

Successful technology businesses are built on secure Intellectual Property

Successful businesses in technology are built on a secure intellectual property (IP) framework. Collaborations around technical innovation bring challenges and opportunities that require still greater attention to be paid to IP issues.

Profitable partnerships are often inhibited by fear of commercially damaging disclosure of technical secrets or, of unfair advantage being taken of technology that has been shared.

Even where deals are done, continuing nervousness about the other side's use of proprietary information can hold back the exchanges between different viewpoints and the cooperation of complementary teams that were often the whole point of the deal.

Meeting these challenges can increase the chances of the right deal being done and the prospects of a successful outcome.

IP can be used to catalogue and safeguard the technology assets that one or both sides are bringing to the venture; to create an environment that is open as commercially possible for innovation to flourish in the



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venture; and to lay down ground rules for use going forward of both the pre-existing technology and the fresh developments. IP can give security to those investing finance and other assets beyond technology.

Sometimes, deals fail in the gulf between the business notion of collaboration and the detail of a lawyer's contract.

A better approach is often for each side to understand key IP issues from the outset, and then to use the concepts and language

of IP to strike the deal.

Uniquely, IP concepts bridge technical, business and legal worlds.

They can provide a flexible and comprehensive structure for technology collaborations.

IP deals inherently with those thorny issues of ownership, access and risk that can prove troublesome if not addressed early in the discussions.

Collaborations between companies having different technologies, different market

positions or just different people, have a habit of innovating in unexpected directions, and creating opportunities that were not predicted.

Those opportunities can be missed or create dispute, unless the parties have a shared understanding of their relative rights and responsibilities.

IP is good at defining today a regime for tomorrow's technology and – whilst IP offers no crystal ball – it offers the best chance of parties agreeing in advance how they will deal with unexpected technology advances.

Transatlantic collaborations offer enormous benefits. However, the old adage: "two nations divided by a common language" remains very true in the field of IP.

Although becoming more widely known, the different approaches taken to disclosure before patent filing in the US on the one hand and the UK (and indeed Europe) on the other, can still create difficulties.

A US company taking its first steps in international trade may still destroy its international patent hopes by relying on the one

year's grace period given to inventors in the US.

More commonly, a UK company having disclosed its invention without filing a patent application (possibly because the invention was in a business or financial area thought to be difficult to protect in Europe), may overlook the opportunity to secure valuable US protection.

More subtly, there are some types of commercial activity that (outside the grace period) will destroy patent prospects in the US but will not prevent valid patents being obtained in Europe.

The IP thinking behind collaboration should allow for patents being granted in one country but not in another and should address this asymmetry in appropriate ways.

In the area of joint patents, there are other key differences between US and UK approaches. Well advised companies will try to define by agreement the treatment of all jointly made inventions.

If they do not (rather like failing to make a will) the law will define the rights of the joint patentees in ways which are often unhelpful.

Those ways will also produce different commercial results in the US and in the UK.

One example: The joint owners of a patent have each what is termed an equal undivided share. Both can manufacture and sell the patented product without regard to the other.

In the US, one joint patent owner can generally grant licences to third parties, without regard to his co-owner.

In the UK, licences generally require the agreement of both parties.

This can lead to dramatic commercial consequences, particularly when one party to a collaboration is set up to exploit the invention directly and the other has a business model which relies (in some or all countries) upon the grant of licences.

A further benefit of structuring collaboration around IP is that the treatment of joint innovations will have been agreed and defined upfront.

So, maximise the prospects of success in technology collaborations by using IP concepts to build the deal and IP language to cement it.

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We work by understanding not only your technology, but also your commercial objectives.

We use our experience to develop an IP strategy tailored to *your* business, using patents and other tools, to:

- Protect profit margins
- Create valuable assets
- Support revenue streams
- Manage IP risks

Where IP agreements are required, we can advise you on structures and royalty schemes. We are skilled in the drafting of IP agreements and in the analysis of drafts prepared by others. We have the expertise and experience to negotiate on your behalf.

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