

How do patents support innovation in the digital age

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Agenda

- Introduction digital world
- The new IP landscape
- Intellectual economy
- Summary

The digital world

- Many new products are extremely complex
- Example mobile phone:
 - telephone, video viewer, music device, GPS, navigation device, computer, internet access, game console, paying device, photo/video camera, audio recorder, library, e-book reader, watch, flashlight etc.
- Companies do not have all technologies behind these applications in house, so they have to buy or trade for these technologies



One product – many IP rights

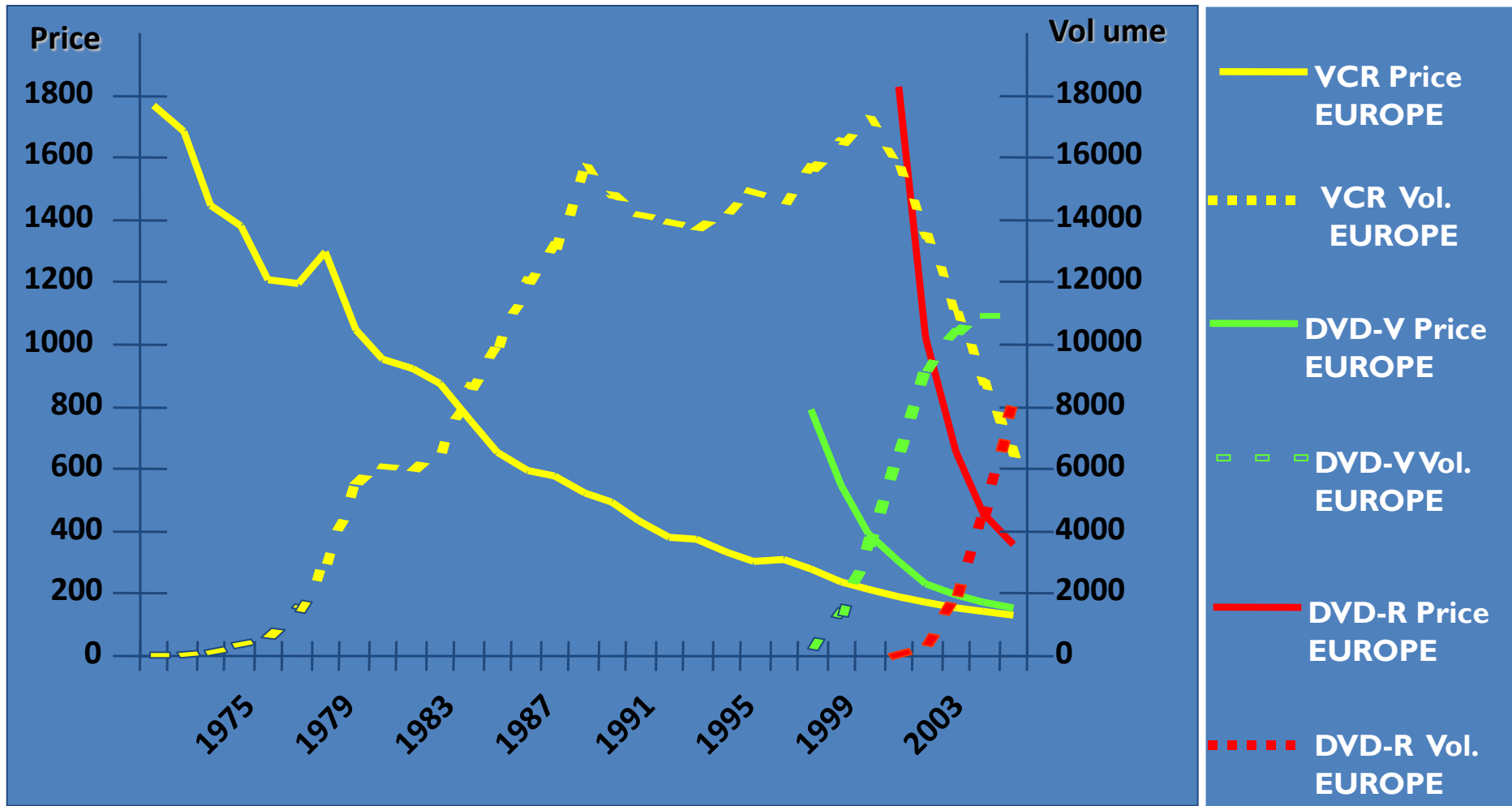
Integrated Intellectual Asset Management

- **Reg. Designs** for phone shape
- **Reg. Trade Mark** - "NOKIA" & start-up tone
- **Copyright** - software, ringtones & images
- **Patents** - for technology to produce and operate.
- **Trade secrets** - some technical know-how kept "in-house" and not published



image © NOKIA®

Product Life Cycles and Price Erosion



Increased financial risk: large investments, quick price erosion

The digital world

- Exciting new products available at affordable prices because of:
 - Complex technologies
 - Fast erosion prices

Leads to high-tech ecosystems:

- Companies need to act quickly
- Companies need to cooperate
 - Opportunities for companies with specific know-how



The digital world

- On one hand need for **co-operation**
- But on other hand markets are extremely **competitive**:
 - Only premium price for premium products that distinguish in positive sense from competition
- IP rights are necessary to provide a supporting frame work for the digital world



IP rights as supporting frame work

- IP rights define property, i.e. what creations of the mind are yours
- With these rights you have certain privileges for a certain period of time
- Then you can decide how to use the property and the privileges

It is mine and I can do with it as I please

Creating value



IP is a strategic tool to create maximum value from your innovations, i.e. how own and third party's IP assets can be leveraged to achieve your business objectives, like income, benefits for business and R&D etc.

Different IP flavors help to do just that

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a new IP landscape

Proprietary
"Exclusive IP"

Buy, Sell or
License IP
"Paid IP"

Open Source/
Patent Commons/
RF Standards
"Free IP"

Collaborative
"Share IP"

- User Interface Technology/Menus
- Trade Marks
- Display enhancement
- Designs

htc
quietly brilliant

MacBook Air

- Dolby
- Windows



DOLBY.

- Linux
- Automotive standards
- Android



- Enabling Technologies
- Production equipment
- Test facilities



How to create value out of your IP?

Exclusivity

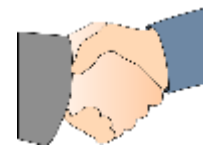
Margins/ market share



Proprietary
"Exclusive IP"

Cross-license

Access to technology



Collaborative
"Share IP"

Licensing

Royalty payments



Buy, Sell or License IP
"Paid IP"

Asset via M&A

Shares incubator / JV



Buy, Sell or License IP
"Paid IP"

Insurance

Freedom to operate



Proprietary
"Exclusive IP"

Open Source/
Commons
Standards
Free IP

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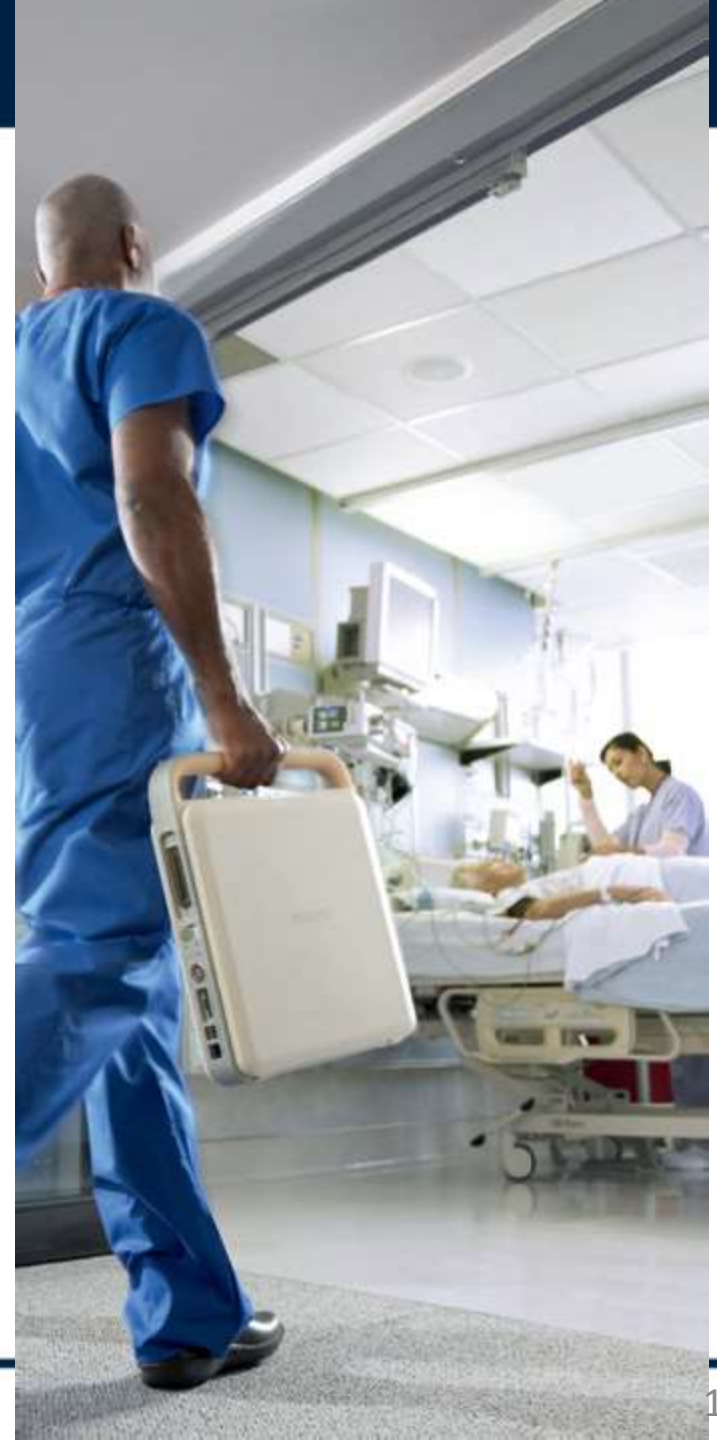
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Welcome to the
Intellectual Economy
where we not only sell products,
but also sell, buy, trade IP

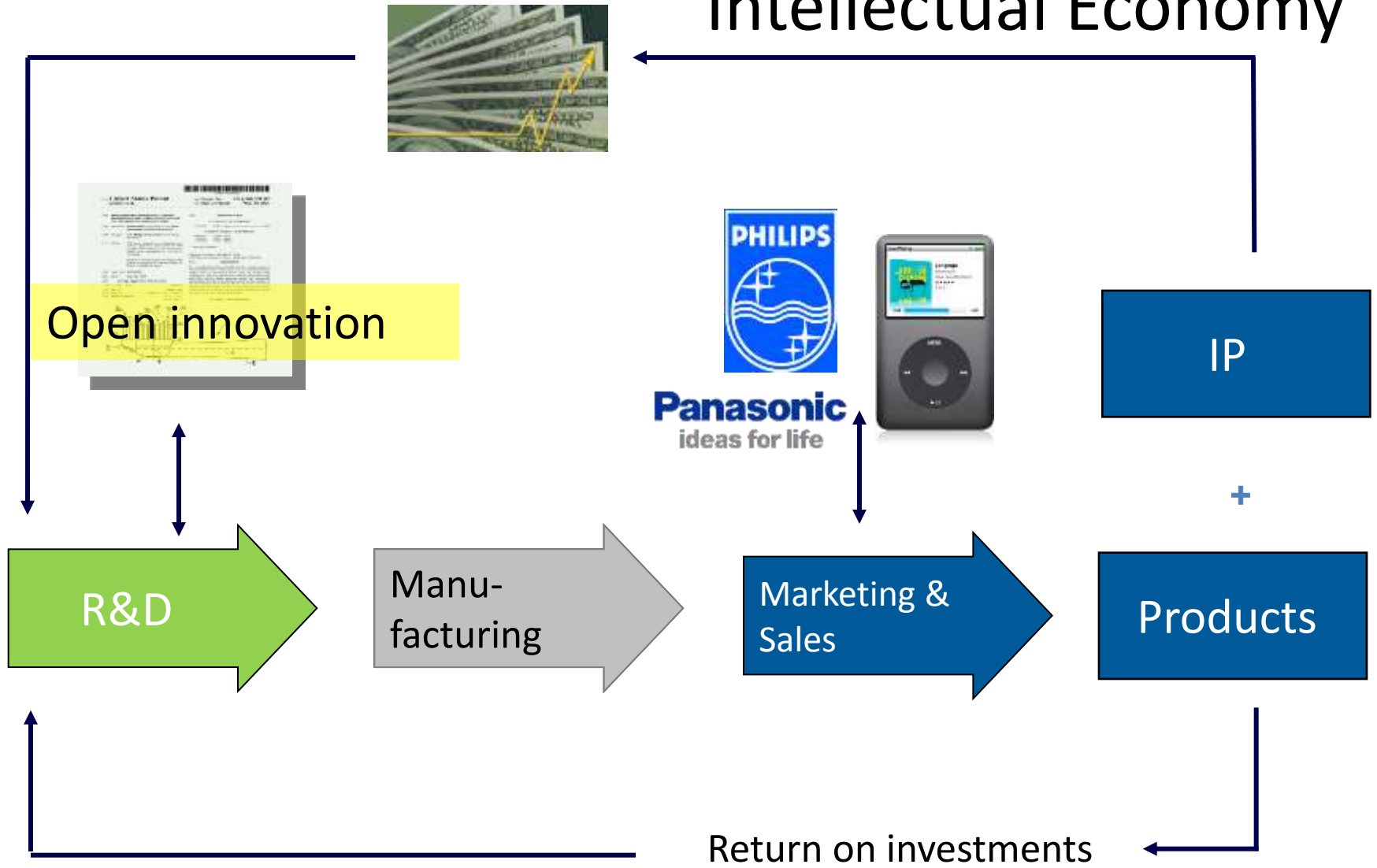


Creating a sustainable business in a changing world means:

Companies not only look to make profit from their products, but also use IP rights to define what is theirs, so that they can trade these rights to create value for the company



Intellectual Economy



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The digital world

- The IP system provides a frame work that makes it possible to make complex exciting new products that are the result of co-operation between many different innovators
- The IP system gives inventors the possibility to define their contribution to such products and get a reward from that contribution.
- The IP system also has possibilities to keep certain innovations exclusive to distinguish oneself from the competition

Thank you

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