



Mastering Law's New Frontier®

Patent Commercialization

Turning Ideas into Capital

by
Dianne Daley
Attorney-at-Law
Intellectual Property Partner
Foga Daley
January 23, 2013
www.fogadaley.com

Patent Commercialization

Turning Ideas Into Capital

Introduction

- **Commercialization is the key to successfully transforming an intangible idea into a tangible product/process and bringing it to market.**
- **It is the final phase of the innovation process – the critical last step in turning ideas into capital and ultimately into profit.**

Patent Commercialization

Turning Ideas Into Capital

Introduction

- The process of converting an idea into capital can be **very complex** and success is not always guaranteed.
- Significant financial investment, **high level professional expertise** and **market intelligence** are usually needed to 'pull it off'
- Intellectual property protection and enforcement are pivotal to reaping the profit.

TURNING IDEAS INTO CAPITAL

Patent Commercialization Introduction

Patents have been used the world over as an instrument of policy to incentivise the inventor and encourage organizations to invest in the development and commercialization of the invention.

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Introduction

A patent is a monopoly right granted to the inventor/patentee to ‘exploit’ (manufacture/produce, sell/distribute, import/work/use) the invention for a specific period. (internationally 20 years, 14 years in Jamaica)

TURNING IDEAS INTO CAPITAL

Patent Commercialization Introduction

- The grant of patent, gives the inventor/investors a 'safe haven' against competitors & imitators for enough time for them to recoup their investment and even profit from the invention.
- In exchange, the consuming public benefits from the use of the commercialized invention and, industry, from the addition of new knowledge to the field.

TURNING IDEAS INTO CAPITAL

Patent Commercialization Introduction

- **Patents give inventors an asset and investors a degree of certainty with clear proprietary rights and legal protection.**
- **However, unlike the early Letters Patent, patents no longer guarantee inventors a market.**
- **Patents do not guarantee “the ability to exploit an invention on an industrial scale”.**

TURNING IDEAS INTO CAPITAL

Mastering Law's New Frontier®

Patent Commercialization Introduction

- While commercialized patented inventions are known to propel individuals/corporations into tremendous wealth the cold truth is that numerous patented inventions never make it to, or on, the market.

TURNING IDEAS INTO CAPITAL

Mastering Law's New Frontier®

Patent Commercialization Introduction

- According to the USPTO 97% of patent holders own patents that will never make a profit.
- Only 3% of all patents ever make more money than the patent cost in the first place.

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Introduction

- Other statistics suggest that overall only 5-7% of patented inventions are commercialized.
- In Jamaica we have no official statistics but we know anecdotally that there are only a handful of local examples of commercialized patents.

TURNING IDEAS INTO CAPITAL

Patent Commercialization Introduction

- This presentation highlights some key considerations in patent commercialization **giving tips to inventors and investors on how to turn ideas into capital.**
- It also examines the situation in Jamaica & other countries and suggests ways Jamaica can reap the rewards of innovation through greater commercialization of local patents.

TURNING IDEAS INTO CAPITAL

Patent Commercialization Outline

- General guidelines in commercialization (the “nuts & bolts”)
 - Addressing Legal Protection Issues
 - Choosing Appropriate Mechanisms for Commercialization
 - Valuation & Financing Criteria
 - Enforcement
- Spotlight on Jamaica
- Examples of other national approaches
- The way forward

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

Commercialization Guidelines

- **Successful commercialization requires a multi-layered approach.**
- **Much depends on the kind of invention and the field/industry to which it relates.**

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

- There are a number of matters for an inventor to consider including:
 - Invention
 - Protection
 - Business
 - Planning
 - Financing
 - Manufacturing
 - Marketing
 - Branding
 - Safety Regulations
 - Enforcement

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

- These considerations are all part of the innovation process:
 - Idea generation & conception phase
 - Development & design phase
 - Prototype and pre-production phase
 - Production, marketing & commercialization phase

TURNING IDEAS INTO CAPITAL

Patent Commercialization Nuts & Bolts

Commercialization Guidelines

- The phases are not linear as elements of each phase overlap.
- For simplicity – one could classify a number of the elements into two sides.
- The Protection Side and the Commercial Side.

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

- It is not possible for an individual inventor to bring all the elements together on his/her own.
- While it may be easier for a company it can still be challenging due to:
 - Budgetary constraints leading to inadequate financing
 - Absence of Niche skills
 - The need to source external expertise

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts



- **The Protection side and The Commercial side go hand in hand.**
- **One must have a commercial outlook while formulating protection strategies.**
- **Have a vision of the end from the beginning.**

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

- Don't rush to file a patent without exploring the commercial issues.



www.shutterstock.com · 26099398

- Don't rush to commercialization during the 'idea generation conception phase' without considering all the ramifications including protection & infringement.

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

The Protection side requires input of patent agents & legal advisors

- **Form** – What type (s) of protection suit your idea
- **Approach** - How to draft the patent claims
- **Timing** - When to seek protection
- **Territory** – Where to seek protection

TURNING IDEAS INTO CAPITAL

Patent Commercialization Nuts & Bolts

Form – what type of protection suits the idea

- Inventors have been known to be very optimistic about their ideas
- Not every idea is workable or patentable
- There are different ways to protect an idea
- One product can be protected by different 'layers' of IP



TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

Form – what type of protection suits the idea

- Patents
- Industrial Designs (Design Patents)
- Utility Models (Petty Patents)
- Trade Secrets
- Copyright
- Trademarks



TURNING IDEAS INTO CAPITAL

Patent Commercialization Nuts & Bolts

- Patents, Petty Patents & Utility Models protect useful inventions and innovations, how they are made and how they work
- Industrial Designs & Design Patents protect the aesthetic design & appealing look of the end products.
- Trademarks protect the product names.
- Copyright protects literary, dramatic, musical & artistic expressions but intersects with patents in the area of ICT—
Copyright protects software whereas patents cover some software enabled applications.



Patent Commercialization

Turning Ideas Into Capital

Petty Patents/ Utility Models

- Similar to a patent in terms of the subject matter and the type of rights granted to the inventor/proprietor
- However, eligibility requirements less stringent in relation to inventiveness and duration shorter (between 6 & 15 years)
- Ideal for 'incremental innovations'
- Not available in Jamaica

Industrial Designs/Design Patents

- Protect the look i.e. the original aesthetic elements/ornamental features of an article.
- The proprietor has exclusive control over commercial application of the design i.e. the right to apply the protected design to any article of manufacture in the class in which the design is registered
- Protection is against imitation (not partial copying per se)
- Duration between 12 and 15 years. Available in Jamaica (15 years)

Patent Commercialization

Turning Ideas Into Capital



- o The appealing look is protected by industrial designs (design patents)



- o The underlying technologies are protected by patents
- o The name BlackBerry is a registered trademark. "Torch" "Bold" & "Curve" are also trademarks.

Patent Commercialization

Turning Ideas Into Capital



Apple® and **Samsung®** and their various product names are trademarks.

Their products comprise several patented technologies and are also protected designs.

TURNING IDEAS INTO CAPITAL

Form – Patent Protection

For an invention to be patentable it must:

- provide a way of doing something or a technical solution to an existing problem that has never been known or used before.
- be new to the field of the invention (and not been publicly disclosed prior to the application for a patent).
- involve an inventive step above the state of the art (not obvious to a person having ordinary skill in the art).
- Be industrially applicable/useful.

TURNING IDEAS INTO CAPITAL

Patent Commercialization Nuts & Bolts

Form – Patent Protection

- In Jamaica based on the antiquity of Patent Act, the inventor technically only has to concern himself about whether it is new to Jamaica.
- However, if the inventor is thinking beyond Jamaica commercially, it is advisable to check whether the invention has already been anticipated by the state of the art globally.
- Conduct your own research of the state of the art and also obtain proper patent searches. While there are some online resources ***“I checked “Google” and its not out there” is not enough!*** Patent advisors can assist with patent searches.

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

Protection side – Approach - How to draft the patent claims

- The claims define the scope of the monopoly – Claims have to be drafted in such a way that they encompass the inventive elements of the invention and its scope of application while being enforceable. Otherwise competitors can easily design around it, or challenge the patent's validity.
- In the USA, UK & Europe for e.g., Patent Attorneys/Agents have expertise in the technical field of inventions as well as in the applicable legal processes (biochemists, engineers etc.) to properly formulate the claims.

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

Protection side – Approach - How to draft the patent claims

- In Jamaica, the majority of the patents filed through Attorneys are of foreign origin, have already been filed or granted abroad and have a 'readymade' specification.
- Attorneys are not required to & do not usually have the technical expertise in the particular field of the invention and so for locally-based inventions will often have to rely on the inventors for the description and scope of the invention.

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

Protection side – Timing and Territory – When and Where to File

- The inventor/investors should seek advice of Patent Attorneys/ Legal Advisors on when and where to file for protection.
- Even though much of this will be dictated by the commercial strategies, given the peculiarities of the various applicable laws and patent systems, legal input is essential.

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

Protection side – Timing and Territory – When and Where to File

- For example, most countries disqualify applications where the subject matter has been disclosed publicly or used anywhere in the world prior to the date the application is filed.
- In Jamaica any working or public use or exhibition of the invention in Jamaica prior to filing an application would disqualify the applicant.

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

Protection side – Branding

- What to name your product.
 - Selecting a trademark for an invention requires both legal and marketing advice and input.
 - Some types of names and symbols may be disqualified from registered protection by reasons of for e.g. descriptiveness, moral & cultural connotations, industry norms or the pre-existence of identical or similar marks.
- When and where to seek registered trademark protection.

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

Commercial side requires the input of financiers, commercial advisors & industry experts

- Market/Commercial Advisers – need to be brought on board ASAP
- They may need to liaise with legal advisors to ensure marketability of invention.
- In this context Non-disclosure Agreements (NDAs) are critical

TURNING IDEAS INTO CAPITAL

Patent Commercialization Nuts & Bolts

Commercial side

- **Commercial advisors & industry experts will assist with development of a business plan.**
- **One invention does not necessarily make a product; it may & often takes a series of inventions especially in ICTs: (*Microsoft has over 6110 patents, Amazon over 50, Dell over 798*)**
- **A particular invention could result in a stand alone product or it may just be one part of a solution.**
- **The input of financial and industry experts in this context cannot be over-emphasized.**

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

Commercial side – input of commercial & financial advisors

- **Advice on timing**
 - when to go to market.
 - aligning publication of the Patent when they can measure/ gauge market demand.
- **Advice on deals**
 - how to structure the deals (including tax planning)
 - Which deals to enter into.
- **Advice on where to market**
 - explore/create markets/feasibility studies

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

Commercialization Structures

- **The inventor may go it alone – manufacture & market**
 - capital intensive initially
 - profitable for a time
 - may eventually peter out
 - greater exposure to legal liability

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

Commercialization Structures

- **A Company/Institution may more easily attract investors and be better equipped to weather the vagaries of the market and come out on top.**

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

Commercialization Structures

- The inventor may have a third party take on the commercialization of the invention
 - Licensing
 - Assignment
- Combinations are possible given the intangible & divisible nature of intellectual property.

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

Commercialization Structures

- **Licensing**
 - **Inventor grants a third party the right to exploit the asset on certain terms & conditions usually in exchange for royalties/license fees**
 - **The licensor (inventor) retains ownership**
 - **The Licence may be partial (only some of the rights), exclusive or non-exclusive, limited by duration or to a particular territory.**

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

Commercialization Structures

- **Licensing**
 - **Royalties/ Percentage of Revenue/ Per unit payments**
 - Some individual inventors prefer the licence in exchange for royalties option – the Licensee has the responsibility for marketing and in some cases even patenting the invention while the inventor has a revenue stream depending on the market performance of the product.
 - **Timing and legal advice is critical – if done too early e.g. still in conception phase it could result in a low value deal for the inventor.**

TURNING IDEAS INTO CAPITAL

Patent Commercialization Nuts & Bolts

Commercialization Structures

- **Joint Licences**
 - A group of licensors could set up a company to own the patents and that company can then license the patents to third parties.
 - Joint licensing agreement with a number of licensees giving a separate entity the right to administer the licences.

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Nuts & Bolts

Commercialization Structures

- **Assignments**

- Ownership of the rights in the invention/patent is transferred from inventor/patentee to buyer (Assignee) for a price.
- As with a licence the assignment may be limited, in scope, territory, duration etc. and have a royalty option for the inventor
- It could be an outright sale with a one-time payment or incremental payments.

TURNING IDEAS INTO CAPITAL

Patent Commercialization Nuts & Bolts

Commercialization Structures –

- **Some investors/companies prefer a 'no royalty one fee option' – once they acquire the asset from the inventor, they have no obligations to report or account to the inventor.**
- **Others want the inventor's ongoing input in the further development of the invention.**
- **Commercial advisors can assist inventors in choosing the best option. The legal advisors can advise on the actual contractual terms and legalities.**

Patent Commercialization

Turning Ideas Into Capital

Financing – attracting capital: Start Up/Venture capital

- It is an established fact that intellectual property assets have sky-rocketed in value & relevance in recent times.
- IP audits, valuations, securitization and monetization are now becoming entrenched practices by forward looking companies.

Patent Commercialization

Turning Ideas Into Capital

Financing – attracting capital:

- Since Apple, Microsoft, RIM, Ericsson & others succeeded in a 2011 bid for Nortel's US\$5billion portfolio of 3,000 patents, investors' interest in IP portfolios have peaked.
- InterDigital raised US\$375 million in the sale of a patent portfolio to Intel in 2012, whose share price consequently jumped.
- In Jan 2012, UK finance company ICG sold its stake in CPA Global (the world's top IP management specialist) in a deal which valued the IP management at £950 million.

See: "How IP issues are becoming more important to listed companies"
Robert Stewart & Edi Rumano, IP Value 2013, p. 11-14

Patent Commercialization

Turning Ideas Into Capital

Financing – attracting capital: Start Up or Venture capital

- **Companies that list with the NYSE Euronext® have patent protection as a core feature of their business model.**
- **It is not just for large multinational companies, SMEs are also becoming involved, listing & profiting from their IP.**
- **NYSE Alternext targets European SMEs.**

Patent Commercialization

Turning Ideas Into Capital

Financing – attracting capital:

- How much does a particular IP really value?
- Investors need to have a clear sense of the potential of the asset to generate income and make a profit.

Patent Commercialization

Turning Ideas Into Capital

Financing – attracting capital:

- IP Valuation is complex and subjective exercise.
- **Prominent Valuation Methods**
 - The cost based approach (replacement costs)
 - The market value approach (how much people are prepared to pay for that type of asset)
 - The income approach (actual and projected income to be generated over the useful life of the asset)

Patent Commercialization

Turning Ideas Into Capital

Financing – attracting capital:

- Valuers usually apply a combination of one or more of the prominent methods depending on the type of asset.
- “In short, when it comes to valuation, the message is: **DON'T TRY THIS AT HOME!**”
- Left on his own the tendency is for the inventor to overvalue - “making money in excel”. **Leave it to the experts!**

“Key Advisory Issues” IP Value 2009, Jacek Krauze, PricewaterhouseCoopers LLP

Patent Commercialization

Turning Ideas Into Capital

Financing – attracting capital

- Joint Ventures are important for the lone inventor or group of individual inventors.
- Attracting the right partner e.g. an entity that can produce/manufacture the invention/prototype and persons that can be trusted is critical to successful commercialization.
- Partnering with a corporation raises the profile of an inventor in the eyes of potential financiers.

TURNING IDEAS INTO CAPITAL

Patent Commercialization Nuts & Bolts

Enforcement requires legal and commercial input

- While a patent may be air tight and hard for imitators to design around, good patents are usually attacked & tested by competitors through litigation.
- Patentees, their Investors and/or Assignees, have to be prepared to enforce their rights, where the commercial success of the invention depends on it.
- Many individuals, SMEs & MSMEs cannot withstand the onslaught of litigation by strong corporations due to high cost. This underscores the need for adequate capital.

TURNING IDEAS INTO CAPITAL



Patent Commercialization Enforcement

Smart Phone Wars over Design Patents & Industrial Designs

- The wars between Apple and Samsung over the iPhone™, iPad™ and Galaxy™ smart phones have been highly publicized.
- Up to mid 2012 they have engaged in more than 50 lawsuits in over 10 countries. Apple scored victory in the U.S. while Samsung has won in South Korea, Japan, and the UK.
- The Apple v Samsung rulings which have resulted in US Billion Dollar payouts have given greater relevance to design patents/industrial designs.

TURNING IDEAS INTO CAPITAL

Patent Commercialization Enforcement



- In the US action Apple claimed the Samsung slavishly copied its iPhone & iPad to make its competing Galaxy S smartphones and Galaxy Tab tablets. *“Even Samsung's own lawyer couldn't tell the iPad and the Galaxy Tab 10.1 apart at a distance of about 10 feet from the bench.”* Chris Foresman - June 27 2012
<http://arstechnica.com/apple/2012/>
- The Court of Appeal of England and Wales in September 2012 ruled against Apple Inc by finding that Samsung's Galaxy tablet computers did not infringe on Apple's registered Community Design according to the tests laid down in the law which is not simply whether there was copying but the closeness of the designs.

TURNING IDEAS INTO CAPITAL

Patent Commercialization Enforcement

- **As the infringement wars reflect, the implementation of proper enforcement strategies are critical to maintaining IP value and having a competitive edge.**
- **If the patent is any good then the inventor /patentee/investors and/or assignees, stand to benefit hugely when the dust settles.**
 - **RIM paid NTP US\$612.5 million in litigation over the technologies underlying the Blackberry.**
 - **Microsoft Corp and Autodesk were ordered to pay techno company z4 US\$133 million in damages for infringing 2 of z4's patents.**

Patent Commercialization

Turning Ideas Into Capital

Spotlight on JA



- There is no established mechanism or fund for commercializing inventions in Jamaica.
- While JIPO can site a few examples of commercialized patents originating in Jamaica, it has no actual record of how many have been successfully commercialized.
- It does not appear that any other institution in Jamaica has been tracking or gathering statistics on this.

Patent Commercialization

Turning Ideas Into Capital

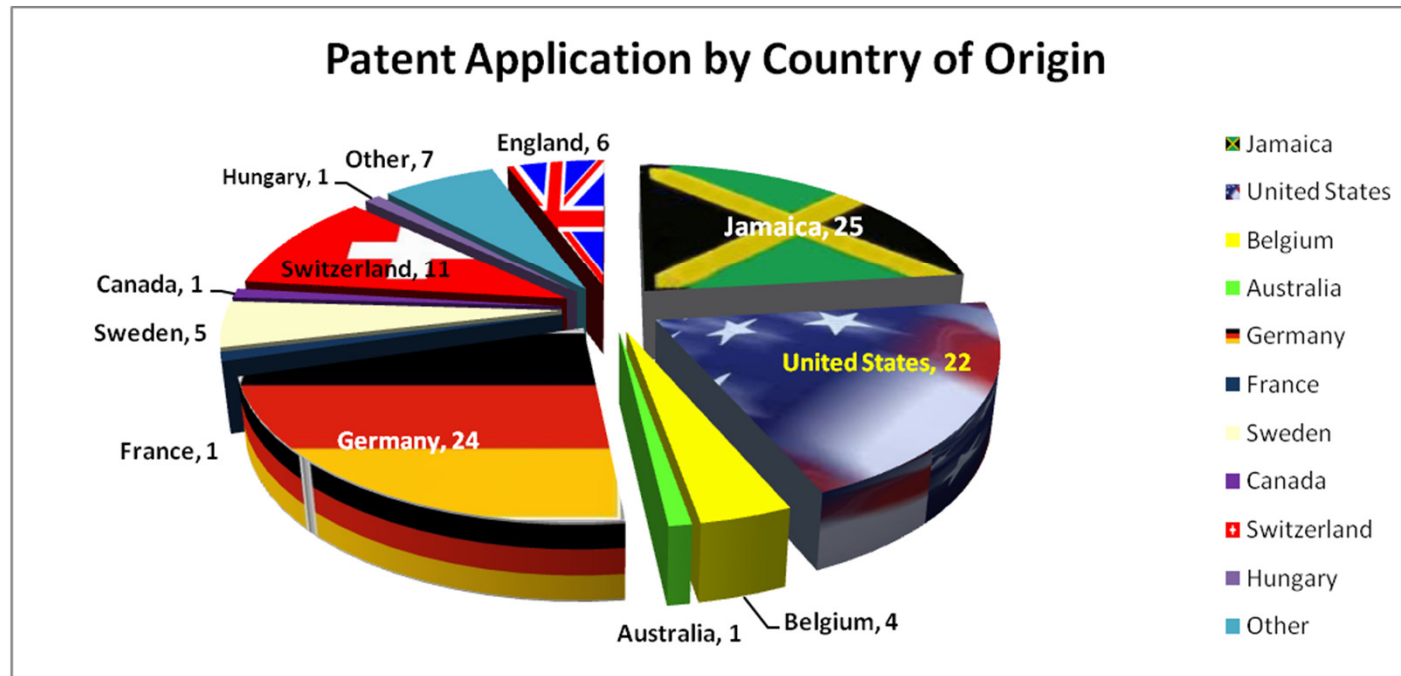


Spotlight on JA

- **JIPO statistics show that the majority of the patents filed in Jamaica are of foreign origin (around 75% as at Dec 2012).**
- **However, an examination of the roughly 25% Jamaican 'grown' and owned patents, reveals such a wide scope of applicability that some could propel Jamaica into positive growth if successfully commercialized.**

TURNING IDEAS INTO CAPITAL

Spotlight on JA



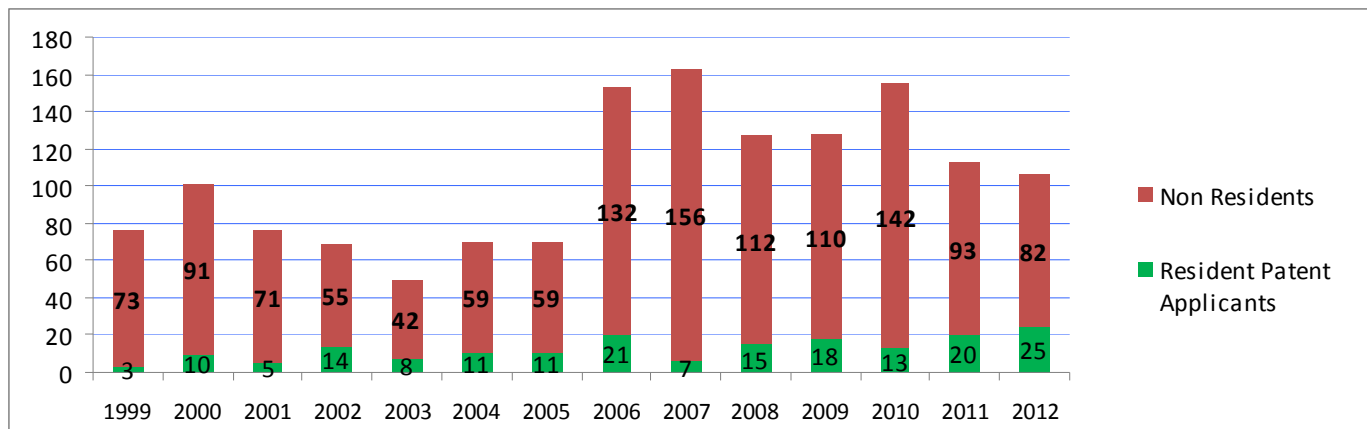
JIPO-Patent Directorate Report, Dec. 2012

TURNING IDEAS INTO CAPITAL



Spotlight on JA

Annual Comparison for Patent Applications (Residents vs. Non-Residents)



JIPO-Patent Directorate Report, Dec. 2012

Patent Commercialization

Turning Ideas Into Capital

Spotlight on JA



Based on JIPO's records between 1990 & 2012, 64 Letters Patent were granted to Jamaican Nationals while 782 patents were granted to foreign entities/inventors over the corresponding period.

Patent Commercialization

Turning Ideas Into Capital

Spotlight on JA



- **Jamaica's old patent system allows for patents granted elsewhere to be granted in Jamaica for the same invention once the invention is new to the Island.**
- **Several of the foreign-based patents which have been 're-registered' in Jamaica are already patented abroad or are in the process of being granted elsewhere and are commercialized or are in the commercialization phase.**

Patent Commercialization

Turning Ideas Into Capital

Spotlight on JA



- Entry of the commercialized product into the Jamaican market is usually the trigger for seeking patent protection. This is certainly the case with pharmaceuticals.
- The grants are often 'taken out' in the name of a corporation which has acquired the invention from the individual inventors by assignment.

TURNING IDEAS INTO CAPITAL

Spotlight on JA



Profile of Jamaican patentees & patents:

The majority of Jamaican patents are owned by individuals. Of the 64 patents, 7 are owned by institutions (UWI, UTech & SRC, RADA), 2 by private corporations & the remainder by individual inventors.

- The fields and applications of the patented inventions span a very broad scope and show the creative genius of our people.

TURNING IDEAS INTO CAPITAL

Spotlight on JA

Profile of Jamaican patents:

Chemical

Pharmaceuticals

Healthcare

Food

Automotive

Construction

Water

Mining & Energy

Medicinal

Nutraceuticals

Hygiene

Agriculture

Engineering - Mechanical & Electrical

Environmental

Sanitary/Treatment of Waste

Safety



TURNING IDEAS INTO CAPITAL

Spotlight on JA



Profile of Jamaican patents :

Electronics

Cricket

Recreational

Footwear

Furniture

ICTs

Horse Racing

Business

Cosmetics

Packaging

TURNING IDEAS INTO CAPITAL

Spotlight on JA



Success Stories:

- The Biodigester Septic Tank (BST) – on site sanitation unit to treat and dispose of waste water – eliminating the need for soak away pits while generating energy for use for cooking, heating, lighting and generating electricity
- Patented by the Scientific Research Council (SRC) in 2006 and is reported as being very successful.
- Some 150 BSTs have been installed islandwide.
- The SRC currently does the construction on its own.

TURNING IDEAS INTO CAPITAL

Spotlight on JA



Success Stories:

Immuno-gizer *The Food Purifier*



- An oral pre-biotic which ensures the production of immune enhancers promoting optimal functioning of the body's immune system and leads to weight loss.
- The Patent was granted in 2006 to individual inventor Dr. Robert Robinson. The products currently on the market supported by frequent advertising and are distributed by Immuno Venture Products Ltd.

TURNING IDEAS INTO CAPITAL



Spotlight on JA

- The role of the SRC has been pivotal in promoting innovation in Jamaica.
- The SRC initiated the Inventors' Association of Jamaica (which needs support from private sector)
- Its BST patent is a success case.
- It has other transformational patents in the works.

TURNING IDEAS INTO CAPITAL

Spotlight on JA



- **The Science & Technology Minister's National Innovation Awards Programme seeks to foster and recognize innovation by rewarding young innovators.**
- **It started in 2005 as a biennial award to highlight the critical role of science & technology and innovation in national development and support the professional development of local inventors/innovators.**
- **The top prize for 2012 was JMD 2.75 million.**

TURNING IDEAS INTO CAPITAL



Spotlight on JA

- **The Minister's Innovation Award focuses on five main areas:**
 - **Health & Safety**
 - **Games & Toys**
 - **Engineering (mechanical; electrical, chemical)**
 - **Renewable Energy**
 - **Popularization of Science & Technology**

TURNING IDEAS INTO CAPITAL



Spotlight on JA

- However, what exists nationally does not adequately address the commercialization gap.
- IP collateralization & securitization is not entrenched in Jamaica's Banking and Financial system.
- There are also gaps in Jamaica's IP Laws.

TURNING IDEAS INTO CAPITAL

Spotlight on JA



- The current Patent Act (1857) is not aligned to global standards of protection and potentially limits the value of a Jamaican patent. Revision of the Patent Act is long overdue.
- A critical level of protection is missing, in that protection is not matched to levels of indigenous innovation – e.g. Utility Model protection which would be suited to the incremental innovation which takes place almost routinely.
- The existing Industrial Designs Act (1937) needs to be revamped and the approach to design protection needs to be re-thought in light of new technologies.

TURNING IDEAS INTO CAPITAL

Patent Commercialization Foreign Examples

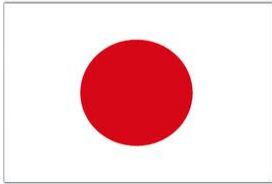
Mechanisms for Patent Commercialization:

- **Many Governments see commercialization of inventions as an economic policy tool.**
- **It is Private Sector driven in the USA with several resources and options for inventors in terms of funding for commercialization**
- **The US Government also provides some level of assistance.**
- **Countries of Asia & Europe are seen to take a proactive approach - Government assisted with input from Private Sector.**

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Foreign Examples



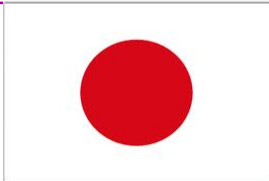
Mechanisms for Patent Commercialization: **JAPAN'S PATENT FUND**

- The rate of patent exploitation in Japan is 54% compared to 45% in the US.
- **Japan Patent Fund - The Life Science IP Platform Fund (LSIP) Aug 2010**
- LSIP was initiated by the Japan Pharmaceutical Manufacturers Association but has become a Government Policy Instrument for economic growth through promotion of research and enhancing competitiveness.
- Target inventions in the field of life sciences - stem cells, cancer & Alzheimer's disease.

TURNING IDEAS INTO CAPITAL

Patent Commercialization

Foreign Examples

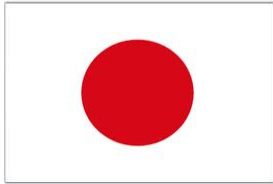


Mechanisms for Patent Commercialization: **JAPAN'S PATENT FUND**

- It has been noted that inventions generated by universities and public research centres may not necessarily meet more specific needs of private companies
- Total revenues earned by Universities in Japan are only 1% of that earned by US universities.
- LSIP provides a framework for bringing together patents from different universities and research institutions.
- LSIP bundles patents, assess their value, then licences the patents to companies with benefit sharing to inventors.

TURNING IDEAS INTO CAPITAL

Patent Commercialization Foreign Examples



Mechanisms for Patent Commercialization:

- The fund prevents purchase of university patents by foreign companies.
- LSIP also provides IP incubation services.
- The fear of patent trolls was a key factor in the creation of LSIP.

TURNING IDEAS INTO CAPITAL

Patent Commercialization Foreign Examples



Mechanisms for Patent Commercialization: Korea's Patent Fund

- **Korea – IP Cube Partners Co. Ltd. (2010).**
- **Collaborates with leading university inventors, business partners, government, R&D centers, & individual inventors, investing both expertise & capital in the patent generation.**
- **Samsung & LG are investors in IP Cube. The threat of Patent Trolls led to the creation of IP Cube. In 2010 Samsung had paid out US\$700Mill to Rambus Inc. in patent infringement claims (and the patent fights continue).**
- **Korea's rate of patent exploitation is 36%.**

Patent Commercialization

Turning Ideas Into Capital



The way forward

At the National Level, Jamaica should:

- **Go further in integrating patent commercialization into its innovation policy and economic strategy.**
- **Address the gaps in the intellectual property legislation by enhancing/introducing types and levels of protection – e.g. patents, utility models and designs – appropriate for Jamaica.**

Patent Commercialization

Turning Ideas Into Capital

The Way Forward



- **The Government should formulate financial policies which are favourable to collateralization and securitization of intellectual property.**
- **Private Sector and Government should target for commercialization innovation and inventions of critical importance to the country's growth, competitiveness and advancement.**
- **The Government should facilitate government and private sector partnership in the funding for the commercialization of inventions which could be transformational for the country overall.**

Patent Commercialization

Turning Ideas Into Capital

The way forward
US Success Story



*The clever way to keep
track of your keys!*

Finders Key Purse



Patent Commercialization

Turning Ideas Into Capital

The way forward
US Success Story

THE FINDERS KEY PURSE STORY

- **Sandy Stein had a dream in which she was told to** “bend back a hook, put a cute design on it, attach a claw hammer to hold your keys, and then you’ll have a way to make some money.”
- **With the help of a team of 20 friends legal research & training in marketing, she created a prototype; used social marketing and within one year had a team of 2,000 and sold a million pieces of the Finders Key Purse.**
- **She successfully enforced her patent against an infringer and admits that the patent was key to maintaining success on the market.**
- **Her company Alexx Inc has sold over 8 million Finders Key Purses to 12,000 customers.**

USPTO.GOV

Patent Commercialization

Turning Ideas Into Capital

Conclusion

- **Success stories show that although patent commercialization is complex it is not 'rocket science'.**
- **Although the statistics are dismal, success is not beyond reach and the rewards can be astounding for the inventor and investors.**
- **It is possible to have a good invention and to make great profit from it.**

Patent Commercialization

Turning Ideas Into Capital

Conclusion

- **Study the path of successful inventors and the strategies of patent rich individuals and corporations.**
- **Formulate a vision of the end from the beginning and strategically plan the path towards achieving it.**

Patent Commercialization

Turning Ideas Into Capital

Conclusion

With a carefully thought out plan and the right team of advisors and partners...



YOU CAN TURN IDEAS INTO CAPITAL!