

# Case Study: Intellectual Property Licensing strategy to enter Indian markets

## INDIA IP SME HELPDESK

### ✓ Background

Insofar GmbH, a German SME, developed solar cells with high power generating capacity and decided to patent this technology strategically in countries with moderate to high sunlight supply, product demand, and manufacturing & supply ease. India being a market with great potential for this innovation, decided to secure patent protection in the territory and start the process of starting a business there. As they were developing their business plan for entry into the Indian market, they realised that they would need to create brand value to generate sales, or alternatively to enter into agreements with local businesses to commercialise their products. Since they did not have a trademark registration or an industrial setup to use their technology, they decided to consult an IP expert.

### ⚙️ Actions taken

They approached an IP expert who informed them that since their technology had applications in multiple industries such as solar panels, solar lamps, toys or vehicles, different commercialisation channels could be put in place. Therefore, he suggested.

- To design a logo for their company and products in India and secure their trade mark protection in India.
- To consider licensing their technology to companies in different sectors.
- Or partner with one big brand that would utilise its technology in various products while catering to multiple business verticals.

He also informed them that should they decide to focus on partnering with local businesses instead of commercialising directly themselves, they would have the choice between licensing the technology as such and let the local partner commercialise it under its own brand, or to include the technology licensing within a wider partnership which would also include the licensee commercialising their innovation under the Insofar brand.

### 📊 Outcome

Insofar GmbH created a company logo and filed for trade mark protection in India. It was decided that their logo would be displayed on products that use their technology and on their packaging. They further provided exclusive licences of their technology to Indian companies with good positioning in specific sectors in India. They signed licensing agreements with licensors with pre-defined royalties for a limited time and only extended to the Indian market.

Within a few years, Insofar GmbH reaped profits from the sales of their patented technology used in multiple solar products sold in different market sectors, without investing in manufacturing setup or marketing. While their company brand value improved as it was displayed on several products that utilized their patent.

This strategy has allowed Insofar to create brand value around its products on the Indian market, thereby allowing it to more easily diversify its commercial interests: being recognised for the quality of its solution as applied to the solar panel industry has made it easier for Insofar to put its feet in the vehicle industry.

### 📖 Lessons learned

- Registering a trade mark is one key step towards establishing a brand value of the company.
- Licensing a technology can cut costs on manufacture and marketing and can therefore be a more realistic and profitable solution with SMEs which may not have the necessary financial or industrial muscle to carry out the large scale manufacturing themselves.
- It is important to have a well-articulated licensing agreement with clarity on royalty rates, period of agreement and other requirements. Licensing can be either exclusive or non-exclusive and a licensee can decide what would work best for him based on expert suggestion.
- Identifying the application of the patented technology in different industries and approaching the potential licensees can fast track business growth.