

# LES-Arab Countries Newsletter

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Under the patronage of Bahraini Minister of Industry and Commerce and Presidency of LES-AC Chairman Talal Abu Ghazaleh

## Licensing Opportunities Forum 2010 Inaugurated in Bahrain



Dr. Talal Abu-Ghazaleh, LES-AC president and Chairman and CEO of Talal Abu-Ghazaleh Organization (TAG-Org) stressed on the need to develop laws and policies related to licensing and technology transfer in the Arab countries

In conjunction with the Bahrain World Economic Summit (BWES 2010), the "Licensing Opportunities Forum 2010" organized by the Licensing Executives Society – Arab Countries (LES-AC) was inaugurated in November 23, 2010 under the patronage of HE Dr. Hassan Fakhro, Bahraini Minister of Industry and Commerce.

In his speech, HE the Minister congratulated LES-AC headed by its President Dr. Talal Abu-Ghazaleh on organizing the Forum in Bahrain which is considered the first of its kind in the Middle East that tackles Licensing, Intellectual Property and Technology Transfer, the main factors in strategic alliances and joint international projects.

"We are also proud of our partnership with the Licensing Executives Society – Arab Countries and we urge them to continue their excellent work and effort in providing a suitable environment for technology transfer and business development through their significant role in raising the level of knowledge and building human capacities in the fields of licensing, intellectual property rights and technology transfer," the Minister addressed the participants.

From his part, Dr. Abu-Ghazaleh, LES-AC president stressed on the need to develop laws and policies related to licensing and technology transfer in the Arab countries saying: "This will facilitate and organize the process of technology transfer and guarantee the rights of both licensor and licensee."

Dr. Abu-Ghazaleh highlighted the role of the Arab States Research and Education Network (ASREN) which is considered "the main step towards supporting the information technology infrastructure specialized in research and education in the mediterranean area in the electronic science field in the Arab countries.

Dr. Abu-Ghazaleh also tackled the major problems encountered by the Arab countries in marketing technology such as weak financial support in both public and private sectors to support scientific research and spread awareness in the Arab countries.

# Regional News

Meanwhile, Mr. Abdul Rahim Naqi, secretary general of the Federation of the Gulf Cooperation Council Chambers (FGCCC) expressed his happiness in taking part in the event saying: "We are certain that the Forum will achieve its goals in facilitating technology transfer and developing businesses through licensing and locating international partners and agents, in addition exchanging information on the best mechanisms in providing communication opportunities locally and internationally in order to accelerate the pace of technology transfer and economic development in the Arab countries according to national needs."

Meanwhile, Dr. Abdullah Najjar, president of the Arab Science and Technology Foundation, stressed on the need for new initiatives and programs in licensing and investment in technology to serve social and economic development saying: "Licensing is one of the major players in investment, scientific research and technology development and I wish this Forum would become an annual event in which several successful initiatives will materialize."

Dr. Saleh Hashem, secretary general of the Association of Arab Universities focused in his speech on the importance of developing scientific research in universities adding that: "This Forum comes just in time when the Arab world is witnessing a significant growth in various industrial and commercial fields as the demand arises to search for ways to diversify its economy."

A host of experts in the field of technology transfer, licensing and intellectual property took part in the event from various

countries around the world representing both governmental and private sectors, universities and research and development centers.



Keynote speakers

LES-AC is organizing the second annual "Licensing Opportunities Forum (LOF)" to assist the developers and owners of new technologies in the Arab Countries, in promoting and marketing their technologies available for licensing, as marketing the technology locally and internationally amongst the most important problems facing the owners and developers of technology.

For more information about the forum, and sponsorship opportunities, Please visit our website [www.lesarab.org](http://www.lesarab.org), or call us at:

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## 'Essential Principles and Tools for Licensing' Course



The Licensing Executives Society - Arab Countries held a specialized training course entitled **"Essential Principles and Tools for Licensing"** in cooperation with the Support to Research and Technological Development and Innovation Initiatives and Strategies Program (SRTD)

The Licensing Executives Society - Arab Countries held a specialized training course entitled "Essential Principles and tools of Licensing" on September 26 – 30, 2010 in cooperation with the Support to Research and Technological Development and Innovation Initiatives and Strategies Program (SRTD) in Amman, a program funded by the European Union and aims at increasing Jordan's scientific and technological capacities through the promotion of research and innovation and linking them to the private sector, accelerating the integration of the Kingdom in the field of European research and contributing to the economic development of Jordan. The program included the establishment of offices in a number of universities and research centers in Jordan for technology transfer.

The course lasted for five days and was attended by a number of officials from the technology transfer offices. The course has also received significant interaction of the participants, as said course aims to provide participants with basic information regarding rules and bases of Intellectual asset management and licensing in terms of technology assessment and negotiation of transactions.

At the end of the course, Ms. Christi Mitchell stated that the use of licensing and technology transfer as a means to develop the business is rather new in Jordan. Therefore, licensing and technology transfer must be exploited for marketing purposes in the business sector and universities due to their impact on economic development. She stressed that it is very important to take the intellectual property system into consideration by the officials of the various industrial companies and universities and to apply a system for managing intellectual assets.

## LES France and LES Arab Countries Organize Conference in Tunisia

A joint LES France and LES Arab Countries conference was held in Tunis on December 2, 2010 hosted by ATIC, the Tunisian Venture Capital Association.

The purpose of this one-day conference was to raise the awareness of Venture Capital (VC) fund managers on the importance of Intellectual Property (IP) for the development of innovative and high value added technology start-ups in Maghreb region.

About 50 people representing the 40 VC companies operating all over Tunisia attended the conference, conducted by Alaya Bettaieb, member of the Board of Trustees of LES Arab Countries and Alfred Chaouat, president of LES France.

The day started by a refresh of the basics of IP and IP key concepts, followed by a presentation of the IP due diligences to be performed by VCs when willing to invest in very early stage IP-based start-ups.

Mr. Bettaieb, acting VC, introduced his VC-TT model on the occasion. This was followed by an introduction to technology transfer principles in general and the various strategies of technology licensing in particular through real cases.

In the afternoon, Intellectual Asset Management (IAM) concepts have been introduced, emphasizing on how companies can handle their IP portfolio and develop a Licensing strategy as an income avenue, then on the emergence of the new IP market, and the basics of Open Innovation.

The conference was concluded with an interactive roundtable for fund managers on various IP and licensing related issues in general and on how preparing the ingredients for the lacking IP expertise in particular with recommendation to both VCs and decision makers.

Tunisian VCs understood well how IP could be

critical both at the time of investment but also at the time of exit. This is even reinforced by the fact that more and more high added value Tunisian and Moroccan companies are addressing the EU market where IP laws are strong. VCs were aware that French speaking North African countries lack an IP ecosystem with reliable IP service providers, or technology transfer specialists locally to perform IP due diligence. They recommend conducting same event in Morocco, and regularly in Maghreb to build the appropriate expertise for technology licensing.



Mr. Alaya bettaieb

## LES-AC Concludes its Annual Meeting in Amman



The annual meeting of the Licensing Executives Society –Arab Countries concluded on December 30, 2010 – Amman under the Chairmanship of HE Senator Talal Abu-Ghazaleh and with the attendance of the members of the Board of Directors and General Assembly.

The meeting tackled the activities and programs organized by the Society at the national and international levels for 2010, particularly in relation to the “Arab Certified IP Licensing Practitioner” program

and the First Licensing Opportunities and Technology Transfer Forum recently held in the Kingdom of Bahrain.

HE Senator Abu-Ghazaleh stressed in the meeting to establish an Arab Federation for Innovation and Entrepreneurial Investment to exchange knowledge and expertise, serving as a network to connect all stakeholders and specialized parties, raise awareness and influence decision makers.

HE Senator Abu-Ghazaleh said: “One of the prominent outcomes of the meeting was the arrangement and coordination with the Federation of GCC Chambers and the Arab Science and Technology Foundation (ASTF) to hold the second version of the Licensing Opportunities Forum in November 2011.”

As for the training courses, the Society’s management shall, as per the meeting’s decisions, organize courses for individual inventors on how to transform their inventions into marketable commercial product and promote the commercial sense of an invention idea in addition to the transformation of Arab creativity and inventions into commercial products and the protection of Arab invention rights.

# Launching of the Arab Scientific Research and Education Network

ASREN will build on the various resources available at the existing Arab regional organizations and country level networks and will work very closely with them in all matters. At the same time, research would take advantage of the unlimited potential of ICTs and should be digitally based, Dr. Abu-Ghazaleh.



The founding meeting of the Arab States Research and Education Network (ASREN), held under the patronage of the Secretary General of the League of Arab States (LAS) HE Mr. Amr Moussa and presided by HE Dr. Talal Abu-Ghazaleh, Chairman of ASREN Board, concluded today stressing the necessity to prepare guidelines for funding research to be proposed to governments.

ASREN's founding meeting organized at the Arab League Headquarters December 8-9, 2010 witnessed the official launching

of the Arab States Research and Education Network in the presence of high-ranking officials, experts and academics including HE Ersat Hurmuslu, senior advisor to the Turkish President.

Dr. Abu-Ghazaleh, LES – AC president and Chair of the Global Alliance for ICT and Development of the United Nations (UN GAID), presided over the ASREN Board session calling for the necessity to promote and support scientific research in the Arab region.

“ASREN's objectives include the necessity to link Arab research centres altogether in one network, then the need arises to link this Arab network with the European and Turkish networks to eventually build a database for outstanding research in all sectors,” Dr. Abu-Ghazaleh said.

Other conclusions included the tendency to define priorities in ASREN's strategy action list and proposing a business plan with target timeline and to as well define a framework for the legal structure and governance discipline in collaboration with LAS to ensure its compliance with the requirements of the various rules and regulations acceptable in the Arab world.

Moreover, the participants agreed upon the need to encourage research centers at universities to be student driven (not professor driven) yet under the guidance and support of professors and emphasized the need for coordination in research between the Arab research centers and to encourage joint research programs between them as well as in collaboration with European and global networks.

# LES-AC launches a website for Education and Training

The Licensing Executives Society-Arab Countries (LES-AC) has recently launched a website for distant education to help prospective trainees join online courses.

LES-AC manager, Renad Al-Noubani, said the website ([elearning.lesarab.org](http://elearning.lesarab.org)) will be accessible by all interested individuals from anywhere.

“The launch of this website goes along the lines of promoting the electronic shift and optimum use of technology, the current trends towards the use of information and communication technology (ICT) in all fields, which is consistent with LES-AC's vision and mission in capacity building,” she said.

For more information, please visit: [elearning.lesarab.org](http://elearning.lesarab.org) or contact us at:  
Tel: 00962 6 5100900  
Email: [les@lesarab.org](mailto:les@lesarab.org)



# ARAB INVENTIONS

## Arab Research Team Develops Cancer Cure from Camels

***The new cure internationally patented and proven effective two days after injection***

A group of Arab researchers have made a scientific breakthrough by developing a medical formula for treating cancer extracted from camel's immune system, Dr. Abdulla Alnajjar, president of Arab Science and Technology Foundation (ASTF), announced in a press conference organized by the Foundation on January 10, 2011.

Alnajjar told reporters the team of researchers had commenced its project in 2008 and reached wonderful results at the international level three years later. "The medicine has been tested on experimental mice and will be tested on human beings," he said

adding that experiments had started at Sharjah University and completed at the cancer institute in Baghdad.

"The new medicine was registered with the UK Patents Office last February," he said.

Dr. Al Najjar revealed that this groundbreaking discovery received enormous finances, which started by Abdul Latif Jamil Program to support scientific research and technological innovation in the Arab world and was launched by the Arab Biotechnology Company (ABC), an Arab company specialized in research and development whose team conducted the research.

In a relevant context, Dr. Sabah Jassim, head of the team at Arab Biotechnology

Company (ABC), the partner of ASTF, said the team had commenced its project in 2008 on a group of camels, especially that camel's immune system is one of the strongest immune systems. The team found that the camel's immune system was rejuvenating itself every time they took samples of milk and urine, with which a part of the immune system is taken.

He said the researchers had reprogrammed the immune system to accept certain chain of foods that do not affect camels' nature, environment or the extracted resultant without any chemical additions or changing the animal features of camels. This substance represents the know-how of the cure.



# INTERNATIONAL NEWS

## LESI International Delegates meetings and LES US \ Canada Annual Meeting



Mr. Nabil Salame, LES – AC vice president for international relations attended the International delegates meeting and LES US / Canada annual meeting that was held in Chicago during September 25 – October 2, 2010. Mr. Salame represented LES – AC president in the European, Middle East and Africa presidents' meeting. He promoted the LOF event which took place in Bahrain and invited all presidents to attend it or to send representatives from their societies. He also discussed with the European committee the fact that it needs to embrace the Middle Eastern and African countries as well.

## Africa Sees Rapid Growth in Industrial Technology

Africa is rapidly expanding its acquisition of industrial technologies, according to a study by the United Nations' Economic Commission for Africa (ECA). The findings suggest an increase in Africa's share of patents, peer-reviewed scientific publications, and technology exports and imports, says ECA's Abdoulie Janneh. "The trends associated with technology transfer as assessed in the study provide evidence of the factors driving the impressive economic growth rates recorded in African countries over the last decade," Janneh says. The study found that Africa and Asia saw a significant increase in royalties and licensing fees between 1990 and 2008. Globally, royalties and licensing fees rose sixfold, while sub-Saharan Africa's royalties and licensing fees increased 10-fold, second only to East Asia and the Pacific. At the continental level, the payment of licensing fees and royalties in Cameroon, Senegal, South Africa, Swaziland, and Tunisia increased significantly between 1990 and 2007. The study concluded that there is "hope that the continent may be joining other developing regions in building a sound industrial base."

Source: LES Insight

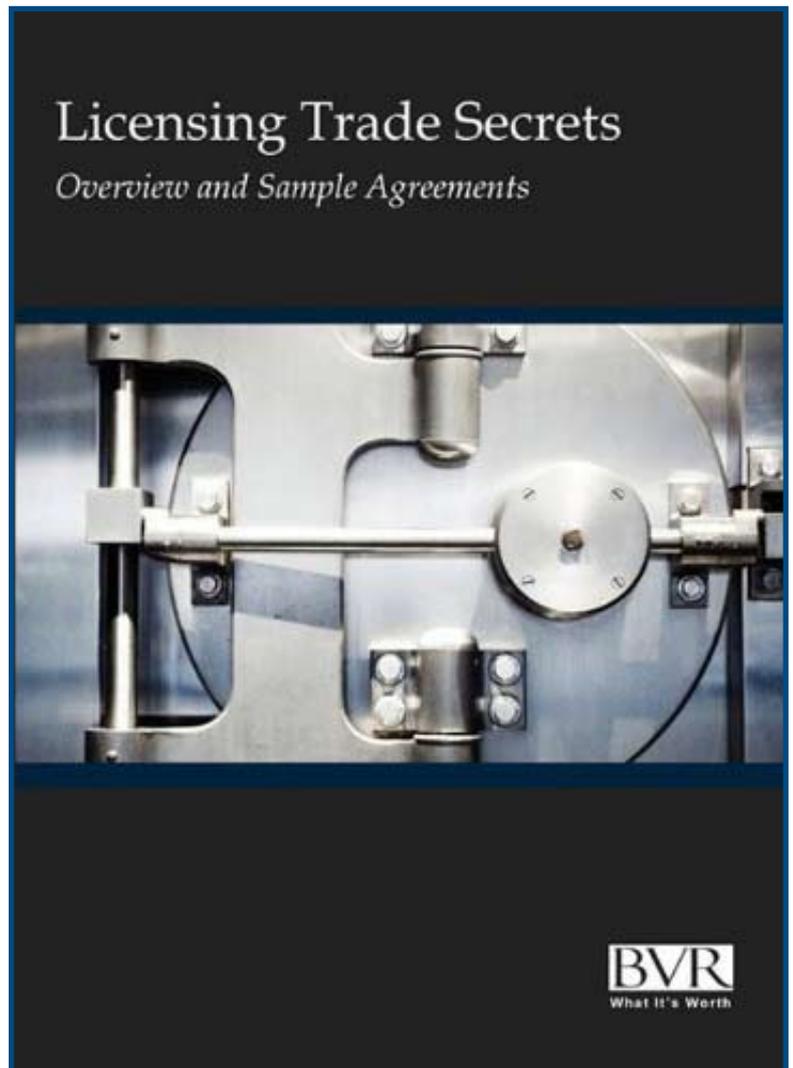
## GE's "Global Innovation Barometer" Puts U.S. on Top Fast Company



A General Electric-commissioned survey of 1,000 top executives found that the United States is considered the world's innovation leader. GE's global innovation barometer found that executives believe individual creativity will drive innovation, and that it must be tailored to fit local needs. GE's Beth Comstock says the survey reveals that «the rules around innovation are changing.» Ninety-five percent of those surveyed felt that innovation was the main lever in economic competitiveness, while 88 percent said innovation was the best way to create jobs. Meanwhile, more than 75 percent felt innovation was important not simply to create more profits, but to improve health care and energy security. Nearly 70 percent said the U.S. is already the most innovative country, followed by Germany (44 percent), Japan (43 percent), and China (35 percent). Sixty-nine percent of respondents said that individual creativity is a more important driver of innovation than high-level scientific research. Saudi Arabia, the United Arab Emirates, Brazil, and India were the four countries most optimistic about innovation.

Source: LES Insight

## "Licensing Trade Secrets" Book



### ***Discover the value of trade secrets in technology license agreements***

Trade secrets are an important consideration when licensing a technology.

The addition of trade secrets to a patent license can increase the value of the license by three to ten times. Now there's a comprehensive and authoritative source to help ensure that you receive the optimum value for your trade secrets.

In the newly released reference *Licensing Trade Secrets*, you will receive an overview of what constitutes a trade secret and how including this additional IP can affect the value of your technology licenses. Learn the importance of the specific language used, the economic value trade secrets add, the industries where trade secrets are most desired, and the actual valuations and rates used for trade secret licenses.

In *Licensing Trade Secrets* you will also find examples of actual license agreements that incorporate trade secrets. By reviewing these real-world documents, you will learn how other organizations characterize and monetize their trade secrets and enhance the overall value of their technologies.

Source: Technology Transfer Tactics



## Single EU Patent Moves Closer to Reality

A single European Union patent that would serve as an alternative to the current system of patents recently came closer to being a reality when 10 countries formally asked Brussels to consider establishing it even if not all 27 members supported the idea. The current system grants and enforces patents on a country-by-country basis. An EU-wide patent has long been supported by businesses because it would dramatically cut the cost of protecting intellectual property. Still, EU member states have never been able to agree on the details, particularly those surrounding translation issues. However, 10 countries—Denmark, Estonia, Finland, France, Germany, Lithuania, Luxembourg, the Netherlands, Slovenia and Sweden—have formally asked the European Commission to move forward with an «enhance co-operation,» which would allow them to pursue administrative cooperation without the approval of all 27 member states. EU internal market commissioner Michel Barnier confirmed his receipt of the letter and says the commission would begin pursuing the matter, with officials presenting proposals on unitary protection. He says several more member states also may support the move.

Source: LES Insight

# Articles

## DEFINING YOUR INTELLECTUAL PROPERTY - AN ESSENTIAL FIRST STEP IN COMMERCIALIZING TECHNOLOGY

By: Raja N. Saliba Chid Iyer  
Quadeer Ahmed  
Sughrue Mion, PLLC  
Washington, D.C.

The petroleum-based industry is a multidisciplinary high-technology field covering technologies ranging from processes and operations involved in drilling and refining to material sciences and even signal processing and information sciences. Gone are the days when you could simply drill a well and expect an oil gusher reaping immense profits. Each of the multiple phases of operation, beginning from finding and extracting oil from underground until the point a refined product or a petrochemical product reaches the consumer, requires a high level of sophistication and technical expertise. Going forward, the various technologies in these areas will continue to grow at a rapid pace to meet the demands of the growing world population.

To stay competitive, companies in the petroleum and petrochemical field will need to stay abreast of and contribute to technological advancements, recognizing every innovation as a potential business opportunity. Not only will there be a need to rely on in-house technological innovations, but also the innovations of others. Accordingly, licensing in technology, licensing out technology and jointly developing technology will play an important role in maximizing the commercial benefits of innovation.

The first step to any such commercialization activity is clearly understanding, characterizing, and defining technological innovation as intellectual property. This paper focuses on this essential first step and the internal procedures companies can adopt to ensure that

### *Two Basic Types of Technology - Related Intellectual Property: Trade Secrets and Patents*

Companies typically protect their technology-based intellectual property as trade secrets or through patenting. For technology that a company decides not to protect as a trade secret or through patenting for various reasons, it may make use of defensive publications to prevent competitors from obtaining and enforcing patents on the same technology.

A trade secret is any technical or non-technical information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means. That is, a trade secret has two main attributes: (1) secrecy and (2) economic value owing primarily to its secrecy. A patent, by contrast, is required to teach the patented technology to the public, while providing economic value through the grant of a limited monopoly to the owner. Therefore, trade secrets and patents provides very different and competing approaches to protecting intellectual property. In deciding whether to maintain a technology as a trade secret or to patent it, a company will need to consider the important differences between these two forms of intellectual property.

For example, protecting technology as a trade secret may be desirable because of its potentially unlimited duration, as compared to a patent that provides a limited monopoly (20 years) to exclude others from practicing the patented technology.

Accordingly, trade secrets may be appropriate for technology that has an expected long commercial life and is difficult to reverse engineer. For this reason, manufacturing and chemical processes, computer algorithms and technical know-how are frequently protected using trade secrets. Examples of industries that have traditionally relied heavily on trade secrets are the food and financial services industries. On the other hand, patents may be appropriate for certain technologies that have a finite life or are difficult to maintain in secrecy. In particular, technologies that can be learned through reverse engineering, independently developed, or for which it may be impractical to maintain in secrecy given the ease and pace of communication in today's business environment and turnover in personnel are candidates for patenting. Not surprisingly, therefore, the pharmaceutical, electronics, and heavy machinery industries have traditionally relied heavily on patents to protect their intellectual property.

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<sup>1</sup> This paper discusses technology-based intellectual property as opposed to non-technology-based intellectual property such as trademarks, copyrights, and trade dress.

Trade secrets and patents also differ when it comes to enforcement. As already noted, a trade secret owner cannot sue someone who reverse engineers a product in the public domain or develops the technology independently. However, even if not lost to the public, trade secrets can be difficult to enforce, because a company is frequently required to reveal its trade secrets to prove their misappropriation. Patents, on the other hand, are in the public domain and do not present such challenges. Moreover, because trade secrets are often not well-defined, enforcement of trade secrets is often difficult absent a clear and flagrant misappropriation. Patents, by their nature, clearly define the scope of their coverage, making them comparatively easier to enforce.

Additionally, because of their public nature and well-defined scope, a patent is a commodity whose economic value can be more readily realized in the marketplace.

### **Defining Intellectual Property In A Licensing Agreement**

Once a company commits resources to develop technology and protect it as a trade secret or through patenting, consideration should be given to commercializing the technology in order to maximize the return on its investment. In the context of licensing, a first and critical step in this process is defining the technology that is the potential subject of the license grant. To better appreciate the importance of accurately and properly defining the technology, consider the main sections of a license agreement.

**Parties** - License agreements begin with an identification of the parties to the agreement. The importance of properly identifying the parties is self-evident. However, it is worth emphasizing that, given the global nature of many corporations, it is important to ensure that the proper entities are named. In most cases, it is advisable to include a local legal entity where the technology will be exploited.

**Recitals** - This section describes the general nature of the transaction setting forth the background, context, and objectives of the license agreement. As such, the recitals tell the story of how and why the technology-related agreement came about.

**Definitions** - This section defines important terms used in the license agreement, including the definition of the technology being licensed.

**Grant** - This section identifies and describes the legal character of the license including limitations such as territorial, exclusivity, duration, and rights being withheld. Together, with the definition of the technology, this section constitutes the crux of the license agreement.

Once entered into, license agreements are intended to accurately reflect the meeting of the minds resulting from detailed negotiations. In this regard, a well-written agreement provides a roadmap or framework which guides the parties performance under the agreement. On the other hand, problems in the drafting of the license agreement typically manifest themselves when a dispute arises between the parties. Such disputes can escalate into costly litigation that frequently centers on the scope of the technology being licensed, that is, the definition of the technology in the license agreement. Therefore, a well-drafted license agreement, particularly the definitional and grant clauses, will minimize uncertainty and risk.

In terms of characterizing the technology in a license agreement, trade secrets, as opposed to patents, present the greatest challenge. The reason becomes self-evident after considering the process for obtaining a patent. When a company is cognizant that it has developed new technology, it can choose to maintain this technology as a trade secret or patent it. If the decision is made to keep the technology a trade secret, the company may make little effort to formally define the scope of the technology, but rely instead on the company's confidentiality policies to maintain information secret. Accordingly, a company may not attempt to formally define its trade secret until the time it negotiates the license agreement, and even then the definition may at best indicate and not describe the trade secret.

On the other hand, a patent grant is based on a quid pro quo between an inventor and the public, where the inventor agrees to fully disclose his invention to the public in return for a limited monopoly to exploit the invention commercially. Thus, if the company decides to patent the new technology (i.e., the invention), the inventor will typically complete an internal invention disclosure form in which the inventor identifies the general technological field of the invention, describes the current state of the technology and the problems solved by the invention, and describes the invention in as much detail as practical, using where appropriate, illustrations to accompany the text. The completed invention disclosure form is given to the company's patent counsel who uses this information as a starting point to draft, with further collaboration from the inventor, the patent specification, claims and figures. While the specification and figures of a patent application are drafted to describe the invention in relative detail, the claims are intended to provide a precise legal definition of the scope of the new technology that the company is seeking to protect. During the patent application examination process before the national patent offices, the claims may be revised to further clarify their scope and ensure that they do not sweep in technology that existed prior to the invention.

Thus, the patent application process provides a company with a formal and rigorous process – beginning from the time of the invention – within which to define its new technology. Moreover, in most jurisdictions, a well-developed body of patent law exists that ensures relative predictability and consistency as to the interpretation of patent claims post-patenting. Accordingly, when companies are negotiating a license agreement for intellectual property, as compared with trade secrets, patents afford

greater certainty as to what precisely is being licensed, ensuring a meeting of the minds and lowering the risk of future disputes<sup>2</sup>.

### **The Importance of Defining Intellectual Property Goes Beyond Licensing**

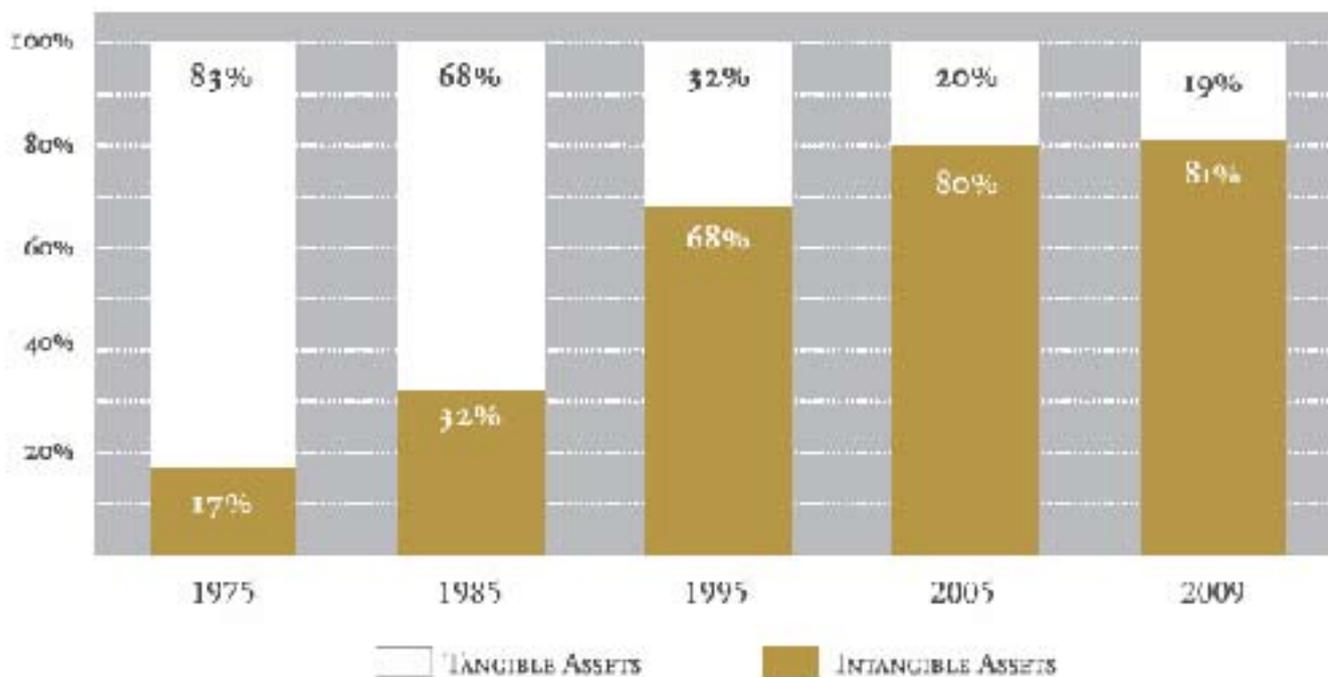
It is increasingly accepted that a company's intellectual property is an important, if not the most important, asset of the company, particularly so in today's rapidly evolving knowledge-based economy.

The company's intellectual property distinguishes its business from competitors and forms an essential part of eventually branding and marketing its goods and services.

Furthermore, the intellectual property itself can be sold or licensed as a commodity in the IP marketplace, providing a significant revenue stream<sup>3</sup>.

It also can be used to obtain investments from venture capital or raise debt by securitization. For example, a recent study by a leading consulting firm found that a significant portion of the S&P 500 companies respective market capitalization values is constituted by each company's intangible assets such as its patented technology<sup>4</sup>.

**COMPONENTS OF S&P 500 MARKET VALUE**



Source: Ocean Tomo

<sup>2</sup> This paper discusses technology-based intellectual property as opposed to non-technology-based intellectual property such as trademarks, copyrights, and trade dress.

<sup>3</sup> IBM, for example, realizes over \$1.5 billion in revenue from licensing its intellectual property. [Steve Levine, IBM May Not Be the Patent King After All, Bloomberg Businessweek, January 13, 2010].

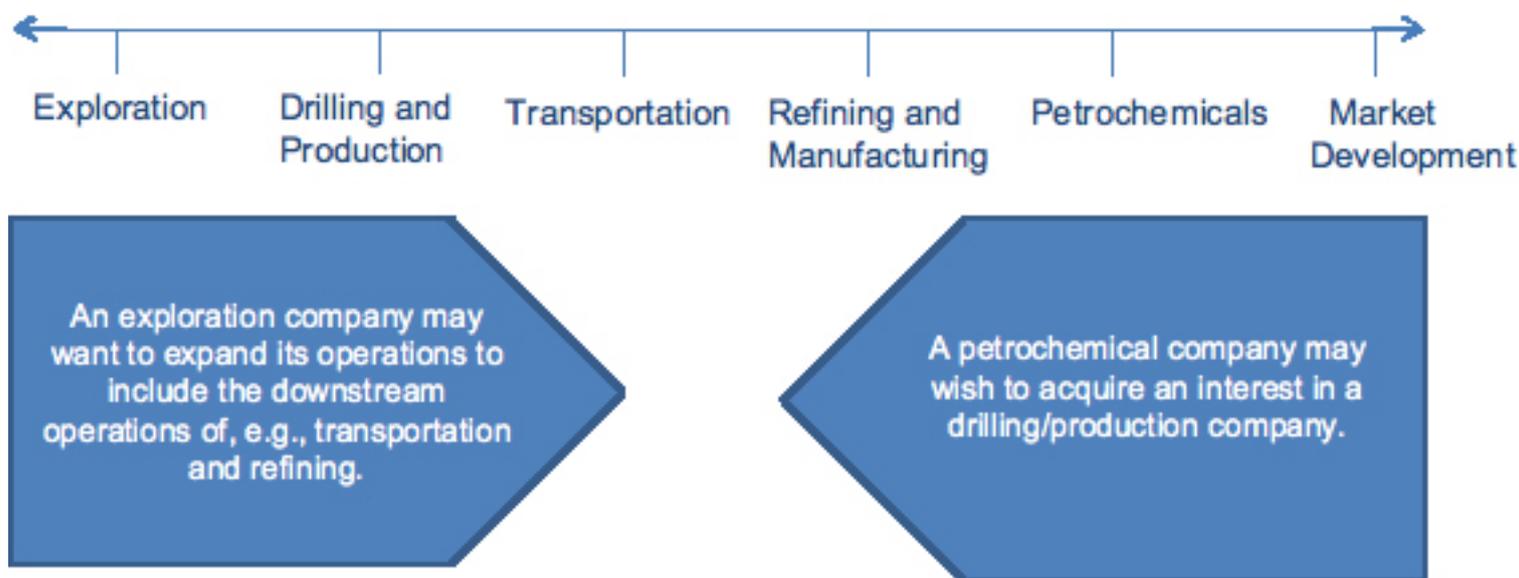
<sup>4</sup> Intangible Asset Market Value, <http://www.oceantomo.com/productsandservices/investments/intangible-market-value>, retrieved October 30, 2010.

Moreover, at a societal level, intellectual property is a primary driver of job creation and economic growth. For example, a recent report on the impact of intellectual property on the U.S. economy found that IP-intensive industries, including the petrochemical industries, create both highly-skilled and low-skilled jobs, promote exports, and spur long-term economic growth<sup>5</sup>.

Japan is another example of a society that recognizes and values the importance of intellectual property creation, characterization and enforcement of rights. As noted by an IP strategist, Japan, for example, clearly understands the importance of intellectual property to its economy, with its Prime Minister repeatedly having stated in his annual address to the Diet, "Japan will be a nation founded on intellectual property."

In 2009, Japan was the number one recipient of U.S. patents, receiving over 38,066 U.S. patents. China is demonstrating today that significant intellectual property development on top of an abundant natural resources can provide a winning combination for high growth surpassing traditional economic power houses in a much shorter period of time. Similarly, the Middle East, with its significant natural resources and natural resource based industries can create such a winning combination if given the proper intellectual property environment.

Consider the petroleum industry as an example. There are six broad areas of operation in which an integrated oil company participates: exploration, drilling and production, transportation, refining, petrochemicals, and market development.



Clearly the research and development in these areas encompass a wide variety of scientific and technological fields.

Companies that may have traditionally operated in a single area of operation are now finding themselves vertically integrating across other areas, often through licensing, acquisition, and joint ventures.

One example is DuPont, which traditionally was in the petrochemical area, but has increasingly found itself interfacing across the spectrum.

Certainly, DuPont's sophistication in developing and maintaining its intellectual property, as partly evidenced by its large patent portfolio, has helped the company immensely in this regard.

Another example is Exxon Mobil Corporation, a traditional oil and gas company, which is also finding itself operating across the above operational spectrum aided by its sophistication in intellectual property management. The following table is illustrative of the number of patents obtained by Exxon Mobil and other oil and gas companies from the years 2005-2009,<sup>9 10</sup>.

5 Pham, Nam; The Impact of Innovation and the Role of IP Rights on U.S. Productivity, Competitiveness, Jobs, Wages and Exports; April, 2010; NDP Consulting.  
Linda Corcoran, Conversation With Ralph Eckhardt, IP Strategist, The Newsletter of the Licensing Executive Society (USA and Canada), Inc., Viewpoint Vol. XVII, No. 3, August 2010.  
Patents By Country, State, and Year - All Patent Types (December 2009): Granted: 01/01/1977 - 12/31/2009; A Patent Technology Monitoring Team Report on www.uspto.gov.

9 Patenting In Technology Classes, Breakout By Organization: Count of 2005 - 2009 Utility Patent Grants, By Calendar Year of Grant With Patent Counts Based on Primary Patent Classification; A Patent Technology Monitoring Team Report on www.uspto.gov.

10 Although attempts have been made to combine data based on subsidiary relationships of companies (e.g., Exxon Mobil Research and Engineering Co. and Exxon Mobil Chemical Patents Inc.), it is expected that the data in the table may not account for all patents obtained by a single organization in view of the many variations in corporate verifications.

Classification Title (Classification Number)	Shell Oil Company	Indian Oil Corp.	Chevron U.S.A./ Chevron Phillips	China Petroleum and Chemical Corp.	Halliburton Energy Services, Inc.	SABIC	Exxon Mobil	Saudi Aramco
Data Processing: Measuring, Calibrating, Or Testing (702)	11	0	8	0	35	0	23	5
Catalyst, Solid Sorbent, Or Support Therefor: Product Or Process Of Making (502)	34	0	38	21	0	28	108	0
Wells (Shafts Or Deep Borings In The Earth) (166)	227	0	8	0	634	0	24	9
Earth Boring, Well Treating, And Oil Field Chemistry (507)	0	0	0	0	109	0	0	0
Gas Separation (55)	6	0	0	0	0	0	0	0
Mineral Oils: Processes And Products (208)	39	5	71	10	0	0	101	0
Data Processing: Structural Design, Modeling, Simulation, And Emulation (703)	0	0	10	0	0	0	12	0

Certainly, Saudi Aramco, for example, is conducting research and development, but its smaller patent portfolio may indicate that the company maintains its intellectual property as trade secrets.

If this is the case, the company may find it harder to seamlessly interface across the spectrum.

These examples demonstrate that for technology-based companies, continuous awareness and characterization of intellectual property plays a vital role in leveraging core competency and maintaining competitiveness.

As such, technology-based companies should institute standard procedures for identifying new technology and making decisions on whether to protect, how best to protect, and how to capitalize on the new technology.

These procedures should be implemented from top down and bottom up, thereby involving both management and scientists and engineers.

For example, scientists and engineers should be required to complete at the time of development of new technology standard invention disclosure forms, as described above, in which they disclose their new ideas, the scope of implementation and the potential value to the company. Management, in turn, often through an internal review committee, should regularly perform peer review of these invention disclosures and decide what level of protection to afford to the submitted idea, given the obvious budget constraints that all companies face.

In order to encourage development of new ideas as well as adherence to internal intellectual property procedures, management can create incentives in the form of compensation, awards, or other such recognition. Management should also routinely host seminars to create greater awareness and understanding of the importance that intellectual property plays in the company's business and to encourage compliance with internal procedures.

These kinds of "best" practices can help technology-based companies understand their core competency, allowing them to better allocate their resources and ensure their intellectual property is accounted for, protected, and treated as a marketable asset.

# Announcements

## Google™ is seeking a Legal Counsel in dubai

Google is seeking a Legal Counsel to oversee the company's legal affairs in the Middle East and North Africa (MENA) region. We're looking for a fully bilingual (Arabic-English) attorney -- preferably qualified to practice both in the region and in the US or the UK -- with significant legal experience in the media, technology and/or telecommunications industry, including the drafting and negotiation of commercial agreements (e.g. content licensing, advertising, strategic partnerships) and the management of litigation.

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## Advertising in LES – AC Newsletter

LES – AC has recently added area section in LES- AC newsletter where you can advertise your product, and services, in addition to a job and employment section that related to the professional interests of our members.

For more information and details about this section, please contact us.

## Participation in LES-AC Newsletter

LES-AC would like to encourage your valuable participation by giving you the opportunity to post your articles in the LES-AC newsletter. Interested parties are requested to send their articles in advance to the following e-mail address: [les@lesarab.org](mailto:les@lesarab.org).

## Membership Fees for 2011

We urge our members who have not yet settled their 2011 annual membership fees to do so as soon as possible, to enable us continue our activities and enhance our role in helping create licensing and technology transfer professionals.

Our gratitude is extended to members who have already paid their annual fees.

Licensing Executives Society – Arab Countries



جمعية خبراء التراخيص – الدول العربية

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