

# Intellectual Property Marketing Strategies: Grow The Pie!

## INTRODUCTION

At Technology Transfer Offices (TTOs) around the globe, the story is the same, too much technology, and too little time. This unfortunate circumstance often leaves critical business missions under-resourced, or in many cases unattended. Personal experience has taught me that TTO functions and tasks are typically centered on disclosure management, portfolio management, and patent protection, but all too often falter at sales and marketing. *Why?* The unspoken truth is that those more enthralled with the technology and intellectual property (IP) itself generally overlook sales and marketing. Its life, a perception of its perceived low importance, is relegated to ineffective sales sheets, brochures, pamphlets, and web pages. Such an environment is certainly not conducive to generating licensing revenue, so how do we fix it?

Sales and marketing, as other sciences (*yes, this is my belief*) have a complex set of variables that must be attended to for long-term sustainable success. Revenue (or sales) is driven by a robust marketing program that focuses on the four P's of marketing – product, promotion, price, positioning – at a minimum. The following strategies are aimed at mitigating the resource problem, while establishing an effective marketing program that insures current and future success.

## STRATEGY DRIVERS – SHIFTING MARKET TRENDS

The current technology renaissance affects our lives in many ways including the way we communicate, provide for our health, entertain us, study, and most importantly make decisions. With technology impacting all facets of our lives, we require constant news and information just to maintain a sufficient level of understanding and awareness of how to capitalize on opportunities. This trend is clearly evidenced by the omnipresence of rich media messages. *Can you say CNN/fn, MSNBC, GovCon, and of course CNBC.* For the savvy marketer this trend conjures up images of grape leaves and togas! If we couple this information thirsty environment with industry's belief that all employees (management and operational) will need a greater working knowledge and understanding of IP and how it affects the viability of their companies, substantial IP-related revenue opportunities will be created. As noted by Kevin Rivette, author of *Rembrandts in the Attic*<sup>1</sup>, in a Licensing Executives Society interview,

*“IP knowledge in companies will provide the impactfulness that was last seen in the Deming quality movement.”*

The job of the IP marketer is to communicate ideas to this population and others that provoke transactions – *e.g., information requests, dialog, unsolicited offers,....BUZZ!* Ideas that make IP buyers' jobs easier while indicating a high potential for increasing their companies' bottom line get noticed if presented frequently and in the right forum. *How?*

## STRATEGY – COMMUNITY BUILDING AND TECHNOLOGY

Despite the market's recent abandonment of web related ventures, industry experts indicate a vibrant and growing market, particularly for B2B oriented sites, that target specific markets (e.g., pharmaceutical, biotech, semiconductor, nanotechnology, and even public works). The IP sales winners will be those who are able to execute on strategies that harness the interests of specific markets and drive them to purchase. The key is to distribute supportive content that provides “stickiness” across multiple platforms (market segments). Experts implore the use of tactics that create seemingly seamless communication threads. IP marketers gain a strategic advantage if



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they can utilize these threads to drive IP markets by enabling users to both create and use threaded content in a dynamic and interactive environment. In other words have a conversation with disparate users in an effort to uncover venues for IP sales.

The industry today presents many services and associated technologies that can be used to strategically leverage these IP market opportunities and come close to building seamless IP communities. Companies such as *Yet2.com*, *4iP*, *PatentCafe*, *BirchBob*, *KnowledgeExpress*, etc provide platforms for access to buyers and sellers of technology. The platforms rest on a collection of primarily search technologies that aim to make life easy for the IP shopper. Some of these offerings may be considered somewhat thin, and still others somewhat overbearing. However, TTOs with a sales and marketing focus must be poised to capitalize on the sell side as well. They should consider marketplace tools that too have been the result of the IP renaissance, namely:

- (a) *advanced web interactive communications,*
- (b) *ubiquitous web search,*
- (c) *rich media,*
- (d) *expanding market participants (Latin America, Korea, China, etc.), and*
- (e) *expanding market knowledge and thirst for high level information*

## STRATEGY – TARGETED COMMUNICATION

In communicating with the marketplace, IP industrialists must first embrace the belief that a variety of market segments impact the IP economy albeit at different levels of understanding. Emanus, LLC's six-channel marketing scheme suggests that the segments are comprised of: *Business Entities, Venture Capitalists, Government & Private Laboratories, Academia, IP Specialists, and the General Public.* The challenge and requirement for success is to utilize web interactive technologies to connect the various market segments. Allying with like minded service providers will help to create a virtually seamless environment.

Today it's easier to make these alliances given that there are a number of specific technology driven web communities that have been built. In the end what will be beneficial is a commercial oriented site like Techno-L. With the help of a knowledgeable web programmer, a community can be built that effectively vets your technology as a standalone package or in concert with synergistic neighbors. *It's goal?* We want to increase the size of the deal pie by promoting collaboration an environment replete with substantiated, peer-reviewed market publicity.

## STRATEGY – UBIQUITOUS SEARCH

Despite the many attempts at broad community building, many of the sites in this space are no more than mere neighborhoods attracting their own brand of IP shopper and seller. Just like New York boroughs, the friction that prevents seamless and integrated communication is ever-present. Regardless of the many reasons against tribalism, it seems unthinkable that Intel and AMD will offer their respective IP on the same platform. Total industry success necessitates that this philosophy to some degree be muted. Such thinking only creates an unnecessary burden for the IP shopper who is relegated to googling around numerous search terms in order to build a viable IP shopping mall.

Luckily, some sites have employed tools like XML and natural language query (NLQ) in an attempt to break down the communication walls and ease the search process. In the case of XML, the methodology is proactive whereas NLQ is more reactive. To the benefit of TTOs these



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software schemes represent advanced thinking based in part on the teachings of Seth Godin, formerly Vice President of Direct Marketing for Yahoo! and author of **Permission Marketing**. The software products meeting these tenets allow users full control over opting to receive specific content. This distribution strategy is not about **broadcast**, instead it is a rifle shot - **niche and focused!** Strategically, the software shouldn't just rely upon the user locating a specific URL (i.e., web storefront) in order to reach a specific IP-technology marketplace.

## STRATEGY – RICH MEDIA

Many TTOs have at their disposal vast resources for the creation of rich media. One only needs to look to organizations like The Science and Technology News Network, ZDTV, Multex, and Bloomberg to gain a flavor for formatting styles aimed at grabbing the viewer's attention. The vast majority of TTOs also live in a vibrant community of experts involved in specific technology arenas. TTOs can draw upon this "intelligent" community to construct expert commentary and content on the value of a technologies underlying intellectual property. It is the contention of the author that this content product will play an important role in helping the various market segments decide courses of action and/or purchase as suggested by the profiled IP. Make no mistake; the Internet will be dominated by streaming content. A strategy to promote product and services with rich media enhanced information will help to shape market expectations and help sustain a competitive advantage.

## STRATEGY – EXPAND THE MARKET

The market for IP based technology transfer is worldwide, and is estimated at \$150 billion annually, with double-digit growth. Within this global marketplace there are a multitude of differing cultures, customs, and perspectives on intellectual property. The challenge for the TTO is to maintain a broadly connected IP community while incorporating distinct features for other world players. Sophisticated collaboration technology (i.e., *chat*) that helps the IP marketer to maintain a technology thread while simultaneously bringing nation-states points of view will win! Though the U.S. is still the premier player attention to such nuances will facilitate ex-USA interest by those looking to gain greater access to U.S. markets and technology.

## STRATEGY – NON-TRADITIONAL PLAYERS

The founding fathers of the United States envisioned a system unlike that of the Guilds. They sought openness and sharing of ideas and methods with an ultimate goal of quickly advancing the economy. In this vein they wanted to create new freedoms in addition to the basic freedoms allowed for the human condition – *freedom to conjure, freedom to believe, freedom to attempt, and the freedom to take part*. Communicating the advances through patent issuance stoked the fire of inventiveness and ultimately our economic growth. As [Kevin] Rivette expounded, IP knowledge at all levels will be crucial to the survival of many companies. We as IP marketers are in a position to increase the size of the overall market and therewith the value of our own offerings if we systematically attract the attention of the high-tech/knowledge worker and even the generalists. Typically, issues involving IP have not been within the purview of those outside of the legal and research and development sphere. However, the playing field, as suggested by Lester C. Thurow, can be changed and must be changed if growth is to be achieved. He says,

***“Being curious — wondering why things work and what is beyond the next ridge of hills; wanting to explore — having the courage to go where no man has gone before; willing to learn — getting new knowledge from others; and wishing to build — using new knowledge to make something different;***



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***while these four characteristics are embedded in human nature, they only become evident when combined with other ingredients in the right environment.”***

A strategy to engage the knowledge worker and generalists on a common communication platform is not new. Larger, more experienced market players such as Bloomberg, Hoovers, and Charles Schwab have validated it. Again, the IP marketer's strategy should be to bring this group closer to the thinking of professional IP market players and provide them with tools and information to make educated decisions — that is decisions regarding product purchase, public sentiment, or political action that validates your technology offering.

## CLOSING

“Unless someone wants your product, you won't sell your product!” This statement is not intended to over simplify the myriad of decision variables that must be accounted for in intellectual property licensing (e.g., infringement, design-around, NIH-syndrome, etc.), however we must always keep in mind the effects of the prevailing market forces. Equally as important is to have an awareness of market forces over time (i.e., trending). In the IP world just like so many others available economic funding, The strategies outlined above do not guarantee success in commercializing technology.

Success is for the most part fleeting. Less than 3% of issued patents are ever licensed. The reasons for this are many, but possibly the philosophies presented above will instill a win-win attitude within the industry. Coupled with useful tools for searching, collaboration, and targeted communications. With these odds those who are able to effectively manage the IP portfolio garner a higher probability of success.

Trying to implement these strategies across a broad Although cost control is of primary concern to TTOs, spending a little time with the crystal ball can pay big dividends in the end. Competitive Technologies' first license of Nick Holonyak's (University of Illinois) gallium arsenide technology didn't happen until \_\_\_\_\_ years after the issue of the U.S. patents. The Google mantra of “fail, and fail early” is not always a compelling strategy for intellectual property licensing.

Push vs. Pull ---

Remember, the sale of cat litter is not about cats.

**As always the challenge is as old as the hills – sharing. If we as IP managers fall victim to the thought that IP-based revenue generation is a zero-sum game, we may never create the synergies needed for a “frictionless” IP economy. In dark rooms we admit that the most infamous web content providers continue to grow and prosper primarily due to its openness. How far we each of us go to grow the pie and ultimately our slice of it?**

Let's not loose site of the primary mission of Universities – to discover and to teach!

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<sup>i</sup> *Rembrandts In The Attic: Unlocking the Hidden Value of Patents*, Harvard Business School Press, Copyright 2000

