Creating Business Assets From Your Ideas

How intellectual property gets created in your business
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**Introduction**

We live in a world of continuous improvement. To remain competitive, your business is likely to be innovating all the time: whether by launching new products and services, improving your manufacturing or production techniques, or making other improvements to the operation of your business.

Whenever you invent or create something new, you’ll almost certainly be generating new ‘intangibles’ - non-physical things that may become assets you can use repeatedly (without wearing them out). This is just as true for retail and service businesses as it is for high-tech firms and university or research institute ‘spin-outs’.

Just as your company should understand and value the intellectual property (IP) you already own, you should also have processes in place to identify all the new things you produce and think about how you should be protecting them. This is vital because if you don’t take timely action to safeguard an asset that could be protectable as IP, you can lose the ability to do so.

This guide examines what you should do when you come up with a new idea, a new name, a new invention or a new creative work that may be useful for your business. It examines how you can assess your new asset to work out whether it is any good; and if it has the potential to be valuable, the key steps you should take to protect it.

Produced by IPOS International, these intellectual property management (IPM) business guides aim to deliver a suite of IP solutions for enterprises based on industry best practices. As the expertise and enterprise engagement arm of the Intellectual Property Office of Singapore (IPOS), IPOS International helps enterprises and industries use IP and intangible assets for business growth. Some of these engagements may be eligible for Enterprise Singapore (ESG) funding, such as the intangible asset audit and strategy development aligned with business goals. IPOS International’s business portal [www.iposinternational.com](http://www.iposinternational.com) also contains case studies and videos of enterprises leveraging IP to gain a competitive edge in their innovations. Should you have questions on IPM matters or wish to speak with our Intellectual Property Strategists, do email us at [enquiry@iposinternational.com](mailto:enquiry@iposinternational.com) or call [+65 63308660](tel:+65%2063308660).
The importance of protecting your ideas
Why should I worry about things I haven’t developed or sold yet?

In the early stages of creating your business enterprise, your company’s most valuable property will have been the ‘big idea’ (perhaps an invention or way of doing business) around which it was built. Over time, the way you implement your idea will need to change to respond to market developments, and you will create new things to offer to customers. To grow in a sustainable manner, you need to look outwards to determine what your market wants next—and inwards to be aware of the ideas and inventions you are building.

Whether you operate in a hotly contested market with many close competitors, or you have managed to create some ‘clear blue water’ between your offerings and those of rival companies, your customers always have a choice of whether to buy your products or services (they might be content not to buy anything from anyone!). It’s therefore very important to be aware of what your competitors are doing, and not to define ‘competition’ too narrowly.

In today’s globalised markets, standing still is not a viable option. If you stop innovating and just carry on with ‘business as usual’, competitors will overtake you and eat away at your market share. Typically, they will do this by working out how to exploit new emerging markets that you could have owned; they will discover how to do what you currently do quicker, cheaper or better; or they will simply be more adept at working out what the market wants next.

With this in mind, it is important to embrace the idea of continuous innovation—introducing new ideas, new products/services, new designs, new brands, new copyright-protected content and new inventions all the time, to keep you ahead of your competition, and protect and grow your market share.

Intangible assets and particularly intellectual property (IP) are central to this process of innovation. These are often the things that separate a commercial success from a ‘flop’ and give your inventiveness and creativity a sustainable future.

How can I innovate when I am ‘running to stand still’?

Small business owners are subject to many different pressures—to the extent that innovation may seem like a luxury that only other, larger companies can afford. Since ‘standing still’ is not an option, the secret is to have a good method in place for rapidly prioritising improvements that will make a substantial difference.

“... continually innovate to keep up with the competition. The advances you make should be protected as you develop them.”
Always be on the lookout for the opportunity to protect your proposed innovations.

Every organisation, regardless of its size, needs to have focus (one reason why multinational corporations tend to set up different divisions to concentrate on particular products, technologies or market sectors). The smaller your enterprise, the more closely connected your strategy, marketing and operations are likely to be. This can be a big advantage, as you should find it far easier to say a conscious ‘no’ to new ideas that don’t fit with your vision of the company’s future.

The hardest part lies in making sure that something which seems like a good idea actually is! Most critically, if you want your business to be differentiated on anything other than lowest cost provision, you will need to consider whether other people are already implementing ideas that emerge from your trading activities and any in-house development work in which you are engaged. This means taking an interest in IP.

The following chapters of this guide are intended to assist you, even if your resources are scarce, by having a way of thinking about your investment in ideas from an IP perspective. It is important to make sure that new ideas which could make a difference to your company do not leak out before you have had a chance to give them proper consideration. Losing the possibility of obtaining future protection through ignorance or carelessness can prove to be a very expensive mistake.

If you want to prevent others from putting your idea into practice in the same way you intend to use, seeking proper protection should be on top of your priority list. In this case, the IP system should be your first port of call. You may also need to make checks to ensure that someone else does not have the power to stop you from pursuing your commercial objectives.

SUMMARY

The following list highlights guidelines to bear in mind when looking to maintain your competitive advantage with IP:

- Understand your company objectives
- Understand the influences over your market
- Understand how any existing IP relates to your business model
- Find the most favourable spaces to innovate
- Generate ideas on how to capitalise on gaps in the market
- Secure the rights you need to take advantage of these opportunities
Capturing new ideas
2. Capturing new ideas

What rights does a company have to the ideas its employees come up with?

If you’re responsible for looking after ideas that are being developed internally within your business, there’s one golden rule at the outset: make sure your company owns them! The law sets out certain basic principles, but your employment contracts are a vital component in providing the control a business needs.

In general terms, inventions and creations that an employee comes up with in the course of working for your business belong to your company, not to the individual. As explained in the following section, it is good practice to ensure that these are captured in writing or recorded in another appropriate way at the earliest opportunity. In this way, an idea that is set out in any fixed form creates a copyright asset, which by default belongs to the employer.

This does not give you rights over everything an employee does or creates. If, for example, one of your team writes and publishes a bestselling novel in their spare time, this is by default their property, not yours. However, there can be a grey area when it comes to inventions or creations that an employee comes up with in their own time, especially if it is not clear whether these have involved use of the company’s resources.

The best way to deal with such circumstances is to make sure that your employment contracts clearly define the sorts of activity that would be considered to be part of someone’s job. In brief, these documents should also have a clear definition of all the types of intellectual and intangible assets an employee might come up with, and which the company would consider to be its property. For invention-intensive environments, it may be a good idea to provide these as an employee handbook for ease of reference.

Further information on employment contracts and how they should be formulated is contained in an accompanying guide—Managing Your Most Valuable Assets.

If you are developing ideas collaboratively with other organisations (such as universities, research institutes or other businesses), there will be additional steps you need to take in order to agree on ownership of the assets that you bring to the table (known as ‘background IP’) and the assets that are created as part of your collaboration (known as ‘foreground IP’). A guide on Partnering For Commercial Advantage, also part of this series, tells you what to look out for under such circumstances.
2. Capturing new ideas

How should I capture ideas the team has come up with?

Whilst most commonly used in large companies, a business of any size can benefit from a documented process for capturing new ideas. The approach most frequently used is to require your team member to fill in a ‘invention disclosure form’ for each new idea they generate.

Having each idea presented in a consistent and uniform way, with the important details all held in one place, allows the potential invention to be efficiently assessed, compared with other inventions that have been presented, and prioritised accordingly. It’s especially useful if there is a chance the idea might be patentable, as it can form the basis for a patent agent to draft a specification.

Invention disclosure forms are intended to capture the ‘essence’ of a current or proposed invention, and why it is novel and inventive. Most of such form templates contain the following sections:

- The problem the invention solves.
- How the problem is currently being solved (what is the competing technology, and what is wrong with the current solution?).
- The new solution: what the invention is. This should include enough detail for a skilled person to understand it. It may contain a number of figures or drawings.
- What stage the invention has reached.
- Any prior art searching that has been performed (there may well have been none at this point).
- Who invented it (names and nationalities).
- Who else knows about it. This covers any disclosures that have taken place and whether they have occurred under an NDA or whether they are relying purely on an implicit understanding of confidentiality.

Depending on your line of business, there may be other items of information that you would consider particularly important. The key point is that the form should contain enough information to help you evaluate any given invention or creation, and identify the next steps necessary to protect the idea and commercialise it.

Information on prior art searching and other ways to determine what competing offerings are already in existence is contained in another guide in this series, ‘Knowing Your Competition’.

“An invention disclosure form is a useful way to capture new ideas, especially if there is a chance they could be patentable.”
If you have produced a new and original creative work, then you will automatically have copyright protection once it is ‘memorialised’ by recording it in some way. However, you need to give some thought as to how you will ensure you can prove that this work is your creation if it is challenged, or if something very similar appears on the market.

As soon as you produce a new piece of music, a new literary work, write code for a new ‘app’, paint a picture or take some new photographs, you will automatically have a new copyright protected piece of intellectual property, at no additional cost to you, and with no need to register it anywhere. This right applies as long as you have not copied anyone else and the work required some intellectual effort to create (which it almost certainly will have done).

If you produce something in this way that turns out to be very popular, there is a strong chance that you will be copied. Similarly, you might find yourself open to accusations that you have copied somebody else’s work. In either case, the key criteria that a court would consider is whether actual copying has taken place (did the alleged infringer have access to the other person’s work? Are there substantial similarities between the distinctive aspects of the two works?), and whether there is sufficient evidence to prove the act of origination.

Whether you are the accuser or the accused in such a situation, you will need to show that you came up with the work yourself and prove the creation date. To do this, it will be important to be able to show your workings, including early drafts of the work, if these exist. It is therefore good practice to keep all your rough sketches, drafts or plans securely, preferably in signed and dated form.

It’s worth being aware that some neighbouring countries, including China, Malaysia, Thailand and Indonesia, operate voluntary copyright registers that are officially sanctioned, as do India and the United States of America (US) (there is no equivalent in Singapore). If you need to enforce your rights, it can sometimes be helpful to record your work with them (though the mere act of registration often does not grant any additional rights as such). This is generally best done as soon as possible after the point of creation.

Know-how generally starts as something only known by one or two of your employees. If it stays in their heads, it cannot truly become company property or be reliably passed on to new recruits. The best solution is usually to document it as soon as you become aware that it exists.

For these purposes, it is easiest to think of know-how as being specialist information that may not be unique to yourself but is not well known. You may identify know-how when one of your employees while manufacturing your product, finds a little ‘trick’ that improves yield or performance. Once discovered, your employee will do the same thing regularly, and it will become part of their standard operating procedure.
2. Capturing new ideas

If it is important enough, you might consider trying to protect this new method in a patent, or decide it would be best regarded as a trade secret. Even if it is not important enough to justify such special treatment, you may still consider it worth adding to operating manuals or training materials, so new recruits can be made aware of it. In this way, it becomes clearly identifiable as an asset that the company owns and uses.

The difficulty with know-how is spotting it. If you are not looking out for know-how, or if your staff do not realise what it is, then it is unlikely to be captured or written down. The risk is that if the employee who discovered it leaves, the know-how leaves with him/her (and he/she might take it to a competitor who will then benefit from it).

Why do I need to keep my ideas secret?

Your plans, ideas and thoughts should be kept secret until they have been fully assessed. If there is the possibility of obtaining a patent or registered design, you’ll need to maintain secrecy ideally at least until an application has been filed. If you decide not to file for protection, you’ll probably want to keep it secret anyway!

From the moment your company has a potentially innovative idea, it is imperative that the idea or concept be treated as a secret. This secrecy must be maintained at least until the idea has been fully assessed and you have decided whether it is valuable (and if you like the idea, then for much longer).

It is especially important to protect any idea that is potentially patentable or could be covered by a registered design. If it enters the public domain before your application is filed, in Singapore it will no longer be regarded as novel, and you will not be able to protect it.

Also, you do not want your suppliers, customers, or most of all your competitors to find out what you have discovered, at least not until you have the opportunity to bring it successfully to market. Otherwise, your ‘first mover advantage’ will be lost.

To minimise disclosure risk, the idea itself, including any technical drawings, experimental results, patent/trade mark searches that you have performed, and any other analysis you have done, should all be treated as a trade secret.
How do I keep my new ideas secret?

"Limit access, label everything, and be very clear about what anyone who needs to see sensitive information is allowed to do with it."

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<thead>
<tr>
<th>1.</th>
<th>The first step is to restrict access to the information. Trade secrets should not be widely known even within your organisation, should only be disclosed on a 'need-to-know' basis, and not based on the grade of the employee. As with formulae, recipes and the like, invention disclosures and their supporting materials should not be kept on intranets, shared company drives or other locations accessible to all the organisation. You should consider using encryption for electronic data, and keep paper copies under lock and key.</th>
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<td>2.</td>
<td>The second step is to label the information as secret. Ensure that any documentation detailing the trade secret is labelled 'Secret' or 'Strictly Confidential' so that any recipient is in no doubt that you consider it to be sensitive and confidential.</td>
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<td>3.</td>
<td>Lastly, you should agree with recipients what they are authorised to do with the information. This should ideally be in writing; if the party is external to your business, it is most often accomplished by the signing of a non-disclosure agreement.</td>
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In all cases, it is important to state the purpose for which the information can be used (and what it cannot be used for). More details on the use of non-disclosure agreements are contained in the accompanying guide in this series—Managing Your Most Valuable Assets.

How do I get my company onto the same page?

"Find ways to incentivise your team to deliver a flow of new ideas, and they won’t usually disappoint."

Knowledge Management (KM) is an important tool for staff at all levels of an organisation. Making sure good ideas get properly recorded, heard internally and are not leaked to the outside world is a cultural as well as a procedural issue.

Smart use of corporate know-how and IP can deliver substantial benefits in improved organisational performance. Whilst particularly critical for R&D-intensive enterprises, many businesses can create new IP at almost any time—and if they are not careful, they can lose it just as quickly.

Your whole team needs to be motivated to help your business grow by observing the right procedures to protect your competitive advantage. However, your staff will also need to be trained. While it may be clear to a member of your technical team that a particular feature is highly sensitive, it may be less obvious to your sales force when they are trying to close deals!
2. Capturing new ideas

There are several techniques successful companies adopt to manage this process.

1. There are several techniques successful companies adopt to manage this process. One is to hold regular reviews of the new product development or R&D pipeline, which helps the teams responsible to understand what is being taken forward and why some ideas may be receiving less priority (so as not to be demotivated when nothing seems to be happening).

2. Another is to brief at a whole company level, providing feedback on new IP that has been discovered or developed and which is helping the business achieve its objectives.

3. A third method is to build a specific incentive programme around business improvement suggestions and contributions. As well as rewarding best practice, this provides regular opportunities to remind the whole team that innovation matters—and that successfully innovating involves keeping secrets confidential until the right time. Chapter 4 of this guide provides information on ways to do this.

SUMMARY

It is important not only to keep your new ideas secret, but to document them internally so that they can be tracked, managed and assessed. The following list summarises the main points to bear in mind.

- Capture new technical ideas on an invention disclosure form
- Keep your workings and proof of creation date for creative works
- Be continually on the lookout for the new know-how and document it
- Keep your new creations and inventions confidential
Evaluating new ideas
3. Evaluating new ideas

Once you have captured new ideas, the next step is to consider which ones should be progressed, and of these, which ones require further measures to protect them. A robust assessment procedure should be in place, to ensure all ideas get fair and comprehensive treatment.

The inventors or creators themselves have an important role in this process. They may require support to ensure they have sufficient IP knowledge, to make them aware of not only the general concepts of IP protection but also the easiest ways to make enquiries about ‘prior art’ (any similar things that are already in the public domain). In this way, you will enable them to focus their efforts in areas that could be beneficial to your company (and reduce the risks that they will inadvertently have ‘re-invented the wheel!’).

The first point of contact when a new invention or creation is apparent will normally be the line manager. They play an important role in ensuring that staff creativity is directed in line with the company’s objectives, and so may be well placed to determine whether the idea is suitable for further investigation and checking. In a small company, this may be the optimum solution.

However, as a company grows, IP management and capture processes should ideally be driven, and actively encouraged, by a small internal group responsible for IP and innovation. As well as understanding what the protection process involves, its representatives should be close enough to the company strategy to understand what areas of IP development would be most valuable.

Whoever takes responsibility for the assessment process needs to take into account market forces, current trends and activities of your competition. Most importantly, the personnel in charge needs to adopt a level-headed view of the commercial prospects for any idea. If an invention cannot currently be turned into an innovation—in other words, something that has a real impact in the market—then it should not necessarily be dropped, but care should be taken in prioritising it.

The summary at the end of this chapter provides a flowchart that you can consider using as a template for evaluating more technical ideas.
How should the commercial opportunity be considered?

The unfortunate fact is that only a small proportion of all the rights that are obtained by inventors ultimately lead to commercially successful innovations. It's widely reported, for example, that only 5% of all patents have substantial value. There are a number of ways in which you can improve these odds: one of them is to weigh up the costs and timescales of protection against the scale of the market opportunity being targeted before you apply.

Ideally, you will wish to create and review a mini-‘business plan’. Typical headings for such an exercise include: what the invention or creation is; why it would make a difference; how it fits with the company’s strategy; where it would be deployed which resources would be required to implement it; how much it would cost; and the net benefit you expect it to generate.

“If an innovation looks promising, a plan will need to be drawn up to confirm that the investment required is worth making”

The last of these points (which might be measured in terms of income or cost saving) is the most important of all. It will require analysis of the external market opportunity to come up with a realistic answer.

The way in which this planning is done varies by organisation. In some companies, the inventor or creator is invited to put forward their own analysis of where the new asset fits within the market and the company’s offering. In others, the inventor’s job is purely to come up with the ideas, not to worry about which ones should be implemented and how. In either case, the invention disclosure process (described in the previous chapter) should provide a good starting point.

The level of detail should be ‘right-sized’ and determined by the nature of the proposed innovation. If it relates to a useful but incremental development of something that the company already does, then it may be sufficient to conduct a cost/benefit analysis to confirm that the change is worth making. If, on the other hand, it opens up a new area of opportunity, substantial market research may be required to identify all the advantages that could be delivered, and hurdles that must be overcome, to get comfortable that it is worth implementing.

Whatever level of detail is felt to be necessary, it will still be important to ensure that searches are conducted where necessary, so that you can be confident that introduction of the innovation will not cause you to infringe another company’s IP.

Searching IP databases is covered in more detail in an accompanying guide—Knowing Your Competition. The following sections therefore concentrate less on where and how you should look, and more on the principles you should consider when you have gathered the information.
3. Evaluating new ideas

Initially, all your ideas and inventions start as trade secrets. Deciding whether to keep them as a secret, or put them into the public domain in exchange for a state-backed monopoly offered by a patent, is a strategic decision. The correct choice will depend on the specific circumstances.

If you are dealing with technical material, the biggest decision, in IP terms, is whether to apply for patent protection. Keeping information secret has a number of advantages over disclosing it, but some important drawbacks too. Here, some of the key advantages and disadvantages of patenting are set out for your consideration.

The main advantages of a patent are:

1. **Ease of licensing.** Being a written formal legal document, a patent is straightforward to license to another company. Licensing a trade secret is more problematic, as the company owning the secret has to reveal it to the licensee, and then has much less control over how the information will be controlled and protected.

2. **Freedom to operate.** Obtaining a patent yourself requires information to be published. This should ensure that someone else cannot obtain a similar patent themselves, even if they can work out how your invention works. Without a patent, if someone else did, you may still be able to use your secret through prior use rights, but would not be able to license any rights you have to a third party. Of course, improvements may be patented as long as they are not covered by an existing patent and meet patentability criteria.

3. **Financial benefits.** Obtaining patents (and confirming that your technology is novel and inventive) is a prerequisite for obtaining investment in many hi-tech markets. Patent ownership can also attract tax concessions in a number of countries.
The main disadvantages of obtaining a patent, compared to keeping your innovation secret, are:

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<th><strong>Information control.</strong> To obtain a patent, you have to reveal how to work your invention in detail. This provides competitors with vital intelligence on your business and lets them estimate your costs and processes. It might also provide competitors with the information they need to improve upon or work around your invention.</th>
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<td>2</td>
<td><strong>Term.</strong> The maximum lifespan of a patent is normally 20 years from filing, and it will often take some years to bring the invention it protects successfully to market. By comparison, a trade secret has the potential to last indefinitely.</td>
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<td>3</td>
<td><strong>Cost.</strong> Obtaining patent protection in multiple countries is costly, whereas maintaining a trade secret can cost very little if appropriate processes are put in place.</td>
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<td>3</td>
<td><strong>Uncertainty and limited scope.</strong> It is not always possible to obtain patent protection owing to all the conditions that your application must fulfil. If you attempt to obtain a patent and it is published but not ultimately granted, you will be left without patent or trade secret protection – your idea is essentially in the public domain and free for everyone to use.</td>
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<tr>
<td>3</td>
<td><strong>Geographic scope.</strong> It is seldom practical to obtain patent protection in all possible territories. In countries where no patent protection is in place, competitors are allowed to read your published patent application, make your invention and sell products incorporating it.</td>
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Patents can contribute very substantially to business value and it is one of the means of countering competition. They can also be very helpful when raising finance. However, you need to be confident that you have something patentable before you embark on the journey, because once you pass a certain point, the opportunity to maintain secrecy will disappear.

**What about distinctive styling I can protect with design registration?**

**Design registration can be very useful, especially for companies whose creativity is manifested in distinctive three-dimensional objects that are offered for sale in volume. It is a relatively inexpensive form of protection, but it is wise to be aware of its limitations.**

This form of IP protection is sometimes overlooked because it only protects the external visual appearance of a two or three-dimensional object, rather than how it performs a particular function. You cannot use design registration to protect internal workings, for example.
3. Evaluating new ideas

However, having a recognised right to use a particular form of styling can be very helpful if you ever want to license other parties to make goods featuring it. Also, since designs are renewed in five-year periods (usually for a maximum of 15 years in total), you do not have to keep paying for the protection unless you are actually benefiting from it.

"Design registration is worth considering for styling that you expect to stay consistent over an extended period."

Is my new trading name protectable?

One form of innovation that is sometimes overlooked relates to the way you brand your company and its products and services. Names can accumulate substantial value over time, so it is important to consider whether you are free to use them, whether you can protect them, and whether they can grow with your business.

If you have a new name that you are considering using for a new product or service, or you are looking to re-brand an existing product or service (or even change your corporate identity), then you need to consider whether the name is a good candidate for trade mark protection. There are a few specific things you should consider.

"As well as confirming trade mark availability, check translations of your names in different languages."

1. Firstly, are there any absolute grounds that may stop you obtaining a trade mark? For example, is the name descriptive of the product or service that will be sold? Is the name actually quite generic, and so needs to be available for everyone to use (does it lack distinctiveness)?

2. Secondly, is anyone else using a similar mark to advertise similar goods or services? If so, not only may it be impossible for you to get your own trade mark, but you may also infringe their rights if you use your new name. An accompanying guide, ‘Knowing Your Competition’, sets out the details of how you can search databases to find out. Checking national databases of company names, as well as trade mark registrations, can also give you important clues as to whether objections are likely.
| 3. | Thirdly, *does your new name mean something in a foreign language?* Would it have an unintended meaning (there have been some famous examples of even global brands coming unstuck in this way) and/or would it be descriptive of your product or service in another language? If so, is this alternative meaning well known in your home market, or is there a chance you may wish to launch your product/service in a territory where this language is spoken? If so, you may need to pick a different name. |

| 4. | Lastly, are domain names for the name available for registration? If any domains for this name are being used, even if you do not want to use them yourselves, what sorts of products/services do they advertise? Do they point to competing sites? If so, some of your customers may end up visiting the wrong site by mistake, costing you sales. |
3. Evaluating new ideas

SUMMARY

The following flowchart provides an overview of one of the possible process flows suitable for use by organisations that are larger or that need to deal with a high throughput of ideas. In a smaller company, the same principles can generally be applied but may be implemented by a line manager or senior manager rather than by committee.
Encouraging new ideas
4. Encouraging new ideas

Whether your business is large or small, good ideas can come from any direction. However, it’s likely that many of the suggestions for ‘bottom-up’ improvements will come from employees who are not in senior management positions. To encourage new ideas that lead to IP rights, it is important to have a positive culture towards change.

Since IP is, by definition, an intellectual creation (i.e. created by someone’s brain), the more brains you have at your disposal, the more ideas are likely to arise. However, the more people and ideas there are, the more complex both can become to manage.

One way to think about this challenge is to view it as a cultural one. In a company that is geared towards innovation, you will want to encourage the widest possible participation in business improvement. You have to accept that not all the contributions you receive will be of high quality, well-formed or practicable, but work on the basis that in every batch, there will generally be one or two ‘nuggets’ that can make a potentially substantial difference.

Based on the resources you can make available for assessing ideas you receive, you can decide whether it makes more sense for the ideas to be submitted in quite a basic form, or in more detail. For in-depth submissions, you may wish to refer to the invention disclosure process set out in Chapter 2 of this guide.

The difficult part is to ensure that the large number of ideas such a process will invariably reject does not stifle the flow of ideas because staff become demotivated.

The first principle is that it is important not to kill ideas at their source – you will want to encourage the sharing of ideas that may, at first, appear somewhat crazy, eccentric or outlandish. Having a ‘no bad ideas’ regime, in keeping with a key principle frequently used in brainstorming, may help to give your employees a free rein to their creative side.

If, after examining the idea, it is decided that it is not viable (or it is viable but not going to be pursued for budgetary or other reasons), then it is particularly important to feed this back to the inventor/employee as fully as possible. The feeling that an idea is being ignored is more likely to demotivate an employee from making future contributions than anything else.
In some cases, invention or creation may be an everyday part of someone’s job and expected of them. It is important to remember that good ideas can come from anywhere; an incentive scheme for new ideas is a popular and well-tried route to harvest the best ones.

Incentives to generate ideas can take many forms, and may not necessarily be financial. Staff like to be recognised for the contribution they make, and a plaque or trophy can be a suitable way of saying ‘thank you and well done’ to an employee that has contributed an idea that has been successfully protected and/or implemented.

It’s possible to channel the suggestions you receive towards solving particular business challenges, and a visible award is particularly appropriate if the winning proposal has been received in response to a specific ‘call for ideas’. However, some care is needed to ensure that targeted competitions like this do not invariably give a small subset of employees an unfair chance of winning.

Incentives can also be financial. Since the main benefit from implementing an innovation will initially accrue to the business rather than the individual, it is helpful if some recognition is provided to an original creator or inventor, even if it is not directly proportional to the amount the company has received or expects to generate in future.

Financial incentives do not necessarily come in the form of cash. It is sometimes possible and advisable to use shares in the company as a means of thanking staff for particularly important contributions. Consistent with the longer-term nature of share ownership, it makes sense if schemes like this are linked to strategic improvements and initiatives rather than short-term tactical gains, to avoid sending the wrong message.

One of the most extreme forms of incentive for innovation happens when an idea is so interesting that it has the potential to spawn a whole new company. This can happen in the corporate environment but is more commonly found in academia. Whilst the idea has normally been realised with the benefit of the university’s or research institute’s resources, it is common for the lead inventor to obtain an equity stake in any ‘spin-out’ venture that is subsequently formed to exploit the technology concerned. This is seldom an equal split—for example, shares generally need to be kept back to support fundraising activities—but should be at a level where the inventor that best understands how the underlying science or technology works has a significant stake in future success.
Finally, you should be aware that in some countries, most notably Germany, the inventors on patent applications have a number of rights. If you have employees in Germany who may invent something useful for your company then you should investigate the laws around this area in more detail.

**SUMMARY**

The following flowchart summarises some of the main points from this chapter that may help you to visualise how to implement an idea generation strategy in your business.
Where do I get help?

05

GETTING RIGHTS GRANTED
IPOS : www.ipos.gov.sg/resources

GETTING PATENTS RIGHT
• Patent search and examination
  (for both national and international
  PCT applications)
• Patent analytics
• Customised search services

DEALING WITH DISPUTES
IP Legal Clinic (IPOS) : www.ipos.gov.sg/e-services

FOR INFORMATION AND ENQUIRIES
Website : www.iposinternational.com
Email : enquiry@iposinternational.com
Telephone : +65 6330 8660

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