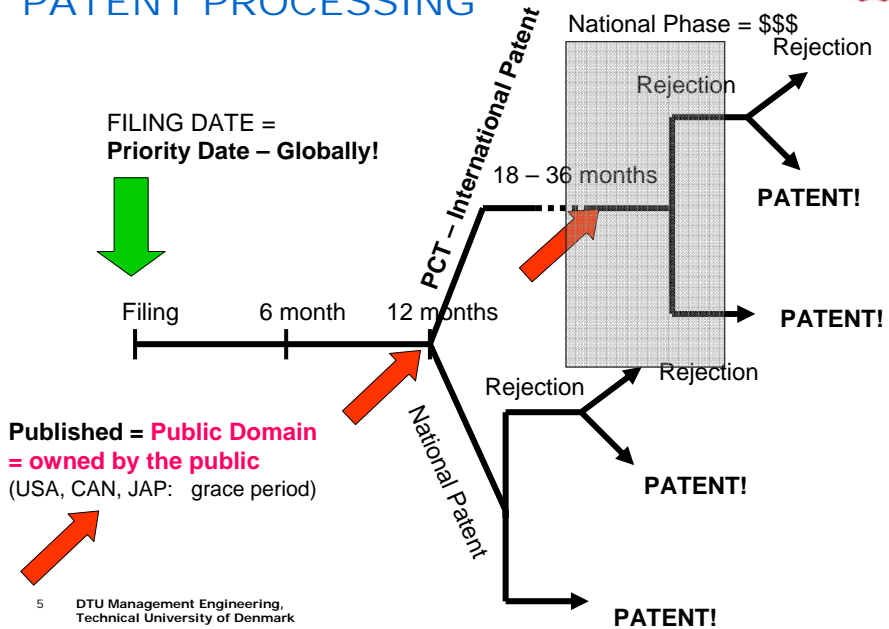
A geographically and time limited **monopoly** on **sales** and **production** of products, whose function rely on processes, procedures or constructional embodiments, which are described in the patent claims.

To obtain a patent requires

Novelty	<i>Unknown to Mankind</i>
Usefulness	<i>In a commercial-industrial context!</i>
Inventiveness	<i>Not obvious to the skilled but unimaginary specialist</i>

Not offensive to public moral

PATENT PROCESSING

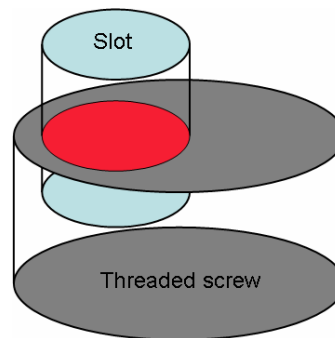


Patents - interaction and impact



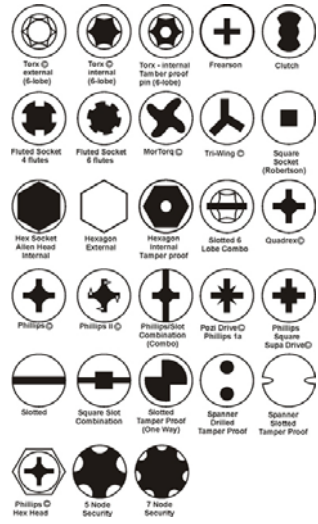
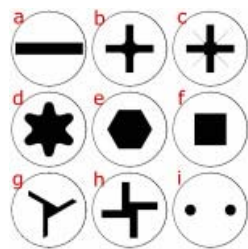
Any one **may file a subsidiary patent on an invention, which improves an existing and patented invention**

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

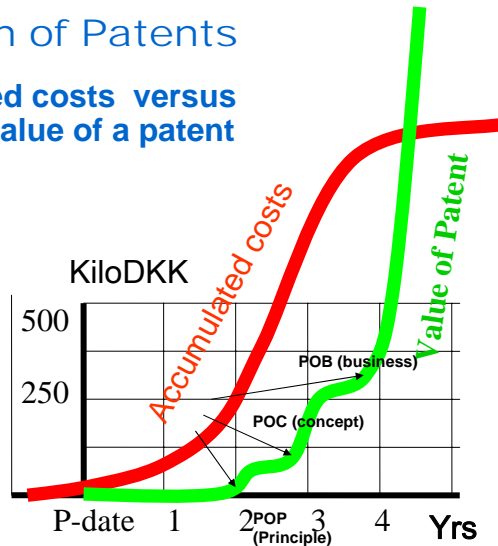
The Google:
<http://www.google.com/patents>

European Free Search Facility:
<http://www.espacenet.com/index.en.htm>

Free patent search online:
<http://www.freepatentsonline.com>

Valuation of Patents

Accumulated costs versus perceived value of a patent



Selling Patents (Tech-trans)

1. Valuation

Commercial verification increases valuation

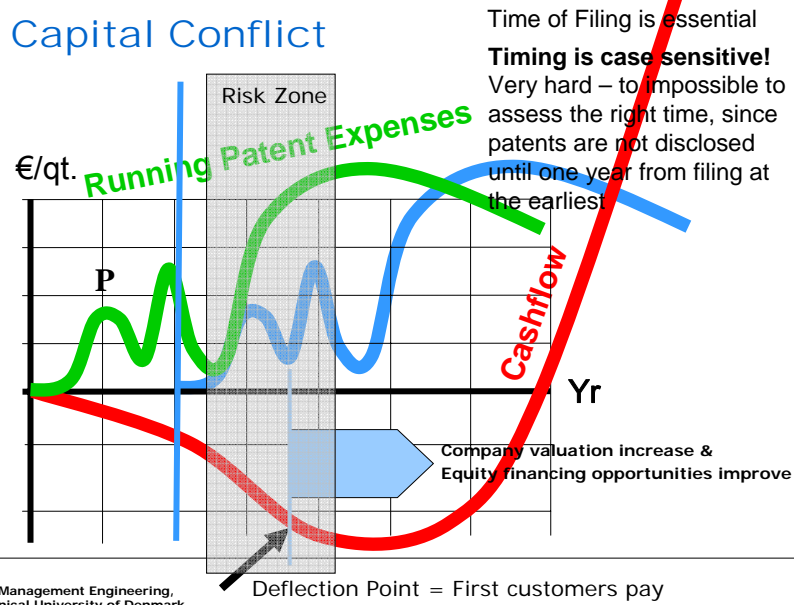
2. Tactics of Negotiation

- 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