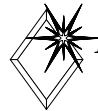




Intellectual Property Management

MOT/MBA
26 March 2002
Mike Volker
(www.mikevolker.com)



Invitation

Vancouver Enterprise Forum

Tonight: HR as a Critical Management Issue

"How to Attract the Right Executives to B.C.
and your Company"

COMPLIMENTARY TICKETS AVAILABLE
(includes dinner!)



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....



Agenda

- ◆ 09:00 - 10:00 Mike Volker: IPM Intro Talk and [\[slides\]](#)
- ◆ 10:00 - 11:00 Michael Roman: Workshop on Patent Strategies [\[pdf file\]](#)
- ◆ 11:00 - 11:30 Warren Nimchuk, Don Furney: PwC: "Top Ten Tax Tips"
- ◆ 11:30 - 12:00 Peter van Bodegom: PwC: "Professional Advisor Relationships"
- ◆ Lunch Break
- ◆ 1:00 - 2:00 Sean Irvine: Intellectual Asset Management
- ◆ 2:00 - 2:45 Gavin Manning: How to avoid having worthless IP
- ◆ 2:45 - 3:30 Dave Varty: Trademarks Primer
- ◆ 3:30 - 4:15 Pierre Leduc: Neurostream (ex-Xillix): "Working in the Trenches"
- ◆ 4:15 - 5:00 Ron Simmer: Competitive Intelligence - [patent portfolio](#)



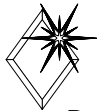
A little background....

- ◆ 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)



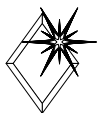
Types of IP

- ◆ 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



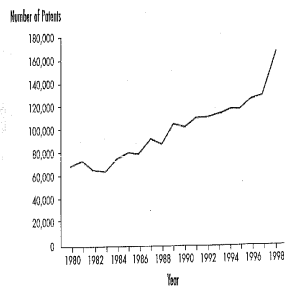
Types of IP Protection

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



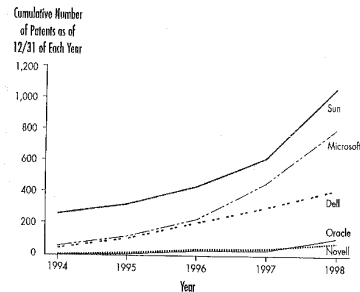
The 1990's Patent Boom

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

(\$US, source: AIPLA)

- ◆ Enforcing IP Rights

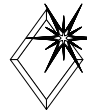
| Discovery - Trial | Suit |
|--------------------|-------------------------------|
| ◆ \$600K - \$1200K | Patent Infringement |
| ◆ \$150K - \$250K | Trademark Infringement |
| ◆ \$100K - \$180K | Copyright Infringement |
| ◆ \$200K - \$400K | Trade secret misappropriation |
- ◆ Patent Infringement 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 644-1926 or
- ◆ <http://www.sfu.ca/~mvolker> or
- ◆ <http://www.sfu.ca/uilo>

THANKS!