

## Case Study 3

### Reinventing the wheel

A couple of years ago, three adventurous teenagers sliding down the slopes of an Australian hillside on large blocks of ice set Graeme Attey thinking.

Graeme, a keen surfer and sailboarder, first tried to make a type of land windsurfer with wheels back in 1986, but could not quite get it to work properly. So this early attempt went under the bench in the shed and was forgotten for 12 years—until Graeme saw the teenagers sliding downhill.

‘So I dragged it out and tried again. Over the space of a few weeks I chopped and changed geometry until I had a prototype that was rideable. And then I made a version with larger wheels which worked really well’, Graeme explains.

With its two 20 inch wheels and aluminium frame’s easy manoeuvrability, Graeme’s ‘dirtsurfer’ is set apart from other ‘all terrain’ type boards, which are basically scaled-up skateboards with three or four wheels.

According to Graeme, the dirtsurfer replicates the true feeling of surfing or snowboarding but on grass, dirt or bitumen. You can fly along at 90 kilometres an hour on a smooth road, or take it easy down a gentle grass slope.

Fortunately, Graeme’s 20-year history with producing and patenting products meant he knew the value of securing intellectual property on his dirtsurfer.

‘It’s critical. You can flounder if you don’t know what to do and you can completely blow it. Most importantly if you don’t have intellectual property as a start up you don’t have anything. How are you going to finance a business and get funds if you don’t have a value on the business? And the only real value when you start up is intellectual property.’

Through his company, Design Science Pty Ltd of Western Australia, Graeme has now successfully applied for a patent for the way the Dirtsurfer works, a registered design for the way it looks, and a trade mark for the name on the Dirtsurfer—which is proving popular here and overseas.

‘We’re starting to sell quite a few boards here in Australia but our highest sales by far are in exports to the UK, France and Japan. We’re about to go to the United States and talk with two companies who want licenses to sell the boards there’, he says.

‘It attracts a broader market than I would have expected—kids and their parents, and I believe the oldest person to ride one is 66, says Graeme.

Certainly, the dirtsurfer’s versatility is an important part of its wide appeal. Indeed, Graeme believes dirtsurfing will be the new sport of the millennium.

'We are busy trying to get maximum media exposure and arranging an increasing number of competitions,' says Graeme.

'There's an awful lot to be done—we're just at the start. It's a lot of fun and it's great starting a new venture from scratch. Who knows what will happen in the future - my objective would be to licence the IP to manufacturers around the world through royalty based agreements. As an SME this is a very attractive business arrangement as it enables me to get on with what I do best - designing and promoting the Dirtsurfer.'

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### Reinventing the Wheel

#### Slide 1

##### *Setting the scene*

- The inventor:
  - A passionate inventor using his hobby as an outlet for his inventiveness
  - Had a 20 year history of patenting inventions
- The invention:
  - a land based device that re-creates the feeling of surfing and snowboarding
  - Multi purpose ie used by young and old riders and in a number of circumstances ie on road or in bush
- The market:
  - Skateboarding is a growing worldwide pastime for the 10 - 21 year old market
  - Existing 'off-road boards' don't recreate the feeling of surfing or snowboarding
  - People are prepared to pay high prices for good equipment

#### Slide 2

##### *Generating the interest*

- Undertook informal market research to assess the needs of the target audience and identify a gap in the marketplace
- Undertook market assessment of the skateboard product market
- Developed prototypes to test concepts, provide demonstrations and attract investment
- Prototypes tested well and product was deemed successful

#### Slide 3

##### *Best practice or not*

- Sought advice from an IP expert early in the process...
- However, initial demonstrations were not conducted under confidential circumstances
- Once aware of the potential value in his idea he sought expert IP legal advice
- Secured a all possible IP rights in Australia with a patent and registered design
- Utilised the IP rights to attract investment for further prototype development
- Once investors were on board, generated feelings of partnership and ownership by the investors without relinquishing any IP control

- Achieved this through joint generation of the trade mark which he registered
- Sought patent, trade mark and design protection in potential markets ie Japan, Europe and USA

#### Slide 4

##### *The deal*

- Inventor retained ownership of the IP
- Manufacturer provided commitment to actively market product
- Joint venture, therefore both parties have a lot to gain and a lot to lose
- Distribution points overseas sought

#### Slide 5

##### *The lesson*

- Saw a gap in the market and developed a product in consultation with users
- Utilised his own passions to develop the prototype
- Was the device patentable?
  - Instead of making the call himself he sought professional advice
  - If the same situation arose today, an option could have been the Innovation Patent
- Should have addressed IP protection earlier – high risk strategy not having confidentiality agreements in place when demonstrating prototype

#### Slide 6

##### *Key outcomes*

- Got the best advice
- International registration in significant markets ie the UK, Japan and the US
- Recognised that he was not in the manufacturing business
- Secured the ownership of the IP
- Inventor could continue enhancing the product and marketing it within the Xtreme market
- Revenue (long-term) in royalties and licensing returns
- No expensive overheads ie manufacturing/marketing/distribution etc