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Patent Owners Can Improve Monetization Efforts When Attorneys Act as "Technology Scouts"

It is usually up to a patent owner to handle the business aspects of her patent rights. That is, patent lawyers deal with getting a patent for their clients; clients are supposed to make money from their patents. Once the patent is obtained, the patent attorney typically leaves the picture in relation to those specific patent rights.

Relatively few patents end up being valuable for a patent owner, however. This typically occurs because the business needs of the client changed during the time the patent application was pending. Historically, such non-aligned patent rights were ignored or allowed to lapse because no marketplace existed to allow the patentee to sell its unwanted patent rights. The unwanted patent, as well as the legal costs to obtain it, were considered unrecoverable sunk costs to the patent owner.

This is beginning to change with the recent introduction of technology marketplaces that post technology needs sought by corporate innovation groups. The most notable of these are Innocentive.com and Yet2.com. Interestingly, I have seen a number of technologies on each of these websites that are possibly relevant to patents that I have obtained for clients over the last several years. While this could be a coincidence, I also think it could be a signal that more companies are dipping their toes into the Open Innovation space, as opposed to relying solely on internally developed products or technologies. As more companies advertise their technology needs, there will undoubtedly be more opportunities for patentees to dispose of their unwanted patent rights. Few patent holders will have the "bandwidth" or perspective necessary to review these technology marketplaces. Thus, unless someone else makes the connection for them, opportunities to sell unwanted patents will likely have the ability to capitalize on these opportunities. Patent attorneys can fill a need in this regard.

Patent attorneys seeking to improve the value they provide to clients would be well-served by regularly reviewing the listings on these databases and spreading the word to their firm colleagues about the types of technology being sought by these technology marketplaces. Imagine the delight that clients would experience when their

patent attorney brought them opportunity to make money on a technology that they no longer need, but have nonetheless spent considerable resources on over the years. I can here the client's response now: "You mean my lawyer is actually making me money instead of costing me money?!"

A word of advice, however. If the technology solution was readily apparent, the company publicizing its need to the world would likely not have gone to the effort and expense to list it on the technology marketplaces such as Innocentive.com or Yet2.com. Indeed, to likely be an acceptable solution, the idea will probably not just be "out of the box" but "out of the truck the box came in." An example of such a solution is found in the Magic Eraser(R) story.

The Magic Eraser story is detailed in the Harvard Business Review article cited and linked to below. In relevant part, Magic Erasers comprise a BASF insulating melamine foam that was sold in Japan as a household sponge. A "technology scout" saw the product in Japan and brought it to P & G for testing. P & G introduced the BASF foam directly into the US as a cleaning product, in addition to entering into an ongoing collaborative R & D venture with BASF to improve the cleaning properties of the melamine foam. The Magic Eraser brand has become a powerhouse for P & G and has extended to products beyond the BASF foam. BASF has also benefited substantially from this endeavor in increased sales of its melamine foam, as well as in developing a strong collaborative supplier relationship with P & G.

The point of relating this story is that although BASF sold its insulating foam product into Japan for cleaning purposes, its business teams did not recognize that these same properties would be game-changing in the US market. Similarly, although P & G has one of the best cleaning R & D operations in the world, its scientific and business teams were unable to identify the BASF foam as a potential fit for its product offerings. It took someone who was charged with scouting technology--that is, working outside of the usual internal corporate R & D silos--to make the connection between the BASF foam and the huge US cleaning market.

Patent attorneys can serve as a type of technology scout for their clients. In preparing and drafting patent applications and in conducting opinion work for their clients, patent attorneys develop a comprehensive understanding of the properties and functionalities of their clients' products and technologies. A patent attorney who reads the technology wish-lists posted on technology marketplaces Innocentive.com and Yet2.com may be better able to make the connection between the desired properties of a technology and his clients' patented technology that could solve that technology needs. As illustrated by the Magic Eraser story, a client who works in the polymeric insulation space may not be "wired" to recognize opportunities in the household cleaning space, nor will a cleaning expert likely be familiar with the auxiliary properties of an insulating foam. A patent attorney can serve as the bridge to connect such disparate disciplines because they talk to clients across varied technology and business silos every day.

Of course, many clients will not wish to pay their attorney's hourly rate to serve as a technology scout. Such a service certainly would operate as a value-add for most clients. Nonetheless, as clients demand more from their patent attorneys and patent practice becomes increasingly commoditized, I believe that those attorneys who show their clients that they seek to create actual value for their clients will generate more client loyalty and will face fewer push-backs on cost.

"[Connect and Develop](#)," Larry Huston and Nabil Sakkab, Harvard Bus. Rev., March 2006.