

## **MANAGING BIOTECH PATENTS - WHAT YOU NEED TO KNOW**

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If you know the biotech sector then you will know that biotech business leaders can generally be put into one of three groups. First are those who know what value their patents add to their business. Second are those who don't know what value their patents add. These may be those who know they don't know and include those who once knew but now know they no longer know. Or they may be those who don't know they don't know. And the third are those who don't know and don't care.

This article is intended for those in the second group who want to get into the first. It is also for those who might like to test the assumptions by which they placed themselves in the first group.

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This article is intended for those in the second group who want to get into the first. It is also for those who might like to test the assumptions by which they placed themselves in the first group. For those in the third group, if you are happy there you can stop reading now! But first, why aspire to be in the first group? What is so special about these people? Here's a few thoughts:

### **They know their business**

To know what value patents add to business, one must understand that part of the products and services that the competition would copy if they could, and that part of the business processes that but for the patents would leave a loop hole for the competition.

### **They are better leaders**

A leader who knows all of this stuff is the type of person who takes time to listen. He has to be - because business leaders are not at the same coalface as their tech, patent and BD guys. They have to listen to them to know this stuff. And good listeners are naturally better leaders.

### **They deliver on their promises - and their partners know and respect this**

Promises are not delivered on when limitations have not been realised. A leader who knows the extent of his patent rights knows what in fact he can deliver to an industry partner and what he can't.

### **They know how to handle the competition**

A leader who is aware of the value of patents to his business is more likely to have awareness of his competitor's position and to be able to weigh the strength and weaknesses between the parties.

### **They are accountable to their shareholders**

A leader who knows what value patents add to his business is naturally better at managing the spend on patents and the R&D investment that supports them. He is also well placed to explain the spend to shareholders.

So if you are in the second group, what might you be doing wrong and what could you be doing to graduate to the first?

### **For those who know they don't know**

You are aware of your knowledge gap. Your problem is that you have not yet in your mind nor in

practice recognised that on the scales of importance your patents weigh as heavily if not more so than any other business issue requiring your day-to-day management. Perhaps patents are managed in isolation of core business activities? Would you ever ask the question as you progress a clinical trial "am I sure that the product we are trialling is within the scope of our patent claims?"

### **For those who once knew but now know they no longer know**

You may well be a good manager of change in your organisation. Unfortunately this has not extended to management of your patent portfolio. For example, the things that you see as big ticket items – such as making money from a lead compound – have distracted you from a realisation that your patents remain focused on what was once more important to you, but now less so – making money from a platform from where the lead was obtained.

### **For those who don't know they don't know**

While all seems well to you on the surface - you are forging ahead with plans to license the manufacture of a diagnostic -your patents are proceeding in another direction - as if you will make money from licensing the use of the diagnostic to a health care provider. In short there is a total disconnect between your understanding of your business and your patents. Your problem (and you certainly are not alone) may be that you have heard the well worn line "align business and patent strategy" but you have not really listened enough to implement it in your business. Otherwise you may have listened but not understood (again plenty here who do not understand that the patent claims are the key). Either way it is vital that you do something here urgently. If you even suspect that there may be a problem, you must take an honest account of the situation.

And what things might you now do to graduate to the first group of business leaders? Here's a few:

- structure your company so that your tech and BD guys are encouraged to speak to your patent guys daily
- create a forum for them to talk and to be listened to by you
- take some time to understand patent basics - so that you at least might understand what your people see as being a concern
- ask the tough questions of your patent attorney: "what do my patents really protect?" - and don't assume that they will be aware of your underlying business issues.

A final thought for those in group three - if you don't know or care how your patents add value to your business, the market will either not know about or care about you!

## CONTACT

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