



## European IPR Helpdesk

### Case Study

# *LAWNSALTED: a double-line IP strategy for start-ups*

June 2013

#### Company details

*Name:* Lawnsalted Ltd.

*Business sector:* software management systems

*Type of company:* SME (15 employees)



#### 1. Background

Lawnsalted Ltd. is a start-up company from Kent (UK). Its activities are focused on software development and Internet business. More specifically, this SME develops, implements and distributes software management systems in the field of accounting, logistics, process tracking, communication, human resources and customer relation management. Lawnsalted also offers web solutions including application provider services, web hosting, and web and application development services.

The owner of Lawnsalted learnt about intellectual property (IP) issues by attending seminars and conferences for future company managers. There he became aware of the value of a company's intangible assets and of the importance of having them protected. So he began to seek information on how to best protect them, by contacting in the first instance the European IPR Helpdesk and subsequently by consulting IP advisors from the Enterprise Europe Network.

## 2. The role of confidential business information

As some IP protection tools require financial resources that a start-up company may not necessarily have, the CEO finally adopted a 2-level strategy, which consists of using as much as possible of the free-of-charge protection tools such as copyright and secrecy and of making a cost-benefit analysis with respect to his finance regarding trade mark and patent protection.

*« Why not make use of the free-of-charge intellectual property protection tools as they allow you to defend your IP assets in case of infringement by third parties »»*

So the CEO is used to protecting the company's know-how by including non-disclosure clauses in employment contracts and signing non-disclosure agreements with prospective partners, suppliers and clients before any confidential information would be exchanged. He also ensures that all the company's documents and emails have a confidentiality notice. Furthermore a copyright notice is placed on all the documents, software and web pages produced by the company.

## 3. Defensive IP strategy

Intellectual property is managed by the Lawnsalted CEO alone. IP questions are dealt with as soon as problems arise by seeking advice from IP consultants. Being aware of the relevance of intellectual property for his business, the Lawnsalted CEO also takes care to integrate intellectual property in the company business plans.

*« I do not consider the time it took me to include IP considerations in my business plans as wasted as it helps me today to better carry on my business activities »»*

Regarding intellectual property rights protection, the CEO has adopted a defensive strategy, because he thinks that competitors are not able to easily copy his company's products. Nevertheless he is aware of the significance of asserting his rights in the case of infringement by a third party. Moreover, to avoid infringing third parties' rights, he also makes use of IP as an information source by asking one of the Enterprise Europe South East UK organisations to help him with trade marks and patents searches.

The registration of trade marks for the company's products is the first step toward having IP rights granted. Moreover, Lawnsalted is planning to diversify its business activities through a new innovative service based on a patented system.

To this end, an exclusive licence agreement has been signed between the company and the patent holders with a view to extending patent protection to more territories for commercialisation.

Inadvertently, the patent owner did not take into account the priority date and missed the one year deadline, which is given to the patent owners to seek protection in other countries to meet the novelty criteria. As a matter of fact Lawnsalted now faces the problem that the licensed innovative service can be freely copied and the consequent likely lost of its competitive edge in some of the relevant markets.

#### **4. Lessons learned and suggestions**

The CEO considers intellectual property protection as a very important issue for small high-tech firms as it attracts investors and protects one's intangible assets from competitors. The role played by the so-called soft IP, i.e. trade secrets, know-how and all relevant confidential business information, has been acknowledged by the fact that Lawnsalted has doubled its annual turnover over the last year. Properly dealing with this critical information, the consequent usage of non-disclosure agreements where appropriate, coupled with the regular monitoring of IP databases, has then proved to be crucial for Lawnsalted business growth.

By adopting a defensive strategy the Lawnsalted CEO endeavoured to obtain exclusive use of an innovative product and consequently prevent competitors from exploiting it in the same market. However, its commercialisation benefits might be jeopardised as the risks of competitors copying the licensed product are still high, given the impossibility of claiming priority on the patent licensed.

Although supposedly less expensive than an offensive strategy, a defensive strategy should nevertheless carefully thought out, as the economic benefits that can be derived by the IP commercialisation could be reduced if not every aspect is taken into consideration.

## GET IN TOUCH

**For comments, suggestions or further information, please contact**

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## ABOUT THE EUROPEAN IPR HELPDESK

The European IPR Helpdesk aims at raising awareness of Intellectual Property (IP) and Intellectual Property Rights (IPR) by providing information, direct advice and training on IP and IPR matters to current and potential participants of EU funded projects. In addition, the European IPR Helpdesk provides IP support to EU SMEs negotiating or concluding transnational partnership agreements, especially through the Enterprise Europe Network. All services provided are free of charge.

**Helpline:** The Helpline service answers your IP queries within three working days. Please contact us via registration on our website – [www.iprhelpdesk.eu](http://www.iprhelpdesk.eu) – phone or fax.

**Website:** On our website you can find extensive information and helpful documents on different aspects of IPR and IP management, especially with regard to specific IP questions in the context of EU funded programmes.

**Newsletter and Bulletin:** Keep track of the latest news on IP and read expert articles and case studies by subscribing to our email newsletter and Bulletin.

**Training:** We have designed a training catalogue consisting of nine different modules. If you are interested in planning a session with us, simply send us an email at [training@iprhelpdesk.eu](mailto:training@iprhelpdesk.eu).

## DISCLAIMER

This Case Study has been initially developed under a previous edition of the European IPR Helpdesk (2011-2014). At that time the European IPR Helpdesk operated under a service contract with the European Commission.

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