

How To Market And License Your Technology

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Abstract

Best practices and expert insights from social media are combined to shed more light on the needs of licensees or buyers to improve technology offers and the marketing approaches of licensors and sellers to foster technology transfer.

What Makes You Attractive as a Licensor

Douglas C. Engelbart, best known for inventing the computer mouse, famously said:

“Stanford Research Institute patented the mouse, but they really had no idea of its value. Some years later I learned that they had licensed it to Apple for something like \$40,000.”²

Technology alone does not make you an attractive licensor. The first step is to attract interest from a potential licensee. To attract interest, the technology must provide a solution to a relevant customer problem, like the computer mouse did to solve the problem of interaction between human and computer. The more significant the consumer problem, the more attractive you are as a licensor, provided, of course, that the technology delivers a solution, and that consumers can see the advantage of the solution and believe it is worth paying for.

In the same vein, Geoff Nicholson, the “Father of Post-it Notes” remarked:

“It was because of the real-world feedback. The first customers were the 3M employees in the lab, and the reality was that we couldn’t keep up with their demand.”³

When that happens, you know you are on to something big, but note that this goes beyond the value drivers of any patent. Certainly, patents are important, but many other things matter too, such as know-how and proof of consumer demand. These value drivers that go beyond patents are an essential part of becoming attractive as a licensor. A patent application can protect your invention. But only a technology that will be valuable to a potential partner can get you through the door. It is your job as the licensor to understand the value drivers and be able to convey it to the potential licensee quickly and coherently so they can appreciate the value proposition.

The Licensee’s View

Conducting interviews with technology companies

*authors in alphabetical order

1. Gene Quinn summarized key takeaways in a video, see epo.org/sme-takeaways.

2. Andrew Maisel, “Doug Engelbart: Father of the Mouse, SuperKids,” superkids.com/aweb/pages/features/mouse/mouse.html.

3. Alvin Soon, Geoff Nicholson, the “Father of Post-it Notes,” on 3M & Innovation, *HardwareZone*, 2013, hardwarezone.com.sg/feature-dr-geoff-nicholson-father-post-it-notes-3m-innovation.

helps to better understand the expectations these companies have of technology offers. A multinational telecommunications company said:

“It’s important that you can explain to people within two minutes what it’s about, who the key persons are, what you’ve protected, what is the status of your patent. Most of the time all the data is there, but very confusing.”

Likewise, a U.S. professional services company commented:

“But it is very difficult, if even as a technology owner, you do not know how it can be used and to what extent. It is difficult to negotiate properly at this stage.”

A car maker said:

“I look at which technologies will come into our products in the foreseeable future, only then will I discuss about in-licensing.”

And a French investment bank replied:

“The tight corset of a patent description must be enriched by experts, swarm intelligence and described more broadly with new target solutions and application cases.”

Looking at the market, a technology scout pointed out:

“What is often missing, however, is the market side. That people have no idea about the market. That they don’t know what their competitors and competing products are.”

To sum up, licensees are looking for the business and market component. How can your technology help them solve their customers’ problems? You need to be prepared to deliver an answer to this question quickly, directly, and with facts and figures to back up your analysis. There is no substitute for really knowing your value proposition and being able to distinguish yourself from the competition and alternatives.

Improving Your Technology Offer

The key points in your marketing materials or technology offers should be:

- What are you offering?
- What are the “pain points” that the technology is solving for the paying customer?
- What is the unique selling point (USP) of the technology?
- What are the overall benefits of the technology? This requires translating the technical features of your technology into benefits that fulfill customer needs.
- Why is the technology better than a competing or substituting technology?
- How large is the market for the solution? Even more important, how fast is it growing?

From these key points, you can drill down on the technology aspect, while remembering that when you discuss the benefits of solved problems instead of the technical solution, you should not disclose confidential information:

- What readiness level has the technology achieved?⁴
- Do you have a prototype, a compelling demo or even a minimum viable product (MVP)?
- What are you offering: know-how, patents, design rights, etc., as well as cooperation?
- From a patent enforcement perspective, will you be able to find out or detect if somebody is engaging in an unauthorized use of your technology?

You should also refine the market aspect:

- Is there significant customer interest? How do you know this to be true?
- How large are the addressable and serviceable markets?
- Is the market ready for the technology, or does the market need to be developed?
- Is standard-setting a possibility? Is your technology related to an existing standard?
- Is there regulatory pressure to adopt your technology?

You should distill the value and cost aspects of your technology.

- What is the solution worth to customers?
- Is the solution better, but also cheaper than the customers' current solution?
- Do the licensee and its customers have the budget for your solution?

Be easy to contact. Who are the key people?

- Identify the first point of contact who will deliver the elevator pitch when contacted by a potential licensee.
- Consider engaging the inventors for technology transfer and check if there is potential for co-operative further development of the technology.

Lastly, there are many mistakes that you can make, mostly out of hubris. To be taken seriously, you need to appreciate realities of business. To avoid making a grave misstep of this nature:

- Be aware of the existing sunk costs of potential customers because of the technology they are currently using.
- Be mindful that there will be switching costs that go beyond additional fees for acquiring your technology solution, *e.g.*, employees may require training, during which they will be less productive.
- Don't fool yourself into believing there are no substitutes, there is always a subset of customers who will elect alternative inferior, cheaper solutions.

- Expect the “not-invented-here” syndrome, even if the potential licensee’s management might give you the impression that they are living open innovation.

To fill gaps, search for information. You can get additional support from crowd experts on websites such as *guru.com*, *freelancer.com*, *upworks.com*, etc.

How to Find Killer Applications and Interested Partners

Start by researching the patents of related technologies and competitors. These can be a source of inspiration for potential alternative applications you might not have had in mind when developing the technology.

You can also use Google Marketfinder and Google Trends to find potential applications and interest for a solution around the world.

Design thinking,⁵ which is usually used to identify solutions for a newly identified customer problem, can also be a great tool for finding new market applications for an existing technology. First you observe and understand potential customer

problems that the technology could solve. Next you ideate and synthesize the ways the technology could solve the customer problem. Lastly, you create a simple prototype, *e.g.*, on paper, and test it with potential licensees. You can refine this process using feedback received from potential licensees and their customers. See Figure 1.

Internet searches and searches on company profile databases, market research databases and patent databases like Espacenet can also be great for identifying potentially interested partners.

How to Market Your Technology Successfully

As a technology owner, you have several avenues for approaching potential licensees or commercialization partners. The goal is to have a sound marketing mix that may entail:

- Your own network combined with online searches (get your inventors engaged)
- Published patent applications (18 months after filing) and scientific or technical publications (guided by the patent attorney, publication could be soon after priority filing)

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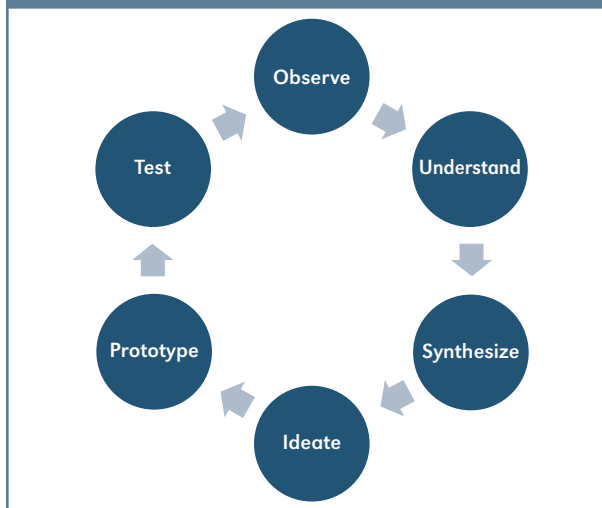
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4. en.wikipedia.org/wiki/Technology_readiness_level.

5. You can find methods and tools on rework.withgoogle.com.

Figure 1. Design Thinking Process



- Trade fairs, conferences and partnering events⁶
- Direct and digital marketing
- Market facilitators and marketplaces
- Getting found through media publications

The focus here is on the most mysterious of these avenues—getting the attention of the media and bloggers.

Think of the Media as Overworked and Underpaid.

Most media outlets are not going to perform an in-depth gathering of facts and a hard core reporting of news. There isn't time, and it is very expensive. Bloggers and 24/7 media have transformed journalism. Journalists and bloggers need to turn things around very quickly, sometimes multiple articles a day. This means no blogger or journalist will be able to dig into your newsworthy story.

What are the Facts?

A technology owner can flood the marketplace with facts. Facts and information, in particular in the form of infographics, are king. But facts alone are not going to be enough. You need a story that can easily be understood and retold. Stories transform facts into something real, interesting and compelling. When giving facts, spoon feed them in press releases. Bullet points are particularly useful. Remember that journalists and readers are unlikely to be technically sophisticated. Anticipate questions that will arise in the mind of the reader and answer them in advance. This is what good journalists do and what a good press release or information brochure must do.

What is the Story?

Give thought to what will make people think positively or be curious about your technology. As difficult as it may be for company executives to accept, this might not be the story of the “great and worthy super-genius” inventor

or company founder. Of course, it would be preferable if the technology has the potential to save lives or contribute to coping with climate change. Or it might be something more mundane, like the fact that the company has hired more people who were out of work for many months and is breathing new life into a community. It might be that someone's life has been changed or improved in some dramatic way. It might be that the inventor, technology or innovation has won some recognition or award. It might be some milestone has been achieved. With niche media and bloggers, it could be all of the above. This is why the most sophisticated companies actively push out press releases for all good news and aggressively use social media.

Be Honest, Don't Over Sell and Don't Look Stubborn

Journalists and bloggers are trained to ask critical questions. When dealing with technology, high-tech companies are often working on things that touch upon the improbable. Initial reactions will range from excitement to disbelief, but wherever they begin, the spectrum of excitement to disbelief is a range.

What is the Purpose?

If the goal is to drive interest and tout a positive development, the press release should give a patent number, explain the challenge solved via the technology, explain why the technology is exciting, and explain how it is at the cutting edge of its industry. Be concrete and specific! Vague doesn't get picked up. No one wants to read something vague, which comes across as merely self-congratulating and salesy.

What is Unique?

If you are discussing a technological advance and you do not have an explanation in the press release about why this is a breakthrough and unique compared to other solutions, you have failed. Don't say it is important or a breakthrough, tell how and why! A good example is:

This is a major breakthrough compared with other solutions that have sought to X, using Y and Z. The ABC developed by the team at D is more E, F and G in that H, J and K. This leads to L, M and N, which is significant because [insert brief generally understandable technical discussion]. This will be of benefit to P and R because it enables T, U and V.

“Our Patent Pending...”

Yes, the contents of a patent application are confidential until the application is published or the patent is issued, whichever comes first, but if you won't talk about what is in the patent application and what at its core makes the invention unique, what is the journalist supposed to write about? You have to find the sweet spot, as you can't expect any serious journalist to simply parrot a self-serving, back-slapping, congratulatory press release written by the marketing department. Since you need a balanced secrecy strategy, have your patent attorney draft a summary you can safely use for media/marketing.

Should You have Your Own Blog or Publication?

Publishing is not what a technology owner specializes in. If you do have your own “blog,” it should be a means

6. Partnering events like Bio-Europe facilitate matchmaking in the life science area.

to publish “naked” press releases and quotes from company officials, inventors and other information you wish to push out to journalists and other media.

What is a “Naked” Press Release?

You do not want to publish an article pre-written as a news or magazine article. That will make journalists less likely to pick your news story up because you have beaten them to publication. Publishing something short and sweet with facts, bullet points and easy ways for journalists to make contact for more information is a good strategy. Don't forget that the internet is a visual medium. Include copyright-cleared photographs that journalists and bloggers can download and use along with their stories. Providing copyright-cleared media that journalists and bloggers can use addresses a substantial burden many face: eliminating a hurdle for them to cover your news.

Be Prepared with Additional Quotes

Press releases are great, but when a blogger writes a story from a press release, she always wants to be able to include something original that is not in the press release, so it doesn't look like they merely relied on a press release. But remember that time is of the essence in the 24/7 media cycle. Just because there is interest right now doesn't mean it will still be there if you get back to an inquiry in a day or two. More pressing matters may have captured the attention of the journalist or blogger, and by the time they can return to your news, it may be stale. So be prepared to immediately provide some additional quotes from key figures to journalists who ask for more information.

Have a User-Friendly Website

Everything discussed so far for generating free interest in your technology is the type of information that partners, investors and prospective licensees will want to know about your company, company officials, key inventors and technology. Having a friendly, easy-to-use website is critical in the digital age.

What technologies are available? If the patent(s) have been issued, you can provide access to them. If they have been published but not issued, you may want to provide access. If neither has occurred, a safe summary can do the trick. Don't forget to invite partners, investors and prospective licensees to engage and sign an NDA (non-disclosure agreement) as well as an MTA (material transfer agreement), if applicable. As this will come when you successfully generate interest, prepare your drafts early on.

Social Media

In recent years, it has become abundantly clear that the most important social media platform for professionals is LinkedIn. This doesn't mean you need to ignore other platforms, but it does mean that you might want to use LinkedIn professionally.

Managing Contacts

Having a sound marketing mix will result in many contacts, follow-up duties, staged information flows, management of signed NDAs and MTAs, etc. Properly managing all this requires a very structured approach that has to be supported by tools. Use of customer relationship software could make sense in particular if teams are formed to maximize the outreach.

Key Takeaways for Marketing Your Technology

- Define your target group (of potential licensees and the customers they are serving).
- Identify the customer problem, technology benefits, technology readiness, and market size and growth.
- Invest time and effort in tailoring marketing materials.
- Use all marketing channels, including social media.
- Get found through your publications.

Marketing Materials Checklist

Checklist for preparing and testing your marketing materials:

- Prepare a short headline (that covers what and why)
- Focus on the solution to a customer problem (less is more).
- Focus on improvements, not cost reduction only.
- Illustrate (non-confidential) technology benefits.
- Describe the technology readiness level without revealing confidential information.
- List patents and associated IP like trade secrets, prototypes, materials, etc.
- Communicate openness for research or commercialization cooperation.
- Research and specify market size and growth.
- Include call(s) to action.
- Identify key people and note your contact details.
- Run A/B tests with target groups. ■

Available at Social Science Research Network (SSRN):
<https://ssrn.com/abstract=3583068>

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