



Intellectual Property –

How to Make it Work for You

To fully harness the benefits of your intellectual property (IP) assets and to avoid the expensive consequences of IP infringements, you must acquire a good understanding of IP. *Productivity Digest* brings you back to the basics on IP.

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Intellectual property (IP) is embedded within our daily lives. It can be found in most products, services and even information and know-how, such as database lists or processes. For example, a mobile phone plays host to a number of IP rights. This includes patents (on the inventions that make the phone work), trademarks (on the brand name of phone maker), copyrights (on the software within the phone) and design rights (on the phone's eye-catching form). Regardless of the nature of your business, it is likely to be already creating and using IP.

If your organisation creates IP, steps must be taken to protect, develop and exploit it effectively. If your organisation is using IP, you need to obtain the appropriate rights to use the IP, in order to avoid potential dispute and possible litigation.

To fully harness the benefits of your IP assets and to avoid the expensive consequences of IP infringements, you must acquire a good understanding of IP (see box story on the various types of IP).

IP creates value

IP can be bought, sold, licensed or exchanged just like other forms of property. Proper management of your IP assets will enhance the value of your business. In addition to generating income, through licensing, sales and commercialisation of IP-protected products and services, IP can also raise the value of your business, in the eyes of potential investors and financiers.

Conversely, improper use and management of IP can seriously impede your business progress. Companies have lost market share, or have been forced out of foreign markets, because they failed to manage their trademarks properly and consequentially lost their rights to competitors. For example, La Chemise Lacoste infringed the rights of Crocodile International by registering a left facing crocodile logo in China in 1995. Crocodile International already had the rights to use a left facing one in China. Lacoste was made to apologise publicly to Crocodile International in China as well as pay compensation of US\$1 and 1,000 yuan in costs. Crocodile International had invested time and money into developing their brand in China, and by registering their trademark in China early, Crocodile International prevented Lacoste from taking advantage of Crocodile International's investment in making their brand known in China. With increased globalisation, having a proper IP strategy is crucial, as it can 'make it or break it' as companies enter new markets.

Thus, businesses must develop a good understanding of IP and the ability to deal with IP-related issues, in order to succeed in this increasingly competitive environment. The role of IP is growing in today's global knowledge economy. Individuals and organisations are rapidly realising the importance of creating, protecting, managing and exploiting their IP for wealth creation. So should you! **Pd**

Types of IP

IP is an asset, resulting from the human intellect. In Singapore, there are four main types of IP:

- **Patent:** This protects new and non-obvious inventions, which have industrial applications. The owner of the patent has a 20-year monopoly over his patented invention. In Singapore, you must apply for a patent through the Intellectual Property Office of Singapore (IPOS). Patent rights are territorial, so you must apply for a patent at each country in which you require protection. Frequently, a company's patent portfolio is a valuable asset. For example, patents filed by Stikfas have helped the local toy company tie up with international leading players, like Hasbro.

- **Copyright:** This protects subject matter, such as literary, musical, dramatic and artistic works. Typically, a copyright owner can prevent others from copying his works for his lifetime and an additional 70 years thereafter. Copyright protection is received from the moment the work is created and recorded. You do not need to apply for copyright protection. Copyrights are a good example of how works can be turned into wealth. In 2001, Singapore's copyright-based industries generated \$8.7 billion in value-add, contributing 5.7% to the nation's gross domestic product.

- **Trademark:** This is a sign that identifies that a product has come from a particular trade source. Examples of trademarks include brand names, logos, slogans, and jingles. Trademarks must be registered through IPOS. A trademark itself can be a valuable asset to a company. In 2004, SingTel was named Singapore's number one brand, valued at \$1.87 billion. Local trademarks can be recognised internationally. Brands Essence of Chicken is available in 19 countries and export sales of Sanwa's instant noodles account for over 90% of turnover. In addition, Singapore companies have acquired foreign brands, to build up their portfolio and strengthen their globalisation efforts. For example, Singapore Food Industries acquired UK-based S Daniels, owner of the New Covent Garden Soup Company, as part of its international growth strategy for entering the UK and European markets. Another example is Daka Designs, a Singapore-listed company, which successfully managed to remove the display of a pirated version of their Sea-Doo sea scooter at the Hong Kong Toys & Games Fair by complaining to the Hong Kong Trade Development Council (HKTDC). This is a result of the intention of the HKTDC to enforce intellectual property rights.

- **Industrial design:** This protects new designs that are industrially applied to an article. It includes the features of shape, configuration, pattern or ornament of an article. Industrial designs must be registered through IPOS, and the proprietor has a 15-year monopoly over his registered design. Industrial designs have the ability to change the face of consumer goods. Osim International struck the right chord with its sleek designs, which have given the company a lead over competitors.

In order to protect their IP, companies should become knowledgeable on IP matters. In addition, they should seek professional IP assistance to learn how to best exploit their IP assets.

Become Savvy in the IP Regime –

The IP Academy has developed a range of IP courses, targeted at business organisations, IP professionals, and IP creators and users. Here is a list of upcoming programmes:

- How to make money from IP
- Valuing your IP assets
- Negotiating technology licensing agreements
- Negotiating R&D agreements
- Protecting IT and Biotech inventions
- Getting into the franchising act
- Strategic patent portfolio management

For more details, visit www.ipacademy.edu.sg