

Tips To Entrepreneurs - 5 Steps To Secure A Technology Patent



India's recently revised patent policy that came into effect on 16th May is going to be the agency that will speed up the process of patent registration from 2.5 year and a half by March 2018. This 'tatkal' road was implemented in response to process and move the 237,000 patent applications which are currently stuck in 14 of the four patent offices. This will also support the startup ecosystem that is booming in the country right now. Notwithstanding the fact that the current IPR policy will support a higher number of patents, but it still does not account for the long term innovation growth that should have been incorporated into the policy. Many companies, first-time players rather than the existing ones, are about to face innumerable and obvious challenges when securing the resources, financial, organizational, etc for its growth and survival.

Thus, there is going to be a growing trend of using client patents or at least patent applications as evidence of the company being well managed and also for instilling faith in investors for the fact that a certain proposed product will define and carve out a market niche at some point of time.

Patents carry a real development component, as well as a pure certification component. It is an exclusive right granted to the inventor by the government. It's an asset that can be bought, licensed and sold. Which successfully makes way for applications that trigger an upward adjustment in investor estimates of the start-up's future value beyond what would otherwise be predicted. The proliferation of patents mostly in technological markets as well as the other verticals has proven effective in providing the incentive and motivation to competitors as well as new entrepreneurs to innovate and pin point the pain points. But before you even begin with an idea, a mental preparation is highly suggested.

Configure your idea

What should your first step be towards filing a patent? Before you even decide to launch forward with a patent, it's crucial to first evaluate your idea as a viable business opportunity. This means having a clear understanding of your product, aiming for a viable target market and measure up your competition to the best of your ability. Data will be the crux of your basis for an idea and the prevailing factor for seeking finances or other resources from potential investors. The information goes beyond gut feelings and encourages appreciation from peers, your team and maybe even your family members. Initiating a dialogue with the real life consumers in the market gives you a temperature of the real life marketplace. Is there a viable product that will transform into a business that is not only scalable but also meets the demand of the market? Is your patent idea going to infringe on someone else's patent? Only a solid market research, a preliminary patent search and sheer attention to product development, one feature at a time will help you secure a patent and there is no easy way around it.

Establish a commercial roadmap

Once you develop a basic prototype of your product that determines its functionality, determine the cost to manufacture of the same and also streamline the object to the kind of market it will serve. Lay down the roadblocks that are likely to pop up on the way to commercial success and get cracking on the solutions. Many inventors patent their ideas and never reach the market. It is often because the cost of manufacture of the product ends being more than the market is willing to offer. Resource holders will diminish the viability of the product before you even cross the threshold of the industry just because of multiple financial lags and the inevitable choke point of an unstructured and badly thought out plan. Thus a budding player has to play the part of an innovator as well as of a business strategist in order to carry a product from a lab to the market.

GEAR up for An avalanche of regulations

From healthcare industries to financial services, from automotive to food industry as well as in the lifestyle verticals of products, an entrepreneur is likely to face a host of new regulations from legislators in the years to follow. Take India for example, where its rank on the Global Innovation Index, that measures performance in regard to creativity and innovation, has gone down from 62 in 2011 to 76 in 2014 and then 81 in 2015, dropping five positions since 2014. Moreover, the number of new drug applications filed by Indian enterprises with USFDA has never crossed the single digit figure! That being said, the National Intellectual Property Rights policy approved recently by the Modi regime in May has a Vision and Mission statement that claims that "creativity and innovation are stimulated by intellectual property for the benefit of all." And that "it shall promote entrepreneurship and enhance socio-economic and cultural development", including access to healthcare, food security and environmental protection. Yet without a clear basis and effective demonstration of the policy, the same to be implemented and executed successfully is an objective that would take time with plenty of regulations that would be hurdles in the way of a budding entrepreneur.

Adapt. reinvent. repeat.

Innovators have to constantly overcome the competition of simultaneous developers of new products and the opposition of the incumbent monopolists. Having filed 100 patents myself, you should trust me when I say this, you have to be quick to act in response to the opportunities you see. Only thinking differently just won't do. You should be ready to constantly adapt and reinvent your product as well as the business strategy that would go with it and yet have a crystal clear focus on the future without compromise the potential of what your product could be. Because the probability of success of any given innovation declines with the number of competing innovations.

Patent protection

It is crucial to buckle up for your IP or patent protection rights as a patent can be a valuable asset during negotiations and it is important that you reduce the upfront fees, costs, risks and challenges in case you are planning to license your product to a prospect company. This not only leverages higher royalty payment but also builds credibility and justifies your investment in production, design and marketing. However, according to the 2014 International Intellectual Property (IP) Index by the Chamber of Commerce's Global Intellectual Property Center (GIPC), "The continued use of compulsory licenses, patent revocations, and weak legislative and enforcement mechanisms raise serious concerns about India's commitment to promote innovation and protect creators", a factor which has placed India at the bottom of the list of 25 countries in terms of IP ecosystem. Thus it becomes a priority to communicate the ever present challenges that are unique to the Indian environment. Maintain an open mind. Don't surrender your ideas to just the legal advice of one advisor and remember that more than the patent being protected it is also crucial to test the product in the market so that your product finds business sooner one way or other before competitors pop up and challenge the very existence of yours.