



# DEVISING AN IP STRATEGY

WHAT YOU NEED TO KNOW



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## INTRODUCTION

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- What did we do last time?
- Why do I need an IP strategy?
- How do I create an IP strategy?
  - What tools can I use?
- What is my USP?
  - How do I protect it?
- I've got my strategy, am I free to sell my product?
  - Understanding freedom to operate
- What next?
  - Customers and suppliers – is my IP mine?



## WHAT DID WE DO LAST TIME?

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- An invention is an idea reduced to practice
- An innovation is an idea with market success
- Most inventions start as a solution to a problem
- Making a start on your IP may involve the following:
  - Filed a patent application
  - Filed a design application
  - Filed a trade mark application
  - Documented design
  - Documented a copyright work
    - Written a software licence
  - Documented a trade secret



# WHY DO I NEED AN IP STRATEGY?

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- IP is often seen as a cost and not an asset
- Filing patent applications without a conscious plan as to why they are needed increases this cost
  - And may not give you the commercial position you need – not considering other types of IP may weaken your position
- An IP strategy is a plan to make your IP use **smart** – finding the most appropriate protection aligned with the needs of your business



## WHY DO I NEED AN IP STRATEGY?

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- An appropriate IP strategy can help with obtaining a return on your investment in R&D and on IP
  - Can lead to an increase in product sales
- An IP strategy can also be used to help secure funding
  - Filing patent applications in areas targeted to obtain funding
  - Obtaining IP to enable securitization over assets such as patents and licenses



# HOW DO I CREATE AN IP STRATEGY?

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- We can summarise an IP strategy as:

- Right IP
- Right price
- Right time
- Right place





# HOW DO I CREATE AN IP STRATEGY?

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- The first step is to realise that creative IP solutions often lead to a good result at a lower cost
  - Compare the cost of filing a software patent in 10 countries with that of a software licence



# HOW DO I CREATE AN IP STRATEGY?

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## HOW DO I CREATE AN IP STRATEGY?

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- The second step is to look at what you already have – and make the most of it!
- Aim to get the most appropriate IP right at a reasonable cost in the countries of most use to you at the right point in your product development
- Ask yourself:
  - do you need accelerated grant of a patent application?
  - could you use a utility model rather than a patent?
  - do you really need coverage in a particular country?
  - is your new product covered by your old IP?
  - can you file complementary applications to enhance your existing IP coverage?



# HOW DO I CREATE AN IP STRATEGY?

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I filed a PCT application for my bicycle, covering the whole bicycle and its component parts.



I anticipate that the design will change over a 7-10 year cycle, as my main customer base in Europe and the US are interested in the latest products. My main competitors are in China, where they manufacture bicycles. So, I will file a national phase in the US, a regional phase in Europe, and a utility model application in China – this will be granted quickly.

I will also look at filing divisional applications where I can to cover the whole bicycle and its component parts separately.



## HOW DO I CREATE AN IP STRATEGY?

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- The third step is to understand the needs of your business - how can IP support market growth? Are you an SME or a multinational corporation? Are you in a fast moving market or a commodity market? What causes your business pain – can IP be used to help?



# HOW DO I CREATE AN IP STRATEGY?

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BARGAINING POWER OF CUSTOMERS

Think about the forces your business faces in the market and what is your biggest threat or issue - you need IP to deal with this.

Consider sales, countries, market trends.

BARGAINING POWER OF SUPPLIERS

THREAT OF SUBSTITUTE PRODUCTS

THREAT OF NEW ENTRANTS



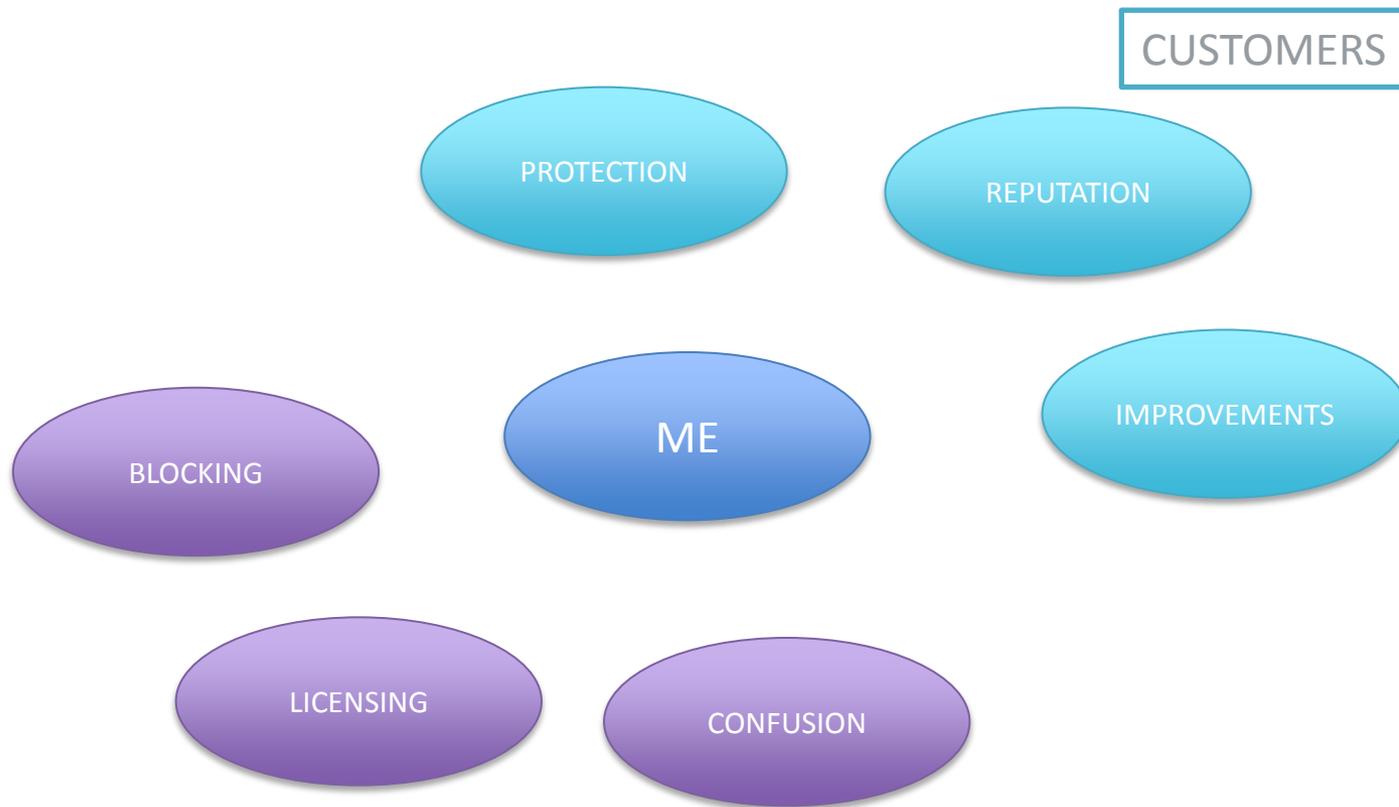
## HOW DO I CREATE AN IP STRATEGY?

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- The fourth step is to consider what effect you want your IP to have on competitors, customers and suppliers



# HOW DO I CREATE AN IP STRATEGY?



Think about your position relative to your Customers and your Competitors and the function you want your IP to have. What do you want to achieve? Choose the IP with that function.



# HOW DO I CREATE AN IP STRATEGY?

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- File one broad patent application covering several related ideas and file divisional applications later
- File several related narrow patent applications at the same time
- File a patent application to cover a product and, just before publication, file patent applications to cover improvements to and uses of the product
- File a design application to cover the aesthetic appearance of a product rather than a technical feature if this is the aspect copied by competitors
- Use software licenses (for example a EULA) rather than software patents in countries where patents may not be granted
- Use trade secrets rather than patents for methods of manufacture



# PROTECTING MY USP

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- USP is usually the customer added value element of a product
  - you can make the product faster or cheaper than rivals
    - Protect the manufacturing process, components, arrangement of components
  - you offer a niche product
    - Protect the feature
  - you may have an improvement to an old product
  - you may have a new application of an old product
  - you may have an accessory for a product
- All of these need protecting in different ways



# PROTECTING MY USP

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- IP strategy should evolve constantly to fit the commercial landscape and meet business needs
  - Otherwise your USP may not be protected
- Be aggressive with your portfolio
  - Why keep IP that is no longer relevant?
  - Are some of your inventions over-protected?
  - Consider licensing or selling off
- Monitor what customers, competitors and suppliers file
  - Beware customers filing patent applications about your products!



## HOW DO I CREATE AN IP STRATEGY?

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- The fifth step is to consider what effect other peoples' IP can have on you



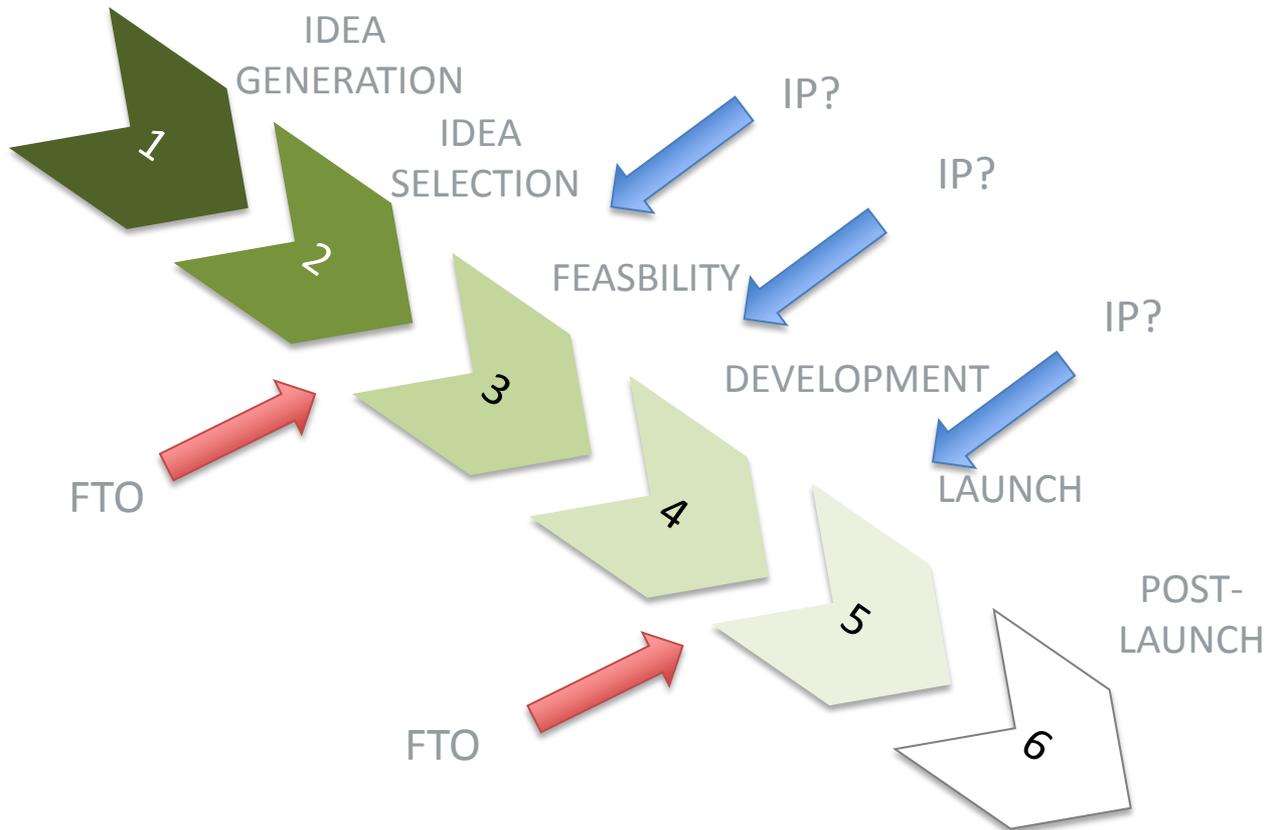
## CAN I SELL MY PRODUCT?

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- Having IP does not give you freedom to operate
  - Patents are a negative monopoly
- You can still infringe third party IP even if your invention is novel
  - Do you need third party IP to access a market?
  - If you improve product A by adding feature B you may infringe a patent for product A
- Product names and trade marks may also be an issue
  - Trade mark clearance searches advisable



# CAN I SELL MY PRODUCT?





# CAN I SELL MY PRODUCT?

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- A freedom-to-operate search may be:
  - A specific search for a particular product or feature
  - On-going watching of competitor patents, designs
- When to search?
  - Changing components
  - Changing design
  - New product
  - New product feature
  - Product changes during development
- What to search?
  - Patents
  - Designs
  - Opinion on unregistered design/design right



## CAN I SELL MY PRODUCT?

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- What do I need to continue to market?
  - Validity search
  - Product re-design
  - Licensing in
  - Opposition (EP patents), other pre/post-grant procedures
- What about software?
  - Make sure you know what third party code has been used in your program



## WHAT NEXT

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- Following the five steps puts the basic elements of an IP strategy in place
- But what role do customers and suppliers play in product development and how do they affect your IP?
- How can you ensure that you are in the best IP position to deal with them?
- This is covered in our next webinar on Tuesday 15 September
- See you there!



**THANKS TO THE  
AUDIENCE!**



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