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## Protecting your IP: the answer could be right under your nose

By Martin Brassell, Chief Executive, [Inngot.com](http://Inngot.com) | [Computerworld UK](http://Computerworld UK) |

Compare a company's market capitalisation with its tangible assets and you'll find a gap of up to 75%, which IP experts assure us rests in intangible assets.

However, in a survey, the Intellectual Property Office who issue patents in the UK found that 86% of UK businesses were either ignorant or misinformed about how to protect and make best use of these "valuables". The survey was conducted in 2006, but there is little evidence that things have improved since.

If UK plc is to pull its way out of recession based on innovation (as the government seems to believe), companies need to get better at understanding their intellectual assets, and leveraging their knowledge and technology to get finance and business through the door.

- [Hargreaves Review IP recommendations accepted in full by government](#)
- [UK technology patent website to launch](#)

The IPO says the problem is particularly acute among smaller businesses: "SMEs and the mass of micro-enterprises (businesses with 0-9 employees) which form the cradle of IP and future large companies are in the main effectively unaware of the IP system".

This assessment does seem unduly pessimistic, and reflects the fact that current debate too often focuses on formal registered rights, especially patents, as being synonymous with IP.

There is no doubt that for some businesses patents are helpful or even essential, but they do not sit well with knowledge economy companies, especially those whose innovations lie in software.

The patenting process often requires specialist expertise, making it costly (officially estimated at up to €50,000 for an EU patent) and time-consuming: the fastest I have personally encountered took some 17 months from filing to publication date, and 2-3 years is more normal.

In a world moving towards increasingly open models of innovation, this combination of high cost, lengthy time to market and defensive intention makes patents an appropriate option only in a limited number of situations.

In fairness to the IPO, strong rights should be backed by rigorous processes, and these will take time – once an application has been submitted, the IPO checks it against existing published patents, and if the application passes this process then a patent is granted, normally in the two to three year time period.

But many small firms now question how advantageous these rights really are in practice, given that their large competitors often have sufficient financial muscle to render patents very difficult to enforce.

Surely the answer is broader and simpler - it's to make more of copyright. While it's recognised that copyright is fundamental to creative works, many of which are now digital, its importance as the underlying right to protect *all* types of software is not well understood, other than in the context of piracy.

Copyright is automatic and it's long lasting; it's remarkably consistent internationally; it can be used to sell, assign, transfer or licence intangible assets; it can even be assigned in works that are not yet complete.

In working with young businesses over many years I learnt to be wary of any proposition that seemed to require legislative change. The good news for business in the digital age is that we already have the legal framework we need – we just have to capitalise on it better.

*Martin Brassell is CEO of inngot Limited It provides a safe and secure place for IT companies to register their intangible assets enabling companies to 'showcase' their IP to find customers, partners and investors.*

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