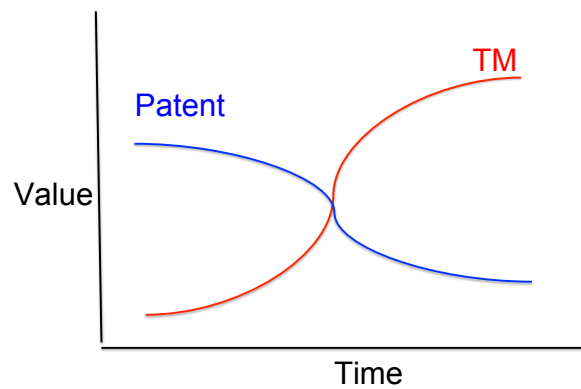


IDEA TO INCOME: Strategic use of IP for business growth and expansion

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WHY PROTECT?

- 18 month “uncertainty” for head start – Patent
- Market a “Benefit” - Patent
- Copycat reproductions – Design
- Formulae – Confidentiality
- Create asset of value for tax purposes – TM, Patent, Design
- Monopoly - Patent



Most important:

Commercialisation model?

Supply / Contract manufacture / Distribution
Licensing
Assignment




Licensing:

- Is the IP valid?
- Scope of protection re competing products?
- Will commercialisation infringe third party IP?
- Capital and marketing cost?
- Market size?
- Unit cost?
- Sales price?



Evolutionary approach:

- Supply (no large investment, plug and play)
- 
- Equipment lease + licence
(delay capital investment until obtain volumes)
- 
- Licence / sale



Fund raising:

- Is the IP valid?
- Scope of protection re competing products?
- Will commercialisation infringe third party IP?
- Market size?
- Profitability?
- Is there sufficient funding to commercialisation?
- Is the share price reasonable?
- How widely is the risk spread?



Attract industry funder:

BUT

May neutralise technology

All eggs in one basket

Relationship sours due to delays and cost overruns



Combine funder and industry partner:

- Invests in development and in equity
- Confirms share price
- Conducts a due diligence
- Enters into usage agreement / licence should technology achieve milestones
- Confirms industry relevance
- Good association



THEN

Sex up the technology to a “dinner table talk” level

High net worth individuals with brokers earning warrants



HOW MUCH TO RAISE?

Only amount required to get to next **inflection point**
Else, unnecessary dilution

