

# The Intellectual Property Office - Summary

## Protecting the marketing mix through intellectual property rights

### Introduction

The Intellectual Property Office (IPO) is the official government body responsible for granting intellectual property (IP) rights in the UK. It can help a business protect its IP through patents, design, trademarks and copyright. Think of an iPod or mobile phone with a 'cool' design. The value of the IP rights in the design or brand could be greater than the value of the product itself. This study examines how one technology company, Forensic Pathways, has used these legal safeguards to protect a new product development.

### The marketing mix

Marketing is about producing the right product at the right price in the right way to the right customers. Forensic Pathways considered the '4Ps' of the marketing mix by:

- carrying out detailed market research to understand its target market and the features the *product* needed
- setting a *price* knowing it has IP protection against competitors
- using its specialist knowledge of the market to *promote* its product
- legally protecting the product, so it could *place* it within a specialised niche market.

### Product

Forensic Pathways created a new product, the Forensic Phone Analyser. This analyses large quantities of mobile phone data and alerts security investigators to patterns in the data. During its development within the company, its IP was not at risk. However, once a product is launched on the market competitors may try to copy it. Forensic Pathways knew that its product would only be profitable if it were protected with IPO's safeguards. It needed to:

1. patent the technology
2. claim copyright for the software
3. make the product's visual elements a 'registered design'
4. register the name, brand and logo as trademarks.

### Price

Pricing strategies depend on the market and on the product. Setting a low price attracts customers but may reduce profit margins. This is market penetration. It is often used in competitive mass markets. Forensic Pathways targeted a small customer base with a new product and no immediate rivals. This meant that a high price could be set, allowing the company to generate a realistic return on its high development costs. This is called market skimming. Having IP protection helped Forensic Pathways to achieve a competitive advantage.





## Promotion and place

For a mass-market product, above-the-line promotion, such as magazine advertising, may be appropriate. The Forensic Phone Analyser is a specialist product. It mainly requires below-the-line promotion, such as at appropriate trade fairs attended by key buyers. The company also wanted to target overseas markets. It therefore needed to protect the product worldwide. The World Intellectual Property Office is heading the development of a global system for protecting IP. Businesses may make a single registration of original designs, giving protection across most countries. However, the level of legal protection for IP varies from country to country. Forensic Pathways still needs good legal advice to deal with the risks.

## Conclusion

Typically, around 75% of a firm's value is in its IP, such as knowledge, copyrights and brands. Businesses need to exploit their IP, but also need to be aware of the risks. Ideas are easily copied and the basis of a new product could be lost. This is why the IPO's services are important. IPO offers protection for new ideas and products, without which there would be less investment in innovation and brand development.

