



IP LICENSING AND LITIGATION

ARE YOU PREPARED?



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DATE: 20 OCTOBER 2015
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INTRODUCTION

- Overview of previous webinars
- Turning IP into an asset centre
 - Planning in advance for licensing
 - Understanding the value of your assets
 - Creating a licensing revenue stream
- I think someone is copying my product – what do I do?
 - Check what IP rights you have and where
 - Check you can/should take action
- I've received a warning letter – will I have to stop selling my products?
 - What does getting a warning letter mean?
 - What should I do now?
 - What about my customers?
- Main take home points and summary

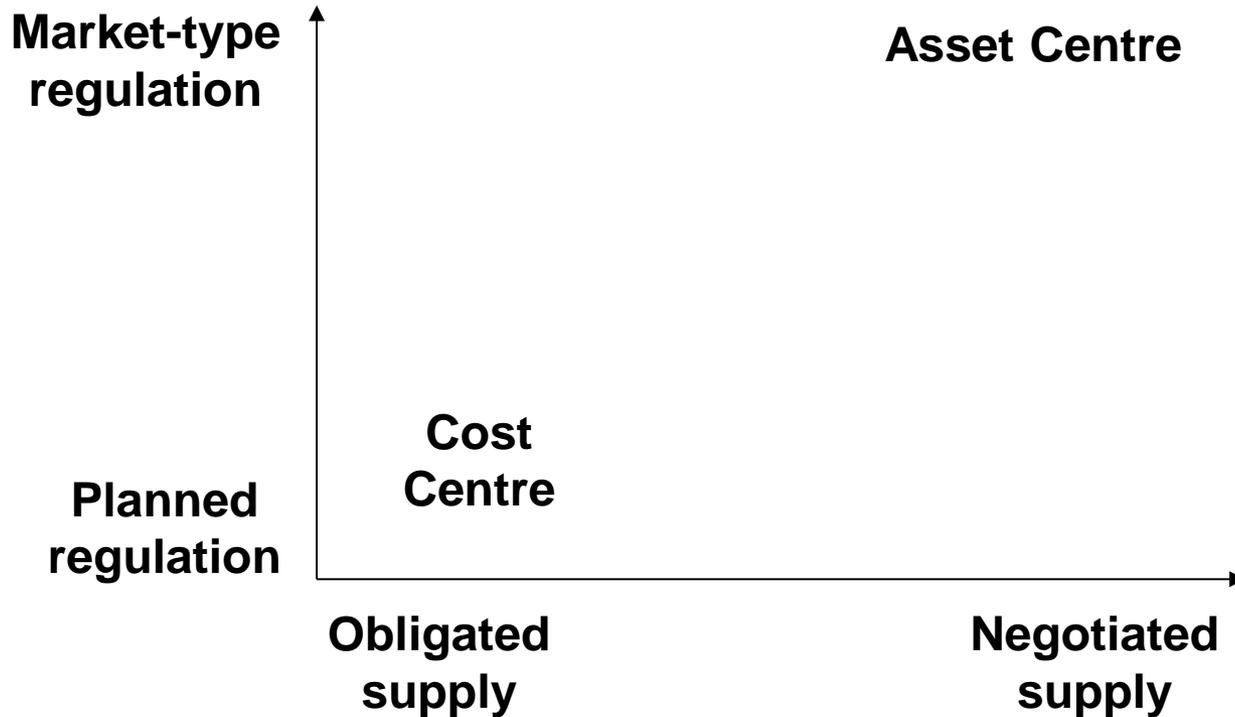


OVERVIEW OF PREVIOUS WEBINARS

- An invention is an idea reduced to practice
- An innovation (a product or a brand) is an invention with market success
- An IP strategy can be summarised as:
 - Right IP, right price, right time, right place
- There are five steps to creating an IP strategy
 - Recognising creative IP solutions
 - Look at what you already have
 - Look at the needs of your business
 - What effect do you want your IP to have on others
 - What effect can other people's IP have on you?
- Mitigate risk from third parties
- Review your portfolio regularly



TURNING IP INTO AN ASSET CENTRE



- Any IP portfolio is initially a cost centre
- As the technology matures IP moves towards being an asset centre



TURNING IP INTO AN ASSET CENTRE

- The key to turning IP into an asset centre is to have a value chain purely for IP
- In other words, licensing outside your own product offering
 - Not your core field of activity
- But when?

Strong Product

Weak Product

	X

Weak IP

Strong IP



PLANNING FOR LICENSING

- This highlights the fourth element of creating an IP strategy:
 - What effect do you want your IP to have on others?
 - Do you work in an industry where standards are required?
 - Are many parties likely to want access to your IP?
 - Does your IP have uses in other fields?
 - Is the invention in the field of a supplier or customer?



PLANNING FOR LICENSING

- When filing patent applications consider simultaneous filings or divisional applications, for trade marks consider additional classes
 - Can carve out claims/classes for licensing
- Think about claim category
 - When could you enforce product, method, use claims?
- Are you able to create IP relevant to a standard?
 - Beware of FRAND provisions
 - Benefits of cross-licensing
- Consider ALL forms of IP
 - Registered designs, trade marks



CONSIDER THE VALUE OF YOUR ASSETS

- What is your complete licensing package?
- What is the strength of each IP right
 - Have there been issues with validity
 - Have you enforced the right already?
- Have a fair view of royalties
 - Similar transactions or settlements?
 - Valuation by external body – consider tax implications
- What will it cost to licence – is it worth it?
 - Cost of actually making transaction (drawing up agreements, negotiations, internal admin, attorneys...)



CREATING A REVENUE STREAM

- Consider how to approach potential licensees
 - Alleged infringers
 - Settlement agreements
 - Evidence of use (but beware that this is not interpreted as an allegation of infringement)
 - Licensee request
 - Standards and cross-licensing
- Consider how you will receive money
 - Where should you be paid – tax
- Bear in mind competition law issues in Europe
 - Transfer of Technology Block Exemption Regulation
- Remember to register licences at the appropriate IP office



WHAT IF SOMEONE IS COPYING ME?

- “Someone is copying my product. Stop them.”
- What does copying mean?
 - Is this an allegation of infringement and/or a case of counterfeiting?
- “I am losing millions over this”
- Do you have evidence of lost sales?

- “I’ve got one of the fake products”
- How did you obtain it?



WHAT RIGHTS AND WHERE?

- We need to know how the product got onto the market and where
- Check what rights you have in each country
 - A product on the market in the EU may not be covered by an EP patent
 - Are there any unregistered rights
 - Are there any local rights (passing off/unfair trade)?
- Are these rights in force or enforceable?
- Do you have title?



WHAT ACTION TO I TAKE?

- Mediation/arbitration/court action?
- Consult counsel in the relevant country
- Have all your evidence ready
 - Details of rights
 - Products
 - Sales invoices/receipts
 - Advertising
 - Technical experts on hand
 - Lost sales data/estimated sales
- Is there any evidence missing?
 - Can this be obtained legally?
- Is urgent action needed?
 - A trade show is imminent



HOW DO I TAKE ACTION?

- Counsel will advise on the best option
 - Warning letter to put on notice
 - Cease and desist letter
 - Apply for injunction
 - Action in the courts
 - Licence (sole/exclusive/licence of right)
- **ALWAYS** consult a legal professional or consider an outside counsel opinion
- Counsel will also advise on the most appropriate remedy for your business needs



HOW DO I TAKE ACTION?

- One of the biggest unknown factors in litigation is cost
 - Direct costs of your own attorneys/counsel
 - Indirect costs in internal management and resources
 - Potential damages if you lose
 - Risk of having costs awarded in addition to damages if you lose
 - Risk of lost sales if you lose
- Costs vary country by country and in the UK, by court
 - Forum shopping – jurisdictions, torpedoes
- What is the cost compared to sales erosion?
 - Is enforcement the best option to support the business?



I'VE RECEIVED A WARNING LETTER

DON'T PANIC!



I'VE RECEIVED A WARNING LETTER

- Getting a warning letter can be an extremely stressful experience
- Initially contact an IP attorney and make sure you understand the content of the letter
 - Is it a notice letter, a cease and desist (C&D) letter, an offer of a licence?
 - Is it from a company (e.g. competitor) or a non-practising entity (patent troll)
 - What reply is expected and when?
- You will need to understand the validity of any right asserted and whether there is a risk you infringe



I'VE RECEIVED A WARNING LETTER

- Responses are based on a matrix of possibilities

Patent Valid		
Patent Invalid		
	No Infringement	Infringement



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WHAT ABOUT MY CUSTOMERS?

- Customers may be approached in relation to products they buy from you
- Beware in the UK provisions in relation to:
 - Indemnifying customers
 - Groundless threats
- The possibility of loss of sales and important customers is used as a tactic to force a settlement

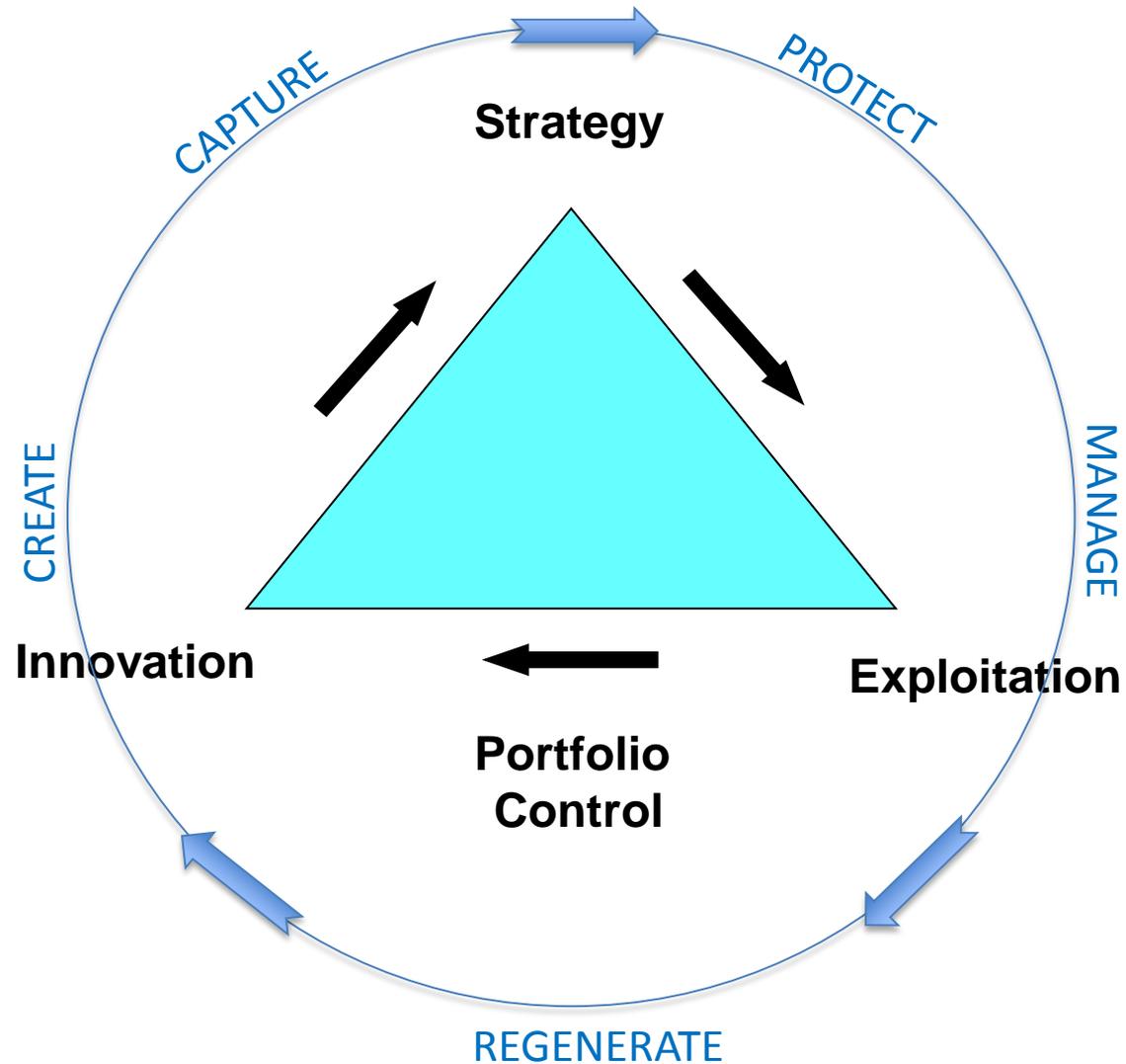


SUMMARY – MAIN TAKE HOME POINTS

- Early planning is vital
 - Include licensing and planned action against potential infringers in an IP strategy
- Licensing offers a revenue stream separate from your own product offering
- Enforcing IP is costly but will protect your market
- A warning letter is not a cause for panic
- Housekeeping – evidence of use, good records of sales, advertising, stock lists, customer lists



LINKING IT ALL TOGETHER





Any questions?



**THANKS TO THE
AUDIENCE!**



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