

Background

The responses are made by Dr. Ronald Jones who now manages TinyQuest and has been an inventor/entrepreneur in the field of advanced materials for twenty five years, having run his own Micro Business for this period and been responsible for the commercialisation of a range of significant innovations including:

- Lightweight Ceramic Armour used on the Hercules 106 Aircraft carrying emergency supplies during the 92 Bosnian Crisis.
- A process for making glass for the safe disposal of high level nuclear waste and still used as a strategic material at Sellafield.
- The thick Film Ceramic heating elements used in a wide range of “fast boil” kettles.
- A manufacturing technology for producing high quality, net shape, ceramics in current use by a Global Ceramic Corporation.

Throughout this period he managed the IP and technology transfer and has had six patents granted, Worldwide.

Dr. Jones now operates a Practise helping other businesses exploit innovation and manage IP.

The responses are brief and based on the experience of Dr. Jones and other SME's with whom he has had close associations.

Responses

1. How is IP Awarded

(a) The Patent Acts that currently control UK National Law are complex and have derived over a long period of time by “addition” rather than “revision”. As a consequence it is necessary to use IP Professional Advisors who add little contribution to obtaining quality patents but are simply trained in the road map to find their way through this labyrinth.

(b) The DTI provide reasonable information about registered IP but little advice is given regarding alternative strategies such as “defensive publishing” and maintaining “know how” effectively.

(c) Nowhere does the DTI or CIPA give any indication of the true cost of prosecuting a Patent and maintaining it in EU, PCT and Japan. Worse still is the lack of any indication of the cost of protecting the Patent from infringement. Patent Attorneys seldom provide the full facts of these likely costs because they do not want to lose the business. The costs can include lost business whilst disputes are settled when injunctions have been served.

(d)

(e) The Statutory Fees are small in comparison to those charged by Patent attorneys and Lawyers.

(f) For SME’s the Registration of IP has its main value when:

- The SME intends to license the technology
- The SME is seeking Venture Capital Investment
- The SME is part of a collaborative research and development project where the IP is at risk

Frequently SME’s use market driven strategies to stay ahead of their competition.

(g) No specific barriers.

(h) Cost of professional fees, potential cost of defending the patent, inability to keep a watching eye on the prior art to prevent infringement.

(i) The EPO is a more informative body offering far greater help in core and peripheral areas such as search facilities . The EPO represents a simplified system compared to the UK PO which seems to force the use of Patent Attorneys at even the earliest stages when the Inventor could have absorbed cost by doing some of the preliminary work.

2. How is IP used

(a) Know how, Defensive Publishing, some Patents if cost is supported by a licensee.

(b) Seldom

(c) Not often

(d) The IP is valued on an "Income Model" using a Business Case and Risk Analysis. It is difficult to use this valuation strategy in the UK without market history if seeking Business Angel Investment. Most Investors seek only businesses beyond start up in the UK and there are few organisations who take risk other than Corporate Investors

(e) Not Applicable

(f) IP system does not promote innovation at all; it merely fixes it in time and possibly value. It is the SME itself that promotes the innovation. This can be seen by the large portfolio of redundant patents held by Large Corporations.

(g) Government Funding via Grants is essential to aid in the promotion of innovation by SME's.

(h) No because they do not really record the amount invested in patenting to prevent the competitors reaching the market so it is not a true measure of conversion from patent to money.

(i) No

(j) My experience is that this represents a significant percentage of all Patents filed. This practise is almost impossible to prevent but better monitoring of unexploited granted patents would be helpful to discourage this practise combined with a closer scrutiny of the attempts made to exploit and possibly reducing the period before the issue of compulsory licenses to one year after grant.

3. How IP is Licensed and Exchanged

The author's organisation does not license in technology. It generates Innovations and seeks Licensees. There is some experience in cross-licensing which is thought to be an effective strategy to preventing unexploited monopolies. License of Rights seems to be a very limited activity and likely to apply only mature technologies.

For comment on Compulsory Licenses see 2. above.

4. How is IP challenged and Enforced

(a) The removal of Legal Aid for such disputes has made enforcement through litigation, almost impossible for Small Firms.

(b) Costs are certainly the main factor preventing Small Firms from enforcing against infringement. Insurance policies have a high cost impact at the front end before money can be made from the innovation so they are not frequently used. Many Small Firms simply go ahead and infringe knowingly since they have insufficient assets to attract Larger Firms to litigate.

Most parties benefit from Alternative Dispute Resolution which can generate a “win:win” situation.

More encouragement needs to be given by Patent Attorneys and lawyers to settle by ADR, Mediation if possible. Injunctions should be more difficult to obtain since they can quickly terminate a healthy business before it has chance to settle a dispute by ADR.

(h) International disputes are almost beyond the reach of SME;s if litigation is the perceived route but WIPO has done an excellent job in trying to establish truly international ADR particularly through Mediation. The UK PO is not so encouraging seeming to protect the interests of the Legal profession rather than those of the client.

Specific Issues

Utility Models

For many SME's this is an excellent alternative to “no patent”. Often small innovators will develop an invention in isolation of any legacy technology and if this is of value then it may be able to justify the cost of a stand alone patent. It can seldom forecast how the innovation will develop and makes little use of divisional patents but if it makes incremental improvements in the core innovation it would benefit from the reduced time to protection and reduced cost offered by the Utility Model. Introducing this into National practise would also ease harmonisation with European Law.

Trade Marks

Better trade mark searching is needed which incorporates Artificial Intelligence methods such as Image Recognition and retrieval to enable the Innovator to conduct basic prior art searches themselves before considerable cost is committed. Trade Mark searching is once again designed to be user unfriendly and only favours the profits of the Trade Mark Attorneys. Theirs should be a secondary role in merely confirming what has been thoroughly searched and validated before hand.

Design Rights

Either registered or unregistered the Design Rights are comparatively weak and are best enforced as part of an IP portfolio where patents and/or Trade Marks are included.

The UK PO requirement for the expression of the design is totally inadequate. No standards exist for how it should be expressed so often ambiguous sketches are registered rather than photographs. Because there are no proper guidelines for expressions the registrant only discovers that their expression is unacceptable after submission and preliminary examination but is given little help about the form of the expression that should be registered.

Almost all expressions should be generated by Computer Aided Design or Photograph which would help to standardise.

Other

It is the Author's opinion (supported by opinion of his associates and colleagues) that the Chartered Institute of Patent Agents is not representing the interests of IP Professional Advisors other than it's Chartered Members and thereby encouraging a cartel run by Patent and Trade Mark Attorneys. They are able to maintain fees at a level higher than often is justified and are often slow in their response to clients requiring rapid protection. Some of this has been a consequence of the 1988 Patent Act allowing only those on the Register to have audience in Patent Court or before the Comptroller.

CIPA is in a state of ambiguity within and is fairly equally split regarding its broader role in the promotion of IP Knowledge outside of its chartered membership. It would appear that it wealds so much power and influenced that it should be regulated externally by an independent body.