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IP Basics in 10 Easy Steps

Step 1 Keep your idea confidential!

Keep your smart idea confidential until it has been protected as a patent or design. If you do talk to others about your idea, engage a lawyer to draw up a confidentiality agreement and make sure all parties sign it. If you fail to do so, you risk losing your legal right to protect your innovation with IP rights.

Step 2 Understand the different types of IP and the advantages of each form

Patents protect inventions, design registration protects its look. A registered trade mark protects brand names, logos, original sounds and scents and aspects of packaging. You may want to rely on rights such as copyright or trade secrets, which do not require registration, to protect your innovation. Visit IP Australia's website for more options about protecting your IP, www.ipaustralia.gov.au.

Step 3 Make sure you have a market – conduct some market research

Every business needs to research its potential market and understand its likely consumers, buyers, licensees, investors, manufacturers and distributors. Doing this will help you work out your per unit cost and should give you a basis to see if your product or service is competitive.

Step 4 Use the IP system to protect your IP

Protect your innovation, design or trade mark by using the IP system. Visit IP Australia's website and seek professional advice from a patent or trade mark attorney sooner rather than later.

Step 5 Build a prototype of your innovation

Build a model of your invention, where practical, to help prospective financial backers visualise your idea and its market potential. Remember; don't let anyone see it unless they have signed a confidentiality agreement first. Also, if you have an invention, don't seek money in relation to that invention before lodging an application for patent protection. A 'commercial use' of the invention prior to applying for a patent may invalidate a patent application.

Step 6 Keep track of all costs associated with your innovation

Keep track of your development and protection costs to help you put a value on your IP. This will give you an idea of how profitable your venture needs to be to recover your costs.



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Step 7 Make money from IP – sell it, license it or manufacture products and deliver service yourself

There are various ways of profiting from your IP. You can sell it, license it or do it yourself. In some cases, it may be more profitable to outsource manufacture. If you do decide to outsource, seek legal advice to make sure that your IP is secure and the appropriate contracts are in place.

Step 8 Incorporate your IP into your business plan

Your business probably relies on your IP so it is important that you integrate your IP into your business plan. By doing so, your business plan will be more attractive to potential financiers.

Step 9 Value your IP

Treat IP as a business asset by putting a dollar value on it just as you would your tangible assets. Seek advice from an accountant.

Step 10 Watch out for infringers

Keep an eye out for infringers as they can erode your hard-won market share. Poor quality imitations will also ruin your brand reputation. If you believe your products are being infringed, seek professional advice from a lawyer or a patent/trade mark attorney.

Who can help?

IP Australia cannot give you specific advice about your innovation and your business, however, we provide web based information, products about protecting and profiting from your IP and application kits for patents, trade marks and designs. Contact IP Australia on 1300 65 1010, visit one of our state offices, or visit our website www.ipaustralia.gov.au

IP lawyers, patent and trade mark attorneys can provide professional advice and tailor an IP protection and commercialisation plan to suit your particular business needs.

Disclaimer:

This information is intended to help the reader gain a basic understanding of some IP principles. It is not designed to provide legal, business or other relevant professional advice. IP Australia recommends that you seek independent legal, business or other relevant specialist advice.

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