

Appropriation Strategy Lab

Patents Trade secrets Trade marks
Contracts Complementary assets

Turn innovation strategy into a game

Free, browser-based teaching game on how firms protect and profit from innovation.

- 🎓 Designed for teaching innovation & strategy
- 📖 Play it in class or assign as pre-work

Appropriation Strategy Lab –
Warwick Business School

What Is This Game?

- A 10-round simulation on how firms protect and capture value from innovation.
- Each round presents a different real-world innovation scenario.
- Players choose an appropriation strategy (patents, secrecy, contracts, assets, etc.).
- You receive feedback, profit impact and strategic insights each round.
- Play a Tetris-like mini game
- Your final ranking ranges from Butterfly 🦋 to Dragon 🐉.



Appropriation Strategy Lab

For each innovation, pick how the firm tries to stop rivals copying it. Think about **appropriation mechanisms** (formal and informal), **complementary assets**, and **contracts**. You have 10 rounds, with a different product or service each time. Rankings go from **Butterfly** 🦋 to **Dragon** 🐉.

Round 1 / 10

Total net profit 0

Best-aligned choices 0 / 0

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Streetwear brand with distinctive logo

A clothing line with strong visual identity and active social media. You start a streetwear brand selling in London, Berlin and online. Designs follow fashion trends, but your logo and style are distinctive. You sell mainly through social media and pop-up shops.

How easy is it to copy? Other brands can make similar clothes, but copying your name and logo would be obvious.

What can others see? Logos, slogans and designs are highly visible in photos and in the street.

Key complementary assets: Brand story, social media channels, some influencer relationships, flexible suppliers.

Market / legal context: Fashion moves fast. Legal fights can be slow and expensive, but clear trade marks still matter.

CHOOSE AN APPROPRIATION STRATEGY

A Register individual designs for each clothing item, ignore the brand

Main tools: Design rights, legal fees

You focus protection on specific garment shapes and prints.

B Skip trade marks, rely only on speed and constant new drops

Main tools: Lead time, trend-spotting, social media

You try to stay ahead by always releasing new designs.

C Register trade marks + exclusive deals with key influencers and pop-up hosts

Main tools: Trade marks, limited design copyright, influencer contracts, scarcity

You protect the brand name and logo and use contracts and drops to build a loyal community.

Round outcome

Make a choice to see the outcome.

Think about: visibility, ease of imitation, complementary assets, and realistic legal, contractual and informal tools.

You will see 10 different situations. No product or service repeats in this game.

Next scenario

Formal tools

Patents (P) protect new technical ideas (if you meet the patent requirements).

Trade marks (TM) protect names, logos and brand identity.

Copyright (C) protects code, text, images, music and other creative work.

Informal / practical methods

Secrecy (S) keeping valuable know-how confidential (e.g. recipes, algorithms, processes).

Lead time & first-mover (LF) staying ahead through speed and learning.

Complexity & tacit skill (CS) making it hard to copy in practice.

Community & switching costs (SC) building attachment and making exit painful.

Complementary assets & contracts

Complementary assets (CA) manufacturing, sales & marketing, service & support, data, platforms, distribution networks.

Contracts (CT) NDAs, exclusivity, data rights, non-competes (where lawful), platform terms.

In Teeva's terms, the key question is: who actually gets the money? Often it is the firm that chooses the right **bundle** of appropriation mechanisms, complementary assets and contractual arrangements for the context.

More about appropriation mechanisms (click to expand)

Patents – when they work and when they fail

Trade marks – protecting brand and identity

Copyright – protecting creative expression

Secrecy – hidden know-how and information

Lead time & first-mover advantage

Complexity & tacit know-how

Cisco Secure

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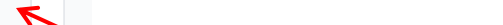
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Description of innovation

Appropriation context

You choose one of the three options



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Lead time & first-mover advantage

Complexity & tacit know-how

Community & switching costs

Complementary assets – who controls the bottleneck?

Contracts – invisible but powerful barriers

You could click
on these for
more
information

Example Scenario (Not in the Game)

Innovation: A UK start-up develops a biodegradable packaging film made from seaweed.

- *Imitability*: Moderate. Recipe is partly visible once analysed; production tolerances are tacit.
- *Visibility*: The film's properties can be observed by competitors.
- *Complementary assets*: Large food-packaging distributors control access to major retailers.
- *Context*: EU tightening rules on plastic packaging; strong interest from supermarkets.

Possible strategies

- A. Patent the formulation and license to multiple manufacturers to scale quickly.
- B. Use secrecy for the process + NDAs with early partners.
- C. Copyright the recipe and then secure exclusivity agreements with a distributor.

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How to Play

1. Carefully read the scenario: innovation, imitability, visibility, complementary assets and context.
2. Review the three strategic choices.
3. Pick ONE appropriation strategy.
4. See the outcome:
 - Profit impact
 - Protection strength
 - Cost/difficulty
 - Feedback based on Teece's framework
5. Continue through all 10 rounds.
6. At the end, you receive your overall ranking and personalised advice.



Key Issues to Consider When Choosing



Imitability: How quickly can rivals copy the idea?



Visibility: What aspects of the innovation are observable or reverse-engineerable?



Cost vs. benefit: Is the protection worth the time, money and disclosure?



Complementary assets: Who controls manufacturing, distribution, data or brand access?



Contracts: Could NDAs, exclusivity or platform rules matter more than IP?



Informal mechanisms: Lead time, secrecy, complexity, user community.



Global context: Enforcement strength, regulation, partner bargaining power.



The right choice depends on **the whole context** — not just the invention.

Your Challenge



Use what you learned from IP strategy, Teece's appropriability regime and complementary assets.



Think like a **strategist**, not a lawyer.

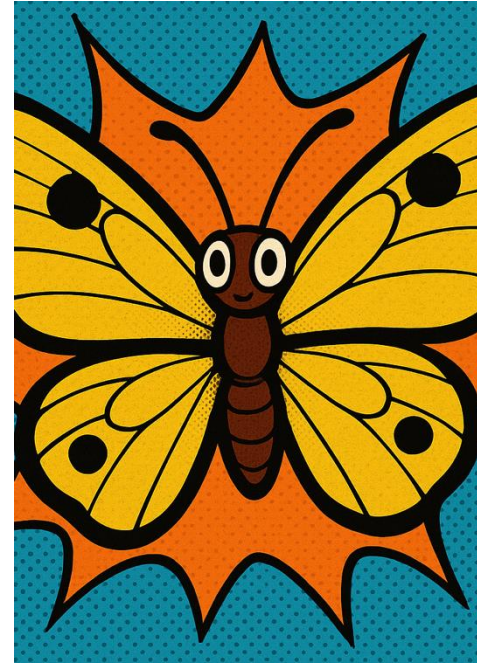


Balance short-term gains with long-term defensibility.



Choose carefully — every round shapes your final ranking

Levels of performance





Appropriation Strategy Lab

Post-Game Scenario Exercise

Goals of the Exercise



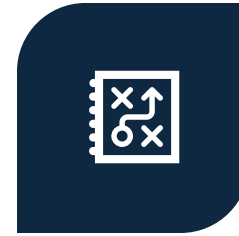
USE YOUR PERSONAL
EXPERIENCE OF MARKETS,
PRODUCTS, AND
INDUSTRIES



REFLECT ON YOUR GAME
RESULTS AND STRATEGIC
DECISIONS



IDENTIFY WHAT MAKES
SOME SCENARIOS EASIER
OR HARDER



CONTRIBUTE NEW,
REALISTIC SCENARIOS TO
IMPROVE THE GAME



LEARN THROUGH
DISCUSSION AND PEER
FEEDBACK

What I Am Looking For

- Clear, realistic innovation examples drawn from personal experience
- Evidence of thinking about imitability, visibility, assets, and contracts
- Three plausible strategic options (not perfect – just credible)
- Group discussion, debate, and justification of choices
- Engagement with feedback from another group
- A scenario that would challenge future players



Step 1 – Compare Scores & Game Experiences

- Share your final score and animal level
- Discuss choices you made
- Identify moments of confusion or insight
- What did the game reveal about your strategic instincts?



Step 2 – Easiest & Hardest Scenarios

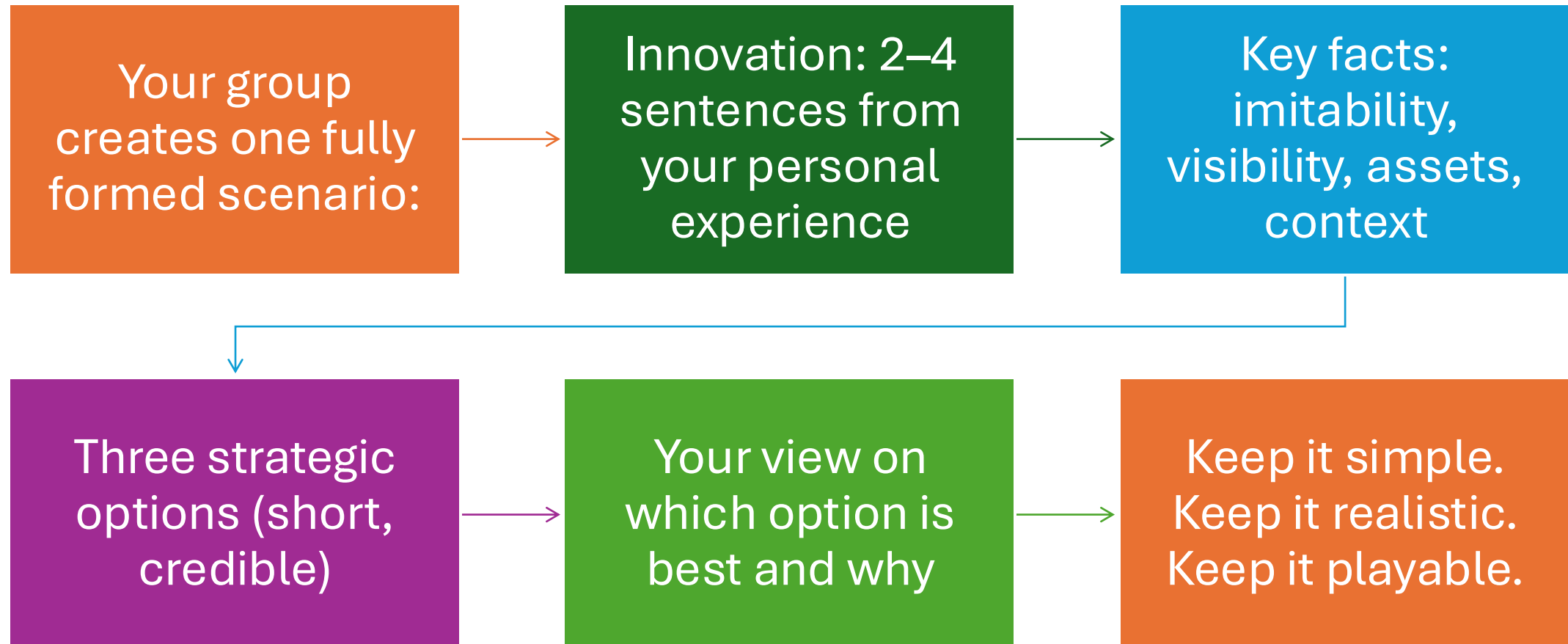
What scenario felt
easiest for your
group?

What scenario was
most difficult?

Explain why:
imitability? visibility?
assets? partners?

These insights
help you build a
better new
scenario

Step 3 – Develop ONE New Scenario



Step 4 – Pitch → Feedback → Refine

- Pair with another group
- Pitch your scenario (60–90 seconds)
- Receive feedback: clarity, realism, difficulty
- Refine your scenario based on the critique
- Get ready for the final pitch



Step 5 – Final Pitch & Class Voting

- Each group gives a 60–90 second pitch to the full class
- Explain your innovation, dilemma, and options
- Students vote for the top three scenarios
- Winning scenarios will be added to the game library!



What Makes a Strong Scenario?

01

Grounded in real products, markets, or experiences

02

Contains a genuine strategic dilemma

03

Options are believable – none ridiculous

04

Requires players to weigh protection vs. cost vs. assets

05

Would challenge a future student to think strategically

Final Thoughts

There are no perfect scenarios – only useful ones

Use what YOU know: your background, country, sector, work

The game improves when every cohort adds new insights

Have fun, be creative, and don't overthink it!
