

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**

1 DTU Management Engineering,
Technical University of Denmark

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

2 DTU Management Engineering,
Technical University of Denmark

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, mandatory in certain business areas

TRADEMARKS, BRANDS

National, mandatory 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

3 DTU Management Engineering,
Technical University of Denmark

THE PATENT

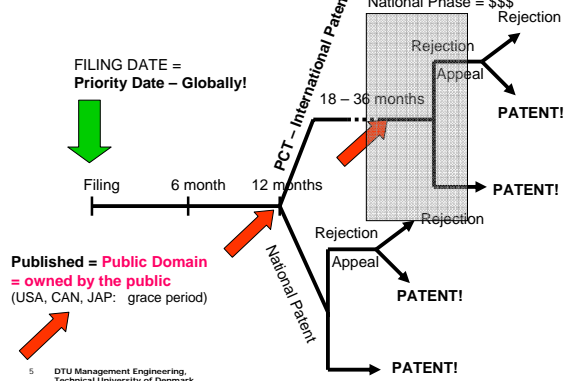
A geographically and time limited **monopoly on sales and production** of products, whose function rely on processes, procedures or constructional embodiments, which are described in the patent claims.

To obtain a patent requires

- Novelty** *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

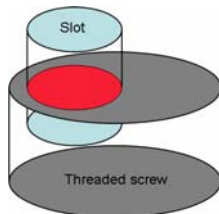
PATENT PROCESSING



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

DTU

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

7 DTU Management Engineering, Technical University of Denmark

DTU

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](#)

8 DTU Management Engineering, Technical University of Denmark

DTU

Valuation of Patents

Accumulated costs versus perceived value of a patent

9 DTU Management Engineering, Technical University of Denmark

Selling Patents (Tech-trans)

1. Valuation

Commercial verification increases valuation

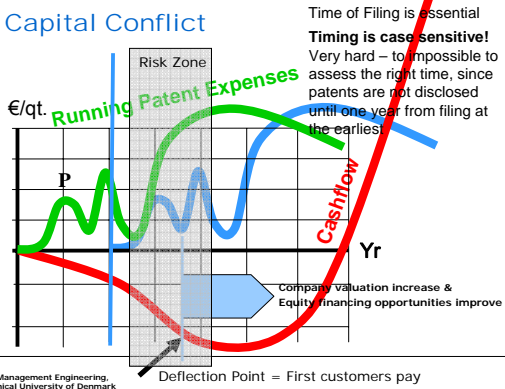
2. Tactics of Negotiation

- 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. Biotech

Patents, stock options
