



An Author's Perspective

Presenting the Guides on Intellectual Property: A Business Tool for Small and Medium Sized Enterprises

Dr. Roya Ghafele, Brussels, 9th of February 2011

HOW THE GUIDES HELP SMEs

The Guides help overcome the Gap between potential IP Business Opportunity and current IP Awareness among Europe's SMEs in the textiles, footwear, furniture & leather industry.

They look at IP from a business perspective & explain what IP based business performance can look like and what SMEs can do to avoid being copied & create value by using their IP.

The Guides show how Design Rights can be a decisive business factor, based on product design, brand recognition or unique competitive advantage.

The Guides conclude by offering 19 National Factsheets on IP & Sector Specific Case Studies.

THE GUIDES' OUTLINE

- 1. Explain what SMEs need to know about IP**
- 2. Show how to create Value with IP**
- 3. How to create an IP Strategy**

IP relates strongly to Business...

Forms of IP

Trade Secrets & Protection against Unfair Competition

business plan, know how, client portfolio,
tacit knowledge, b-processes

Copyright & Related Rights

Reproduction of creative &
artistic expression

Industrial Property: Design Rights

Look of products, packaging, designs

Trade Marks

Logo, symbols, slogans

Patents & Utility Models

Ownership of invention

Look Alike & False Description, Unfair Trade Practice

Intentionally resembles a product or
Mark, misleads consumers

= > **An Economic Asset**

Unique competitive Advantage

Exclusivity in the market

Bargaining Chip in cross licensing deals

Recognition in the market

Sell, buy or trade IP

Customer Loyalty

Freedom to Operate

... but is intangible by Nature

Transferability

IP is transferable to a new or similar business context

Knowledge Content

Background of users & context determine relevance of IP to business

Perishability

Over time IP may become outdated, e.g. technology cycles

Nature Of IP

Non Rivalry in Consumption

IP can be used simultaneously by different people without diminishing in its worth

Spontaneity

Successful IP creation is risky since there is a creative & a business element to it

Partial Excludability

IP guarantees a firm exclusivity and freedom to operate in the market

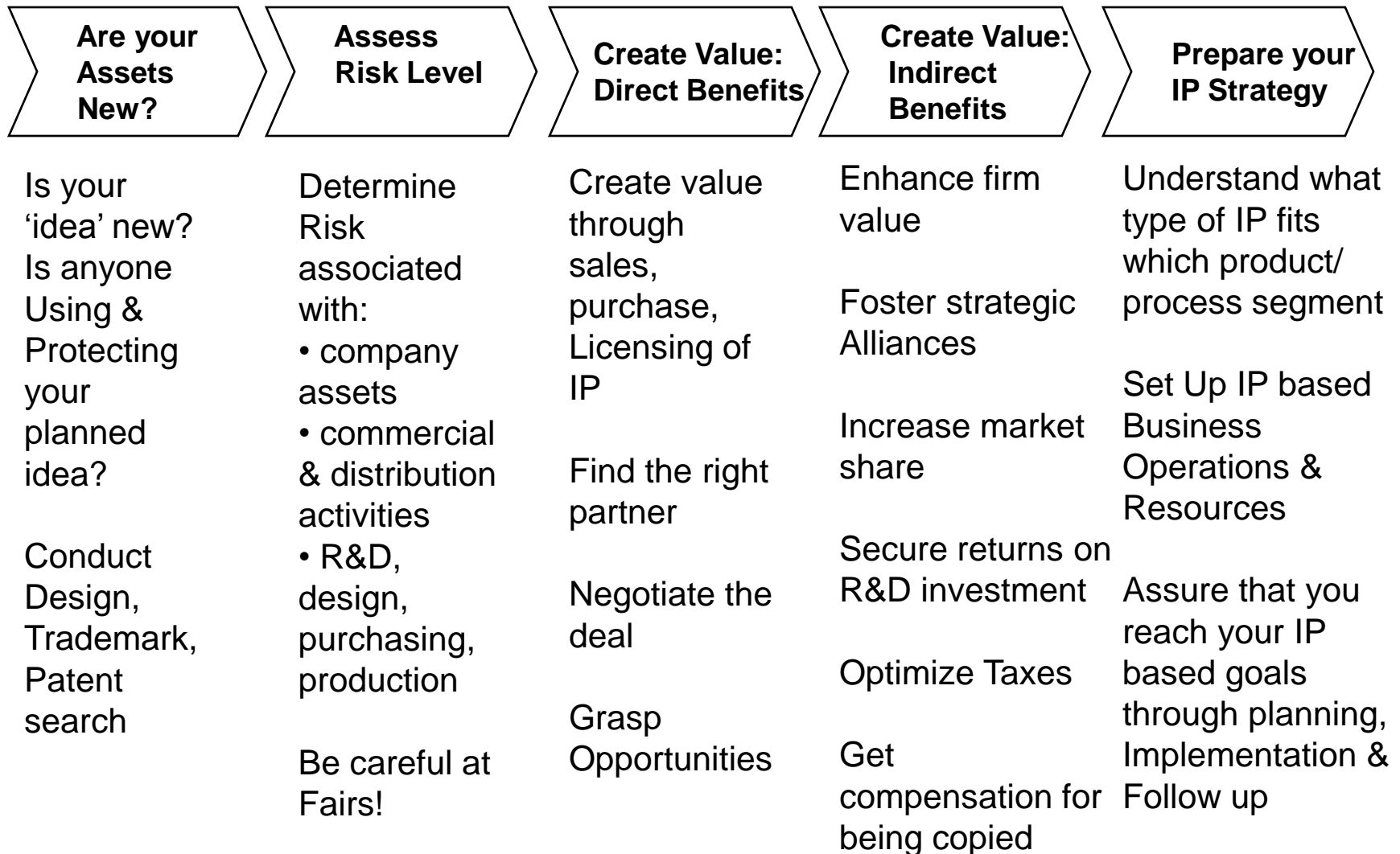
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Crucial Steps in the IP Value Creation Process



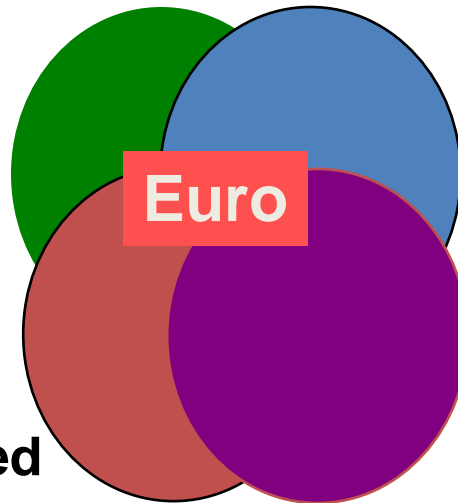
Impact of IP Based Value Creation

Assure Novelty of IP

Avoid Duplication
Save costs associated
with legal conflict
Assure strength of IP

Develop an IP Strategy

Achieve desired IP based
Results with minimal efforts
Optimizes allocation of human,
Financial & (in) tangible resources
Aligns IP efforts to overall firm performance



Determine Risk Associated with IP

Weighs costs against
benefits
Helps fight being copied
Helps take educated risk

Leverage Direct & Indirect Benefits of IP

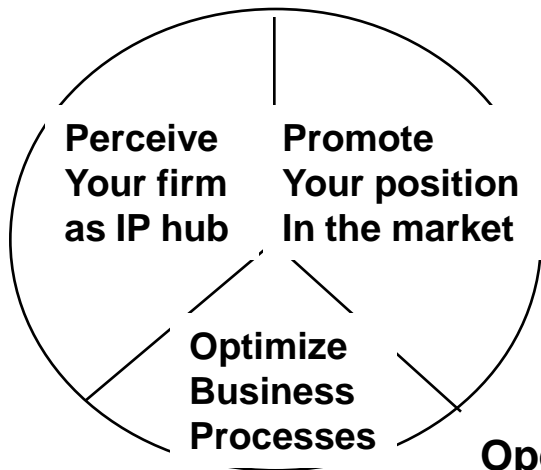
Unleash otherwise
untapped
resources
Use IP offensively
to boost revenues

THE GUIDES' OUTLINE

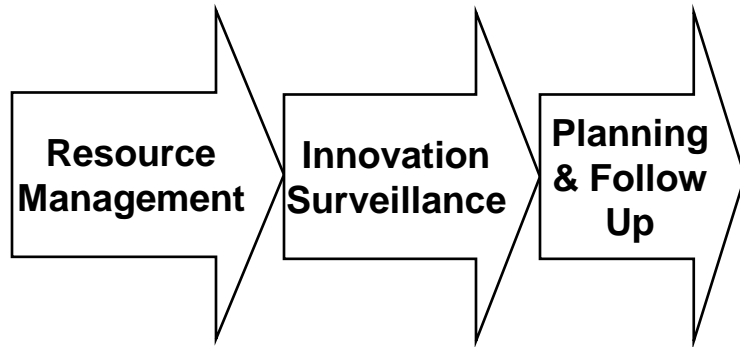
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Blueprint For an IP Strategy

What?



How?



Why?



Operational Resources

Training

Plan IP based actions

Financial Resources

Awareness Raising

Measure success through

Administrative Resources

IP Audits

Performance indicators

Checklist for an IP Strategy

- Internal Checklist

Identify IP Assets that strengthen your strategic objectives

- Find out if your IP assets are really new

Conduct internet search (available databases) or hire an attorney

Is there a risk that you infringe the IP of competitors or that competitors (legally) steal your IP?

- Assess the risk level for each innovative asset/market/business

How did IP give you an advantage over competitors?

Do you have freedom to operate & exclusivity in the market?

- Establish your own goals according to direct/indirect benefits of IP

How determined are you to extract revenue from IP?

What experience do you have in managing IP?

- Set up operations & resources to extract value from your IP

At which operational level is IP dealt with?

Where does the budget come from (grants, subsidies, internal budget)?

How will we assure dissemination & what planning actions will we take?

Which indicators will we use to measure success?

Practical Illustration of an IP Based Matrix

Asset/ Risk	Geograph. Coverage Market	Decision	Benefit/ SME Target	Next Steps/ Persons Involved	Costs
Process	World	Trade Secret	Keep it secret, so competitors can't get it	Only few people know	None
Brand	E.U., U.S.A. Japan	Trade Mark	Nobody copies me!	Register Z in Charge	Check costs
Design X	Asia, Europe	Registered Design	Enter new market	X in charge	Check costs
Patent Y	U.S.A.	Licensed patent	Euro	Identify distribution Y in charge	Check costs
Product Z	World	No protection	Keep documents	X in charge	None
Contract Sub-Contractor	India	Contract Clauses	Clarify relationship!		None