



Commercial Aspects of IP

VFM Business Advisers

The complete service for small to medium sized companies

Why are you here?



- Why did Blackberry have to pay £330M just to keep sending e-mails?
- Why did a local start-up company have to spend £15,000 to change their company identity?
- Do you own your website or does your web developer?

Our USP



- A one stop shop for all SMEs
 - Provide all the skills required
 - Integrate these skills for best effect
 - Provide high quality customer service
 - Provide appropriate skills for the task
 - Charge a fair rate for the task
 - Focus on outcome rather than output

VFM Overview



- Business Strategy
- Finance (Accounting/Fund Raising)
- Marketing and Sales
- Human Resources
- Information Technology
- Day to day business advice

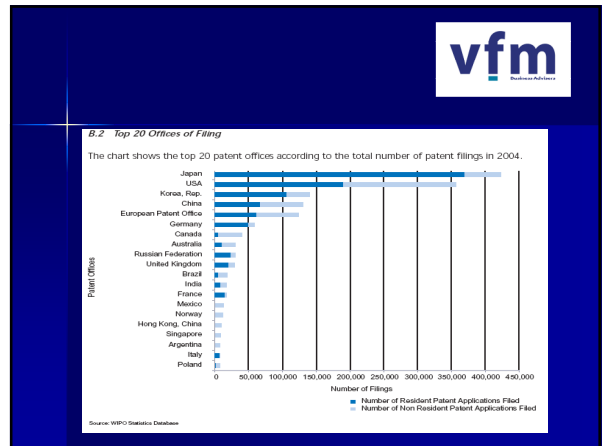
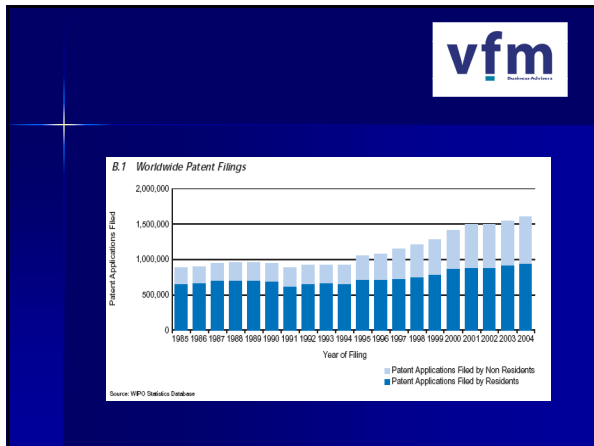
Agenda



- Introduction to commercial value of IP
- Process for evaluating IP
- Funding IP Development
- Exploiting IP
 - IP and the Returns
 - Equity Value
- Five top tips

Introduction to the Commercial Value of IP

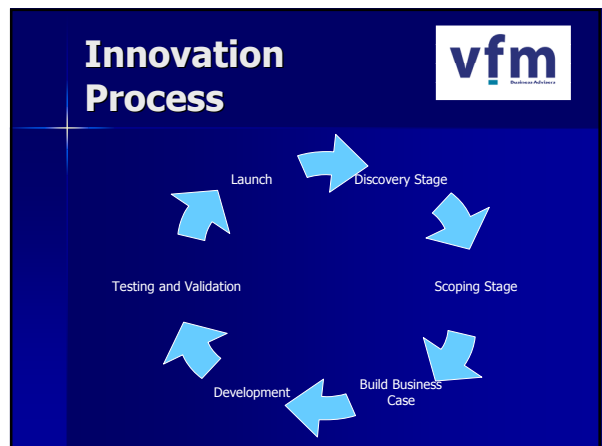




- ## Success Rates
- 100 patents filed
 - 95 don't make it to market
 - 5 will be followed up on
 - 5 will generate some revenue of which
 - 2 will make money
 - Make lots of money ?

- ## Value of IP
- IP gives you protection
 - Does it stop others doing what you do?
 - Work around
 - Ignore your patent
 - Cost of defence
 - Patent insurance

Processes for Evaluating IP



Idea Assessment



- Assessment of Ideas
 - Intuitive Vs Structured assessment
- Some Structured Methods
 - Disruptive Diagnostics
 - 33 Evaluation Criteria

Disruptive Diagnostic



- Customer
 - Over-served
 - Overlooked
- Portfolio
 - Technology
 - Business Model
- Competitor
 - Desire to respond
 - Ability to respond

33 Factors



Legality	Development Status
Safety	Investment Costs
Environmental Impact	Trend of Demand
Societal Impact	Product Line Potential
Potential Market	Need
Product Life Cycle	Promotion
Usage Learning	Appearance
Product Visibility	Price
Service	Protection
Durability	Payback Period
New Competition	Profitability
Functional Feasibility	Product Interdependence
Production Feasibility	Research and Development
Stability of Demand	Potential Sales
Consumer/User Compatibility	Existing Competition
Marketing Research	Perceived Function
Distribution	

Testing Ideas



- Concept Vs Product
- Test early and often
- Seek testers who add unique value
- Listen for the unexpected
- Maintain a safe emotional distance
- Test the context too
- Seek naïve users
- If all else fails – go with your gut!

Funding IP Development



R&D Tax Credits



- Research and Development Tax Credits
 - 125% -175% deduction from corporation tax or
 - SME's can get cash refund of 24% of R&D spend
 - Must be over £10,000 p.a
 - Go back 5 years
 - Special units at Inland revenue to assess eligibility

Grants



- Proof of Concept funds
- University research grants
- DTI through Yorkshire Forward

Raising Funds



- Equity
 - Seed corn funds
 - White rose fund
 - Business angel clubs
 - Junior venture capital
 - Yorkshire fund managers
 - PIF
 - SYIF
 - Nesta National Endowment for Science Technology & Arts
- Debt
 - Trade
 - Banks

Help & Contacts



- Government Departments
 - MOD, NHS, Education, Treasury, DTI etc
 - RDA Yorkshire Forward
- Quangos
 - UKTI – 50% grant support for some activity and contacts
 - Knowledge Transfer Partnership (KTP)
 - Chamber of Commerce & Business Links
 - Connect (Yorkshire) for fund raising
 - Tecs - training

Help & Contacts



- Trade
 - Industry associations, Wellcome Foundation
 - Centres for industrial collaboration CIC's
 - Innovation promoters
- Leeds City Library

Exploiting IP and the return



IP & The Return



- Trading Revenue
 - Price differentiation
 - Protect or increase market share
- Licensing
 - Out – Generate capital or revenue value
 - In - cooperate & collaborate
 - Standards – Can your IP be the standard?
- Blocking
 - Stop products entering your market

Equity Value



- Strong IP helps
 - Exit values and options,
 - Raising new funds
 - Market profile
- Ideas
 - Keep a know-how & development log
 - Keep a business development log

5 Top Tips



- Check the IP landscape prior to launch
- Ensure you own the IP you develop
- IP is a commercial tool – use it
- Don't hold IP in a trading company?
- Ensure you record processes – adds sale value

Questions and Answers

