

## **Tactical IP Management during your New Product Development (NPD) process.**

Maximizing the value of your intellectual property requires both a sound IP strategy and a well constructed tactical IP management infrastructure. When you determine your IP strategy, you are plotting a map to get you from where you are today to where you want to be 2, 3, 5 years in the future. To reach your goal, you need a road to travel, a tactical IP infrastructure; depending on your corporate personality and budget you can drive a toll highway or back country roads, but surely either beats hitchhiking.

Strategic IP Management concerns itself with identifying you IP needs, determining the best way to obtain that IP, identifying ways to extract extra value from your IP portfolio, and so on. On the other hand **Tactical IP Management is the collection of policies, procedures, and activities you use to improve the quality of your IP portfolio and the efficiency with which you build it.**

Strategic IP Management tells you the “what” and “when”, Tactical IP Management is the “how”. Tactical IP Management is your toolbox for building the road for reaching your IP goals. Just as rapidly growing suburbs and mature cities both find themselves with inadequate infrastructures (one because of growth, the other because of neglect), so too both hot start-ups and established companies are often letting circumstances or serendipity manage their IP portfolio development by default. Figure 1, below, lists some of the Tactical IP Management activities most “post-basement” companies should have in place, certainly by the time they have 10 or more technical employees.

## Typical Tactical IP Management Tasks

- Organize and facilitate **IP Review Committee meetings**, execute decisions.
- Employee **IP Training**
- Implement and maintain Invention **Notebook** system
- Implement **Invention Mining**
- Administer **Incentive Award** program(s)
  - \$\$\$, Inventors' wall of fame, Award Banquet, etc.
- Coordinate and track all **Patent Attorney activity**
- **Track** Public Disclosures and Offers to Sell
- Create and maintain **IP database**

Figure 1: Tactical IP Management Tasks

Notice that all of these activities are *tactical*, that is, they deal with what's going on today in your company as you develop, perfect, and sell your products. None of them reference the future; the future is the realm of Strategic IP Management. And since we are talking about what's going on today it's not surprising that these IP management tasks can be overlaid on your New Product Development (NPD) process.

Different companies of course have different approaches to their NPD process. Some companies have a formalized Stage-Gate process; some have a purely guerilla process, where products succeed if they have a wily enough champion to beg, borrow, or bootleg resources to move them forward. No matter the process, all product development efforts have a fairly generic template at their underpinnings. Figure 2 illustrates this generic template. The idea for a new product comes into being either as a need document (typically from Sales or Marketing) or as a "Eureka!" moment by some engineer. Typically the concept or design goes two or more refinement cycles based on input from review teams or typical users before reaching glory as a released product.

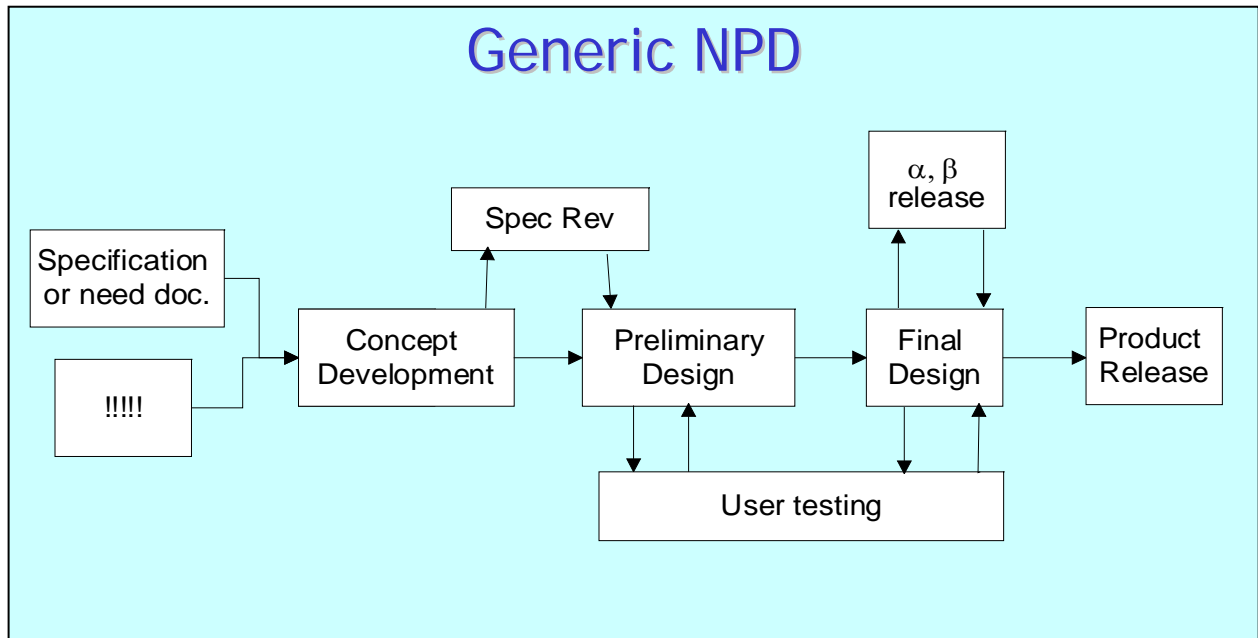


Figure 2: The basic stages in new product development

Figure 3 shows how some of the Tactical IP Management activities mesh with the different stages of NPD and how IP Management increases the value of potential patents. In the diagram we see that the specification or need document does not drop out of the sky but is ideally instigated by your company's **IP Roadmap**. Throughout the development process, if you have an **Invention Notebook System** in place, your designers and engineers are properly making a record of when they conceived their invention and how they were "diligently" reducing their invention to practice. During the design process your **Invention Mining<sup>SM</sup>** activities help you identify potentially patentable ideas earlier in the design cycle and your **Prior Art/State-of-the-Art** searches let you design around or establish licenses for outside IP before you've committed significant resources in product design. Because you are actively managing the process, you protect your proprietary information by tracking your **Non-Disclosure Agreements** for testers or vendors. Furthermore, you're alert enough to **file at least a provisional application** before your  $\alpha$ - or  $\beta$ - releases, thereby preserving your foreign patent rights. With a reporting system in place, you know when you make your first **offer-to-sell** and are mindful that you only have a 1-year grace period to file your patent application.

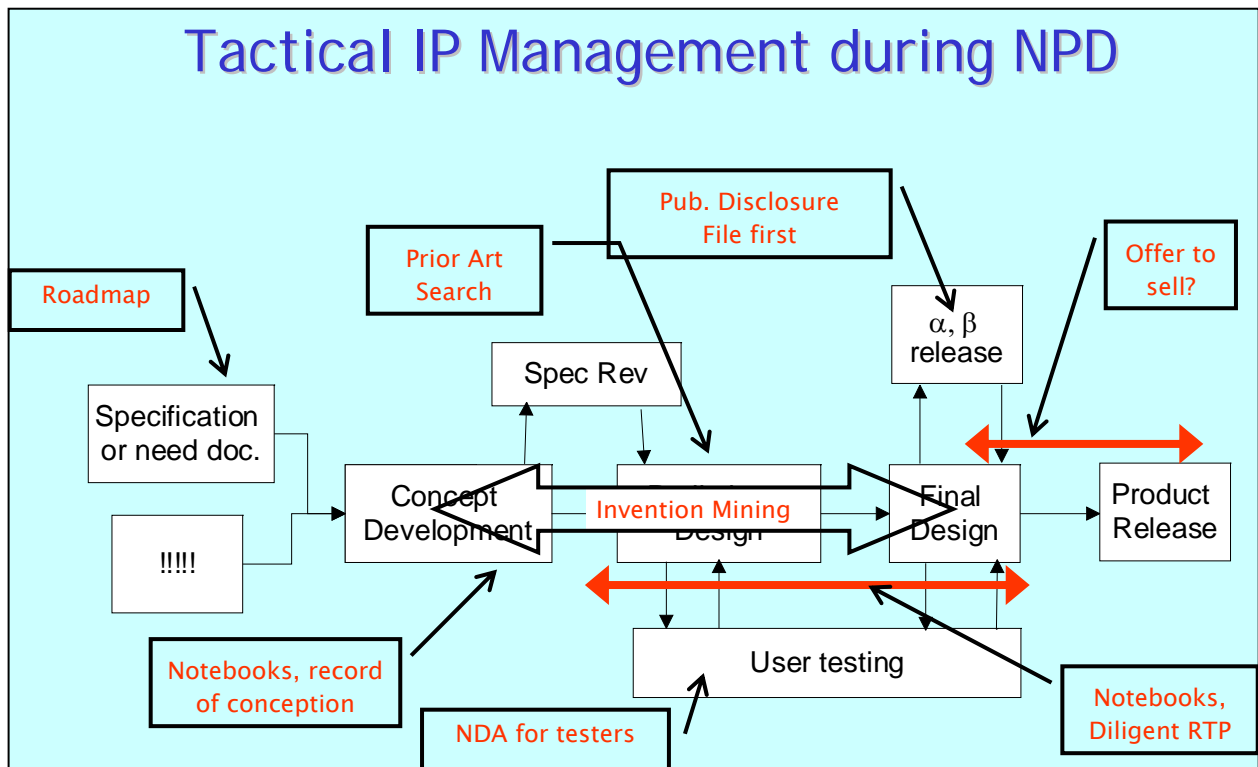


Figure 3: Tactical IP Management interacts continually with NPD

While Figure 3 shows the interaction between your new product development and Tactical IP Management, **there is another set of Tactical IP Management activities** that do not have the direct tie-ins with the product development cycle; activities and process like employee training, incentive programs, and the actual execution of patent applications. Managing, implementing, and co-ordinating all aspects of your Tactical IP Management is the province of the **IP Review Committee (IRC)**. In a very young start-up the IRC might be a body of one, but very quickly most companies grow to a size where the IRC should comprise senior representatives from all the major operational functions in the company.

The **coordinating function of the IRC** is shown in Figure 4, below. The IRC's responsibility is ultimately to decide to patent, publish defensively, or protect a new idea as a trade secret. It bases its decisions on the company's IP strategy and available budget, on the one hand, balanced against the perceived

competitive value compared to the competition and the timing exigencies related to public disclosures or offers to sell.

Although Tactical IP Management many seem complex, putting a tailored program in place step-by-step will return the investment in quality and efficiency. If you don't have a program in place, remember, the hardest step is the decision to get started.

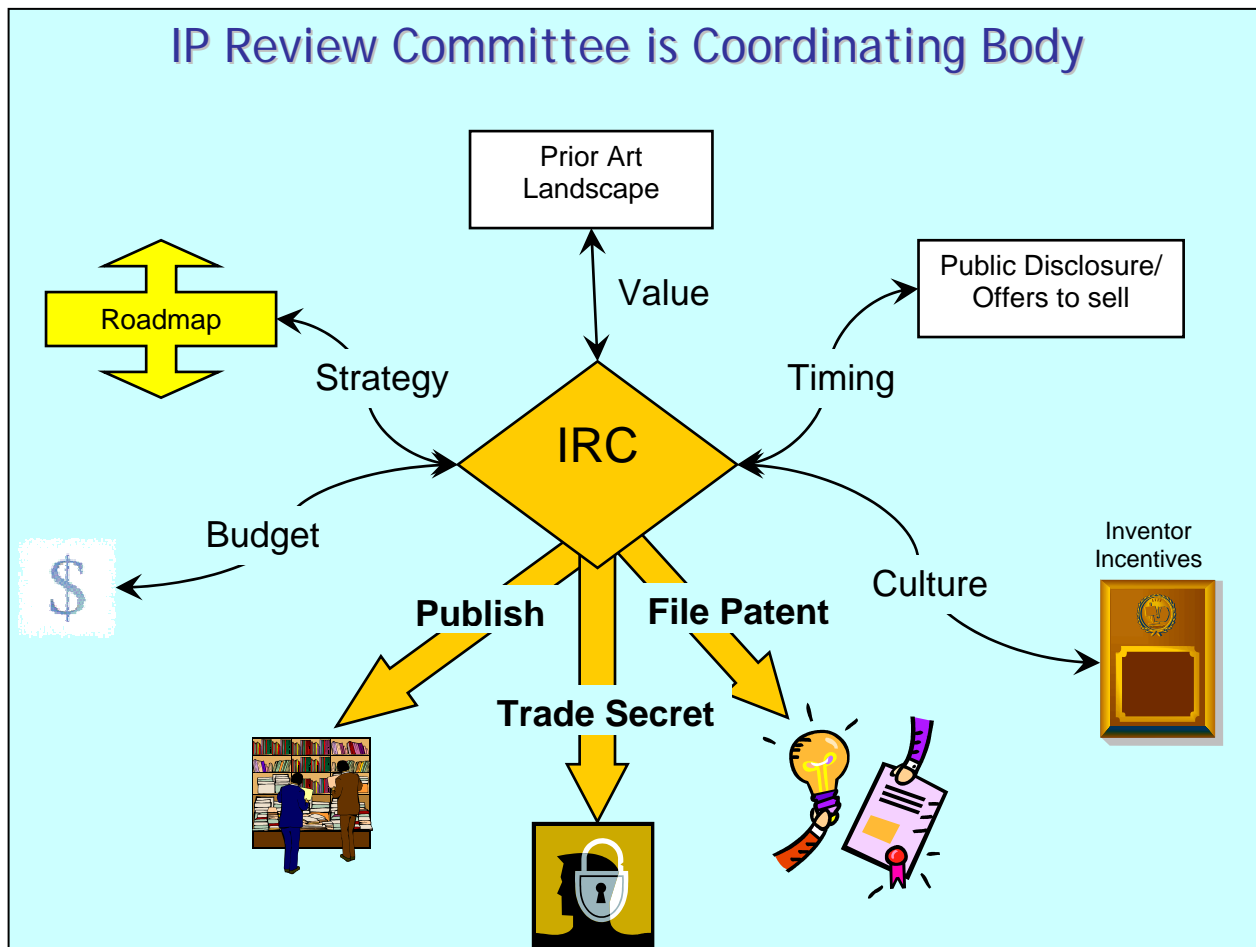


Figure 4: The IRC coordinates all aspects of Tactical IP Management

Bruce Horwitz is the founder of TechRoadmap Inc. With a PhD in Optics, he performed R&D for 25 years before realizing that he had learned to talk to patent attorneys. Now he functions as an outsource Director of Intellectual Property for small and mid-sized technology companies.