

Inventique®

The newsletter of Wessex Round Table of Inventors

January 2005



OBITUARY

Professor David Nicholas MBE

CREATOR OF THE VIRTUAL COMPANY CONCEPT AND INDEFATIGABLE CHAMPION OF INVENTION AND ENTERPRISE

IT IS AN INDICATION of the esteem in which he was held that any discussion of the National Invention Strategy automatically led one to consider the major role in its creation played by David Nicholas, who has died of a heart attack at the age of 66.

A naval architect by training and a member of the team led by Sir Christopher Cockerell which successfully created the hovercraft, David became a highly successful businessman and an articulate and impassioned promoter of people he called 'the little guys' – those lone inventors and entrepreneurs who wished to turn their innovative ideas into successful businesses but didn't have the contacts or a route map.

His enthusiastic promotion of their cause led to the formation of the WRTI in the year 2000 – when he became the club's first chairman and keenest supporter – and to an unsurpassed record for gaining DTI funding on behalf of clients who invariably also became friends. As innovation and technology counsellor at Business Link Wessex from 1996, he was a crucial link in

the chain which led to their phenomenal 98% success rate in gaining DTI SMART Grants for local SME's and start-ups.

Whilst assessing hundreds of innovative ideas every year, David conceived The Virtual Company, or TVC, scheme – the concept of surrounding an inventor with experts who work for nothing but take 'virtual' shares in an idea until it takes off as a business – at which time they become *real* shares. In his typically avuncular style, David sold the rights to licence his brainchild to Business Link Wessex for the princely sum of... £1.

Appointed MBE for services to business in 2003, visiting professor to the world's first degree course for inventors at Kingston University, and a director of the British Inventors Society, David was proud to be one of what he jokingly called an ethnic minority: a Welshman. He is survived by his wife June, whom he married in 1961, and children Claire, Michael and Stephen. ●

David William Nicholas, motivator, born 9 August 1938; died 17 December 2004.

Next WRTI meeting

WEDNESDAY 19 JANUARY

A WRTI club tour round Rolls-Royce Motor Cars factory, The Drive, Westhampnett, Chichester PO18 0SH, commencing at 2pm. A couple of places are still available – contact secretary@wrti.co.uk

● www.rolls-roycemotorcars.com
Tel: 01243 384000

Calling all female inventors

THE BRITISH FEMALE Inventors & Innovators Awards 2005 takes place at Maritime Greenwich, London, on 16-17 February.

Organised by the Global Women Inventors & Innovators Network (GWIIN), this year's show – the sixth annual event of its kind – features a one-day conference and a two-day exhibition, culminating in a glittering ceremony at which individual award winners will be announced.

The GWIIN Awards are viewed as being among the top industry accolades for women inventors, providing inspiration for those seeking to turn their unique ideas into commercial propositions. Previous winners include Dr Dawn Gibbins MBE – who went on to become *Veuve Clicquot Business Woman of the Year 2004*, and Tish Fearn, voted *Best British Female Inventor 2003/4*.

"Women are natural innovators – they tend to solve problems they find, rather than find problems to solve," says GWIIN's Bola Olabisi. ●

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Wessex Round Table of Inventors meet at 6.30pm on the second Wednesday of each month at Southampton Institute, East Park Terrace SO14 0RP

Free online IP courses

READERS MAY BE INTERESTED in taking a World Intellectual Property Organization (WIPO) Academy distance learning general course on intellectual property (DL-101), writes WRTI Webmaster Mike Overy.

Entirely internet-based and free of charge, a certificate is awarded upon successful completion of an examination at the end of the 50-hour course, which covers copyright, related rights, patents, trademarks, geographical indications, industrial design, plant breeders' rights, unfair competition and international registration systems.

In addition, the organisation's website contains a wide range of information for small businesses and allows browsers to sign up for newsletters and e-magazines to keep abreast of new developments.

Why distance learning?

Distance learning has been adopted by the WIPO Worldwide Academy as an innovative teaching approach that utilises the internet and other multimedia tools for educational purposes. This means that anyone who has access to a PC that meets specified technical requirements can follow the distance learning programmes anywhere in the world.

In using the Academy's website as the platform for both course delivery and administration, the programme has brought about a change in teaching methods: teaching and tutorial services are provided by a core faculty of renowned academics stationed around the world, with the interaction between students and teachers now taking place online.

Modules are complemented with a study guide, a general introduction to intellectual property and an essay on the economic value of IPR. Course administration – from registration to student tests, course monitoring and evaluation systems – also take place online.

A CD-ROM version of the course is available for those with no internet access. ● www.wipo.org
<http://www.wipo.int/academy/en/dl101/index.htm>

INVENTORATOR Linda Oakley

Invention to business

TURNING IDEAS INTO PRODUCTS OR PROCESSES

LAST MONTH I mentioned designing, prototyping and manufacturing a product, and how the same product might provide solutions in different market sectors.

Costs

Everything costs. There is a certain amount of free advice available, but sufficient capital is essential when starting a business. Many inventors are able to succeed in business by licencing their invention. If the invention works and can be manufactured at the right price, and has a potential market, this knowledge can make it easier to licence the idea.

An established company that is *au fait* with the market and has existing distribution channels can succeed much more quickly than an individual with no experience. Even

with massive infusions of cash, some ideas will not make it in today's market. In business there are no guarantees; overcoming barriers requires careful planning to control costs and limit risks.

The Team

Successful businesses are born out of inventions: look around and there is still plenty of room for the world to embrace something new. People do not realise how life-changing an invention can be until they start to use it – and then they would not be without it.

One of the most important ingredients of success is the foresight, determination and perseverance of the individuals who surround themselves with a strong team to help turn an invention into a successful business. ●

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● *Linda Oakley is co-founder of ideas21. This is an edited extract from an article which first appeared in A Handbook of Intellectual Property Management, published by Kogan Page. www.ideas21.co.uk www.kogan-page.co.uk*

Geneva Palexpo 2005

THE 33rd INTERNATIONAL EXHIBITION OF INVENTIONS, new techniques and products – the most important event of its kind in the world – takes place in Geneva on 6-10 April.

Held under the auspices of the Swiss Government and with exhibition halls adjoining Geneva airport, Geneva Palexpo is the ideal venue in which exhibitors can meet investors, industrialists and commercial agents in order to rapidly present their inventions to the international marketplace.

Palexpo 2004 attracted 675 exhibitors from 42 countries, and exhibited 1000 inventions conceived via every imaginable route, from multinational companies and R&D centres through to universities, SMEs and lone inventors. More than 56,000 visitors (including 650 journalists) from all five continents attended the show, with over \$30m-worth of business negotiated.

The Grand Prix and 39 other special prizes are awarded by an international jury during the exhibition.

● **GENEVA PALEXPO International Exhibition of Inventions**
Rue du 31-Décembre 8, CH-1207 Genève, Switzerland
Tel: 00 41 22 736 59 49 Fax: 00 41 22 786 00 96
promex@worldcom.ch www.inventions-geneva.ch www.palexpo.ch

NEGOTIATING A LICENCING AGREEMENT-3

THE MAIN CONTRACTUAL TERMS OF A COMMERCIAL AGREEMENT

IN DISCUSSING HOW negotiations with third parties regarding the exploitation of any invention should be conducted, it is necessary to discuss exclusivity warranties and indemnities, *writes Rosanna Cooper.*

Exclusivity warranties and indemnities

As our example agreement is specifically in relation to a software licencing agreement, the following issues should be considered:

- Is the licence to be exclusive (excluding all but the copyright owner) or non-exclusive? If the licence is to be exclusive, for which territories? The licence should state whether the granting of any sub-licences is permissible or prohibited.
- The software that you are licencing should be clearly identified and described with appropriate provisions for use and restrictions on the number of users. Therefore, agree whether the licence is only for use on a specified number of computers, restrictions on copying or alterations of the software. Note that temporary copying of copyright material is an infringement of copyright.
- You should include warranty and indemnity clauses in the licencing agreement where appropriate (such clauses tend to be heavily negotiated). A warranty is a promise by the licensor that a particular statement is true. There are certain standard warranties with regard to software licencing such as fitness for purpose, reasonable skill and care exercised, reasonable steps taken to avoid virus attacks, no adverse effect related to pre/post year 2000 and software ability to handle European currency. However, most software licence agreements will exclude the implied statutory terms (within the limits of reasonableness laid down by law) and will substitute with

ROSANNA COOPER CLARIFIES THE LEGAL POSITION FOR INVENTORS AND ENTREPRENEURS

express terms. A licensor cannot totally exclude his liability.

- An indemnity is a means of compensation for any loss, damages, claims or penalties suffered as a result of the default of the licensee. This is important in software licencing and an inventor must insist on including an indemnity in the agreement in the event that the licensee infringes a third party's rights. The licensee may also demand an indemnity in case the software was copied and to cover any infringement action that may arise as a result.
- Personnel or expert staff may be required for continuing support and maintenance. The licensee must have adequate insurance cover. A licensor must have product indemnity insurance in place.
- Commercial terms on delivery, acceptance and payment should be clearly incorporated into the licence agreement. Consideration should therefore be made on how the software would be handed over to the licensee (ie by providing the software object code or source code). The agreement should specify the tests which the software has to pass in order to be accepted by the user, and whether payment will be a one-off payment or a periodic fee? Problems can arise because all parties 'ideal' payment situations may differ and be subject to negotiations. Provision should also be made to account for interests on any overdue royalties.

- The level of royalties that the licensor receives is a crucial commercial term.
- The licence must ensure that the licensor retains all intellectual property rights in the software, the source code and the object code.
- Consider entering into a Source Code Escrow Agreement whereby in the event of the licensor failing to provide the agreed software maintenance to the licensee, the source code would be released by the escrow agent, not the licensor.
- Provision should be made for the term of the licence and termination. Software licences are often perpetual but need not be: the parties may agree an appropriate term. Important termination considerations include which events will trigger termination, the length of notice required, and whether compensation is payable on early termination.
- Infringement by a third party: the licence may state that the licensee is to pay damages if it permits a third party to copy without consent.
- Provision should be made for defects in the software or bugs, viruses and faults in the programme.
- The licence should state that any improvements or modifications by the licensee are owned by the licensor (subject to competition law). ●

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● *Dr Rosanna Cooper is a partner at RT Coopers, a commercial law firm focusing on inventors and business start-ups.*

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CENTRE OF EXCELLENCE AWiSE

A word to the WiSE...

ASSOCIATION SET TO CREATE LASTING CHANGE

THE ASSOCIATION for Women in Science and Engineering (AWiSE) is an inclusive organisation based in the UK with branches throughout the regions.

Formed in 1994, its aims and objectives include promoting SET (science, engineering and technology) for girls and women, providing a network for mutual support, acting as both a resource and information centre and a discussion forum, and advancing a collective voice for women in SET.

AWiSE promulgates an impressive list of disciplines, from mathematics and engineering to anthropology, biomedicine, environmental science and social sciences (including education, research, industry,

administration and the media).

The Association maintains beneficial links with like-minded organisations both at home – with the Women's Engineering Society, for example – and overseas, with AWiSE in New Zealand and the USA, CES in Germany, Femmes et Sciences in France, SAWiSE in South Africa and WiSENET in Australia.

In addition, its user-friendly website contains dozens of links to awards, debating papers, press articles and festival dates. Empowerment certainly looks good from here. ●

● **Association for Women in Science and Engineering (AWiSE)**
59 Portland Place, London W1B 1QW
Tel: +44 (0)20 7470 4929
info@awise.org www.awise.org

NHS INNOVATION HUBS

Regional NHS Innovation Hubs provide an innovation management service for inventors approaching NHS Trusts with an idea.

The service includes identification, evaluation and registration of intellectual property (IP); producing evidence of clinical applications through R&D; commissioning prototypes; advising on and commercialising IP through licensing or through the setting up of spin-out companies; training in the importance and understanding of IP; and collaborating with companies, individuals, universities and other third parties in the exploitation of IP generated jointly with NHS Trusts.

If you are a business or individual (inside or outside the NHS) with an idea that you think could be turned into a clinically-related product, visit:

● www.innovations.nhs.uk

WEBSITE OF THE MONTH

www.wes.org.uk

This is the portal to the Women's Engineering Society, a UK-based organisation promoting the education, training and practice of engineering among women. Open to those working in engineering and technology at all levels, overseas members are especially welcome.

MEMBER SERVICES

Entries in this column are free to WRTI Members, who should mail their details to the Editor (see panel at foot of page).

CHARTERED MARKETER and electrical engineer will sell for you for a mix of low-cost retainer and results achieved. CV and references available. Contact: Alan Finn, 01420 80642
alan.finn@btconnect.com

CONCEPT TO MANUFACTURE. Help with presentation, prototyping, technical & manufacturing issues. Contact: Innovate Product Design, 01722 410 295

ELECTRONICS CONSULTANT with 30 years experience, specialising in wireless and positioning technologies. Contact: Mike Overy, 01420 562378
mike.overy@zen.co.uk

ELECTRONICS ENGINEER Concept to proof of principle. Ex-scientific civil servant. Own laboratory. Contact: Mike Wright, 01428 722833
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