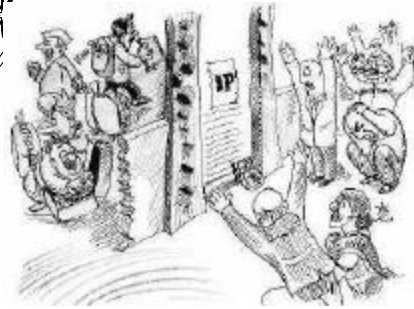




Intellectual Property Management

MOT/MBA
May 2003
Mike Volker
(www.mikevolker.com)



Introduction

- ✓ Web Site: www.sfu.ca/~mvolker/mot/
- † Instructor
- † Speakers
- † IPM: More questions than answers!
- † Goal: raise awareness, discussion
- † Benefit: On-going contacts, resources
- † Engineers and Lawyers
- † About the UILO... .
- † VEF tickets, etc (www.vef.org)



Agenda

- † May 17th:
 - 09:00 Mike Volker: IPM Intro Talk and [slides]
 - 10:15 Break
 - 10:30 Speaker
 - 11:30 Q&A



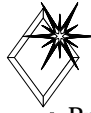
A little background... .

- † so who is Jerome Lemelson?
and what does he have in common with
Hoyle Schweitzer
- † and then there's Hedy Lamarr, inventor
- † IP issues are cropping up more frequently



IP... . is between your ears!

- † IP is the asset on which high tech is built
- † IP is the asset on which most firms are built
- † IP is integral to the *Innovation Process*
- † IP is... *knowhow*
- † IP Management is... *Profit Maximization*
- † IP must be protected, managed, nurtured
- † IP turns investors on
- † IP is a competitive weapon
- † IP is, itself, becoming an industry
(eg hellobrain.com, BTG, Utek, etc)



Types of IP

- † Product or Process Inventions (Patents)
- † Expression of thought:
 - literary work
 - music/artistic work or various forms recordings
 - architectural works
 - logos, trademarks, etc
- † Computer Programs
 - copyright and/or patent



Types of IP Protection

- ✓ Legal
 - † patent (Defensive vs Offensive)
 - † copyright
 - † trademarks & corporate names
 - † agreements
- † Non-Legal
 - † trade Secret
 - † NDAs (non-disclosure agreements)
 - † employee training & education



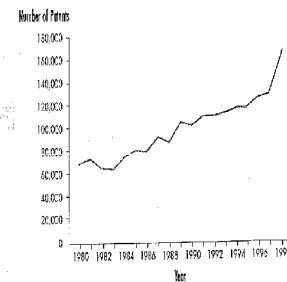
Legal IP Protection

- † Patents
 - Jurisdictional (different rules)
 - Grants a Monopoly to the owner
 - 3 criteria: new, useful, non-obvious
- † Copyright
 - Automatic (50 years - Can & USA)
- † Trademarks
 - US & Can - registered vs unregistered?
 - Corp names, web names, etc?
- † Industrial Designs
 - May register styles, forms



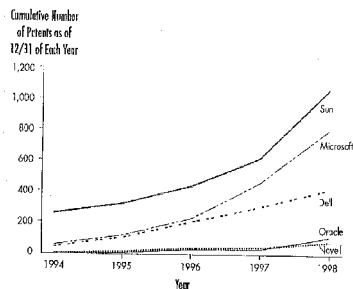
The 1990's Patent Boom

FIGURE 1-1a NEW PATENTS ISSUED ANNUALLY, 1980-1998



The 1990's Patent Boom

FIGURE 1-1b HIGH-TECH COMPANY PATENTS OWNED, 1994-1998



IP Protection - Costs

(\$US, source: AIPLA)

- ✓ Obtaining IP Rights
 - † \$200 - Copyright Registration
 - † \$300 - Trademark Declaration or Renewal
 - † \$900 - Patent Search, analysis & opinion
 - † \$4000 - Simple utility patent application
 - † \$7500 - Hardware/Software Patent application
 - † \$1500 - Average amendment
 - † \$3000 - Appeal brief



IP Protection - Median Costs

(*SUS, source: AIPLA*)

† Enforcing IP Rights

Discovery - Trial

† \$600K - \$1200K

† \$150K - \$250K

† \$100K - \$180K

† \$200K - \$400K

Suit

Patent Infringement

Trademark Infringement

Copyright Infringement

Trade secret misappropriation

† Patent Infringement Suit Costs

† \$200K - \$300K < \$1M at risk

† \$450K - \$750K \$1M to \$10M at risk

† \$1.2M - \$2M \$10M to \$100M at risk

† \$2M - \$3M > \$100M at risk



Choice of IP Protection

choice of IP protection depends on...

† type of technology

† competitive environment

† economic life of the technology

† corporate strategy & philosophy

† some factors to consider...

† market potential

† how broad a technology

† investment made & to be made



IP Valuation depends on... .

† strength of protection

† stage of development

† cost - what counts?

† comparable rates (market)

† profit potential

† controlled greed



IP Liability Issues

† are you liable for... .
copyright infringement?
patent violation?

† how to avoid liability?
get permission
use until caught

† litigation defense...
financial exposure?
legal costs?

† Don't be paranoid



IP Practical Considerations

† to tell or not to tell?
ideas?

disclosures? (NDAs)

† competitors or partners?
co-opetition?

who has the power?

† plan for financial contingencies
e.g. IP budgeting

† get a lawyer you can trust!



IP Strategies... .

† advance your portfolio
licensee
licensor

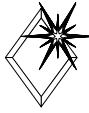
† build research partnerships and alliances

† patent (& trademark) often!

† patent bundling strategy

† develop an IP Inventory System
track your assets!

† always protect your IP



One Link Finds All...

- † Your Course Fee includes “support”
- † Contact Mike Volker at (604) 644-1926 or
- † <http://www.sfu.ca/~mvolker> or
- † <http://www.sfu.ca/uilo>

THANKS!



True or False?

- † The Wright Brothers were unable to obtain an Aircraft Patent because the public interest would not be served.
- † Bayer’s Cipro Patent was threatened by the recent Anthrax scare.



True or False?

- † It is possible to patent a gene.
- † It is not possible to patent a lifeform.
- † Popular Trademarks may become generic terms and no longer afford protection to the creator.



True or False?

- † Sarah McLachlan was involved in one of Canada’s most famous copyright cases. Even though he contributed to her work, the courts rejected Darryl Neudorf’s claims to joint authorship.
- † A Canadian Web Site owner may be subject to the jurisdiction of a U.S. Court.



True or False?

- † It is possible for a patent granted on a new invention to infringe earlier inventions.
- † Napster was found to violate copyright and was shut down. Kazaa and Morpheus on the other hand do the same thing as Napster but do not violate copyright.