

KERRY

RESEARCH  
 INNOVATION  
 DISCIPLINES

Kerry Rees is a Partner and Patent Attorney at HGF. He holds a Master's degree in biochemistry from Oxford University and advises clients on IP in a wide variety of food-tech disciplines



## Protecting IP on a budget

In times of economic uncertainty, reducing IP management expense might be an easy win for reducing overall business costs, but IP assets are often essential for innovative businesses to maintain their competitive edge. Important revenue may be underpinned by IP that provides long-term security for the business. Ground may be lost to competitors by failing to protect key innovations, and there may be a limited window of opportunity to obtain protection which – if missed – may be lost forever. Failing to keep a close eye on the risk of infringement of third-party IP could lead to costly disputes in the long term.

Fortunately, as we investigate here, IP management strategies can be implemented on a tight budget to help control IP costs. *Carry out an IP portfolio review:* Businesses sometimes maintain expensive IP rights (annual patent renewal fees can be costly, for example) when the IP does not support

not support the core business plan are likely not to be money well spent.

Where the first application is filed may also affect costs. Although there are national security provisions in some countries that determine where an application must be filed first, some patent offices have lower official filing and search fees than others. The UK IPO has a relatively low official search fee while producing a quality search. It is also worthwhile considering whether to file a PCT/International application compared to national applications in each country as a way of deferring costs balanced against the geographical coverage required.

*Tactics for limiting costs:* There are also specific actions that can be taken to limit costs, some of which are listed below:

- Withdrawing first applications and refile will restart the treadmill of deadlines and defer costs, which may be beneficial to allow more data to

be collected, for example.

Advice should be taken from a patent attorney before withdrawing as there is a risk that prior art made available after the original filing may mean any refiled application will lack novelty and will fail;

### **“IP management strategies can be implemented on a tight budget to help control IP costs”**

the business plan. A review of existing IP to weed out obsolete rights is a first step to reduce unnecessary costs. IP that protects core products and processes in key countries should be maintained as central to the business plan, but IP that is ancillary or no longer relevant may require a closer look. IP that is idle might need to work harder to justify its continued expense. Are there opportunities to licence or assign unused IP to generate revenue?

*Focus on strategic filings:* When there is limited budget (and indeed when there are deep-pockets available!), the aim is to be selective as to what registered IP is pursued. A sensible strategy might be to file patent applications for inventions only when the technology has a strong commercial case, a good chance of being patentable (consider a prior art review prior to filing) and there is supporting data, or there will be in near future, which support the application as these will improve the likelihood of successfully obtaining rights.

It is generally better to invest in a high-quality initial patent application as this is likely to reduce costs during future examination. High-volume, lower-quality applications that do

- Be mindful to align patent filings with funding rounds/investment such that there is sufficient budget or a licensee in place in time to cover costs at big filing milestones;
- Be mindful of deadlines and plan ahead. Allowing time to prepare thorough responses to examination reports may avoid further objections and possible urgency fees;
- Use extensions wisely. Obtaining extensions to prosecution deadlines in some countries can be a relatively cheap way to defer costs. Some are expensive;
- Unitary Patents reduce costs at validation and renewal compared to many national validations under the traditional approach in Europe.

*Ensure you're claiming all available benefits:* Take advantage of UK patent box provisions as a way of reducing tax liability. There are various cost-effective IP drafting and filing strategies that can be implemented for patent box purposes. Some countries, such as the USA and Japan, have provisions for small or micro entity status, enabling businesses to benefit from reduced patent office fees.

There are lots of options for reducing, controlling and deferring costs associated with IP while ensuring that valuable innovations are protected. There are pros and cons with each approach and advice should be sought from a patent attorney on which options are best for your business and IP portfolio. **PPTI**