

The Intellectual Property Office - Brief

Protecting the marketing mix through intellectual property rights

Introduction

The Intellectual Property Office (IPO) is an official government body. It is in charge of granting intellectual property (IP) rights in the UK to help a business protect its ideas. There are several ways to protect an idea or product - through patents, design, trademarks and copyright. The IP of an iPod or a mobile phone with a 'cool' design could be greater than the value of the product itself. This study looks at how one technology company, Forensic Pathways, has used these legal safeguards to protect a new product.

The marketing mix

Bringing a product to the market involves the 4Ps of the marketing mix. This means having the right mix of product, price, promotion and place. Forensic Pathways:

- carried out detailed market research to understand its target market. This showed which features the product needed
- set a price backed by its IP protection
- used its expert knowledge of the market to promote its product
- selected the right channels to market knowing that the product was protected.

Product

Forensic Pathways created a new product called the Forensic Phone Analyse (FPA). It highlights patterns in mobile phone data for police and security firms. Its IP was not at risk during its development. However, it is important to protect an idea before it is launched to market. This is to avoid competitors copying it. Forensic Pathways protected its product with:

1. a patent for the technology
2. copyright for the software
3. a 'registered design' for how the product looked
4. a trademark for the name, brand and logo.



Price

A product's price is set according to the market. A low price can attract customers yet reduce profit margin. This is called market penetration. It is often used in competitive mass markets. Forensic Pathways' new product was aimed at a small specific client base. With IP protection, it had no direct competitors. This meant that a high price could be set. This is called skimming. This gives a good return on high development costs for the FPA.

Promotion and place

Above-the-line direct promotion, like advertising, is often used for mass-market products. However, the FPA is a specialist product. It mainly needs below-the-line promotion with more control. For example, it is shown to clients at trade fairs. The FPA also needed IP protection outside the UK. The World IP Office is setting up a global system to protect IP worldwide. A single registration of original designs gives protection of ideas across most countries. However, the laws enforcing protection of ideas vary from country to country. Good legal advice is still needed to deal with the risks.

Conclusion

Often as much as 75% of a business' value is in its IP. This includes knowledge, copyrights and brands. Many businesses can exploit their IP but still need to be aware of the risks. Ideas could be copied and the basis of a new product lost. This is why IPO's services are vital. IPO offers protection for new ideas and products. Without it businesses would need to be more careful about investing in new products and brands.

