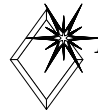




## Intellectual Property Management

MOT/MBA  
26 March 2002  
Mike Volker  
([www.mikevolker.com](http://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/](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

- ◆ 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](#)



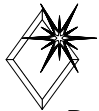
## A little background....

- ◆ 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](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



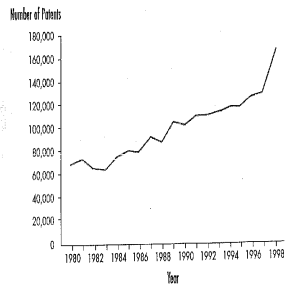
## Types of IP Protection

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



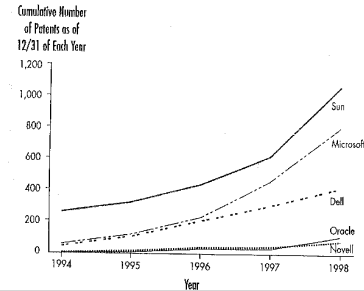
## The 1990's Patent Boom

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
 

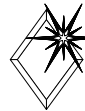
Discovery - Trial	Suit
◆ \$600K - \$1200K	Patent Infringement
◆ \$150K - \$250K	Trademark Infringement
◆ \$100K - \$180K	Copyright Infringement
◆ \$200K - \$400K	Trade secret misappropriation
- ◆ Patent Infringement Suit Costs
 

◆ \$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!