



## Intellectual Property Management

MOT/MBA  
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## Introduction

- † Web Site: [www.sfu.ca/~mvolker/mot/](http://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... .



## Agenda

### † APRIL 4th:

- 2:00 **Mike Volker: IPM Intro Talk** and [slides]
- 2:30 **Ron Simmer: IP for Competitive Intelligence** - [slides-ppt]
- 4:00 **Michael Roman, Workshop on Patent Strategies** [slides-ppt]
- 5:00 Q&A

### † APRIL 11th:

- 2:00 **Sean Irvine, Intellectual Asset Management** [notes1][notes2]
- 3:00 **Pierre Leduc, CEO Neurostream, formerly CEO, Xilinx Corp**
- 4:00 **Mike Volker: Hot topics**
- 5:00 Wrap-Up



## 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](http://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



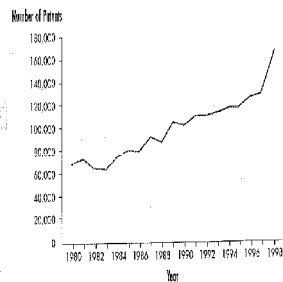
## Legal IP Protection

- † 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



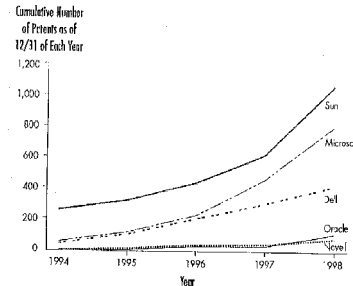
## The 1990's Patent Boom

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

(SUS, 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	Suit
† \$600K - \$1200K	Patent Infringement
† \$150K - \$250K	Trademark Infringement
† \$100K - \$180K	Copyright Infringement
† \$200K - \$400K	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!