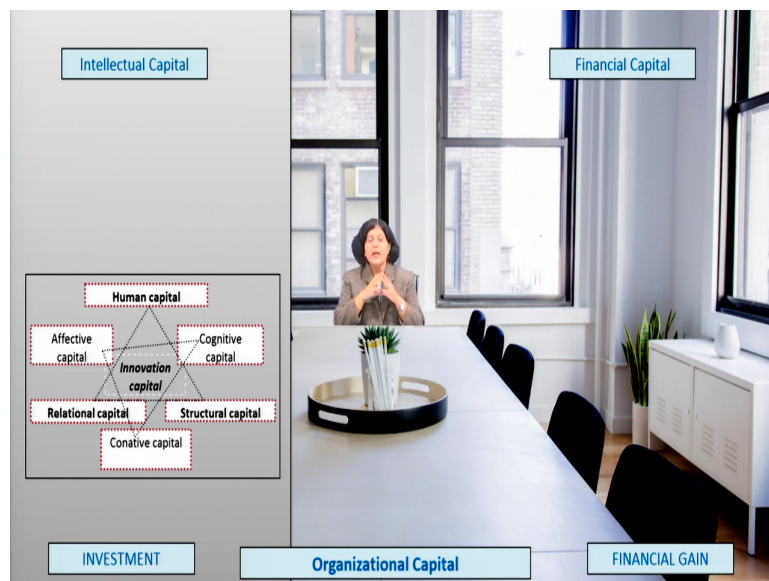


IP Management and Technology Transfer
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Lecture - 13
IPM System in Organisation

A very warm welcome in the course, Intellectual Property Management and Technology Transfer titled IPM System in Organization. Now, in this module we will try to understand, what are the different components of IP management and how exactly innovation management and IP management are related and how exactly it is placed in the organizational setup.

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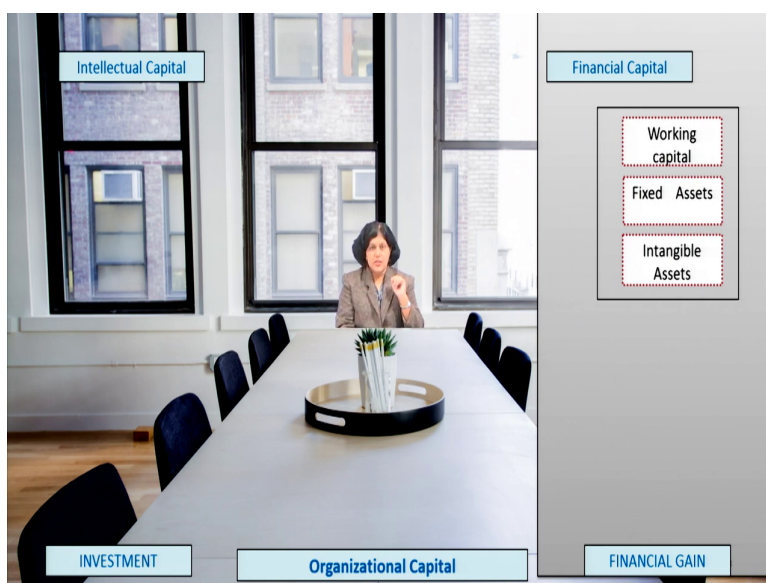
Now, when we are talking about a organizational setup, first just check that it is a organizational capital and it has two components like a investment and a financial gain. Then there are two more components like a intellectual capital and there is a financial capital.

Now, when we are talking about the intellectual capital, now when we are talking about this intellectual capital, you can see here six components. Now, what are the six components? There is a human capital, then there is a structural capital, then there is a relational capital, cognitive capital, conative capital and there is a affective capital.

So, this six capitals together forms the innovation capital and this is a we are talking under a intellectual capital, the title under which we are discussing this is a intellectual capital. So, this is all the capability of a human resource actually, it is one of the component of that.

So, we have included here; human capital, relational capital, structural capital, three main components along with that, three other like cognitive, conative and affective. And all these six components together are like forming that innovation capital. So, this is like an investment which is made by the organization.

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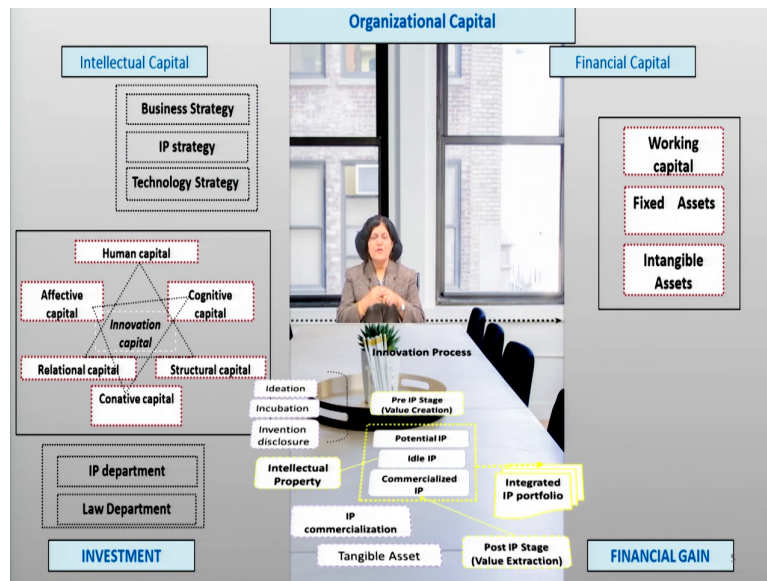


Let us see now the next component that is a financial component. Now, when we are talking about this financial capital, there are three components, working capital, fixed assets and intangible assets. Now, in that we have to just focus on mainly on the intangible assets. Working capital you understand, fixed assets you understand, we have to focus on intangible asset considering the intellectual property management system, whatever we are what is the focus of our course actually.

So, when we are talking about this intangible assets, as we have discussed in the earlier sessions in the first week that basic concept we have understood and we know that what are the different types of intangible assets in which intellectual property is one of the component.

I am just repeating it. So, that we will again emphasize that yes, intellectual property is one of the small component in the intangible asset ok. So, that intangible asset fixed asset and working capital together forms the financial capital of the organization.

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Now, further if you see that here you can check the process of a innovation. Now, when we are talking about a innovation. Generally, R and D is involved in that innovation activity as a traditional system, when we are looking towards the organization, our mind always says that yes, R and D is like involved in the innovation activities actually.

But frankly we have to just remember that this innovation process should be like a expected it is like a it should be overall organization is generally involved in that because you take a

marketing department, you take a manufacturing side of section of the organization or supply chain everywhere innovation is going on.

Supply chain innovation is going on, marketing innovations are going on, R and D is definitely that innovation is definitely going on. So, we have to; we will not just when we will see innovation, we have to just remember yes, it is a overall activity which is going on all over the organization. Now, how this innovation process starts actually?

So, there is idea generation and then there is a incubation of idea. So, when innovation process starts, so many ideas come and we know that out of general guideline or general observation is like that out of 10,000 ideas generally a few are selected for R and D and then that project starts in the actual kind of development related to that project starts.

So, incubation is that then after incubation that ideation, then incubation and then there is like a invention disclosure. Invention disclosure is a the standard word which is used when the scientist or a inventor who feels that yes something which is to be protected by IP is generated. So, it is a gauge of that inventor and he try to communicate that with the legal department or IP department as per the setup of the organization.

So, in R and D team the activity is going on the project is incubated and obviously, the project management is clearly planned activity and they know that when exactly there is a possibility of IP generation. And as soon as they feel in the department or if inventor feels that yes something which is capable of qualifying for patent is created is ready now or it is if it is a provisional, they know that ok in few months like 6 months or 12 months I am ready with that specifications then they will go for a invention disclosure.

That this details we have discussed in the course which is related to patent that what is provisional, what is complete specification. So, that details we have discussed in that course actually. But just please remember that when we are talking about a invention disclosure. This is the first step to communicate that yes something which is IP; something which is capable of IP protection is created.

So, that is what the end of we can say that small phase of the creation and further the process continues actually the project continues. And such kind of activities continuously going on and we know that in main one project probability is that there may be 10 patents, there may be 20 patents depending or more than that depending on the complexity or how exactly that project is operated. So, it depends on that actually.

So, it differs according to the project to project. Now, what happen? Once that invention disclosure is done. Then the process of IP protection starts and intellectual properties created, IP portfolio is visible now. So, you can say that yes, this many patents are created out of this project, this many trademarks are created out of this project, this many copyrights are created or this many industrial designs are created.

So, that way whatever that types of IP are there, which are applicable to that project will be generated when this project starts. Fine and if you observe here, it is shown towards the investment side because what happens that whenever we do this activity obviously, we are investing the budget is allotted to that kind of activity, IP protection, R and D activity and obviously it is a investment.

Now, you can just see here further, that IP commercialization is done. Now, when you go through this IP commercialization little shift is there. Now, what is the meaning of that little shift? That yes, now we are moving from investment towards the financial gain. Because when we will do the commercialization, when that IP is like used into some product or service whatever my offering is, whatever that organization is offering. What will happen?

That IP is like used in that product or service. And now it is ready to enter into the market and then obviously, once it enter into the market revenue generation starts, right. So, when this revenue generation starts from that IP we say that yes, IP is commercialized. And therefore, you can see the shift that from that intellectual property that IP commercialization is moving little bit towards the financial gain ok.

And now below that it is you can see it is like a tangible asset. Why? Because IP when it is in the thought process, when it is an innovation capital we have just seen under the intellectual capital that there is innovation capital, it is completely intangible in nature. Now, it is ok you found that something invention disclosure is there, you have written something on the paper, draft is created some little bit we can say the tangibly something black and white came on the paper, but still it is an intangible in nature.

Therefore, it is an intangible or intellectual property actually. And now that intellectual property is used in the product and you can see product. So, for example, if you have a mobile actually you can easily see that mobile, but in that mobile, there are 1000 patents involved.

So, mobile whatever the final thing we seen it is a tangible asset actually or in that sense actually or it is a tangible product which is created using that intellectual property that is created by the intellectual capital that is an innovation capital ok. So, just to summarize, I will just summarize this thing so that we can understand it very clearly.

We are just saying that ok there is a human capital relational capital, structural capital, cognitive capital, affective capital and there is a the conative capital this all together forms the innovation capital, this innovation capital then creates that so many ideas come in our mind out, of that idea, few are selected, incubation happened then there is an invention disclosure, after that intellectual property is created and then this intellectual property is commercialized.

Once that commercialization happen, the something in a tangible form you are able to see so, this is the first thing. Now, you can just see that when this process is started you have like a pre IP stage, then there is an IP stage and there is a post IP stage three stages are there. And there is a potential IP, ideal IP and commercialized IP now what is the meaning of that?

So, if you see before that invention disclosure it is a pre IP stage, nothing like IP protected, but yes it is going towards that. Once it is protected, it will go into the IP stage. And after that IP stage, IP is commercialized and it is like a commercialization you can put it into the post

IP stage. So, these three stages are there and at given time in the organization all these stages exist. And all these types of IPs that is potential IP, ideal IP and commercialized IP is there.

So, what is the potential IP? That yes, the project is going on something is there that is the IP is created, but still it is not protected ok. So, that is a potential IP. Once it is protected you say that yes, it is a ideal IP, ideal IP. IP is there, but it is a ideal it is not commercialized yet and then next is like a what happen, IP is commercialized. So, it is a commercialized IP. Now, this three together potential IP, ideal IP and commercialized IP together forms the integrated like IP that we call it as a integrated IP portfolio actually.

So, here all these three types of IPs are existing into the organization all the time. If IP system is working clearly, in a sense the processes are in place then there is a possibility of identifying that potential IP in time and protection and then the commercialization of that particular IP ok. So, when this innovation process and this IP process which is going on what happens, that integrated IP portfolio is created fine.

So, let us now see that ok, how overall the activity is going on? Let us summarize that particular thing. So, here what happens, just check out that we have a investment and then there is a financial gain. In the investment, we have seen that there is a intellectual capital and in the financial gain we have put working capital, fixed assets and a intangible assets ok.

Then we have seen that there is a IP department and a legal department in the organization. Now, what is the role of this IP department and legal department? Very important role when we are talking about a IP management. So, this is the way how innovation management and IP management are related actually and because of that the final outcome is like a integrated IP portfolio is created.

Now, let us summarize what we have seen under the organizational capital. So, if you see here, there is a we have seen two parts like investment is there, financial gain is there. Under investment there is a intellectual capital is there and in that innovation capital is there.

In financial capital we have seen that there is a working capital, fixed assets and intangible assets are there. And then who is taking care of the protection actually? The legal procedures whatever we have to do. So, there is a IP department and there is a law department.

Now, IP department whatever we have just seen that invention disclosure is submitted. So, when this invention disclosure is submitted most of the time it is a online process. Nowadays, nobody do this manual processing. Online process is there you have to give online submission of that form that will go to IP department. And this IP department will process it according to the guidelines decided by the department.

And what is the role of legal department? There are many contractual kind of documents are there, then the some licensing agreements, some service contracts and in that we are putting IP clauses actually. So, that all things will be taken care of a legal department ok. So, this IP department and legal department have a major role we can say in the protection of a IP.

And how exactly it works or what strategies are applied? So, we have to remember that business strategy is the main actually; it is a kind of important guideline for a other strategies of the organization right, because business strategy determines the objective vision mission of the organization.

Now, there is a strategy like a technology strategy is there, R and D strategy is there and there is the IP strategy is there. So, depending on that strategy the decisions are taken for the IP protection and we will discuss in upcoming modules that how these decisions are taken, what are the different parameters and how irresponsible and very tricky job it is actually or it is cumbersome you can say because many times selection of a invention disclosure with the right approach considering the future of that technology, that decision making is a very difficult actually.

So, that parameters are very important and obviously, the expert will do that very properly. So, that organization will get a benefit out of that IP protection ok. So, this business strategy,

IP strategy, technology strategy, R and D strategy all are in place to take care of a obviously IP management.

Now, next is like a this we have seen that how innovation process and IP management process is related? And how that integrated IP portfolio is created? Using this intellectual capital and it is moving towards the tangible product which will give the organization financial capital. So, this overall flow whatever we have seen that from this intellectual capital to the financial capital, right.

That is giving you that intellectual capability of the organization intellectual capital is used to create the financial capital and this whole process requires very defined processes. And if we see the IP management processes, we will see in a few sessions our next sessions we will see that; what are the different processes which are followed there are, 200 160 to 200 processes are there, which are followed for the proper IP management actually ok.

And this whole is kind of called is like a organizational capital. So, when we are talking about a organizational set; IP management in that organizational set up this is how it works that intellectual capital, then there is a financial capital, together forms the organizational capital investment is there and then there is a financial gain is there and the whole process of innovation and IP management is going on continuously.

And at any given time, you will find there is idle IP, there is a commercialized IP and there is a potential IP. So, this is all about the organizational capital organization, IP management in the organizational set up. So, with this we are coming to the end of this session and just try to understand and if possible if you are working in some organization or maybe you are in the academic set up actually.

So, please try to see that with such type of processes like invention disclosure process or IP innovation management process, whether it is followed in your organization just check it or what is your human capital, what is your structural capital? Just try to find out, whether in

your organization this what is your human capital; what is your structural capital and how this process is going on try to find out. With this we come to the end of this session.

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Thank you.