

Scaling up your business
through technology
commercialization:
growing faster, bigger, smarter

10th December 2020
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Area



FASTER: Utilise many options for technology/patent commercialization

1. Patent licensing – exclusive
2. Patent licensing – non-exclusive
3. Technology licensing – exclusive
4. Technology licensing – non-exclusive
5. Patent selling
6. Technology selling

Exclusive licensing limitation options, e.g.

Geographical, products, technology, business areas, license term etc.



FASTER: Patent selling opportunity

- ✓ These patents cannot be fully utilized by Company for any defensive or strategic purposes
- ✓ For some reason out-licensing is not reasonable (e.g. counter-assertion risk or patents are still pending)
- ✓ There is a need for faster profit with lower cost
- ✓ Patent infringement evidence will increase the profit and success of patent selling
- ✓ It is important to select correct target companies -> Background work and selling strategy is important
- ✓ Price should be defined carefully
- ✓ The quality of patents should be high-level -> the acquiring of patent is often the significant investment decision

BIGGER: Patent licensing opportunity

- ✓ Patent licensing should be based on your business strategy
- ✓ Patent infringement of third party can be proved
- ✓ Business case is significant enough
- ✓ There is minor risk of counter-assertion
- ✓ There is not any other limitations to contact patent infringement party
- ✓ Patent license can have e.g. certain geographical, technology or business area focus
- ✓ Consider whether exclusive vs non-exclusive license would be better in your case

BIGGER: Technology licence opportunity



- ✓ Company owns certain attractive technology with relevant patent portfolio
- ✓ There is willingness to license this technology to other parties and then scale and grow own business
- ✓ Typically there is not still implementation in the market related to this technology → no infringements for your patents
- ✓ Key licensing package includes both technology descriptions and materials + relevant patent portfolio
- ✓ It makes sense to license/sell the patents together with the technology and then get extra value for the patents
- ✓ Exclusive vs non-exclusive and the scope of license should be defined

SMARTER: Structured technology licensing project

1. Analyzing licensing technology
2. Collecting relevant technology documentation and potential proof of concept material for licensing
3. Analyzing patent portfolio and selecting relevant patents for licensing
4. Summarizing the relevance and importance of patent portfolio to the licensing technology
5. Analyzing relevant business area, searching for potential target companies and selecting target companies
6. Analyzing target companies and their key products and technologies
7. Defining action plan how to commercialize the technology/patents and which are the final target companies
8. Defining targets, general terms & conditions and structure for the license
9. Composing licensing letters and materials to each selected target company
10. Sending the material to the selected companies
11. Agreeing negotiations with counter-party
12. Composing negotiations materials
13. Negotiations (technical, business, legal)
14. Finalizing common understanding of key terms
15. Drafting license agreement



Background

Contact

Negotiations

SMARTER: Successful patent monetization aspects

TECHNOLOGY/PATENTS COMBINATION

- ✓ Higher revenue and successful agreement will be achieved more likely if both technology and patents will be licensed/sold together
- ✓ Key driver for licensing is attractive technology for other parties which comprise also patent portfolio
- ✓ Successful existing own business or at least proof of concept will increase the potential of licensing

HIGH QUALITY AND GEOGRAPHICALLY CORRECT PATENT PORTFOLIO

- ✓ High-quality patent portfolio will increase the likely to get revenue
- ✓ Correct geographical coverage vs. target markets
- ✓ Systematic patent portfolio and agreement management, e.g. knowledge which companies have already received rights for these patents

SIGNIFICANT MARKET POTENTIAL

- ✓ Technology relates to high business potential area

IDENTIFY CORRECT TARGET COMPANIES

- ✓ Find players who would like to invest the development and create business to patented technology
- ✓ Sometimes technology or patents can be more valuable in some other company than in own use
- ✓ No knowledge of real needs of potential buyers and/or the potential buyers don't fully understand the benefits of these patents for them

TIME

- ✓ Any successful technology/patent licensing project needs time

Key factors to consider

- ✓ Finding information of target companies/products/revenue etc.
- ✓ Finding suitable licensees
- ✓ Finding suitable contact people
- ✓ Solving the silence of potential licensees
- ✓ Being prepared for possible limited IPR understanding of potential licensee
- ✓ Achieving first negotiation
- ✓ Preparing high quality licensing material
- ✓ Setting a NDA between parties
- ✓ Being prepared for that necessary no real progress without litigation threat
- ✓ Being ready for negotiations, negotiations, negotiations....
- ✓ Finding a compromise for typically huge price gap between parties
- ✓ Being prepared for that a counterparty starts non-infringement or mitigation actions



Key benefits

- ✓ REVENUE – Both patent and technology sales and licensing can generate new significant income
- ✓ MAXIMAL VALUE FOR YOUR INVESTMENT– Patents and technology are effectively and smarter utilized in your company
- ✓ BENCHMARKING QUALITY AND VALUE – Information about real value of your technology and patents
- ✓ FOCUSING THE COST– Better understanding about relevant geographical coverage and further effort to the development of technology and patent portfolio
- ✓ INFORMATION FOR DECISION MAKING – Eases patent portfolio management and supports business decisions



Statistics in EPO

- ✓ A new study published by the European Patent Office (EPO) on 24 November 2020, shows that European universities and public research organisations use European patents as the main instrument to exploit their inventions commercially
- ✓ Licensing is by far the preferred channel of commercialisation (accounting for 70% of the commercialisation of inventions), followed by R&D co-operation (14%) and the sale of patents (9%).
- ✓ The data collated by the EPO also provides a profile of the entities universities and public research institutions opt to partner with for the purpose of commercialisation.
- ✓ The study furthermore identifies the challenges facing universities and public research organisations in successfully commercialising their inventions.
- ✓ The main reason why two thirds of inventions are not (yet) commercialised is that the invention has not reached proof of concept, either because it is still in development (63%) or because commercial opportunities could not be identified (55%). Failure to find interested partners (38% of respondents) and a lack of resources (25%) are reported as the third and fourth most important challenges.



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