



IS MY PRODUCT IP READY?



MURGITROYD

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LOCATION: GLASGOW

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INTRODUCTION

- Overview of previous webinars
- Am I ready to launch – freedom to operate
 - Clearing the market
- Am I ready to launch – field testing
 - Can my testers become inventors
- Portfolio review – is there anything missing?
- Customers and suppliers – what do I need to do with them?
- Summary and take-home points



OVERVIEW OF PREVIOUS WEBINARS

- An invention is an idea reduced to practice
- An innovation 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 me?



TODAY

- The aim of today's webinar is to learn how to mitigate the risk to your product sales from third parties
 - IP owners
 - Customer
 - Suppliers



AM I READY TO LAUNCH? - FTO

- Last time we touched briefly on freedom to operate (FTO)
- The key question for a product launch is can you sell your product freely in the market?
 - What is the risk that you will infringe someone else's IP?
 - How can you find out?
 - What steps can you take to mitigate that risk?



AM I READY TO LAUNCH?

- There is no absolute guarantee that you can sell a product without infringing third party IP
 - Even the best searches will not find everything of relevance
- Take a pragmatic approach

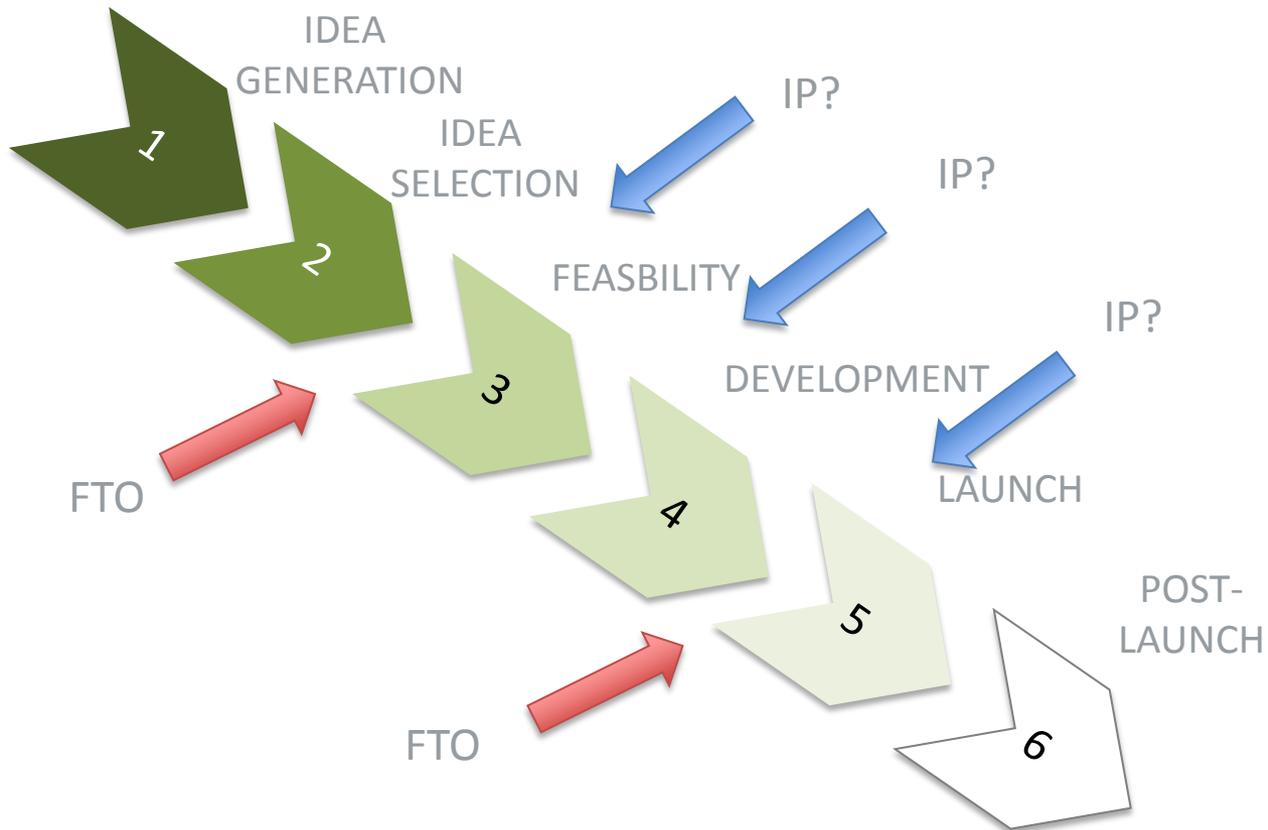


AM I READY TO LAUNCH?

- Have a thorough and easy to follow freedom to operate process
- Make FTO checks at key milestones in product development
- Make sure everyone understands the need to carry out FTO checks
- Encourage early searching to give time for a full analysis
 - Waiting until the night before a product review is not a good plan!



CAN I SELL MY PRODUCT?



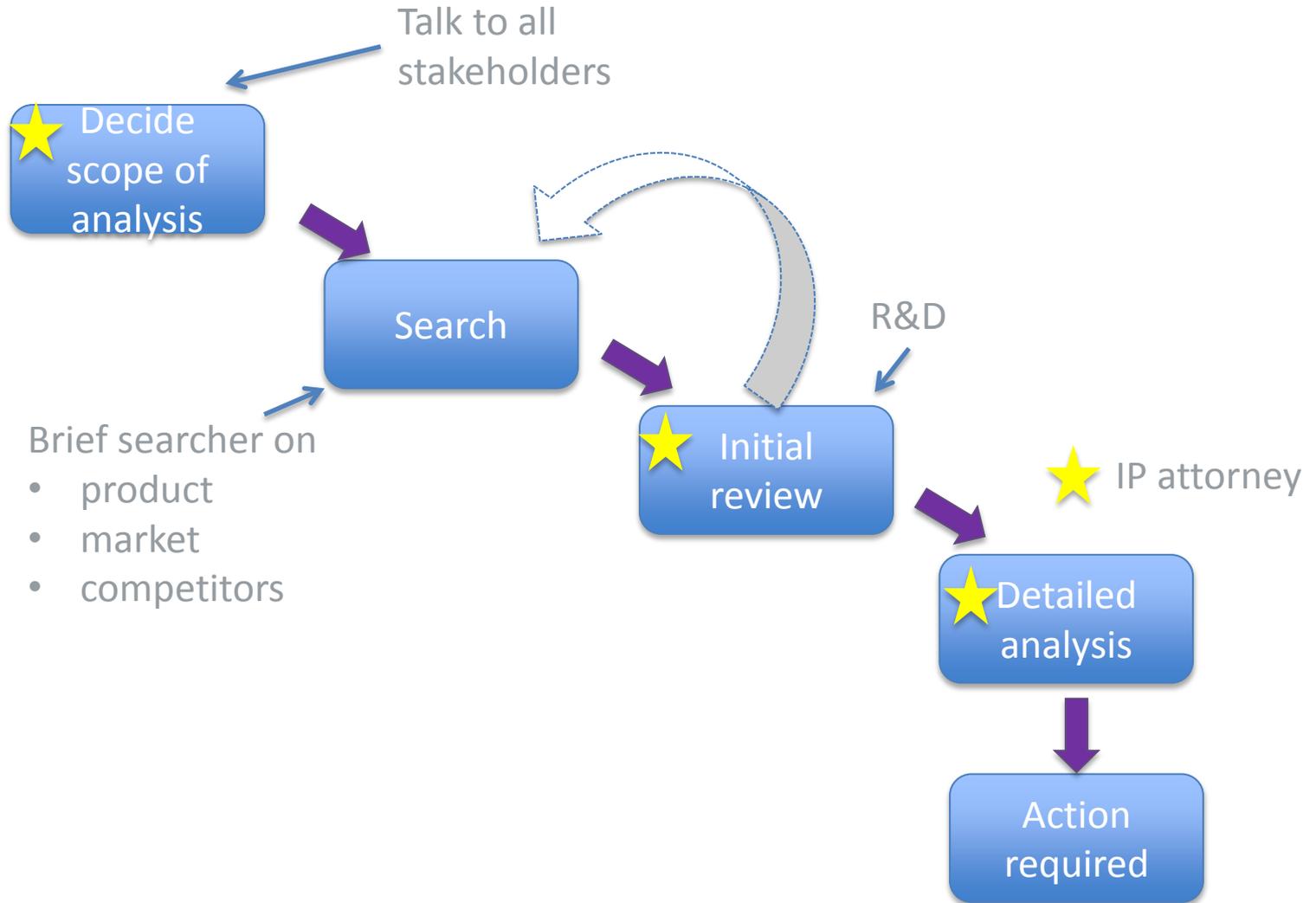


AM I READY TO LAUNCH?

- How do you decide the extent of your FTO search and analysis?
 - Carrying out a £20,000 search and month-long analysis for a product with expected sales of £50,000 p/a is not the best use of resources
 - Carrying out a Google patent search and just reading the abstracts for a product with expected sales of £5M p/a is inadequate
- Consider the product sales, territories, market and competitors, now and in the future
- Consider the type of rights that may be at issue
- Consider if you will inadvertently infringe IP in a different market or field



FTO FLOW CHART





EXAMPLE

- I am designing a hinge to use on doors in domestic buildings
- I estimate my sales to be £500,000 in the first year
- My design uses a new bolt system in the hinge and has a blue spot on one side for alignment
- I will launch in the UK and then the EU in 12 months' time
- I have never seen a product like this on the market



EXAMPLE

- This information appears to cover everything we need to make an assessment of FTO scope
 - Search in the field of domestic hinges, particularly those with bolt arrangements for pivoting the hinge
- BUT
- The IP attorney asked some more questions about the field of use, key competitors and existing products...



EXAMPLE

- My competitor, Hinge Co., sell a product with a red dot on one side
 - I don't think it's patented
- Last year Hinge Co., told me I infringed their patent for a door knob so I stopped selling it
- I suppose the hinge could be used in other markets, maybe on doors in commercial buildings



EXAMPLE

- On the basis of the new information:
 - Widen the search to any type of hinge, concentrating on door hinges
 - Look specifically for Hinge Co. patents/applications
 - Look for any registered designs for the dot concept
 - Take note that Hinge Co. could be litigious



ACTION NEEDED?

- If your analysis shows up a possible issue there are several options
 - Do nothing
 - Prepare a validity opinion
 - Opposition or revocation
 - Ask for a licence
 - Redesign
- Each option has a cost and mitigates the risk to you to varying extents



AM I READY TO LAUNCH? - CUSTOMERS

- What if product testing is needed?
 - Need customer feedback
 - VOC, panel tests
- Do you want the testing and results to be confidential?
- What if the customer/tester comes up with an improvement?



AM I READY TO LAUNCH

- Use a confidential disclosure agreement
- Ask for feedback using “closed” questions
 - Tester can only answer “yes” or “no”
 - Rate aspects of product on a numerical scale, i.e. 1 – 5
 - Ask for problems and issues
- Include an assignment clause in the CDA
- Make sure that products are exhibited at trade shows **AFTER** FTO has been completed and the product has been cleared.



EXAMPLE

- I need to have customers field test my new hinge
 - Use a CDA, control access to the hinges
 - Count hinges out and hinges in
 - Can the customer carry out testing at your premises?
 - No – have someone stay with them
 - Make sure that access to the test area is strictly regulated
 - Provide them with feedback forms
 - Rate the performance of the hinge on a scale of 1 – 5
 - Ask questions about the hinge and compare it to existing products – is it better/worse, etc.



CUSTOMERS AND ISSUES

- Issues arise with customers in two main ways:
 - Suggest a change to a product
 - Patent a new use of your product
- Consider standard T&Cs of sale that make it clear that all rights in the product belong to you
- If a customer does come to you with an idea
 - Decide if it is worth taking forward
 - if so work jointly with the customer
 - If not make it clear the disclosure is non-confidential



PORTFOLIO REVIEW

- Have you got every added value aspect of your product covered by IP?
 - Did anything in your product change during commercialisation?
 - Is there anything about the manufacturing process that you should cover?
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- A check of your IP coverage at this stage is good housekeeping to ensure that it is still relevant
 - File on any additional aspects to enhance portfolio



EXAMPLE

- Initially I filed a patent application covering the bolt arrangement of my hinge
- In commercialisation I found that the arrangement needed to be changed
 - Does the existing application still cover this?
- I am wondering though whether the blue dot is something that I can protect
 - What about a design application?



CUSTOMERS AND SUPPLIERS

- Suppliers can also make inventions based on your products:
 - Contract manufacturing
 - Modifications to standard off-the-shelf products
- Can be an issue in second sourcing or being offered to competitors
- Use a supply agreement with IP-friendly terms
 - Include a confidentiality term
 - Have any IP generated based on your confidential information or payment transferred to you



SUMMARY AND TAKE-HOME POINTS

- Ensure that you have adequately mitigated the risk from third parties
 - Infringing IP rights
 - Co-inventors – customers or suppliers
 - Be realistic!
- Review your IP portfolio regularly to make sure it is still relevant
- Once your portfolio is in the best shape for your IP strategy it's time to consider monetising and making the most of your IP assets



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- Any questions?



**THANKS TO THE
AUDIENCE!**



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