

# **INTELLECTUAL PROPERTY PORTFOLIO MANAGEMENT**

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**Week - 08**

**Lecture - 40**

Welcome friends. So, finally, we are completing this particular course on IP portfolio management and we have discussed variety of issues of IP portfolio management that how to build our portfolio, how to manage our portfolio, what are the different types of challenges we face in managing our portfolio, what type of opportunities you can have in your portfolio and then There are certain issues which are specific to IP related assets and we also discussed that IP is very important in this knowledge economy. Now, since we are yet to understand the importance of IP, generally IP related issues are not part of our media headlines. Generally, the media headlines are more related to political discussions, sometimes sports-related discussions also, and sometimes some disasters.

Generally, you will find only these three to four types of news on the front page of any newspaper. And therefore, as a common person, the one who is not associated with the R&D activities, with the science and technology activities, with innovation. he or she will not understand what is IP. Now, when I say that we need to make India or world IP savvy nations, we need to see that how countries can take benefit of their intellectual capital, how organizations can take benefit of their innovation capabilities. It is quite visible when we read some cases, then you realize that how IP infringement took place

What was the remedies given to them by respective course and through that we will realize that our small mistakes knowingly unknowingly may lead to huge business losses or huge business gains also. During this course we discuss some examples in different sessions which are relevant to that particular aspect. You may remember that when we were discussing the class of standard essential patents, we discussed the example that how Lava became a victim and High Court of Delhi awarded a huge penalty on them. Similarly, many other popular cases are there for different types of IP infringements. So, in this particular session, which is finally a kind of a closing session,

We will be talking of some interesting cases which, as a student of IP, you should know that, okay, these are some of the landmark cases, and these may actually sensitize these may actually create some kind of debate discussions at the policy-making level and also at the business level also to fix the responsibility. and that is the purpose of this particular session on some case studies related to IP management. So, we are going to discuss three four important case studies and let us see what are the background of these case studies and what happened in particular cases one by one. And since we will be covering all these cases in very short span of time, So, I request all of you go to the latest you can say development in these things because the law is always moving forward. It is never static.

And therefore, whatever is the current state that you can always check by referring to different types of court judgments. So, interestingly, all the court judgments are now available in the public domain. So, you can go to the respective websites and you can see the current status if the cases are under at trial level in any other senior courts. So, just to give you a theoretical perspective of the case study.

Now, case study is a very important way of elaborating, discussing, practically imparting some important theory. So, if I talk of case studies, case studies are possible for some imaginary organizations and case studies are possible for real organizations, also. So, when we are teaching in the class, sometime we create imaginary cases also, imaginary examples. You can say in the simple word, case studies are a bigger example. These are examples, but slightly more elaborative examples.

So, you sometime create imaginary examples also. But people realize that imaginary examples are not very impactful. So for making the impactful discussions in the class, real examples, real case studies are more important, more valuable. So the purpose of case study may vary on the field of study and the specific research goals. But generally case studies serve several key purposes.

like exploration, theory development, illustrations, problem solving, decision making and in-depth analysis. In fact, we are in this course of IP portfolio management which is very close to law and the origin of case study is from these two particular fields medical science and law. These are the two fields where we find oldest use of case studies. And then case study method is very effectively used in management classes also, in social science classes also, but primarily case method is used for medical and law schools. But since IP management is very close to law and it is also close to management studies, so it

is a perfect thing that we are going to discuss some case studies to understand law plus management.

The first case which we are going to deal this is about Bishop Steering. So, I will give you a very brief of case background which we have written here on the screen and that we will give you the course judgment about these particular cases. So, this world-renowned engineering innovator was established in 1957 by Dr. Arthur Bishop, who first designed commercial aircraft steering and landing gear systems. He successfully applied ideas to automotive designs. A multinational team of engineers and IP protection experts enabled the introduction of numerous innovative power steering system.

Steering wall variable technologies have achieved success. major market penetration worldwide and manufacturing its innovative steering system, it only licenses these technologies to car and component manufacturers then invest income in further R&D. So, the business model Bishop Steering started after developing so many steering systems and landing gears. So, rather than manufacturing these innovative steering systems on its own and supplying products to various original equipment manufacturers, what they did since they used to have IP patents for their innovative steering systems. So, they started a different way of using this IP.

Now, this is important to know that it is a part of now IP management. I can start my own venture based on my own technology or I see that I am more happy with R&D activities because R&D may not require that huge space. The manufacturing and then supplying requires, distributor requires altogether a different mindset. So, if I am not ready with that mindset, I feel that okay R&D is more suitable for me. So, that is what happened with this company and they thought that okay we will license, we will give technology to other manufacturers and we will take license fee royalties from these manufacturers and whatever income we are going to get we will invest this income in further R and D activities.

So, further innovative steering systems will be developed and therefore, it was very important for them to defend their patents. if any unauthorized or any kind of infringement happens for their innovative products, it will completely destroy their revenue stream. So, they actually defended in a very aggressive manner all their patents and all the infringers used to be regularly prosecuted. More than 500 patents and applications and more than 7 million revenue each year in royalties 90% from licenses overseas were actually generated by the company.

25% of motor vehicles produced every year incorporate the Bishop technology. So, this is the background of this Bishop steering. They had a huge portfolio. Now, you can understand that this 500 patents, this actually amount to a case of IP portfolio. And you can understand that because of this huge IP portfolio, they are able to generate this much of revenue every year.

And most of this revenue was coming, mostly 90% of that is coming from overseas licenses, the manufacturers were in other countries. Now, since Arthur Bishop first set up company has developed extensive and very detailed inventory of its IP as part of its day-to-day business list of all the IPs. Believe that taking a strategic approach to managing IP is the only sure way of using IP protection system to commercial advantage and which they were doing in a very good way also. The company realized that protecting IP assets is not an end itself.

Instead, the real commercial objective is to exploit IP assets to generate revenue and maximize the profit. and for that purpose, they were able to, you can say, generate around 7 million dollars per year. In September 2000, a multi-million dollar licensing agreement was signed with Robert Bosch to manufacture Bishop's patented torque and angle sensor which is key to the replacement of traditional hydraulic steering with electric steering for passenger vehicles. In August 2001, 30 percent of shares acquired by Daimler-Chrysler AG, the world's fourth largest carmaker.

Increase of funds will enhance Bishop's ability to create further intellectual property in the transportation and telecommunication engineering field. and accelerate a number of R&D projects. So, because of these licensing agreements and joint ventures and more funding coming from Daimler Kressler, it is expected that they are going to have a much more important and better, you can say, IP portfolio, which will actually accelerate a number of their R&D projects. So, this is how a company like Daimler Bishop Steering is able to utilize its IP portfolio to generate more and more IP, and without actually getting into the manufacturing of those steering, they are still maintaining huge amounts of profits.

So, it becomes a good example of IP management business strategy that how IP can be a source of revenue for the company. The second case is of Jim Fraser. Now, this is cameraman shooting wildlife films for David Attenberg. There is no time to set up and position cameras in wildlife photography we know.

It is difficult to focus on both subjects and the background. The environment is so dynamic and you have to have high level of alertness. Need for a versatile lens which is not available at that time. And therefore, R and D started for getting a versatile lens because you did not have time to change the lens.

And after 10 year trial, new revolutionary lens built which held everything from front of lens to infinity in focus, swivel tip to allow lens movement without moving cameras and built in image rotator. So, a kind of a you can say highly versatile lens was developed with the effort of 10 years trial and error. Began shooting with these new lens noticed by line of fire director asked to show to Panavision which is the world's best lens manufacturer. Panavision sent 3 page contract and Fraser's lawyer rewrote to 30 page to protect IPR and ensure substantial income.

Now, because of your interest this Frazier, Jim Frazier developed this highly versatile lens. Now, it was an individual and company Panavision wanted to acquire that lens technology because they were the world leader in the lens manufacturing. but negotiations over contract terms in neutral place like Hong Kong unfortunately it is not that neutral because we just discussed in one of the session that how Hong Kong and China are contributing to maximum counterfeit IPs. So, Panavision is required to sign a confidentiality agreement before being allowed to see this lens.

So, Panavision agreed to patent the lens at their cost Frazier gets to own the patent, Frazier gets a lens set free for everyone made, a percentage of the rental fee when Panavision rents let out and US dollar 1 million royalty fee. Lens lowered production cost, new shooting angles without complicated setup and popularity started growing up. Every second commercials in the US and many features films are now made using Fraser's lens which is a versatile kind of a lens. So, this is another example where we see that effective negotiation with your possible customer can help you to earn not only a reputation but also a significant economic advantage.

The third case study is about Max Morehouse. This is a professional squash coach in Australia who is facing the risk of eye injury caused by high-speed flying squash balls and rackets and unsuccessful attempts to find suitable protective eyewear locally and overseas, tough, shatterproof, unobstructed vision, comfortable, attractive in design. So, all these things we actually want, but unfortunately, it was not available and therefore, they approach moulders with design and a very high price about 40,000 US dollar just for

mould was quoted. They had the idea but no clues as to how to develop it to commercial reality and the change the patent process.

So, they filed a provisional patent in Australia for prototype on his own. did not proceed due to non-alignment of patent with commercial viability. After a year, engaged patent attorneys teamed up with marketing and IT consultants and filed another application based on substantial improvements to the prototype as well as design and i-MEX trademark application. Initial production run ordered sponsorship contracts arranged with professional players for trial use of i-MAX protective eyewear and t-shirts with feedback required at the end of the trial.

And using this entire process, feedbacks used to modify product and after that local marketing of the product is started They started lobbying to get National Squash Association required compulsory use of these protective eyewear under 90s due to recent injuries. So, in the squash competitions this protective eye wear became a mandatory thing because the balls were actually hitting at a very fast rate and causing severe injuries to the eyes. So, the local or the national squash association made it compulsory. Popularity spread to other countries also particularly European Squash Federation.

Which also required all players under 19 to wear these protective gears. And IPR is protected in more than 30 countries around the world. Especially in countries where squash is a popular sport. So, in this way, we also see that IPR requires two or three important things. One is collaboration.

When this, what we learn out of this case study of Morehouse, that when he was looking to protect his invention on his own, he could not do that. He had to withdraw his application. But after that, when he developed a team, where you had a marketing IT lawyer consultant, and then they made a second application, and they also had a proper trademark with this. So, they developed a portfolio of IP not only patent but trademark also and then they started doing the lobbying.

They pursued and made it a part of policy that you have to wear these protective eye wears if you are under 19 squash player. And slowly and slowly wherever squash is a popular sport, so you may recall our classes of foreign filing. So we discussed that foreign filing is necessary in all those possible places wherever you have a potential market. So like you see that the potential market will be there in all those countries wherever squash is a popular sport. So as mentioned in the case around 30 such countries in the world where squash is a popular sport and since Australia started and then

European Union started it will be important for these 30 countries also that they will also make it mandatory for under 19 to wear.

And I am hopeful that in coming times, even for other category of players in the squash, those who are above 19 also, they may also be using these kind of protective eye gear so that they can minimize the chances of any kind of eye injuries when they are playing this game. So, this is how you develop a portfolio with the help of foreign filings. 30 different countries where you are filing your patents and because these are the possible markets and you may have chances of IP infringements in these countries. Then we come to another case study which is from India. This is between Rackitt & Coleman (RCI) and Renkit Industries (RIL).

So, this is an example of infringement matters related to design and it is in the Calcutta High Court in the West Bengal in our country. So, this RCI Rackitt & Coleman filed a case in Calcutta High Court in India against RIL on the grounds of infringement of their design registered Harpic. We all know Harpic is a very popular toilet cleaner and so on the design of Harpic they had this case. So, here you see that this is the designs of Harpic bottles.

Now, let us see what is this case. The principal basis of the allegation was that the inclined nozzle besides allegations of passing off. Now, when you see these designs, you see that almost the similar kind of designs are there. So, this is the inclined design. This is the

specific design which is there on the Harpic bottle and the similar kind of design the inclined nozzle is there in these accused designs also. The defendant RIL argued that the nozzle angle is solely dictated by function and is not a subject matter for a design registration. Moreover, other competing products in the market also have the same or similar angle of the inclined nozzle. So, the defendant they say that this is a functional issue and it cannot be registered under the design aspect. Now, when this type of you can say defence is presented.

it is also a matter related to the design registration office that how they register this as part of the design. Because if you remember that designs does not require any kind of functionality if there is a functional aspect this will be protected under the patent. Design is only for the appearance. It is only the aesthetics. So, there is no functional part attached to the design.

So, the defendant says that it is a functional activity, not a subject matter of design. And so, therefore, it is a, you can say, allegation on the design registration office. And moreover, they say that there are many other similar kind of products which are having the inclined nozzle. The court therefore, refused the RCI plea for the injunction. So, RCI's Reckitt & Coleman's you can say request was refused.

And in conclusion, it may be appreciated that design registration is a very cost effective and powerful tool that can be exploited for the benefit of enterprise to create and retain its competitive position in the marketplace. So, court actually accepted the defense of the accused and therefore, the court did not consider that there is any kind of IP infringement. So, it is also very important that we have to be very careful when we are having a choice that which IP to use. So, we should be very very careful like in this particular case because of design and functional issues the entire argument of

complainant was dismissed and the benefit was given to the defendant. Similarly, there is a case of Starbucks which is a very popular coffee chain across the globe. Starbucks corporation versus Sardarbuksh coffee and company. Now, in this case both the names are Starbucks but you can see that there is a slight difference in their spellings. Plaintiff Starbucks registered their word Mark Starbucks.

So, Starbucks versus Sardarbuksh and corresponding logo as a trademark in India in 2001. Defendant established their company in 2015 under the name of Sardarbuksh Coffee and Company. Sardarbuksh logo featured the face of a turbine commander with wavy lines on the sides encircled by a black band. So, you see that these are the two logos. This is Starbucks the popular coffee and this is a Starbucks in India in 2015.

Now, on the face if you see very fast maybe you will not remember the difference between two things. But now since both these logos are appearing to you in a side by side comparison you will have easy to understand that yes it is looking like a copied logo and therefore in 2017 Plaintiff sent a letter of demanding the defendants change their logo. Defendant modified their logo's colour scheme to black and yellow but retained the overall design. In May 2018, defendant resumed operations under the same name and both plaintiff and defendant offer similar goods and services because both are in the business of coffee chains.

As a result, Plaintiff initiated a legal action against Sardarbuksh in the Honourable High Court of Delhi. Plaintiff filed a suit against the defendant for trademark infringement due

to the deceptively similar mark used by Sardarbuksh. So, this is known as deceptively similar. This is important to know this legal term.

And after due deliberations in Delhi High Court, The Honourable High Court of Delhi referenced previous cases involving deceptively similar marks and relied on establishing legal tests to conclude. A key case cited by the court in this was National Swing Threat Company Limited versus James Chadwick and Brothers Limited and the court concluded that a man of ordinary intelligence might get confused. Hence, Starbucks needed to change their names to Sardarji Box. So, therefore, as I said.

that both these logos of very confusing nature. So, therefore, court understood that it is a deceptively similar kind of logo used by Sardarbuksh coffee. So, they need to change their name from Starbucks to Sardarji Baksh. So, in fact, that way I can understand that plaintiff's application or plea was accepted by the Delhi High Court. So, with these interesting cases, examples

We saw that how IP is not simply the management but there are various legal issues also involved and how court is pursuing your arguments and how you are effectively able to put forward your argument in front of the court as well as from first three cases we also saw that how you can use your IP portfolio for generating different types of revenue streams. So, effective IP management, effective IP portfolio management is very very important for your issues related to maximizing gain and minimizing the risk in your business and with this we come to end of this particular course on IP portfolio management. where we discussed a variety of issues related to IP management. Since, we are in a developing phase with respect to IP awareness, IP understanding, IP enforcement.

So, I request you all to keep seeing various issues in the newspapers, in the court judgments, in the business case studies about how IP became a very important tool for competitiveness for different types of organizations. So, with this, we are not concluding this particular video, but we are also concluding this particular course. Thank you very much for being with us for past eight weeks. All the very best to you.