Intellectual Property Rights
.... A must for all enterprises

Professor Prabuddha Ganguli
CEO
"VISION-IPR"
201 Sun View Heights, 262 Sher-e-Punjab,
Andheri East, Mumbai 400 093
Tel: 91-22-28264348; Fax: 91-22-28264344
e-mail: pgang@mtnl.net.in

WIPO Workshop “Train the Trainers” NIMSME, Hyderabad 13-17 August 2007
Creativity

Knowledge

ACTION

Staying Ahead (competition)

Cumulative Human experience

\[
\text{Competition} \sim \text{fn}[(\text{knowledge}).(\text{creativity}).(\text{vision}).(\text{action})].\text{ipr}
\]
The Knowledge Canopy

- Access
- Generate
- Create
- Apply
- Protect
- Share
- Barter
- Trade
- IPR
- Info. security

The Knowledge Canopy
A Paradigm Shift in Knowledge Dynamics

Speed

Internationalisation of Frameworks
TRIPS \quad SPS \quad TBT

Knowledge Differentiators

Govt. control on technology transfer
IPR Enabled Knowledge Incubation and Wealth Realisation

- Idea Feasibility
- Freezing of options
- Position in the protected Technology grid
- Idea into product/process
- Ideas Actionable
- Ideas demonstrable
- Marketable Products/Processes
- Alignment with market
- Competitive sustenance
- Market acceptability
- Value addition to Organisation & Market

Realisable Value of IP to Potential Value of IP

Hi to Low Risk

Product Lifecycle

time
Said Thomas Edison „„„

Make it a practice to look out for novel and interesting ideas that others have used successfully.

Your idea has to be organised only in its adaptation to the problem you are working on.
Key issue: Ownership of Knowledge versus IPR plays a decisive role
Balancing of Interests

Framework for Societal Governance

Private Producer Industrialized Economies Monopoly
Public Consumer Developing Economies Competition

“Private Interest Must Yield Public Good”
A PATENT IS A GRANT BY
SOVEREIGN OR STATE TO A
PERSON GIVING EXCLUSIVE RIGHT
to prevent others to “MAKE., USE EXERCISE AND
VEND” his INVENTION FOR A
LIMITED PERIOD, IN EXCHANGE FOR
DISCLOSING IT IN A PATNET SPECIFICATION
Such that any one trained in the art can reproduce the invention.

OWNER HAS A QUALIFIED RIGHT TO USE THE
INVENTION
What is a Trademark

• Trademark Marks Used To Distinguish Goods
  - Words, Signs or combinations. Even distinctive Shapes, Sounds and Smell may be used.
  - It indicates source or origin of the product and helps to give the product a distinctiveness

• Gives the Owner of the trademark an exclusive right over its use.
What is Copyright

- Copyright Literacy, Musical, Artistic Work e.g. Books, Periodicals, Lectures, Dramas, Maps, Art Reproductions, Models, Photographs, Cinematographic Films, Sound Recordings, "Computer Software"

A bundle of rights that helps to protect expressions that are original
Ownership

Rights

Responsibilities
INTELLECTUAL PROPERTY RIGHTS

STRATEGIC ELEMENTS

- Protection offered by each one of the tools
- Period of validity
- Geographical limits
- Enforcement features
- Licensing issues, benefit sharing
- Other legal implications

A clear appreciation of these…. Imperative for all enterprises
What can one do with one’s rights?

Identify them
PROTECTED TOOLS, SOFTWARE, REAGENTS, GENE FRAGMENTS, SPECIALITY MATERIALS, LINKED TECHNOLOGIES, OF VARIOUS KNOWLEDGE OWNERS
Beware !!!!

Premature disclosure of information

Seek usage clearance

Public Testing of Inventions
Patent Activity as indicator of revenue growth

A few examples
Nokia.

Ericsson.
Gillette

• Manufacturers of male and female grooming products, writing instruments and correction products, tooth brushes, oral care appliances, and alkaline batteries.

• Products include blades, razors, shaving preparations and hair epilation devices among others.

• Internationally recognised brand names such as BRAUN, PARKER PEN, WATERMAN, LIQUID PAPER, ORAL B, DURACEL….. Flagship Brand .. GILLETTE

• Products protected and nurtured by Trademarks in various parts of the world
# Gillette

## Gillette Company Asset Values (US $ million)

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Value ($m)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Capital</td>
<td>2,850</td>
<td>4.9</td>
</tr>
<tr>
<td>Fixed/Other Assets</td>
<td>5,131</td>
<td>8.8</td>
</tr>
<tr>
<td>Intangible Assets (est. 10% of TIC)</td>
<td>5,854</td>
<td>10.0</td>
</tr>
<tr>
<td>Intellectual Property</td>
<td>44,700</td>
<td>76.3</td>
</tr>
<tr>
<td><strong>Total Invested Capital (TIC)</strong></td>
<td><strong>58,535</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Information source: PRICEWATERHOUSE COOPERS publication

“Valuation of Intellectual Property”
Case Studies

• Honeywell in 1993 won $96 million from Minolta for infringement of Honeywell’s auto-focus technology for cameras. Then got licensing deals worth $400 million from other manufacturers.

• Historic judgement of 1990. Polaroid awarded $900 million from Kodak. Of this $455 was as lost interest on the damage of $454.
### Key Players with Protected Tobacco Processing Technologies

<table>
<thead>
<tr>
<th>Name</th>
<th>Period</th>
<th>Patents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hauni Maschinenbau AG</td>
<td>1995-98</td>
<td>19</td>
</tr>
<tr>
<td>Korber AG</td>
<td>1988-94</td>
<td>30</td>
</tr>
<tr>
<td>Hauni-Werke Korber</td>
<td>1973-87</td>
<td>19</td>
</tr>
<tr>
<td>Topak Verpackungs Technik</td>
<td>1998-99</td>
<td>6</td>
</tr>
<tr>
<td>Decoufle</td>
<td>1973-98</td>
<td>14</td>
</tr>
<tr>
<td>RJ Reynolds</td>
<td>1974-94</td>
<td>12</td>
</tr>
</tbody>
</table>

Overall Patenting Scores in USA of various companies during the period 1971 - 1999

RJ Reynolds: 530; Hauni: 52; Korber: 141; Brown Willianson: 308, Decoufle: 14
<table>
<thead>
<tr>
<th>Technology/Company</th>
<th>Appt/Metd</th>
<th>Appt/Metd</th>
<th>Test Appt/Metd</th>
<th>Packaging</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hauni Maschinen</td>
<td>Rod shapes</td>
<td>mass flow</td>
<td>fibrous. mat. filter rods eva.surpl. air</td>
<td>manipulating containers for trays</td>
<td>cooling systems</td>
</tr>
<tr>
<td>Korber</td>
<td>sealing elements for ends, fluid flow through ventilation zones, rolling and radiation treatment</td>
<td>merging mass flow, changing directions, altering space, transporting arrays, making streams</td>
<td>monitoring cond filament belts, test end portions, diameters,</td>
<td>apply adhesive, wrapping mechanisms for rod making machines, packing rod shaped articles</td>
<td>perforating paper, bobbin changing,</td>
</tr>
<tr>
<td>Hauni-Werke Korber</td>
<td>pneumatic transporter</td>
<td>sing. layer to mult-layer flows,</td>
<td>rod shaped</td>
<td>perforating wrapping material</td>
<td>withdrawing leaders of webs from reels</td>
</tr>
<tr>
<td>Topak</td>
<td>superimposing rows</td>
<td></td>
<td></td>
<td>loading/transfering packets.</td>
<td></td>
</tr>
<tr>
<td>Decoufle</td>
<td>aligning articles, trans. rods, cutter guide</td>
<td></td>
<td>collecting objects</td>
<td>heating adhesives</td>
<td></td>
</tr>
</tbody>
</table>
Patent Portfolio Building

Seed, nurture, cultivate and harvest Inventions to create the Present, Immediate Future and distant future portfolios

Measuring IP Performance
How does one value one’s intellectual assets

A structured approach is necessary
Evolving Approaches

• IP Royalty financing
• IP Securitisation
• Strategies for Capitalising future returns
• Role of Collateral Trustees
• IP driven M&A transactions

valuation of IP for transactions…….
Controlling Counterfeiting

......A never ending challenge
IPR Litigation

Creating Business Opportunity and Strategy
How does one realise the value of one’s intellectual assets

A structured audit is necessary
Managing Intellectual Property Rights

- Policies
- Organisational Structure for IPR
- Information Classification & Ownership
- Implementation Procedures
- Enforcement & Monitoring
- Actions
- Audit

IPR as an organisational culture
Rationale for IP Protection

• Organise in the best possible way human, economic and social relations thereby providing a framework for a fair distribution of the limited human resources available

• Stimulate creativity and inventiveness

• Protection for investments

• Recognition to inventors and enhance ethical standards in society
Motivation for IP Protection and Management

• IPR Management helps to integrate the institution’s innovation process with a wide range of R&D partnerships.
• Institutional IPR encourages partnership with other developers especially with SMEs in the innovation supply chain.
• Optimal use of extra-institutional knowledge. Avoid duplication and manage funds for R&D effectively.
Motivation for IP Protection and Management

- Create and retain R&D and Market Leadership.
- Freedom to operate in a global environment
- Enhance institutional image
- Protection/Management of Institutional Knowledge Assets
- Competence and Knowledge Building
- Earnings from innovations to pay for further research and acquiring other technologies (e.g. structuring contracts, licensing and cross-licensing)
- Contribute to long term growth
Develop Business - Research Strategy

Plan for IPR
What does the market need???
Defensive  ????
Offensive  ????
Know How v. Patent?
Managing Intellectual Property

CONCEPTS
- Business Opportunities
- Technology Options
  (mapping exercise)
- Strategic Options

INNOVATION PROCESS
- Working through the IP grid
- Patents & other IPR Filings/Registrations
- Strategy for Foreign Filings
- Licensing Options
- Joint Developments

OUTPUT
- Fit in IPR Portfolio
- Licensing
- Joint Developments
- Marketing tieups

MARKET
- Product Lifecycle
- Managing IPR Portfolio
- Monitoring IPR
- Policing IPR
- Enforcing IPR

Record Maintenance & Updating IPR Information
IPR... Strategic Options

INNOVATIONS

Acquire Externally?

Generate Internally?

PART INTERNALLY/EXTERNALLY?

resource based

Human

Infrastructure

IPR

IPR... Strategic Options

Acquire Externally?

Inadequate human resource or expertise or competitor far ahead. Take licence or contract research & development. Who will own IPR. Sign NDAs/MOU s

Generate Internally?

All complimentary infrastructure and resources available in-house. IPR integrated with innovation and business

Part Internally/Externally?

Some resources and expertise available in-house. Complimentary “quality resources” elsewhere. Strike collaborations, JVs Strategic Alliances, Marketing arrangements.
Managing Intellectual Property

CONCEPTS
- Business Opportunities
- Technology Options (mapping exercise)
- Strategic Options

INNOVATION PROCESS
- IPR Study
- Patents
- Other IPR Filings/Registrations
- Strategy for Foreign Filings
- Licensing Options
- Joint Developments

OUTPUT
- Fit in IPR Portfolio
- Marketing tieups

MARKET
- Product Lifecycle
- Managing IPR Portfolio
- Monitoring IPR
- Policing IPR
- Enforcing IPR

Record Maintenance & Updating IPR Information
Managing Intellectual Property

**CONCEPTS**
- Business Opportunities
- Technology Options (mapping exercise)
- Strategic Options

**INNOVATION PROCESS**
- Working through the IP grid
- Patents & other IPR Filings/Registrations
- Strategy for Foreign Filings
- Licensing Options
- Joint Developments

**OUTPUT**

**MARKET**

Record Maintenance & Updating IPR Information

Managing IPR
... Innovation Phase

- Working through the IP grid
- Bypassing laws by designing experiments to gain IPR
- Decisions on Patents & other IPR Filings/Registrations

- Strategy for Foreign Filings
- Litigation Strategy (clearing IPR mine fields)
- Licensing Options
- Joint Developments

Signing of NDAs/IPR assignments with employees/contractors,
MOUs with possible partners, Trade Secrets,
milestone payments, royalty and other benefit sharing arrangements
Managing Intellectual Property

CONCEPTS
- Business Opportunities
- Technology Options (mapping exercise)
- Strategic Options

INNOVATION PROCESS
- Working through the IP grid
- Patents & other IPR Filings/Registrations
- Strategy for Foreign Filings
- Licensing Options
- Joint Developments

OUTPUT
- Fit in IPR Portfolio
- Marketing tieups

MARKET

Record Maintenance & Updating IPR Information
Managing IPR

... Output Phase

Valuation of the IPR

Evaluate fit with business strategy and growth plans

Evaluate Licensing Options

Options for IPR value extraction

- Fit in IPR Portfolio
- Marketing tie-ups

( e.g. venture capital, business incubators, etc.)

Technology life cycle analysis
Managing IPR
... Market Phase

- IPR notification on products and services
- IPR Portfolio Maintenance Strategy
  - Synergy with other IPRs in the organisation
  - Litigation Strategy to retain leadership

- Value of Competitors' IPRs
- Monitoring possible infringers
- Action against infringers

- IPR protection during product life
  - Product Life-cycle
  - Managing IPR Portfolio
  - Monitoring IPR
  - Policing IPR
  - Enforcing IPR

Institutional IPR Policy

Integrating IPR into business strategy & project management

Effective Use of IPR information

Identifying areas of possible infringements

Licensing strategy

Policing of institutional IP assets

Litigation strategy

IPR audit

Effective utilisation of International Conventions.
GROUP INTELLECTUAL PROPERTY SERVICES (GRIPS)

Evolving Roles ..........

Support Legal Proceedings

Institutional IPR Awareness

Window to IPR Information

In Project Teams
Research Proposals
Identify innovations
Appropriate IPR protection
Publication clearance

Technology Transfer
Check Post
Agreements/Contracts
Licencing
Clearance for use

Gatingway
Attorneys
IPR Authorities
National/International agencies

Institutional Strategy, Speed, Confidentiality, Quality
.......... The Key
Where The Mind Is Without Fear

Where the mind is without fear and the head is held high;
Where knowledge is free;
Where the world has not been broken up into fragments;
by narrow domestic walls;
Where words come out from the depth of truth;
Where tireless striving stretches its arms towards perfection;
Where the clear stream of reason has not lost its way;
into the dreary desert sand of dead habit;
Where the mind is let forward by Thee into ever-widening thought and action;
Into that heaven of freedom; my father let my country awake.

Rabindranath Tagore (1901)