

Corner the Market

The Benefits of a Patent Protected
Business Strategy



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Patent Marketing Specialists

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Starting a business. Expanding into a new market. Introducing a new product. These and similar scenarios always present risks for their potential rewards. Any shrewd business person will tell you that the goal is simple - minimize risks while maximizing rewards. It is a straightforward equation that is often times difficult to implement in practice. Depending on the particular market or technology, the challenges in reducing risk or maximizing the potential payoff can vary from challenging to impossible.

New products, early market penetration, and monopolization are undoubtedly the best ways to maximize rewards and reduce risks. A business strategy that can take advantage of one or more of these ideas has an elevated probability of success. Intellectual property is key, and for new technology, this means patents. Patent protection is only available for new products. Patent protection clears the road for market penetration as competitors must design-around or stay out of the market entirely. Patent protection provides a monopoly-like opportunity for the owner to be a sole provider of the new technology.



Patents allow a business to corner its market with protected technology. These legal rights operate to keep competitors out – more efficient than any advertising campaign. Consider the money spent on advertising and PR trying keep a customer base away from a competitor. Now consider even a portion of that budget spent on developing or acquiring patent protection. With the advertising campaign, the business owner is at the mercy of a somewhat fickle consumer base, and the benefits only last until a competitor improves their own marketing initiative. On the other hand, solid patent protection can allow the same business owner to prevent the competitor from directly competing at all. Remember, patents have a 20 year life span.



Any growing business, new start-up, or burgeoning entrepreneur should consider the benefits of patent protection on their innovative ideas. An equally useful and often times simpler approach involves developing a business on acquired or licensed patented technology. Jasmine Pui of Entrepreneur Magazine writes, “Given that most businesses aren't built on truly original ideas, patents can seem like more trouble than they're worth. However, integrating patents into your business plan, regardless of whether you're an inventor, is one of the most overlooked elements of a successful business.”¹ Don't expect competitors to be overlooking this option (an option that is fast becoming a necessity).

It is also important to not overlook the marketing value of being able to tout your product as “Patented Technology” or even “Patent Pending”. These labels add credence to the product and let customers know that they will not be able to find your technology with a competitor. As Pete Tomey of Inventors Digest puts it, “The value of a patent is more than simply having the right to enforce it. The marketing value of being innovative is likely to sway a potential customer in

your favor.”² This can be an important point, especially in a competitive market. He goes on to write, “When comparing your patented product to its unpatented competition, customers will be inclined to purchase your product.”

With the instability present in today's economy, and the increasing number of companies crowding into successful markets, patent protection more and more becomes a lucrative if not necessary way to break into a new technology space. The knowledge that you are operating with protection is not just comforting it is business savvy.

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¹ Pui, Jasmine (2002) Top 10 Patent Myths. *Entrepreneur Magazine*

² Tomey, Pete (Jul 2009) To Patent or Not to Patent: A Business Approach to Intellectual Property. *Inventors Digest*.