

## Patents – The Green King?

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# All about patents?

- **Innovation = inventions = patents**
- **National progress in green technology measured by number of patent filings**

## But patents under attack.....

- **Guardian article** – “Science in Shackles” (Manchester Manifesto): “there is a *profound problem when it comes to so-called intellectual property (IP)*”
- **Copenhagen Conference:** likely attacks on “developed country” framework for patents
- **Chartered Institute of Patent Attorneys debate:** “*Patents are stifling the innovation needed to ensure abundant, low-carbon energy supplies*”.

# Patents- The Green King?

An important set of tools for innovative business but not yet king- many other levers to competitive advantage- ignore at your peril

Patent protection is often quite narrow in the green field and there are alternatives to the patented technology.

- Dependence of green (including transport) technologies on existing technologies: new uses (e.g. electric and hydrogen powered cars) and reworking
- Alternatives: different motor designs, different battery designs/technologies, different lightweight construction techniques, different construction materials (titanium, plastic).
- No dominant technology. Unless overwhelmingly effective major innovation – the only thing to adopt (efficient means of hydrogen storage)?

But patents are still important:

- A flag in the ground - “We are here!” (governments and investors like patents)
- Immensely valuable “gatekeeper” patents – not just because of the technology but the regulatory environment, consumer demands, and the existing infrastructure.

# Legislation and regulation

- **Mandatory use of biofuels (e.g. the EU biofuels directive)**
- **Targets and mandatory caps on CO2 emissions and energy consumption standards**
- **Scrappage allowances/schemes**
- **Subsidies and rebates for the use of green technology (e.g. the “green car scheme”).**
- **Fuel consumption meters**

## Legislation is important:

- **New laws make new environments and (often badly drafted) will occur with increasing frequency**
- **International, national or local (e.g. London congestion charge). – different models and requirements**

## A key competitive driver:

- **Ability to adapt to (and lock your technology into) new legislative environments**
- **Using Government regulation and adapting to infrastructure design**

**Awareness of direction of developments are leading.**

# Infrastructure design and development

- **Smart meters**
- **Vehicle changing infrastructure (both electric charging and road use charging)**
- **Fuel supply infrastructure**
- **Green bike schemes.**
- **Compatibility and standardisation of cell design and capacity.**

**These issues can boost your technology – or disable it entirely.**

**Franchises – supply of services, train or bus operations; electricity distribution for electrical cars (e.g. lease of battery cells).**

# Business Models and industry structures

- **Who are the key players in your industry environment?**
- **First or second tier supplier or in the vehicle building business yourself?**
- **Partnerships (a key to competitive advantage):**
  - **Choosing the right partner**
  - **Exclusivity – commercial and competition law issues.**
  - **Effective collaborations (e.g. those promoted by the Technology Strategy Board) – key investments at an early stage.**

# Cultural, market and consumer issues

- **Understanding and educating consumers – What products will be successful and when to place them:**
  - What are they consuming
  - How will new technologies assist them in consuming less
  - Appealing to their consciences and pocket
  
- **Consumer data:**
  - Already a key market access issue in the electricity supply industry and a valuable asset.
  - Similar issues about consumer use of transport – demonstrating the advantages of switching to a new or a tailored service which meets their needs.
  
- **Green brands will influence what is acceptable technology:**
  - “CRed” from the University of East Anglia
  - Labelling for low carbon vehicles (CENEX)



# Funding structures

## Relevant to investors

- **Feed-in tariffs in the electricity supply industry**
- **Consumer funding issues, including alternatives to purchase which may be impacted by regulatory frameworks such as consumer credit legislation:**
  - **Leasing of cars or expensive components such as batteries**
  - **Provision of service arrangements- e.g. short term car rentals**

# Other intellectual property

- **Branding- building and protecting a brand with “carbon credentials”**
- **Rights in data and information**
- **Employee know-how- what can and cannot be done from a legal and a business perspective.**

# In conclusion

**A place for patents, but much more to this in building a successful business.**

**We can help.**

# Who do I contact?

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