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Innovationen Patente Lizenzen

Young Companies, Growing Companies and Companies during Exit - all - Need an Adequate IP Strategy

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What is Intellectual Property?

And what do I use it for

Intellectual property rights (IPRs) are the rights granted to creators and inventors to control the use made of their productions. They are traditionally divided into two branches :

- A. "copyright and related rights" for literary and artistic works ;
- B. "industrial property", which encompasses : trademarks, **patents**, industrial designs, geographical indications, layout-designs of integrated circuits.

Patents

a strategic asset

Top US patent recipients				
# in 2004	Number of Patents in 2004	Organization	# in 2003	Number of Patents in 2003
1	3,248	IBM	(1)	(3,415)
2	1,934	Matsushita Electric Industrial Co	(4)	(1,774)
3	1,805	Canon Kabushiki Kaisha	(2)	(1,992)
4	1,775	Hewlett-Packard	(5)	(1,759)
5	1,760	Micron Technology	(6)	(1,707)
6	1,604	Samsung Electronics	(9)	(1,313)
7	1,601	Intel Corporation	(7)	(1,592)
8	1,514	Hitachi	(3)	(1,893)
9	1,310	Toshiba Corporation	(13)	(1,184)
10	1,305	Sony Corporation	(10)	(1,311)

Source:
[United States Patent and Trademark Office](http://www.uspto.gov)



Software and IT Patents are special

do we have a strategy in Europe?



Strategic Patent Planning for Software Companies

A Look at Current Patent and Licensing Strategies

Eric Stasik,



Software Patents

An emotional debate



Software Patents vs Parliamentary Democracy



We explain the state of play regarding state-granted idea monopolies, specially in the context of the draft directive "on the patentability of computer-implemented inventions" (software patent directive), which has become a test case on the extent to which parliaments have a say in contemporary European legislation.



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What is Intellectual Property?

And what do I use it for

Intellectual property helps in:

Preventing competitors from copying or closely imitating;

Creating a corporate identity through a trademark and branding strategy;

Negotiating licensing, franchising or other IP-based contractual agreements;

Increasing the market value of the company;

Acquiring venture capital and enhancing access to finance;

Obtaining access to new markets.



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Who owns the invention once it is made?

It depends on the national law

In Germany, initial ownership is governed by the so called “German inventors” law (Arbeitnehmererfindungsgesetz ArbEG)

This law distinguishes between

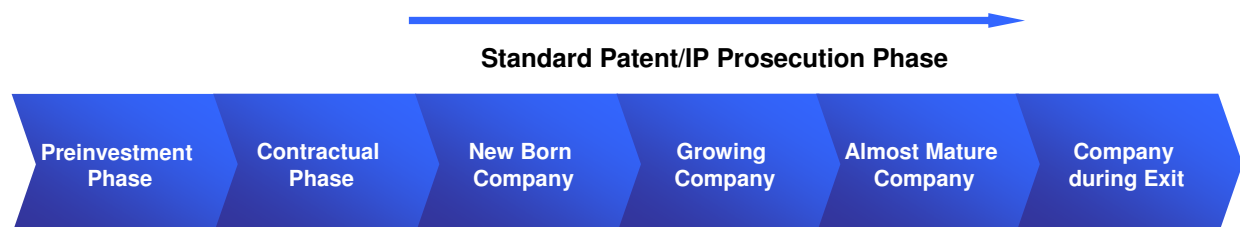
- a) Employee Invention
- b) Free Invention

It regulates flow of rights and sets special terms for Universities



A new company will go through an IP process chain

This chain is fundamental for business success



Preinvestment Phase



Preinvestment Phase

FTO Analysis

- What is the business model's intent – service or product?
- Product definition / Service definition
- Which future competitors are patent active in the field of interest?
- Are there blocking patents? **Freedom to Operate**

 Optimization of business model upon IP analysis



Preinvestment Phase

Securing the Chain of Rights

- **Rights of co-inventors**
- **Rights of collaborators**
- **Rights of former employers**
- **Failure of employment contracts (US!)**
- **Rights of universities**
- **Rights of the government**

Preinvestment Phase

IP action items

- **Where is my market?**
=> IP strategy includes all countries in which the company plans to compete!
- **Check:**
 - **Does the company's patent portfolio adequately protect its technology?**
 - **Will the company be infringing third-party rights if it practices its technology?**
 - **Company's copyright and trademark position**
 - **Which external technologies do I need (in licensing)?**
- **Matching the strategies**

Preinvestment Phase

Matching the strategies

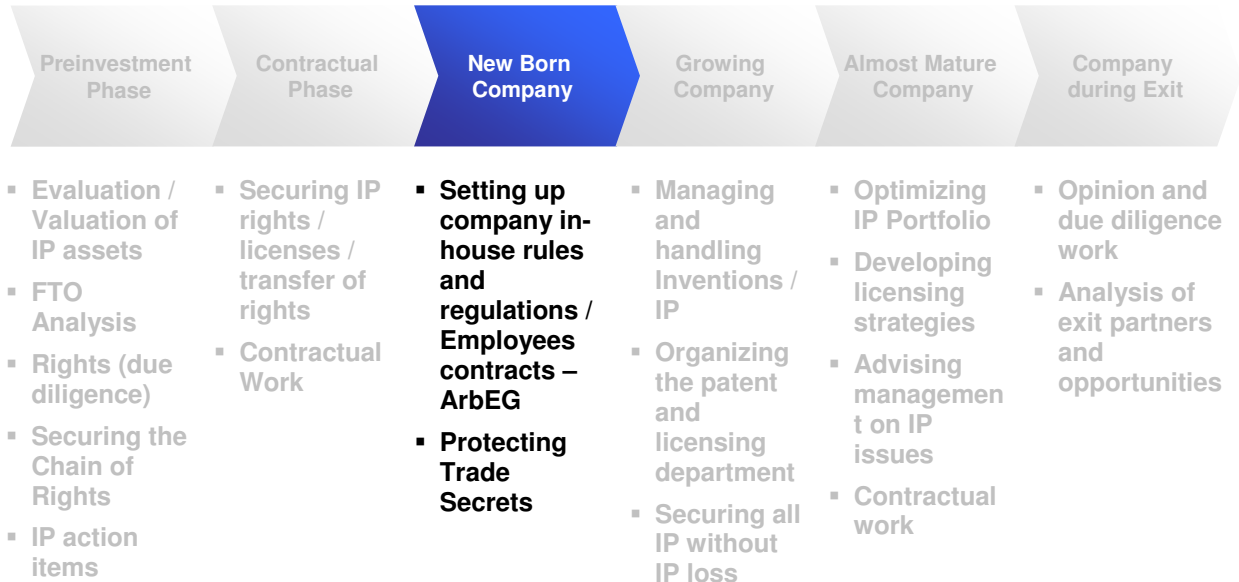


Contractual Phase

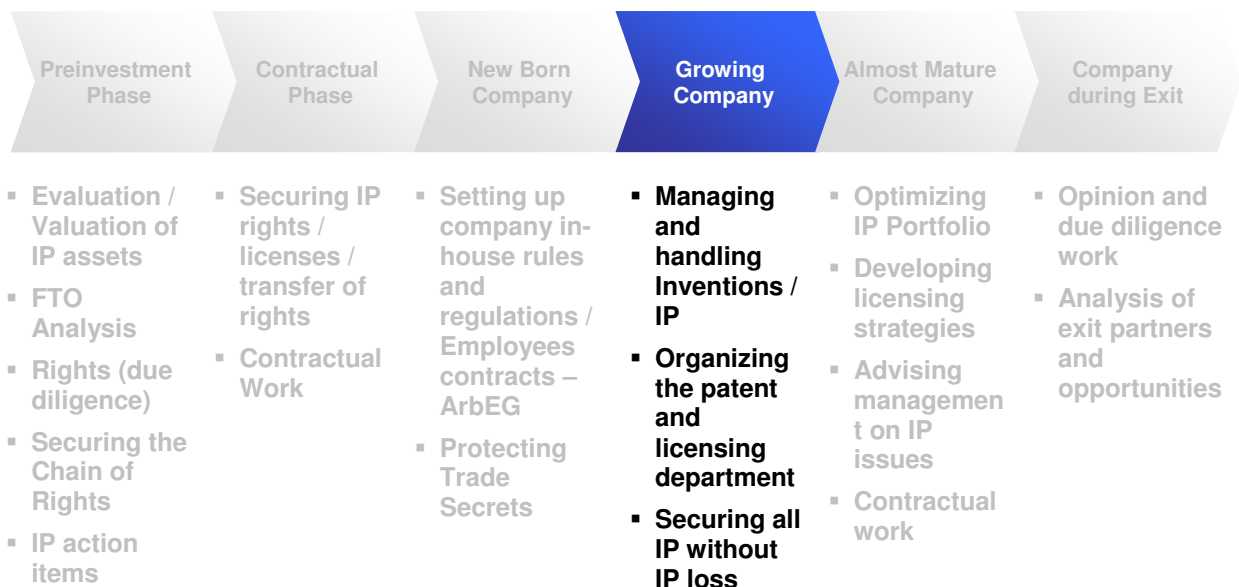


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| <ul style="list-style-type: none"> ▪ Evaluation / Valuation of IP assets ▪ FTO Analysis ▪ Rights (due diligence) ▪ Securing the Chain of Rights ▪ IP action items | <ul style="list-style-type: none"> ▪ Securing IP rights / licenses / transfer of rights ▪ Contractual Work | <ul style="list-style-type: none"> ▪ Setting up company in-house rules and regulations / Employees contracts – ArbEG ▪ Protecting Trade Secrets | <ul style="list-style-type: none"> ▪ Managing and handling Inventions / IP ▪ Organizing the patent and licensing department ▪ Securing all IP without IP loss | <ul style="list-style-type: none"> ▪ Optimizing IP Portfolio ▪ Developing licensing strategies ▪ Advising management on IP issues ▪ Contractual work | <ul style="list-style-type: none"> ▪ Opinion and due diligence work ▪ Analysis of exit partners and opportunities |
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New Born Company



Growing Company



Growing Company

Managing and handling inventions / IP

Up-to-date IP plan for managing the following functions:

- documenting the conception of inventions, with training and incentives for R&D
- evaluating the good ideas, seeking appropriate protection, and avoiding loss of IP
- system of contract procedures for clarifying ownership of IP rights
- evaluating patents and related technology for commercial development through licensing and leveraging business deals
- monitoring and detecting IP asset infringement, and pursuing defensive patenting strategies
- minimizing risk of infringement liability through timely reviews, opinions, and design-around studies
- providing a system of oversight and delegation of IP functions to people or committees having the required legal, technical, and business acumen
- monitoring company IP assets, placing a value on IP assets, and verifying that the assets that the company obtains fit it's long term strategy and that the company is using those assets proactively, to maximize value



Almost Mature Company



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Company during Exit



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