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**STRATEGIES FOR PATENTING INVENTIONS AND RESEARCH RESULTS:
WHAT, WHEN AND HOW**

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Intellectual property rights, patents, utility models, design models, copyrights and trademarks and also the company name or sign are the most valuable assets of any company.

1. WHY OBTAIN A PATENT

The protection of new inventions by a patent or utility model is profitable only if these foster the establishment of new businesses or the boosting or securing of existing activities.

A major part of the industrial companies all around the world have been founded and will continue to be founded as a result of new inventions. Also their future success and growth will be based on new patentable innovations. The patent stock of the world continues to grow, as a result of increased innovation activities of companies and also because more countries are joining the patent system all the time.

2. WHY AND WHERE TO PATENT

The problem to know at what stage and in which countries a company endeavours to obtain a patent, depends on the company's production and sales objectives, intellectual property policy and competition. As patenting is rather expensive both to acquire and maintain the IP property rights, it is really not worth doing it just for fun or merely for the sake of the inventor's honour. Every patent application should be the result of serious business consideration and rely on sound financial support.

3. GRACE PERIOD

The role of the grace period in the USA has been significant, because it gives the inventor one year to publish, develop, promote and market his invention before filing a patent application without losing his right to obtain a patent.

This question is also being discussed now in Europe and other parts of the world. The grace period system is not only profitable to university and research institutes, but also to private inventors. It balances the researchers interest in publishing quickly their results with the interest of business in keeping the secret until the patent application is published.

4. SCOPE OF PROTECTION

The inventor or the holder of IPRs is entitled to prohibit other persons from commercially using the patented invention, in the countries in which the patent has been granted (but not in any other country).

Effective use of this right requires both financial and human resources. The inventor or company representing his rights must be ready to face opposition, while the patent is pending, or action for invalidation after the patent has been granted. The patent holder should also be prepared to take action against infringement in all the countries where his rights are infringed. On trial, or in court, may easily cost more than the basic cost of the entire patenting procedure. This has to be understood as well as the fact that filing an application or effective publishing of an invention prevents anyone else from obtaining a patent to the same invention.

5. PATENT IS PUBLIC

The patent can be considered as a contract between the inventor and the public interest. In exchange for the exclusive rights of the invention granted by the patent, the inventor discloses to the public the essence of his invention. Furthermore, for the benefit of local science and industry, he publishes and pays the translation of the description of his invention in the language of every patent country, where he seeks a patent thus allows even his competitors to get acquainted with his invention in their own languages and to utilise it subject to the restrictions set by the Patent Law.

6. PATENT POLICY (IPR POLICY)

Most large international companies have a written patent policy, but also all SMEs should have it. The Patent Policy should be based on the company's overall strategy and be seriously discussed by the company management. It is particularly important to take into account both the geographical operating area of the company, the competition as well as the company plans to expand.

Also the sectorical areas of the company and the strategic R&D objectives should be known by those in charge of the company's patent portfolio. Patent policy should thus be formulated by the director responsible for the business together with the company's marketing, research and production management.

Patent policy should be constantly updated and made known to all the staff in the company, including its sales staff and their agents. Sales people should also be aware of both patent policy and the patent portfolio (same applies to trademarks), since they will play a key role in marketing the unique qualities of the product and observing possible infringements while operating in the field.

7. ELEMENTS OF PATENT POLICY

There are several alternatives of how to design a company's patent policy. It is important that all the consequences of the chosen alternative should be taken into account. The questions which should be answered before deciding the line of policy are numerous, including, for example, the following:

7.1. DO WE INVESTIGATE THE PATENTS OR APPLICATIONS OF OUR COMPETITORS?

In order to:

- get information;
- avoid competition;
- seek for a licensing option;
- try to oppose the competitors application or to invalidate the granted patent.

7.2. DOES OUR PATENT POLICY IMPLY CONCEALMENT?

Instead of patenting do we keep innovations secret, except those which provide good opportunities for utilisation and which the company is ready to protect all over the world and under all circumstances?

7.3. HOW LONG DO WE KEEP THE PATENTS IN FORCE?

- for the maximum period of time;
- as long as the invention is utilised;
- until it is decided that the invention will not be used;
- for the period of pending application.

7.4. HOW DOES THE COMPANY REACT TO ITS COMPETITORS?

- do we follow competitors applications and have opposition?
- do we take legal action of invalidation or react to patent infringement?

7.5. WHAT ARE THE LICENSING OBJECTIVES AND, IN PARTICULAR, CROSS LICENSING OPPORTUNITIES?

After answering the above and some other basic questions, it is possible to draft a company's patent policy. This will be followed by an assessment of the increase of the patent applications, as a result of R&D activities and new patent policy.

The company then has to assess human and financial resources required and acquire additional resources, if necessary.

Patenting should not be regarded only as a part of a company's R&D and production cost, but as an investment in the development and marketing of a new product or a manufacturing method or in cost savings and improvement of existing products or methods.

The total costs incurred in the development of new inventions, including patents and also future marketing, must be compared with the income derived from the future businesses.

Besides the payment of filing costs in the home country and possible PCT fees, it is also necessary to pay an annual fee for patent maintenance in different countries. Therefore, it is important to consider which patents are worth keeping valid and in which countries and how this can be done most profitably.

8. RESPONSIBILITY OF PATENT PORTFOLIO

Top management should consider the patent portfolio as an important asset and be prepared and motivated in the control of the company's patent portfolio and to take maximum benefit from it. Expenses arising from it should be seen as necessary as that of the maintenance of a company's premises (building, equipment, etc.).

If a patent is allowed to expire, in one or every country, it is a definitive loss and thus becomes an issue for the top management even in a large corporation.

9. UTILITY MODEL

Instead of patenting inventions, or in addition to it, every company should always also consider other forms of protection, for example, the Utility Model in those countries where it is possible. In a growing number of countries (it started in Germany and in Japan), it is in many cases sufficient and always cheaper and faster alternative than a patent. Therefore, it is particularly useful for private inventors or small companies operating mainly in the home or nearby markets. Mixture of protection is also a good idea, which means to have a patent for an invention in some countries and utility model in countries where it is available.

What the applicant of utility model should do before filing is to study by himself the novelty and patentability of his invention as well as possible. Then he knows that he has a strong utility move against competitors. Competitors cannot succeed in cancelling the registration too easily. It is always worth using the expertise of the National Patent Office, as well as the patent agents, before and when filing an utility model application.

10. INDUSTRIAL DESIGN

For consumer products, it has already been a long time and will continue to be as important to protect the form of the product than the invention behind it.

It is therefore really worth protecting, a new design of a product in both the existing and potential markets, by means of a registration of industrial design. Interest in this protection is growing.

11. TRADEMARKS

The name or any figure and even music used to identify a product or service can be protected by registering it as a trademark.

A trademark is intended to differentiate its holders' products or services from the products of the others. It should therefore be distinguishable. In addition certain other qualities are required.

For example, from a commercial point of view, it is important that a trademark promotes sales.

It has been claimed that a good trademark is like a high island, which can be clearly distinguished among small rocky islets; it should be seen and be almost impossible to imitate without people regarding it as out of place and even illegal.

The more important a product is for the company, the more important it is to plan and find its name well in time. In this respect, serious mistakes have been made all around the world.

The planning of a product and its name are two different processes which require different skills. The two processes should be started approximately at the same time and coordinated by the same management. The development of a good and protected trademark may take as long as that of the product or even longer. Legal fees are small compared to those of patents.

12. VALUATION OF INTELLECTUAL PROPERTY

The value of a patent often decreases during its lifetime, and after it has expired (in most cases after 20 years), it will be nil. On the other hand, the value of a trademark continues to rise year-by-year, provided that it has been well managed, i.e. protected at the right time, well chosen in a proper way and in right classes of countries, and that it has been widely used like a trademark.

As much as 47 billion dollars have been mentioned as a value of the world's most famous trademark but also common local good trademarks can be worth millions.

Trademarks should thus be well managed and the company's policy should be explicit. It is important to evaluate all the trademarks and IPRs from time to time by using external expertise help. This is also necessary in order to decide which trademarks or other IPRs are worth investing in the future and which should be possibly sold or allowed to expire and at what price.

13. CONCLUSION

My main purpose with this lecture was to illustrate the importance of industrial property rights both in research and in business. This is in light of my experience obtained mainly from Finnish companies and inventors but also from a number of companies around the world. I hope that you will, from now on, consider even more deeply the importance of intellectual property rights in your future activities and try to take the maximum benefit from them.

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