

Finance

Patent play can boost profits, but at a cost

By DAVID REICH-HALE

What's in a patent? Perhaps more than most companies realize.

A new study by PricewaterhouseCoopers finds that chief executives at two-thirds of what it calls the nation's fastest-growing private companies say their business has intellectual property in the form of patents, trademarks, copyrights and trade secrets.

But many of those patents and trademarks are going unused or underutilized. This is somewhat surprising because 49 percent of those same CEOs then go on to say their intellectual property has considerable commercial

value.

One problem, according to a Long Island patent attorney, is the right process is not in place to successfully utilize patents. That's in line with the PricewaterhouseCoopers survey, which said only 31 percent of respondents with IP assets have a formal process in place for identifying and managing current and contemplated intellectual property – including 39 percent of technology companies and 23 percent of non-techs.

“For a lot of companies, patents are not a focus, and if you want to be successful, it has to be,” said Paul Esatto, of Scully, Scott, Murphy & Presser of Garden City. “If a company

wants to do it right, they need to have a staff that's focused on it. Have people in place that know how to license it and make money on it.”

Esatto added that setting up a proper patent business is time-consuming. “It takes four years, on average, to get a patent from beginning to end,” he said. “And in the end, it costs about \$15,000 to get a patent. It's not cheap.”

Perhaps the cost is worth it. According to PricewaterhouseCoopers, chief executives said only 66 percent of their company's intellectual property is currently being utilized, suggesting a degree of upside potential.

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