

Delivering the message

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Intangible assets make up about 80 per cent of the value of a business. However, the fact that New Zealand is sliding down the OECD per capita wealth scale is just one indicator that many people are ignorant about the value of IP.

How do we get customers wanting our goods and services when our competition is richer, bigger and on their doorstep?

The answer is to be sexy and unique. Sexy includes performing better (inventions), looking better (design) and having a desirable individuality (brand). We can be sexy when we look beyond producing just commodities. This is despite our country as a whole investing a lower percentage of GDP in research and development than more successful countries.

But the competitive edge that this gives can be quickly eroded and uniqueness lost. Then we revert to competing on price, or not at all.

Preserving uniqueness is relatively easy once an organisation operates with a clear intellectual property (IP) strategy. Unfortunately, the majority of New Zealand exporters are either unaware of how to do this, or don't appreciate the need to do so.

Change of attitude

A total transformation in the way New Zealand, and particularly New Zealand business, regards IP is desperately required. We need to change our ingrained attitudes to IP.

The education of government, business advisors, research organisations and exporters is a start. Re-configuring our grant criteria will help.

IP strategies should be recognised around the nation's boardroom tables as valuable, clever and enabling us to shine in the international spotlight.

Fundamentals of an IP strategy

Perhaps the language used around IP is too often incomprehensible. The fundamentals of developing an IP strategy really boil down to 'Who do you want to target? What do they like? Can you deliver and who can stop you?'

This is much easier to understand than 'do your market research, augment it with competitive intelligence through IP searching, plus assess Freedom to Operate issues'.

But this is standard practise for smart Kiwi companies.

How do you sustain the momentum and capture the best techniques so they can be exclusively yours?

This sounds less clinical than holding brainstorming sessions in an appropriate environment with an IP strategist who records everything in an invention template for assessment by a Commercialisation Team.

Using this process to convert ideas into a form that can be assessed and invested in works well in enlightened organisations.

How do you define, capture and control? This means business systems, contracts, licences, patents, design and trade mark registrations. Standard stuff for patent attorneys to implement.

How do you get the most out of your assets?

Multiple revenue streams can be generated through identifying aligned non-competing markets - often through IP searching. If IP protection has been crafted appropriately, you can get others to exploit your non-traditional markets in return for royalties.

Putting it out there for the world to see is the next crucial step. This can include warning off competitors by marking products and literature with 'IP protection applied for'.

Showcasing innovation

Sexier is developing an IP portfolio which showcases the inherent innovation in organisation - thus making it attractive to potential investors or purchasers. A great example of this in action was last year's purchase of Bomac Laboratories by Bayer.

Bomac is a New Zealand-based export business operating in animal health space, largely concerned with selling veterinary products. Its main competitors are scarily large, including the likes of Pfizer, Merial, Schering Plough, Fort Dodge and Jurox.

These competitors are not only large in terms of market domination, but also in terms of R&D and IP budgets. Bomac has built up an international IP portfolio including more than 40 patent families filed selectively across 10 countries. Its R&D team has received training in IP law and also consults with an IP law strategist to determine whether something it is developing is likely to infringe specific IP rights overseas.

Many supporting patent applications are drafted around a "sweet spot", say consumer preferences, which give Bomac an edge over competitors which may have the same active ingredients, but in a less usable form. Bomac has kept a close eye on the IP landscape and designed its R&D and commercialisation strategies accordingly.

Get smarter

In contrast to Bomac's strategy, I constantly see New Zealand companies giving away valuable property, exporters struggling to gain traction, government organisations trying hard, but not able to enable us to stop going backwards.

Making the most of business assets is clever, sexy and infinitely attractive. We just need to get smarter and protect our IP.

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