

## Law

# IP assets: a licence to print money

**CONCERT PIANIST** Suzanne Pillinger thought she had a world-beating product when she invented a device that helps young children to operate hard-to-reach piano pedals.

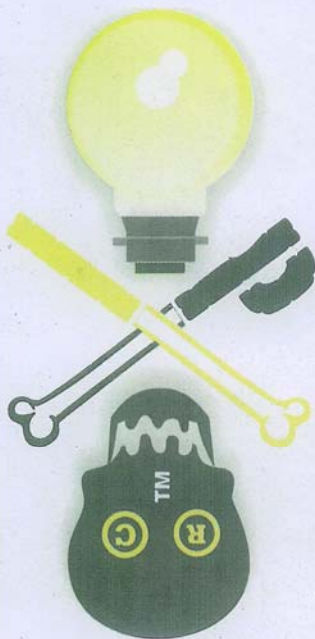
She patented her A-Leg-Grow PED—but only in Britain—and sold it through a firm she ran with her husband. But the device was copied by pirate manufacturers, first in South Korea, then in the US.

She says: "I think the problem is that when you're not sure how something will go—and a bit short of cash—you try and do everything as cheaply as you can. We thought we'd just take out a patent in the UK and see how it went."

Pillinger's experience underscores how important intellectual property can be for the success of a business. Yet Richard Stannard, an IP adviser with Business Link Birmingham and Solihull, says many directors at small and medium-sized firms are muddled about IP. "They get confused between patents, design registrations, trademarks and copyright," he says.

Adds David Wilkinson, head of IP at law firm Stevens & Bolton: "The real problem is that most small companies simply don't know what IP rights they have, let alone how best to exploit or enforce them. Yet the value can be substantial."

IP can also include a bewildering array of other knowledge assets including brands, licences, design rights, customer information, management methodologies and mailing lists.



One way directors will recognise IP's importance is if it allows them to charge a premium over their competitors. That extra margin will often be the result of unique IP, says Thayne Forbes, joint managing director of Intangible Business, a brand valuation specialist.

Whatever form the IP comes in, firms ought to build in plans to protect and exploit it from the outset, says Melvyn Ingelson, chief executive of consultancy MJJ Business Solutions. "The business model needs to start with the level

of IP protection that will allow the company to grow," he says.

"Your intellectual assets should have a business plan of their own to help with their commercialisation," adds Mike Herd, chief executive of the Sussex Innovation Centre. "Viewing your IP as an asset can be a useful way of investigating alternative commercial avenues."

But because of its growing value, many firms find IP defence is the new business battleground.

When Gayna Hart, managing director of software company Quicksilver, found that the firm's trademarked healthcare IT product, Spinal Tap, was under attack from a product with a similar name, she fought back. "We found ourselves going through arbitration," she says, "which took six months and cost between £3,000 and £5,000."

Chris Barling, chief executive of Actinic e-commerce systems, takes a tough line with cowboys who seek to rip off his company's IP: "We have trademarked all of our principal products," he says. "We defend abuse of our trademarks on Google. We contact sellers of our software on eBay to ensure the licence terms are being followed. We have managed to close down at least one consistent rogue vendor."

Stannard points out a strong financial reason for defending IP. "Nobody is going to invest in a business unless they are sure that it owns its own IP."

Peter Bartram

## HELP WITH IP

For directors who want to take a fresh look at IP, help is available from a number of sources.

● **MJJ Business Solutions** runs the IA Cohort Programme, designed in partnership with the Intellectual Assets Centre. The programme aims to help SME directors understand how to protect and grow the intangible parts of their companies.

● **The Intellectual Assets Centre**, based in Glasgow, provides advice and training for companies that want to reap more value from their IP.

● **Business Link Birmingham & Solihull**, in conjunction with Coventry University Enterprises and local IP firms, is launching a programme called Fillip, the Intellectual Property Forum, which will provide IP audits for companies.

## Technology

### Tried and tested Richard Cree takes Palm's new Treo750V for a spin

**What is it?** Palm's latest Treo: the first designed for, and launched in, Europe. It's also the company's first Windows-based mobile.

**Why launch now in Europe?** Previous Treos have had something of a cult following, but Palm reckons the European market may be worth up to £15bn by 2009, so it's time to get serious over here.

**What's so special?** Designed in tandem with Microsoft, it's a push-email enabled PDA, pitched as an alternative to the popular Blackberry. With its full keyboard, Windows Mobile operating system and applications, this is an easy-to-use smartphone aimed at helping "prosumers" take their desktop on the road.



**What else?** It's also a camera, MP3 player and internet radio.

**Any key features?** Palm is proud of its heritage in operating systems and it has "Palmed-up" the Windows system a bit. The main Today screen makes good sense, and an integrated search function is easy to use.

**Is it any good?** Yes. It's easy to use and does what's asked of it. It feels good to hold and is only slightly oversized for a phone.

**Any downsides?** As always, cramming a full keyboard onto a device this size makes typing awkward. Sharpen your fingers to a point—or simply keep it brief.