



# EXPLOITING IP ASSETS - LICENSING, FRANCHISING AND MERCHANDISING

By  
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# Mark 1



# Mark 2



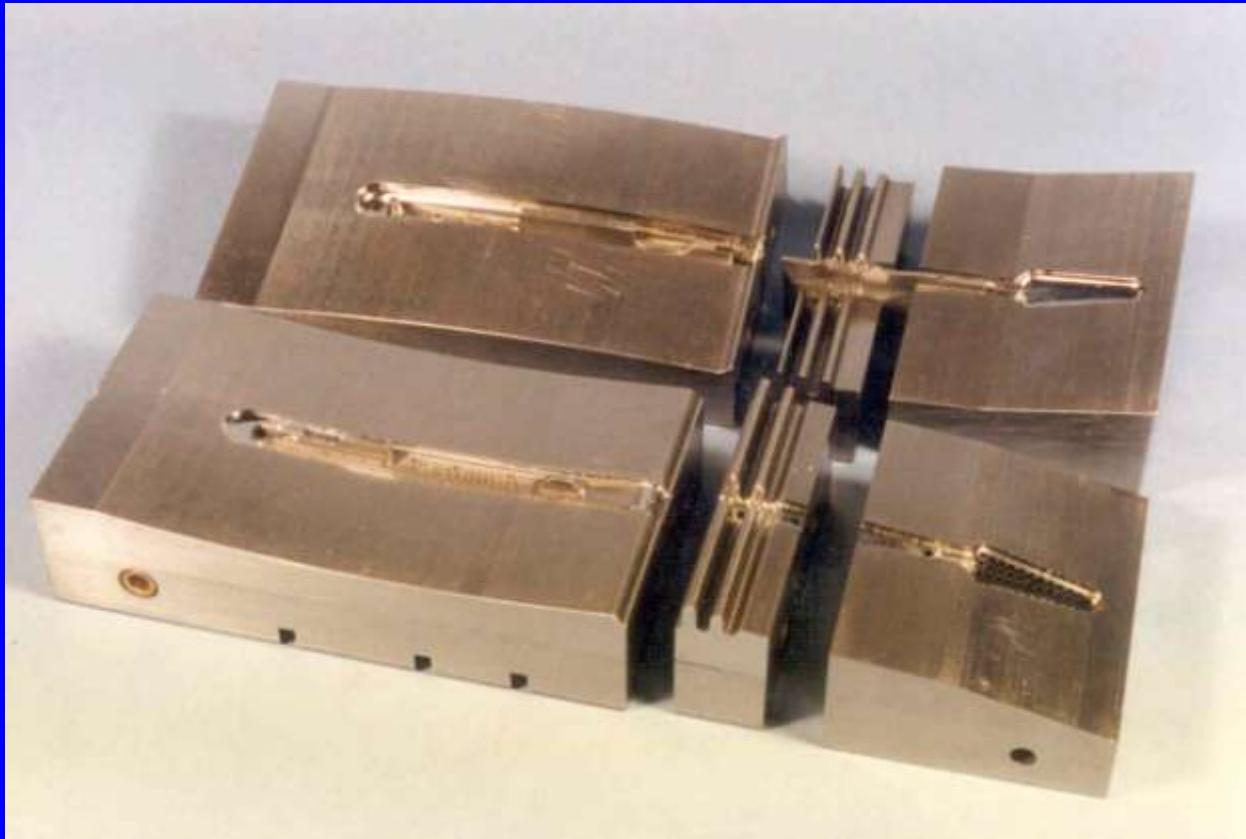
# Mark 3



# Pepsodent Popular



# MOULD COPYRIGHT





# Opportunities for future growth



Generics



Research & Development



Contract Manufacturing

# Opportunities for future growth



Generics



Research & Development



Contract Manufacturing

# Opportunities for Generics

Prescription drugs worth US\$ 40 billion in the U.S. and 26 billion in Europe lost their patents in the year 2008.

In 2009, the global generic drug market was estimated to be US\$ 84 bn, of which the US accounted for 42%.



patented drugs constitute only 10% of the market.  
Rest are generics.

# Opportunities for Generics



In 2011 products worth more than \$30 billion losing patent protection. This includes products like Lipitor, Plavix, Zyprexa and Levaquin. These products generated more than \$15 billion in sales in 2010.



# Opportunities for future growth



Generics



Research & Development



Contract Manufacturing



# Why emerging economies ?

“Eighty-five percent of the world's population lives in the emerging markets, and during the past 5 years, all real economic growth has come from these markets,”  
(Patrick Keohane, Vice President (VP) for R&D Asia Pacific at AstraZeneca)

## Global R&D Spending Forecast

	2009 GERD PPP Billions, U.S.\$	2009 R&D as % of GDP	2010 GERD PPP Billions, U.S.\$	2010 R&D as % of GDP	2011 GERD PPP Billions, U.S.\$	2011 R&D as % of GDP
Americas	433.2	2.2%	446.7	2.2%	458.0	2.2%
<i>U.S.</i>	<i>383.6</i>	<i>2.7%</i>	<i>395.8</i>	<i>2.7%</i>	<i>405.3</i>	<i>2.7%</i>
Asia	372.5	1.9%	400.4	1.9%	421.1	1.8%
<i>Japan</i>	<i>139.6</i>	<i>3.4%</i>	<i>142.0</i>	<i>3.3%</i>	<i>144.1</i>	<i>3.3%</i>
<i>China</i>	<i>123.7</i>	<i>1.4%</i>	<i>141.4</i>	<i>1.4%</i>	<i>153.7</i>	<i>1.4%</i>
<i>India</i>	<i>28.1</i>	<i>0.8%</i>	<i>33.3</i>	<i>0.9%</i>	<i>36.1</i>	<i>0.9%</i>
Europe	267.0	1.7%	268.6	1.6%	276.6	1.7%
Rest of World	34.2	1.2%	34.8	1.2%	36.3	1.2%
Total	1,107.0	1.9%	1,150.6	1.9%	1,192.0	1.9%

PPP, Purchasing Power Parity

Source: Battelle, *R&D Magazine*

## Share of Total Global R&D Spending

	2009	2010	2011
Americas	39.1%	38.8%	38.4%
<i>U.S.</i>	<i>34.7%</i>	<i>34.4%</i>	<i>34.0%</i>
Asia	33.6%	34.8%	35.3%
<i>Japan</i>	<i>12.6%</i>	<i>12.3%</i>	<i>12.1%</i>
<i>China</i>	<i>11.2%</i>	<i>12.3%</i>	<i>12.9%</i>
<i>India</i>	<i>2.5%</i>	<i>2.9%</i>	<i>3.0%</i>
Europe	24.1%	23.3%	23.2%
Rest of World	3.1%	3.0%	3.0%

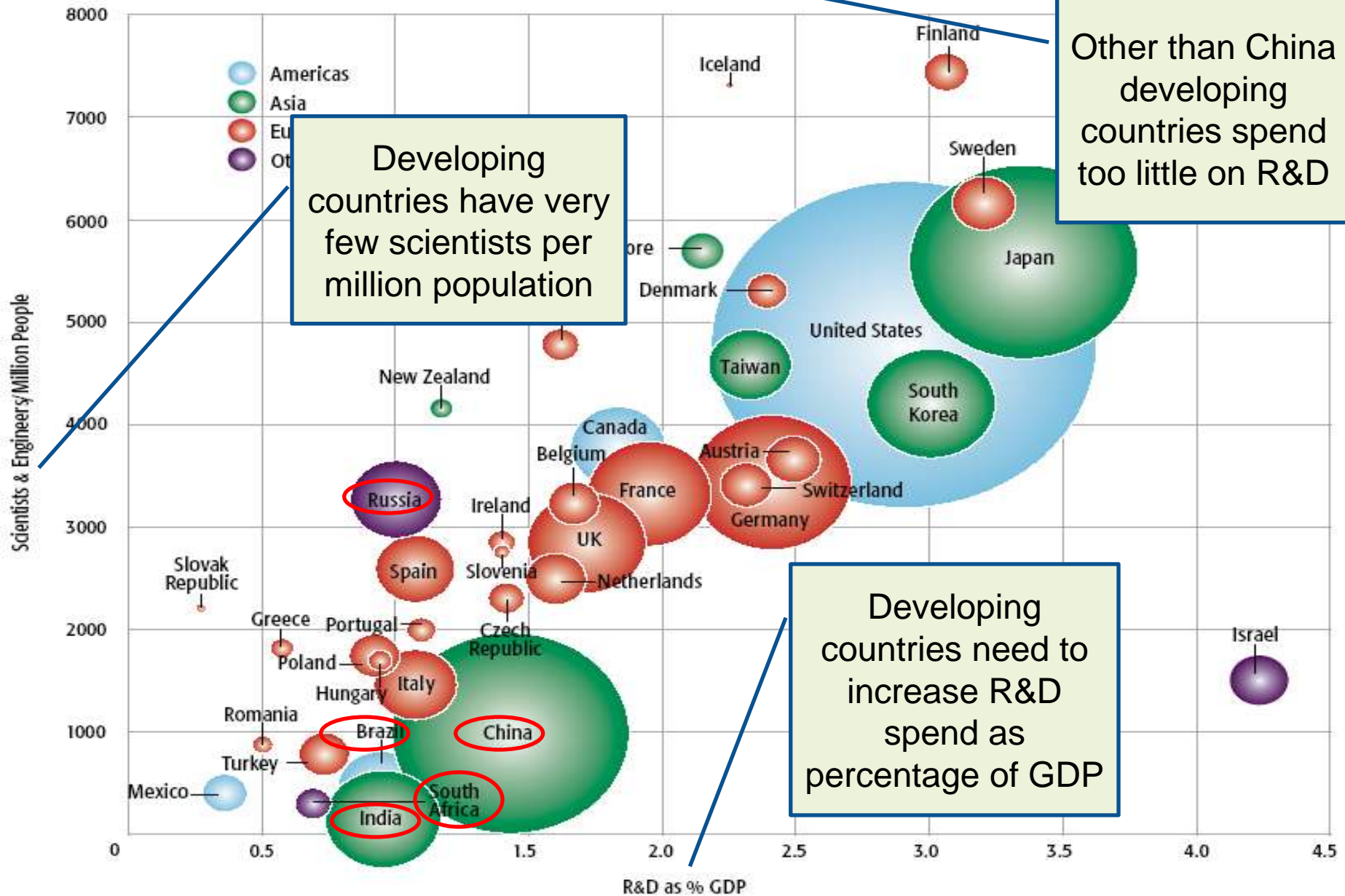
# Forecast Gross Domestic Expenditures on R&D (GERD)

Billions of U.S. Dollars

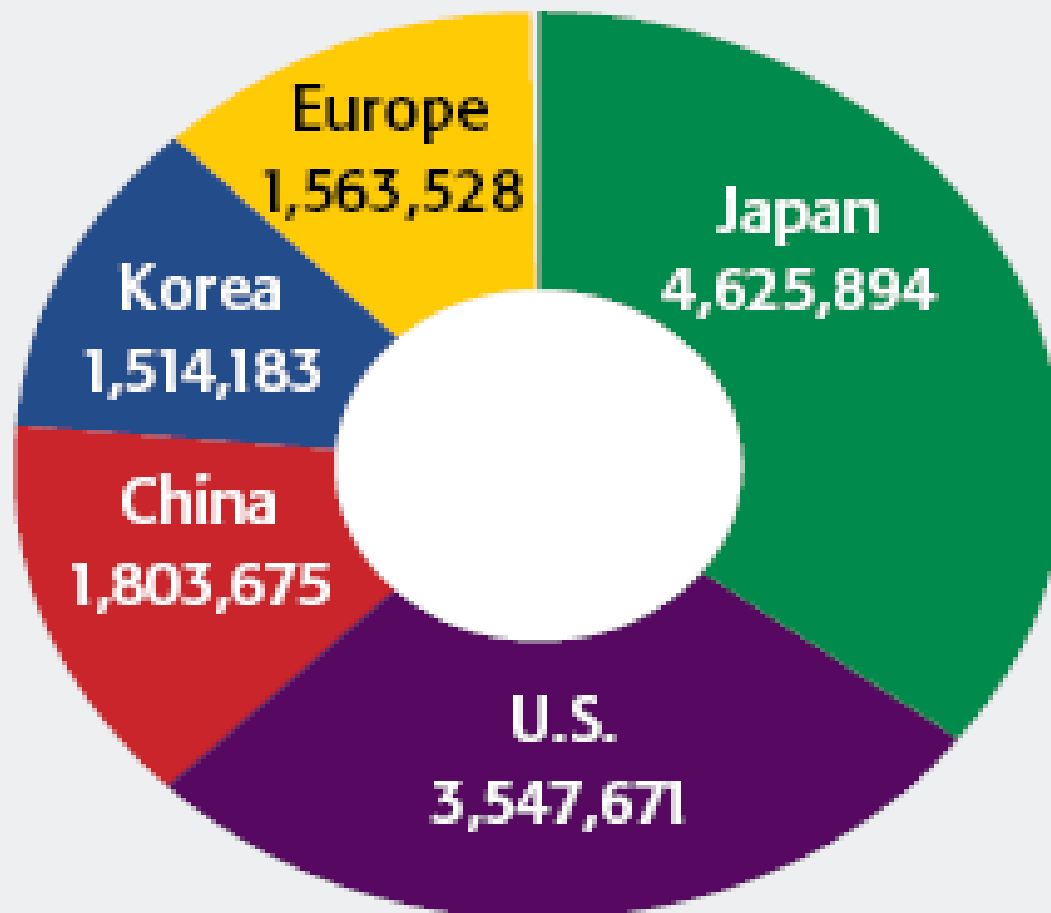
Global Rank	Country	2009 GERD PPP Billions, US\$	2009 R&D as % of GDP	2010 GERD PPP Billions, US\$	2010 R&D as % of GDP	2010-11 GDP Growth	2011 GDP PPP Billions, US\$	2011 GERD PPP Billions, US\$	2011 R&D as % of GDP
1	United States	383.6	2.7%	395.8	2.8%	2.3%	14,963	405.3	2.7%
2	China	123.7	1.4%	141.4	1.4%	9.0%	10,747	153.7	1.4%
3	Japan	139.6	3.4%	142.0	3.3%	1.5%	4,339	144.1	3.3%
4	Germany	68.0	2.4%	68.2	2.4%	2.0%	2,957	69.5	2.3%
5	South Korea	41.4	3.0%	42.9	3.0%	4.5%	1,512	44.8	3.0%
6	France	41.1	2.0%	41.5	1.9%	1.6%	2,176	42.2	1.9%
7	United Kingdom	37.2	1.7%	37.6	1.7%	2.0%	2,218	38.4	1.7%
8	India	28.1	0.8%	33.3	0.9%	8.4%	4,193	36.1	0.9%
9	Canada	23.2	1.8%	23.7	1.8%	2.7%	1,357	24.3	1.8%
10	Russia	21.8	1.0%	22.1	1.0%	4.3%	2,288	23.1	1.0%
11	Brazil	18.0	0.9%	18.6	0.9%	4.1%	2,253	19.4	0.9%
12	Italy	18.7	1.1%	18.7	1.1%	1.0%	1,775	19.0	1.1%
13	Taiwan	17.6	2.4%	18.2	2.3%	4.4%	839	19.0	2.3%
14	Spain	17.3	1.3%	17.2	1.3%	0.7%	1,366	17.2	1.3%
15	Australia	15.0	1.8%	15.3	1.8%	3.5%	907	15.9	1.7%
16	Sweden	11.5	3.4%	11.6	3.3%	2.6%	366	11.9	3.3%
17	Netherlands	10.5	1.6%	10.6	1.6%	1.7%	681	10.8	1.6%
18	Israel	8.8	4.3%	9.1	4.2%	3.8%	223	9.4	4.2%
19	Austria	8.2	2.5%	8.2	2.5%	1.6%	339	8.3	2.5%
20	Switzerland	7.3	2.3%	7.4	2.3%	1.7%	327	7.5	2.3%

# World of R&D 2010

Size of circle reflects the relative amount of annual R&D spending by the country noted.



## Total Patent Volume, 2003 to 2009



# HEALTHCARE R&D EXPENDITURE - ANNUAL



US\$ 7 billion +



US\$ 5 billion +



US\$ 4.5 billion +



US\$ 4 billion +



# R&D PAYS BACK – Annual Sales of a product



Sanofi  
US\$ 9 bn +



Astra Zeneca  
US\$ 8 bn +



GSK  
US\$ 7 bn +

# Products of the future

## Anticipated Sales 2014



Roche  
US\$ 8 bn +



Abbott  
US\$ 8 bn +



Pfizer  
US\$ 8 bn +



## THE LIPITOR EXAMPLE

Pfizer purchased Warner Lambert for  
US\$ 90.27 billion



Annual Sales of LIPITOR US\$  
13 billion +

Losing patent in November 2011

# Intellectual Property

## Rights

(IPR)

There are 5 different types of IP:

Trade Marks

source identifier

Patents

technology protector

Designs

protection to product shape

Copyrights

protection of creativity

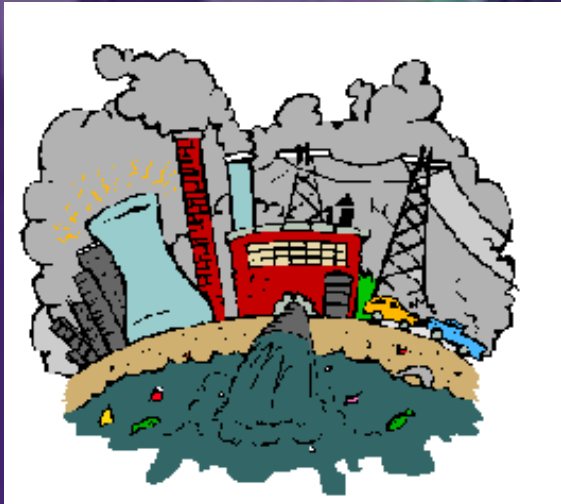
Confidential Information



# What is a Trade Mark / Brand

# TM

An invisible link between the product source (known or unknown) and the consumer



# What constitutes a Trade Mark / Brand ?

word

GUCCI

Product  
Shape



Sound



slogan



Character



signature



device



Name



Numerals



label

TOMMY  HILFIGER

# USE not Registration the Key...

- The existence and life of a trade mark depends on use.
- Registration provides additional remedy of infringement only.

# Trade Mark / Brand Audit

# TM

- Are the marks being used ?
- Are the marks registered ?
- Are the registrations use based or on intent to use ?
- Are the registrations periodically renewed ?
- Are the registrations susceptible to cancellation for non-use or other grounds ?
- Are there any cancellation actions pending against the mark ?
- How many successful enforcement actions have been initiated based on the mark ?
- Were any actions unsuccessful ?



## Trade Mark / Brand Audit....contd.

# TM

- Are there any licenses for the mark ?
- If yes, are these licenses properly monitored ?
- What is the state of the Register ? Are there other similar / identical marks on the Register ?
- Are there similar / identical marks in use by third parties ? For how long ?
- Are there any third parties who can claim concurrent / parallel rights in the mark ?
- Has the mark been diluted for any reason ?



# Copyrights



# Subject matter of Copyrights

- Films
- Musical works
- Sound recordings
- Literary works
- Artistic works
- Dramatic works



# Term and Registration

The background of the slide features a green world map on a dark purple background. Overlaid on the map are several grey gears of different sizes and a large, faint copyright symbol (©) on the left side.

- Copyrights extend for the life of the author + 60 years.
- No statutory requirement for registration
- Copyrights subsist with the creation of the work
- India a member of UCC & the Berne Convention
- Copyrights enjoy international protection on a reciprocal basis.

# ACQUISITION OF RIGHTS

BY

ASSIGNMENT  
OR LICENSE

IN WRITING



# ASSIGNMENT / LICENSE ESSENTIALS

Identify the work



Period



Amount of Royalty



Territorial extent



One year to exercise rights



# What does this bundle contain? FOR BOOKS

An exclusive right to:

- **make additional copies (back to back copies) ;**
- **make electronic copies ;**
- **sell or distribute copies to the public ;**
- **read out the work publicly ;**
- **make a film i.e. film script ;**
- **make a sound recording i.e. use it as lyrics ;**
- **translate ;**
- **make an adaptation ;**
- **reproduce in material form.**



# What does this bundle contain? FOR SOFTWARE

An exclusive right to:

- **make additional copies (back to back copies) ;**
- **make electronic copies ;**
- **sell or distribute copies to the public ;**
- **Sell or rent a copy**
- **make an adaptation ;**
- **reproduce in material form.**





# What does this bundle contain? FOR SOUND RECORDINGS

An exclusive right to:

- **make additional copies ;**
- **to sell ;**
- **to give on rent / hire ;**
- **to publicly play the recording**



# What does this bundle contain? FOR CINEMATOGRAPH FILMS

An exclusive right to:

- **make additional copies ;**
- **use one screen shot and make a photograph ;**
- **to sell ;**
- **to give on rent / hire ;**
- **to display publicly**



# What does this bundle contain? FOR MUSICAL WORKS

An exclusive right to:

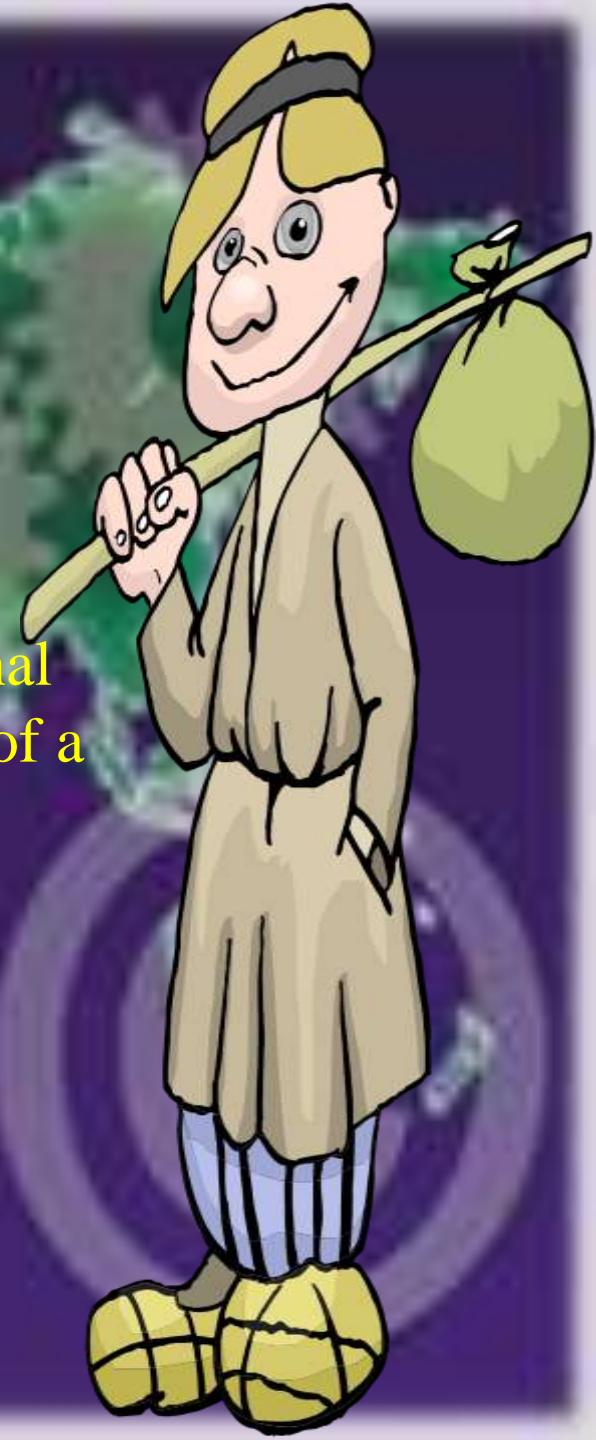
- **make additional copies (back to back copies) ;**
- **make electronic copies ;**
- **sell or distribute copies to the public ;**
- **Play the work on an instrument or sing it publicly ;**
- **make a film i.e. film music;**
- **make a sound recording ;**
- **make an adaptation ;**
- **reproduce in material form.**



# What does this bundle contain? FOR ARTISTIC WORKS

An exclusive right to:

- **make additional copies ;**
- **make a 3 dimensional image of a 2 dimensional work and visa versa ; i.e. making a sculpture of a sketch or a sketch of a sculpture ;**
- **display publicly ;**
- **include in a film ;**



# Copyright Audit

TM

- Is the work Original ?
- Is the work registered ?
- Is the Assignor / Licensor the Author of the work ?
- Does the Assignor / Licensor have the necessary authority to assign / license the work ?
- Are there any joint authors ?
- If the Author of the work is a corporate entity, are the employees bound by proper contracts ?
- Is the work easily identifiable ?



# Designs

# Designs

The background of the slide features a world map in shades of green and yellow. A large, semi-transparent gear is centered behind the map. In the bottom right corner, there is a target symbol with concentric circles and a central bullseye.

- Feature of shape,
- Configuration,
- Pattern,
- Ornament,
- Composition of lines or colours applied to any article, whether in two dimensions or three dimensions

# Designs

- Relates solely to appearance - appeal to the eye
- Does not include mode or principle of construction or mere mechanical devices
- Registration mandatory prior to publication
- Valid for 10 years, with one renewal for 5 years



# Novelty not Originality the Key..

- Protection granted to New and Novel designs.
- Novelty is the fundamental reason for the protection granted.
- Eye is the ultimate judge, thus novelty should be substantial.



# Unregisterable Designs



- Designs that are not new or original
- Designs disclosed to public anywhere, by publication in tangible form, or by use or in any other way.
- Designs not significantly distinguishable
- Scandalous or obscene designs

# Patents

- Patent laws give protection to inventions.
- Invention must be new, useful and have industrial application.
- Invention must relate to a product.
- An improvement can also be patented.
- Right to exclude others from making, using or selling the invention.
- Term of protection 20 Years

# Transfer of Rights

- Assignment or outright sale
- Licensing / Franchising
- Consultancy
- Joint Ventures

**-THANK  
YOU FOR  
STAYING  
AWAKE**

