



BioForward

The 'Roadmap for Growth' Life Sciences Event

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Workshop six: How to Structure Your IP to Attain Maximum Value



Kirsty Dolphin

Partner, European and UK Patent Attorney
Venner Shipley

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How to structure your IP to attain maximum value

Dr Kirsty Dolphin
Partner, Venner Shipley LLP

7421

Patent applications in
the last three years

1 Barrister
4 Solicitors

1930

Helping businesses
for almost 100 years

6 Offices
7 Languages

Redefining
IP in Europe
and beyond

Different perspectives

31 Partners

65 Associates

Tier 1

for PATMA:
Patent Attorneys

45 Patent and
Trade Mark
Administrators

23713

Live trade mark
registrations

31 Business Support



Our services

Patents

SPCs & Regulatory

Trademarks

Commercialisation

Designs

Disputes

Copyright

Data Protection &
Cyber Security

Plant Varieties

Renewals



Today's Speaker

Kirsty Dolphin

Partner
UK & European Patent Attorney
BSc DPhil CPA EPA

- DPhil in gene therapy
- Over 15 years in the industry;
10 specialising in biotech



Why think about your exit?

- Thinking about your exit in advance can be just as important as gaining investment
- Having a strong IP portfolio will increase the value of your business
- Taking care of the details at the start will ensure that due diligence goes smoothly



How can IP work for you?

- You will be creating products for commercial gain
 - For yourself
 - For your employer
 - For your/your employer's clients
- IP knowledge can help you better serve your clients / your employer / yourself
- Different rights arise in different work products
- Each right is obtained (or lost!) in a different way
- Understanding basics and knowing when to raise questions is key



How can IP work for you?



Negative right

- To **STOP** others from using your creations for their own gain

It is a piece of Property

- It has VALUE
- So it needs CARE
- You can DEAL in it
- You can use it for COMMERCIAL GAIN

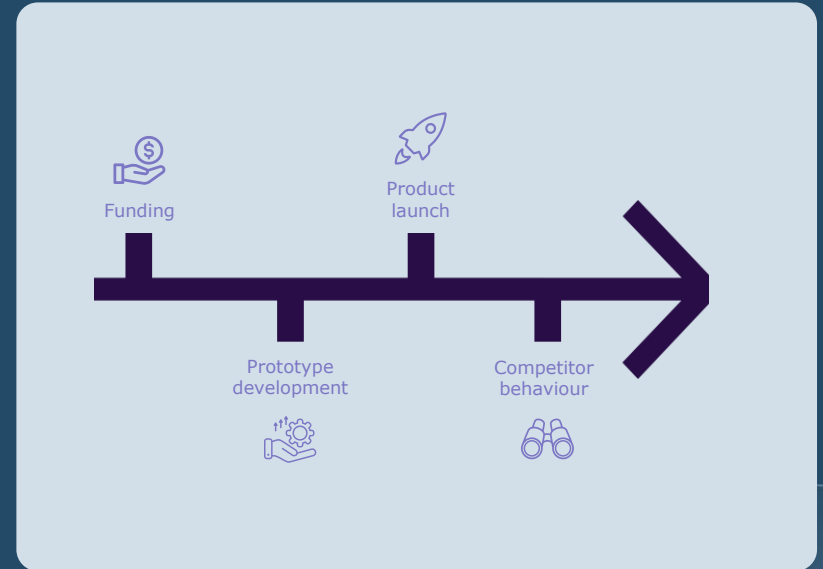
BUT – only if you:

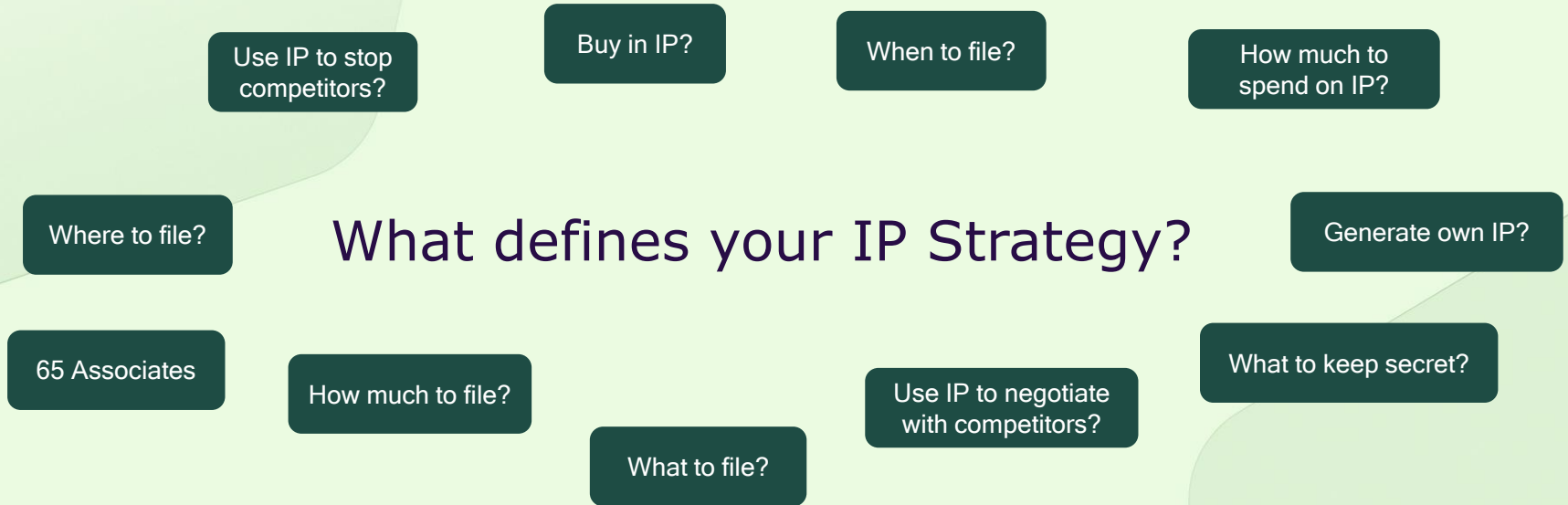
- Identify it at the point of creation
- Take the right steps at the right time



What defines your IP Strategy?

- Funding timelines
- Prototype development
- Product launch dates
- Competitor behaviour
- Timing of oppositions/litigation on other cases in portfolio (to avoid having to deal with multiple concurrent contentious matters)





There is no one-size-fits-all strategy



What to do and When

First Stage: Ownership and availability

- Do you own everything you need to?



Who owns an invention?

The inventor, unless:

a) Made in the course of employment

- Standard employee – Only if made in course of normal/assigned duties, reasonable to expect invention from duties
- Employee with special obligation (e.g. employee – director) – Only if made in course of duties

Or

b) Has been assigned by the inventor

- e.g. in a contract, consultancy agreement



Who is the inventor?

- The person who devises the inventive concept
- Can be multiple people
- Not people who provide incidental advice
- Not academic supervisors just because they would be named on a paper



Entitlement Tips

Act early

- work out who owns invention/patent at outset
- get agreements in writing

Record IP

- Have record for later disputes
- Can go into partnerships (e.g. for funding) with clear background IP

Check contracts

- e.g. if contract work out, make sure you own resulting IP

Watch out for unusual ownership situations

- University owned, students, contractors, non-employee directors



What to do and When

Second Stage: What is your approach?

- Have you identified IP that you can protect?
- Decide whether or not to register each item
- Searches – are you free to use what you intend to use?



What is your IP aim?

Base strategy on IP aims - Base IP aims on business needs

- Stop others using core idea – core patent, trade secrets
- Ensure you can use core idea – buy/license IP
- Protect the look of your product – registered/unregistered design
- Protect name recognition – trade mark
- Use IP to secure funding – portfolio of patents
- Use IP to make money – target portfolio to competitors
- Use IP to keep track of competitors – patent searches
- All of the above?



To Buy or to Innovate?

Buy

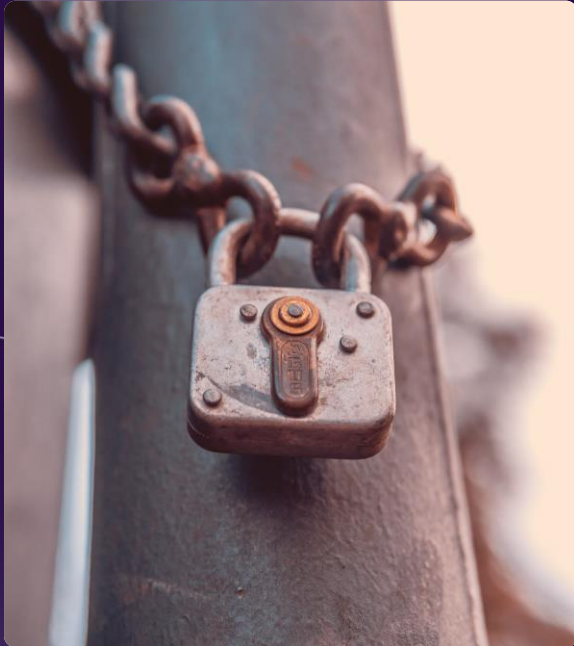
- Legal certainty
- Saving on development
- Predictable costs
- Company flexibility

Innovate

- Ownership
- Revenue generation
- Control over market
- Looks good to investors

Higher Risk, Greater Reward





Keep it Secret (for now)

Keep ideas secret until you know what to do with them:

- No patent if you disclose*
- Train employees
- Keep records of inventions + dates e.g. lab books
- If you have to disclose to 3rd parties (to get funding, collaborate, etc.):
 - File quick patent application? - get official record of filing, can update later
 - Get NDA – big companies might not agree to sign

**Seek advice if you have already disclosed*



Keep it Secret (permanently)

Only an option if your invention can't be reverse engineered

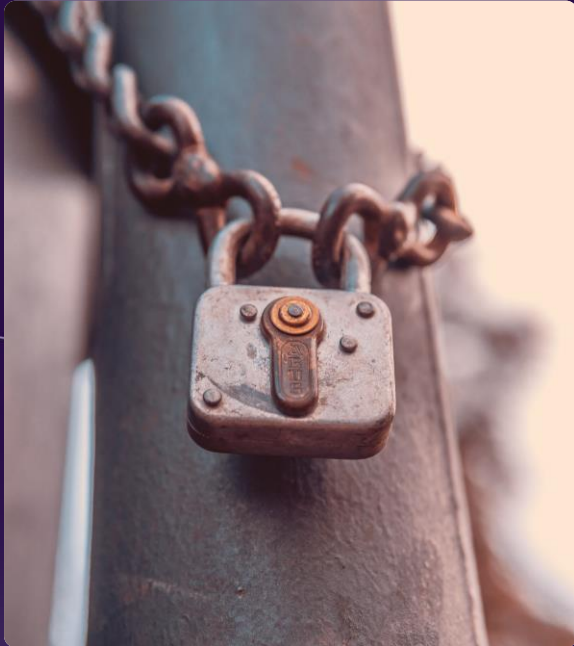
Pros:

- Free
- No time limit
- No 'publish for rights' requirement
- Trade secret protections in law

Cons:

- If someone legitimately acquires your invention, you have no protection
- No piece of paper to say you have an asset – trickier when seeking investment





Keep it Secret (permanently)

The eight categories of a comprehensive protection plan include^[1]:

- Implement business procedures to augment non-disclosure agreements;
- Control physical and electronic access;
- Identify, assess and take steps to manage risks;
- Create supply chain procedures and plans;
- Conduct employee and vendor training;
- Assemble a trade secret SWAT team;
- Make continual improvements;
- Make trade secret protection a priority.

[1] http://www.wipo.int/wipo_magazine/en/2016/01/article_0006.html



Patents Can Serve a Range of Purposes

Core protection

- Covers Core Business Technology
- Broad Scope
- V. Enforceable
- All Key Markets
- Long Prosecution Time

Defensive

- Covers
- Improvements and Extra Useful Tech
- Narrow Scope
- Enforceable
- Some Key Markets
- Shorter Prosecution Time

Investment

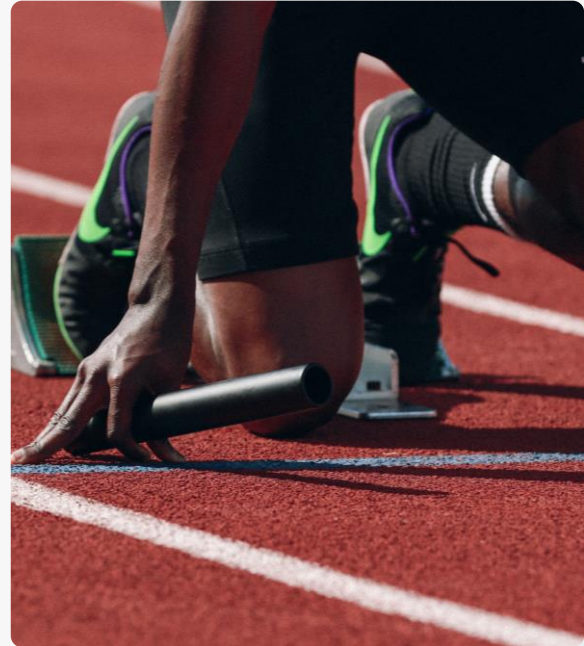
- Covers Core Business Technology
- Narrow Scope
- V. Enforceable
- Some Key Markets
- Short Prosecution Time



Timing Considerations

Quick grant

- Short product lifecycle
- Investment reasons e.g. licensing, IPO, need to attract investment for further development
- Threat of imminent infringement
- Competitor likely to release competing product shortly



Timing Considerations

Delayed grant

- Defer costs
- Keep competitors guessing
- Keep your options open:
 - When you don't know what your commercialised product will be, or
 - When you don't know what your competitor's product will be
- Space timing of oppositions/litigation apart (in highly contentious tech areas)



Competitor IP

- Why is this important?
- What do you need to consider?
- What do you need to do about it?
- Insight into competition

but

- Will it stop you doing what you want?



Using Competitor Patents

State of the art

- See how competitors solve problems – patents mean their technical information is published

Patent landscaping

- Overview of competitor strategy – technology areas, jurisdictions etc.
- Identify concentrated area or gaps in a technology area

Freedom to operate searches

- Check you are clear of third party patents

Watching service

- Keep an eye on any patent developments of particular competitors



Effect on your IP

Prior art (if published/filed before your application)

- Your invention must be novel (and inventive) over it

Prior right

- Even if you get a patent, may not be able to use the invention
- e.g. competitor patent for metal kettle, your patent for copper kettle
 - You cannot make a copper kettle (copper is a metal), but
 - Competitor cannot make copper kettle (you have that patent)
 - Cross-license?



What to do about 3rd party rights on your IP

What are your strategic aims?

- Use them to inform choice of action

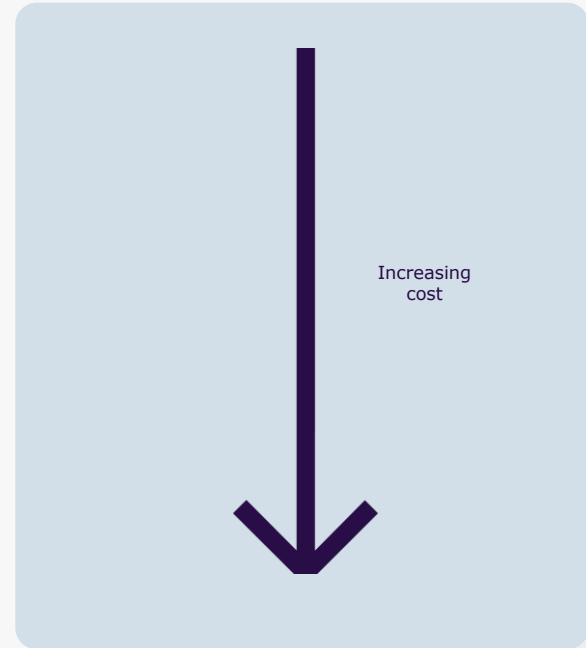
Work around patent

- Change aspect of product to sidestep the patent

License/buy/cross-license

- If not direct competitor, 3rd party may be willing to license
- Useful to have own IP portfolio to leverage

Challenge it



Challenging a Patent

Application stage

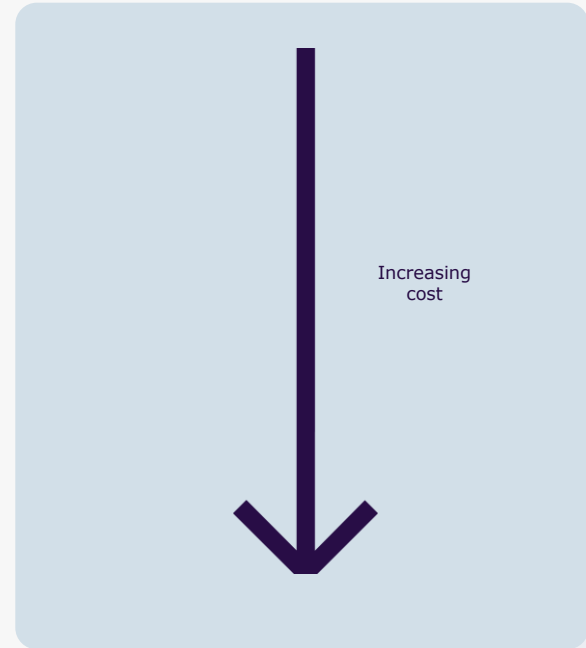
- (Anonymous?) 3rd party observations – ex parte (no further involvement)

Just granted (European patent office)

- Opposition – inter partes (you become a party)
- Up to 9 months after grant

After grant

- UKIPO opinions service
- UKIPO invalidity proceedings
- Court invalidity proceedings – IPEC
- Court invalidity proceedings – High Court



What to do and When

Second Stage - IP Transactions

Patents, copyright, TMs etc are property rights

- So can be bought, sold, or leased (“licensed”) just like any other property



Selling IP

Done by assignment

- A legal document transferring ownership

Assignments should be recorded at national offices

- Can be penalties if this is not done
- Make sure it is clear who is responsible for this – buyer or seller

Recording in multiple countries can be messy

- Seek advice to ensure the assignment agreement is suitable
- Get signature of both assignee (buyer) and assignor (seller)



Licensing IP

Sole

- Can only be one license, you can still use invention

Exclusive

- Can only be one license, you cannot use invention

Non-exclusive

- No limit on the number of licenses, you can still use invention



Sell or License?

- Match to business plan
- Patent no longer useful to you – sell
- Want regular revenue stream – license
- Invention core to your business – neither
- Sell/license as leverage – if need license from third party



What to do and When

Fourth Stage: development process

- Continue to identify IP – it may be generated at all stages
- Before and during product, service or brand development
- Continue to monitor ownership
- Do you need updated searches for existing rights?



What to do and When

Fourth Stage: Launch

- Register any developments?
 - Finalised designs
 - Manufacturing Methods?
 - Updated Developments
- Trade Marks
 - More searches and/or filing(s) for your brand name?
- Product marking
 - Patent Pending?
 - ™ or ®



What to do and When

Ongoing

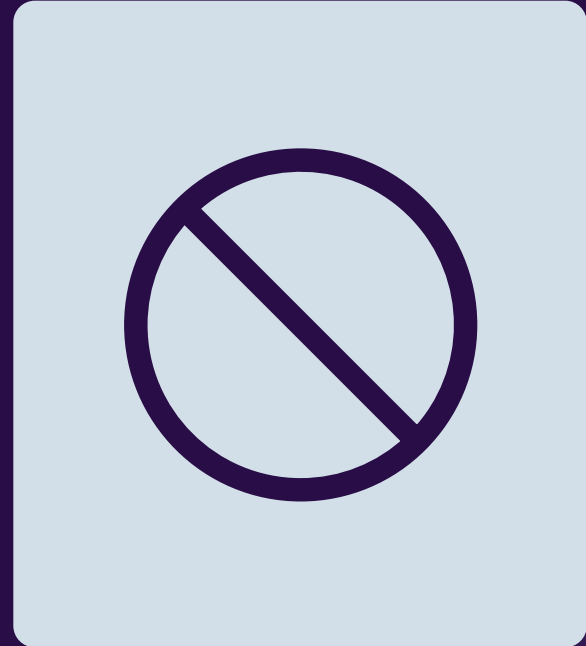
- Policing your rights
 - No-one does this for you
 - Monitor your competitors (use watches)
 - What if someone infringes your rights?
 - Courts can help you enforce them
 - Trading Standards and Customs
- Maintaining your rights
 - Renewal fees to pay!
 - Examination and granting costs
 - International protection?
 - Include this in your budget



Key takeaways

Doing nothing now and worrying about it later!

- Doing nothing can cause you big problems in the future
- Beware of publishing without deciding on protection
- Beware of dismissing ideas as not being clever enough to be worthy of protection
- Seek advice as soon as possible



Any questions?

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