

Factors for successful patent utilisation

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Although many technical innovations from individual inventors or from small companies are registered for a patent, they subsequently do not reach market readiness or do not become economically successful. There is often a shortage of money or time or sales know-how, or all of these. Even for larger companies with a portfolio of multiple patent families, the question of reasonable economic utilisation arises, as long as the technology is not (no longer) associated with one's core business. In all these cases, the utilisation of the property rights by sale or licensing to third parties may be a suitable way for commercial use.

Success factors

Many years of experience show that there are a number of factors that together significantly increase the likelihood of a successful utilisation of IP rights.

❖ Legal status and term of the property rights

First, it is important to know whether you are dealing with just one (or more) patent application(s) or whether the patent(s) has/have already been granted after appropriate examination by the office.

Patent applications generally run the risk of the patent not being granted later on and are, therefore, carefully valued accordingly by a potential buyer. Even if dealing with utilisation early on is often meaningful, noteworthy

payments by the buyer or licensee should only be expected after the patent has been granted.

In addition, the term of the patent plays a major role in the utilisation of patents. The buyer, of course, wants to exploit the economic advantage that the acquisition of a patent or a licence offers him as long as possible, both with the selling of intellectual property rights as well as with licensing. A remaining term of a few years from the perspective of the acquirer is usually not attractive and has the effect of reducing the value.

❖ Current development status

There are two key questions that a potential buyer or licensee will always pose. These are:

"Will the invention really work in practice and meet the expectations set therein?"

"Is manufacturing really as easy and inexpensive as promised?"

Sceptical questions are always asked with inventions. Here, it really helps if the operating principle can be directly demonstrated with the aid of an operating model or even better with a real prototype. Independent reports from renowned research institutes or testing institutes can add confidence. The more hurdles that are overcome before a real launch, the greater the security for the prospective buyer, and the more likely he/she will conclude an agreement. The typical hurdles include, for example, official approvals, TÜV certificates or similar as well as the production of a pilot batch or small series.

❖ The package

Offering not only the patent(s) or patent applications for sale or for licensing is an advantage. Instead, it is important to check whether special know-how or design drawings for the preferred embodiment or software can be supplied in addition. Ideally, a complete solution is offered that reduces the further development effort for the buyer or the licensee to an absolute minimum.

❖ Realistic price expectations

A very obvious and, in practice, very critical factor is the seller's price expectation. In particular, if the development of an invention has taken up a lot of time and money and the inventor is also closely and emotionally attached to "his" invention, the value and thus the price that can be achieved is often overestimated. At the same time, the effort that the potential buyer must make in order to further develop the invention for serial production and to introduce it to the market is underestimated. Often, there is simply a lack of knowledge and experience for an assessment in line with market requirements. An evaluation by an independent expert can help the seller or licensor to develop a realistic pricing.

A strong partner at your side

An experienced partner with a good network of contacts in the industry can simplify patent utilisation in an essential way. If the conditions listed for successful utilisation are met, Serviva GmbH can offer its assistance in patent marketing at a fair price. In addition to an ongoing remuneration at a sharply reduced daily rate, a moderate sharing of profit is due for successful utilisation. In addition to the broad network of contacts with companies in Germany and abroad, an important feature is the maximum transparency of our work so that our customers can always understand what the current project status is.

Serviva's services include the development of a viable exploitation strategy, the preparation of a meaningful exposé and the identification and addressing of companies that qualify as buyers or licensees. The precise division of work for further steps up to the conclusion of a contract is coordinated individually between Serviva and its customers.