



The Relevance of Intellectual Property (IP) for Acquiring/Securing Funding:

Making Start ups Intangible assets

More Tangible

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WITH INTELLECTUAL PROPERTY**

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INSME

INTERNATIONAL NETWORK For SMALL
AND MEDIUM-SIZED ENTERPRISES



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- **Knowledge Intensive Companies (KICs)**
- **Key “problems” of KIC**
- **Intellectual Capital**
- **IC Readiness**
- **Examples**

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knowledge intensive companies

We will focus our attention onto a particular type of SMEs: Knowledge Intensive Companies (KICs). They are small in numbers but cover a critical role:

- 🍊 strongly affecting employment
- 🍊 playing an increasingly active part in Global Markets and Value Chains: initiators

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knowledge intensive companies

Few numerically but playing fundamental roles:

- For both quality and quantity employment: 2% of new companies produces 50% of new employment in Europe and 70% in Usa
- For the dynamism of the economy: Nokia alone has changed Finlandia phisionomy and perception, Google and Facebook are changing the way the world communicates and is informed
- Creative destruction: today AT&T only exist as a brand



Key “problems” of KIC

1st “Problem”:

their value (assets) is mainly represented by Intangibles:

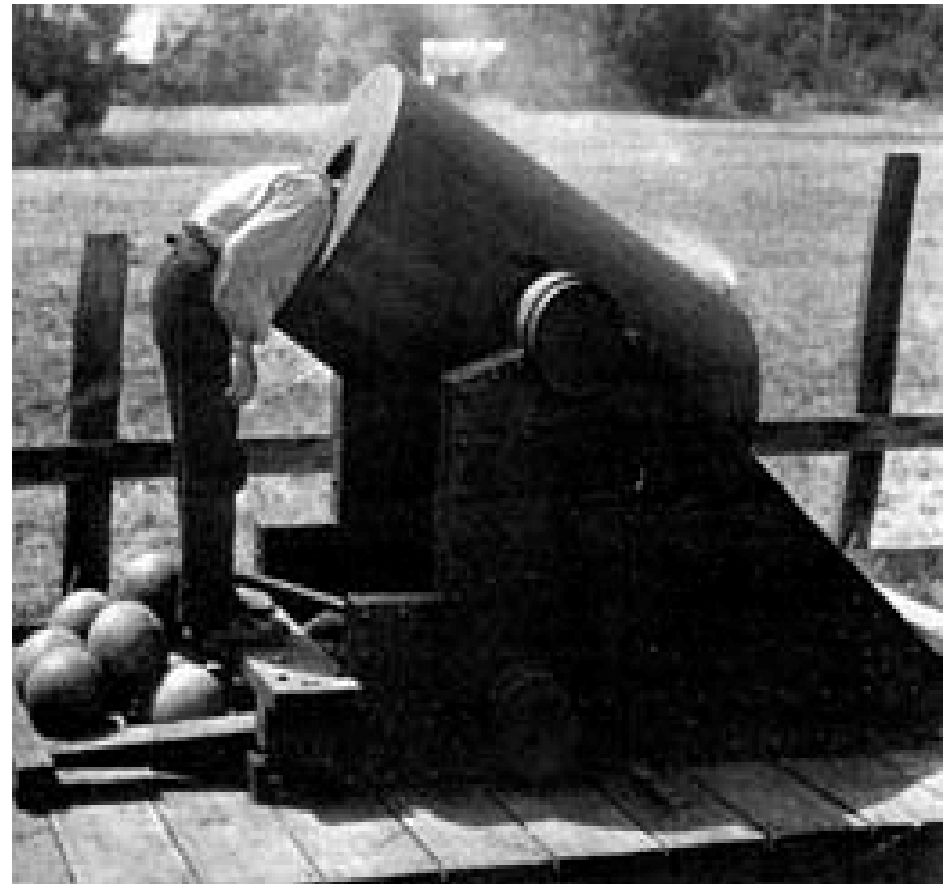
research(ers) capabilities – human capital, the technology embedded and the possession of “IP products”

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2nd “Problem”:
Knowledge
intensive
companies need (a
lot of) money!

3 Fs are not
enough!
(Fools/Founders,
Family, Friends)



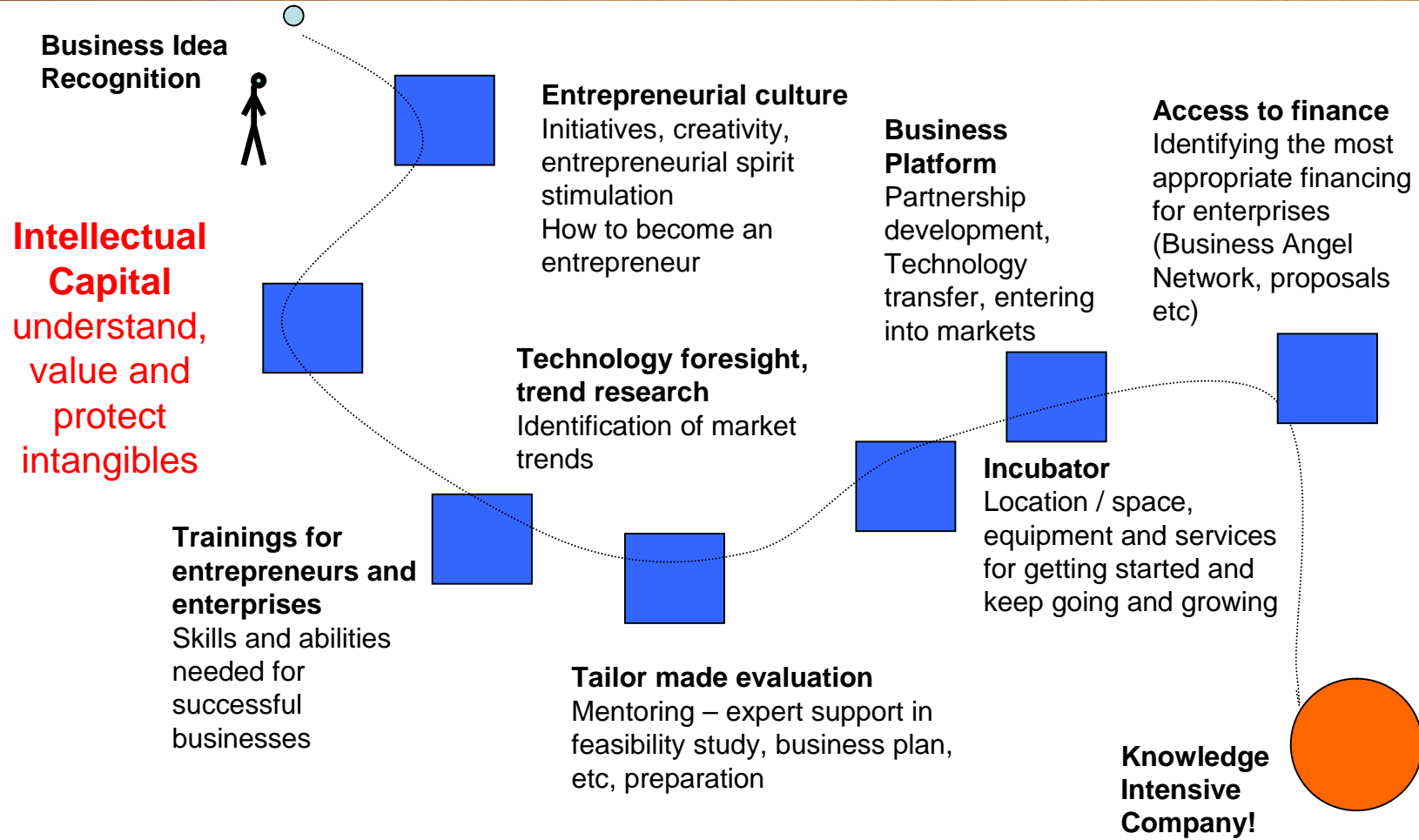
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KICs and Seed Capital



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A long, challenging and exciting walk, IC being the first step

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Intellectual Capital = Explicit + Tacit KNOWLEDGE

Explicit

- 🍊 USEFUL IDEA – Patent
- 🍊 ORIGINAL EXPRESSION – Copyright
- 🍊 DISTINCTIVE IDENTITY (Physical – Shape, Non Physical - Logo)

Tacit

- 🍊 PEOPLE!
- 🍊 PEOPLE!

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SECTORS

- Biotech – Patents
- Renewable Energies, ICT – Electronics, Manufacturing – Patents and/or Secrets
- Software - Speed

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IC Readiness of intangible KICs

Intellectual Capital Readiness

- Monitoring of competitive products/technologies/patents
- Correctly employing the legal tools in protecting products/technologies
- Ensuring key resources (including people) are protected

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INTELLECTUAL CAPITAL READINESS

- KICs require attention in the initial stages to assure an adequate **development** and **protection** of their product
- The commercial viability of an **IP product** resides in its actual implementation on the market place requiring:

the management team must know how to manage the intangible asset i.e. how to employ legal tools protecting the innovativeness of the idea in order to ensure the exclusive right to its commercial exploitation
- **IP protection** will augment **early stage investors' interests** in a particular KIC by providing further, strong, **guarantees on future returns on investments**

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PHARMAESTE

- Biotech spin-off from the University of Ferrara
- Research and development of drugs for pain: treatment of pathologies as neuropathic pain
- Medical (biotech) research requires long development times and very high costs: IP protection is thus one of the most decisive factors for the success of a spin-off

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PHARMAESTE

- o The University of Ferrara has provided the know how: 5 patents and as many active principles; 3 full time researchers; 4 researchers on a contract; 3 high levels scientific advisors
- o Funding: the company has received €3.2 million
- o Financial resources raised for the different development phases:
 1. Phase 1 (toxicity verification) €6 million
 2. Phase 2 (efficacy verification) €12 million
 3. Phase 3 (clinical experimentation) €20 million

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PHARMAESTE

- IP protection involves constant monitoring on the state of the art of alternative products and surveys on the IPRs of other pharmaceutical companies
- The Intellectual Capital was secured by international patents and a stock option to key people, critical element was valuation

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RAYSOLAR

- New manufacturing process for Silicium
- Lower cost, higher quality
- Everything is still in the head of the two leading researchers (and in a few drawings)!
- Protection through trade secrets

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SOLGENIA

- 🍊 ERP Systems for SMEs
- 🍊 ERP built exclusively for SMEs (not a down size of larger products)
- 🍊 It is Software after all!
- 🍊 Protection through vesting, bad leaver and lock up ...



Thank you for listening

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