

# **Guidebook of IP/Technology Transfer**

# **Track 1**

## **Entry-level Tech Transfer Professional**

### **Topic 1.8.4**

## **Commercialization/Licensing strategy**

# Developing Licensing Strategy:

evaluating alternatives

## Exclusive or non-exclusive licenses?

Does the IP/tech require significant investment?

Balancing maximum return vs. broad dissemination

Consider short, medium, long term returns

Need for key partners (remote management, R&D collaborations, infringements)

Exclusive licensees as agents vs. internal management

Institutional philosophy

# Developing Licensing Strategy:

evaluating alternatives

## Exclusive or non-exclusive licenses?

- Exclusive licensees typically much more motivated to develop/commercialize the IP/tech
- The licensor can impose much more stringent diligence requirements on the exclusive licensee
- Investment in IP/tech development, commercialization, marketing and sales much higher with exclusive licenses

# Developing Licensing Strategy:

## **An exclusive license:**

Secures a managing partner

Maximum incentive for licensee/investors

Needs strict “diligence” requirements for  
product development, promotion, sales, etc.  
(no “sitting on the shelf”)

Stringent sublicensing incentives/disincentives  
a useful mechanism

# Developing Licensing Strategy:

## Variations on Exclusive licenses

(always assume stringent diligence provisions)

- Field-of-use
- Geographical
- consortia
- Limited exclusive period (head-start)

# Examples of Licensing Strategy Alternatives

(for patent on antimicrobial compound)

Exclusive, world-wide, all uses

(ag, industrial, vet, human)

Exclusive, world-wide, veterinary applications only

Exclusive, world-wide, agricultural only

Exclusive, world-wide, vet and ag only

Exclusive, Mexico only, all fields

Exclusive, Europe, vet only

Etc., etc., etc.,

# Licensing strategy

- Does investment needed to develop invention require exclusivity?
- Is the invention suitable for non-exclusive?
- Exclusive by country?
- Exclusive by field-of-use?
- Exclusive consortia?

# **Exercise**

**Developing a Licensing/Commercialization Strategy  
& Plan**

# Developing a Licensing/Commercialization Strategy & Plan

Follow these steps:

1. Understand the invention
2. Where does the invention fit in the value chain?
3. Consider a geographical strategy
4. What type of licensing?

# Developing a Licensing/Commercialization Strategy & Plan

## 1. Understand the invention:

inventive features

IP Quality

Market relevance

Value proposition

# Developing a Licensing/Commercialization Strategy & Plan

## 2. Where does the invention fit in the baked-goods value chain?

- Map out the whole value chain
- Look for obvious fits
- Don't forget: a typical license grants the right "to make" and "to have made"  
(licensees don't have to manufacture the IP/licensed product – they can subcontract that)

# Developing a Licensing/Commercialization Strategy & Plan

## 3. Consider a territorial strategy

national

regional

global

## 4. What type of licensing?

exclusive vs. non-exclusive

exclusive field-of-use

# Developing a Licensing/Commercialization Strategy & Plan

## The Invention:

Ultrasonic mixing of baking batters and doughs

creates nanoemulsions that produce baked-goods with high quality mouthfeel/texture and extended shelf-life without additive chemicals.

## IP Quality

- Patent: Indian and global (PCT) patentability on baked goods method and device (ultrasonic transducer attached to mixing bowl)
- Trade secret: Transducer settings
- Trademark: possible

# **Developing a Licensing/Commercialization Strategy & Plan**

## **The Invention:**

Ultrasonic mixing of baking batters and doughs creates nanoemulsions that produce baked-goods with high quality mouthfeel/texture and extended shelf-life without additive chemicals.

## **Inventiveness**

- Nanoemulsions in batters and doughs created with ultrasound energy imparted during mixing, yields baked products with improved qualities.

# Developing a Tech Commercialization Strategy & Plan

**The Invention:** Ultrasonic mixing of baking batters and doughs

## Market Relevance

- Quality baked-goods without chemical additives  
(growing market for “natural” products)
- Extended (3-day) shelf-life
- New product potential
- Lowered cost potential
- Value-add potential

# Developing a Licensing/Commercialization Strategy

**& Plan:** Ultrasonic mixing of food batters and doughs

**Value Proposition:** Benefits – Cost = Value

What are the benefits?

- Enhanced mixing makes unique microemulsions
- Microemulsions produce products with same qualities as existing, without additives
- Shelf-life extension
- New products, lower cost (less waste)

What are the costs?

- Ultrasonic equipment

# Developing a Tech Commercialization

**Strategy & Plan:** Ultrasonic mixing of baking batters and doughs

## Where does the technology fit best in the baking product value chain?

- Baking ingredient producers/distributors
- Industrial (large scale) bakeries
- Bakery equipment manufacturers
- Small-scale bakeries (restaurants, shops)
- Large retail outlets, grocery stores
- Other?

# Developing a Tech Commercialization Strategy & Plan

**The Invention:** Ultrasonic mixing of baking batters and doughs

## Consider a Territorial Strategy

- Home country only?
- Global (PCT)?
- Which countries?

# Developing a Tech Commercialization Strategy & Plan:

Ultrasonic mixing of baking batters and doughs

## What type of Licensing?

- Non-exclusive? What are the pros/cons?
- Exclusive? Pros/cons?
- Exclusive or non-exclusive in home country?  
Other countries?
- Field-of-use exclusives?  
Does technology support different fields of use?

# Developing a Tech Commercialization Strategy

**& Plan:** Ultrasonic mixing of baking batters and doughs

## Field-of-Use Licensing?

- Industrial bakery, restaurant, home
- Baked-good manufacturing
- Baking equipment manufacturing

# Developing a Tech Commercialization Strategy &

**Plan:** Ultrasonic mixing of baking batters and doughs

**Now, think strategically. Combine all the factors:**

- Exclusivity
- Territory
- Field of Use

Example Scenario:

India: non-exclusive, industrial bakeries

US: non-exclusive, industrial bakeries

exclusive, restaurant equipment mfg

# Developing a Tech Commercialization Strategy & Plan:

Ultrasonic mixing of baking batters and doughs

## Your Assignment:

You have filed an Indian patent application, and a PCT designating U.S., EU, Japan, and China on your invention

- Describe your licensing strategy for the invention
- Explain and justify your licensing strategy

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### **Topic 1.8.4**

## **Commercialization/Licensing strategy**

**Thank you**