

# IP do's and don'ts - the Bottom-Up View

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# The Company

- Hungarian venture, active in the holographic, opto-electronic and 3D display technologies
- Developed unique **proprietary 3D light-field** display technology with strong IP
- Manufacturing **HoloVizio™** displays and pushing related 3D technologies : acquisition, software, compression...
- Hi-tech SME, with strong academic roots (not a spin-off)
- Game changing player, the 3D Light Field display conception pioneered by Holografika is acknowledged by the industry, brand building
- Awards:



*Hm, interesting. Is it patented?*



The often heard question, reflecting the general knowledge, how to answer?

a.) the easy way: Yes

b.) the full picture: OK, let's go into details...

# To File a Patent

- 100kEUR decision
  - typical for the full life-cycle
- Will you ever get back this money ?
- Is your business-idea robust enough?
  - If too early, your patent may expire,
    - 20 years looks ages, but general trends are slow (like HD TV)
    - industry can change to new directions
    - filed several patents, some of them became very valuable, some of them are for the future, ideas we could not realize on our own, shared /conceded to partners (revenue generated through JDA)
  - If you are on time, be sure that 100 similar patents exist already
    - small evolutionary instead of revolutionary steps - you can find a hole (areas becoming popular, will be difficult to file, like 3D today)

# To File a Patent

- **Be professional - Go to patent attorney**
  - this is not the most expensive part, nor the PCT
  - but the national phases
- **Be concrete**
  - first patent applications are often emotional, along with describing general principles, always give concrete embodiments (dependent claims are always good to retreat)
  - judges, if so one day, might not understand mathematically precise sophisticated wordings only
  - make drawings
- **Current strategy**
  - we consider smaller concrete product oriented filings, short-term maintaining until the business proves (30 months time-to-market), if not, give up prior to the heavy costs (still more difficult to block us)

# To File a Patent

- Takes time
  - particularly during the application phases, to prepare argumentation, claim restructuring, etc. (even if working with IP law offices, in practice the inventor is writing)
  - + you learn, patent search is a good sector overview for the fee, to differentiate your technology/product
  - following relevant IP developments in the field takes time
    - were on both side of the table to submit third party observations to examiners
- Innovative SME's have more patentable ideas than they can handle
  - personal (financial) resources are not infinite use them to be justified
  - for us this is over 40 granted patents, utility and patent applications

# Building a patent portfolio

- Make your proper footprint
  - Price/performance decision on national phases
    - Consider cheaper options, as well, e.g. utility models
  - usual geography strategy: where the market, or the competition is
    - US, fairly cheap, big market
    - EU, we'll see...
    - China, Korea you can not get around (display industry)
    - Japan, hard to file
    - Hong Kong, Singapore, Taiwan, the smaller gates to be closed
    - Brasil, India, etc. (some years back who cared, today BRICS)
- In practice there is no „world-patent“

# Building a patent portfolio

- „We cover the whole technology field”
  - „All-in one” long description, large number of claims (+costs)
  - small companies would like to be economic having fewer, but comprehensive patents - can be less protective
- You are the one who kills the novelty for yourself most of the time
  - shortly mentioned features can kill the novelty of your later potential patents, while not protecting specifically
  - while first patents can be sparks, portfolio patents are not without antecedents (there is a market pull you feel already)
  - think first before publishing, advertising novel methods/services/products
  - ... publish first through the patent office
- Try to plan your moves in the technology field
  - broader scope of 3D beyond displays with synergy, have to be selective

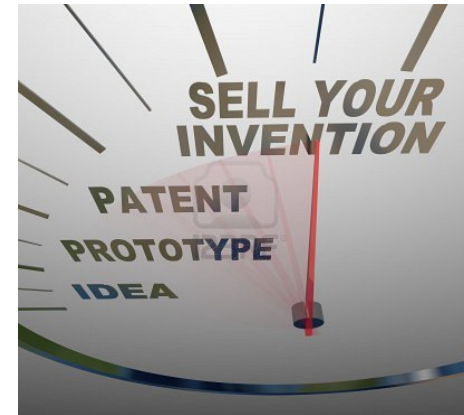


# Others preventing you

- Big companies can follow the opposite quantity approach
  - hundreds of patents, sometimes with minimum novelty features (like the „double-click” patent of Microsoft)
  - good exchange currency in patent disputes and litigation
  - mass patent transactions to secure entering into new markets
  - devastate a field by acquiring all related IP to control technology development (+ ”patent trolls”)
- Read the patents
  - relates only to part solutions of what is publicly stated
  - „Patent protected” - sometimes you do not find
- The very same patent is granted to others, as well
  - US practice, easy to get, low-quality examination, leave the case to the court for later disputes
- Blocking patents

# Monetize on your patents

- Hard to sell patents unless there is activity, potential business around - just paper
- Build a company
  - build a business – straight way
- Start-up (no business yet)
  - the IP portfolio is the tangible 'intangible' asset for investors
  - your IP is the most valuable
- Licensing - an existing business should be there
  - if you build new business, rather in later phases
  - otherwise go for multi-billion \$ markets, even small ideas can bring high return
  - methods for standardization, e.g. compression (lobby, then submarine IP)
  - software (bit different)
  - well-covered area with tremendous cases (rates, conditions) – use experts



# Monetize on your patents

- IP brokers may contact you to sell your patents for big players building portfolio in the field (typically for 25-30% percent succes-fee)
  - patents can be sold for ~200 - 500k€ (cases are diff, kind of rule of thumb)
  - patents with strong use in an industry, the value can go up to 1M € (when continuations remain a possibility, the price could go even higher)
  - portfolios of 5-10 patents or more can realize multiple millions of Euros (if patents are not simple extensions or continuations of each other)
  - it is possible for the seller to obtain a license back, or back-end royalty
- Information about shopping around with your IP in an industry can devalue your position for investment, or cooperations
- If out of the business, the patent portfolio can still be valuable and offered for sale on a discounted price
  - even if you are not in the position to maintain or enforce it, others can do so

# Further Layers of Protection

- The best protection is, if you provide **the best product/service on the best price**
- Know-how
  - the devil is in the details - you do not describe
- Trademarks
  - cheaper, commercially more efficient (HoloVizio, Light Field)
- Building a brand
  - if not able to hide, be open - publicity protects (your competitors know first what you do)
  - the ecosystem around you is not your enemy, rather can be of help „*cooperation instead of competition*”
  - be part of industrial consortia, scientific community, etc., make easy to identify, differentiate your technology, challenging your competitors' reputation, if they copy
  - use the web, social media actively, reserve several self-speaking domain names that help to find you first

# Infringement

- A patent is good for nothing if no-one would like to infringe it
  - when turning into business, be prepared, it will happen
- Enforcement
  - you never get unambiguous answers on concrete cases in advance (frustrating for a technical minded inventor) no guaranty, just that you will spend on it (the 10.000 EUR sentence)
  - unequal chances for small entities
  - Traceable IP is an advantage
- Infringement is a basis to negotiate
  - let it happen and knock on the door later (had a similar case settled by retroactive licensing)
  - no quick actions, sometimes resolves itself (not necessarily positive)

# Why to file Patents?

*As a conclusion, is it worth?*

*Yes, on the long-term this can be your most valuable asset.  
Yes, because „being an Inventor” is not just money, it is  
passionate, mission, a way of creative living, shaping the  
technology, having a vision and impact on the future...*

**HOLOVIZIO™ 80WLT**

**Full-angle  
3D Displaying**

# Thank you

## Questions?

- Whether IP is the game of the big players?
- New ideas come from small innovative companies, how to give preference to small entities facing the same costs?
- EU is strong in R&D, less in exploiting the knowledge, to capitalize on this why not to radically support patenting processes?