

THE STRONG IP IMPERATIVE FOR ENTREPRENEURS

Why very few patents get successfully commercialized

In a cut throat world of competition, ideas can be easily copied and replicated. Entrepreneurs know this and are therefore aware of the need to protect their Intellectual property (IP) in the form of

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Thought Ignition Papers Series (TIPS) is a crystallization of our research, experiments and experiences to communicate those ideas that ignited deeper and fruitful thoughts which led to successful action. These are our vehicles to co-craft innovation with our clients

patents. *Patents are granted to inventions that are novel, non-obvious (inventive) and useful.* However, only a very small percentage of patents (generously not more than 5%) are actually commercially viable.

While some of this non-viability may be attributed to the innate complexity in commercializing technology, mostly the

non-viability stems from the fact that they are not strong enough i.e. they are *easy to work around/ circumvent_or_it is difficult to detect infringement.*

Just getting a patent is not enough!



It is especially important for entrepreneurs to note that just getting a patent is not sufficient, since they do not have the financial muscle or the luxury of a portfolio of patents to start with. One has to get a strong patent. Strengthening the idea/invention up front is the best guarantee for a strong patent.

Using patent databases while inventing

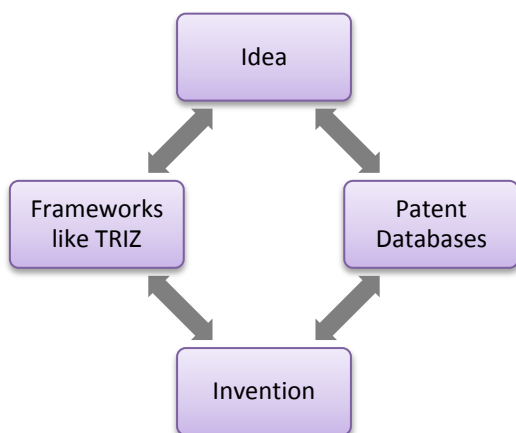
Typically, inventors look at patent databases AFTER inventing, mainly to check if similar ideas have been protected in prior art and to assess if their idea is patentable. Often, even this task (of searching for prior art) is outsourced since patent documents are perceived to be too complex to read.

This is quite unfortunate. Patent databases are probably the most comprehensive source of advanced technical knowledge on the planet, mandatorily made available for public access and mostly available for free. These databases are invaluable assets for inventors “while they are inventing”, to strengthen their inventions.

In most cases, some prior art will exist (someone else out there would have thought of something similar). Often, this someone else would be a competitor. This situation may call for a **design-around or invent-around** effort i.e. come up with inventive ideas to circumvent a patent (invention). Similarly, an inventor can design-around and strengthen his own invention, making it difficult for others to circumvent it.

Bringing specialized frameworks into play

These sort of activities require specialized frameworks such as the Theory of Inventive Problem Solving (TRIZ). TRIZ provides powerful abstraction mechanisms such as *system contradictions and inventive principles, function-attribute and substance-field models, system laws of evolution and ideal final result*. Structured abstraction enables inventors to utilize knowledge encapsulated in similar inventions across multiple domains. TRIZ also suggests mechanisms to rank inventions based on their strength which can be



used as a parameter for patent valuation.

Of course, the value of a patent is not just a function of its functional strength. Other parameters such as derived or perceived customer value, the length and breadth of the opportunity window and linkage between organizational IP and business strategies also contribute in equal measure to the valuation of a patent. Entrepreneurs can therefore, use a multi-dimensional multi-perspective valuation methodology as an input to patent strategy and invention design (as opposed to later in the cycle).

Key Insights

*Strong inventions automatically lead to strong patents, strong **defense** (IP protection against potential infringement suits), strong **differentiation** (not easy to circumvent and create similar products or services), strong **commercialization** opportunities (strong patents enjoy significantly higher valuation) and strong **growth** opportunities (new opportunities to use the protected technology across domains, opportunities to expand the product portfolio). It is therefore highly imperative for inventors and entrepreneurs to focus on strengthening their inventions up-front!*

About the Author



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He has facilitated innovation conceptualization and execution in various contexts including processes, business strategy, products, technology evolution and intellectual property. His current areas of interest include technology evolution, inventive principles and innovation sociology.

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