



Promoting Intellectual
Property Rights in the
ASEAN Region



Intangible assets identification: the basics for SMEs

Vicente Zafrilla Díaz- Marta, LLM | 15th September 2022



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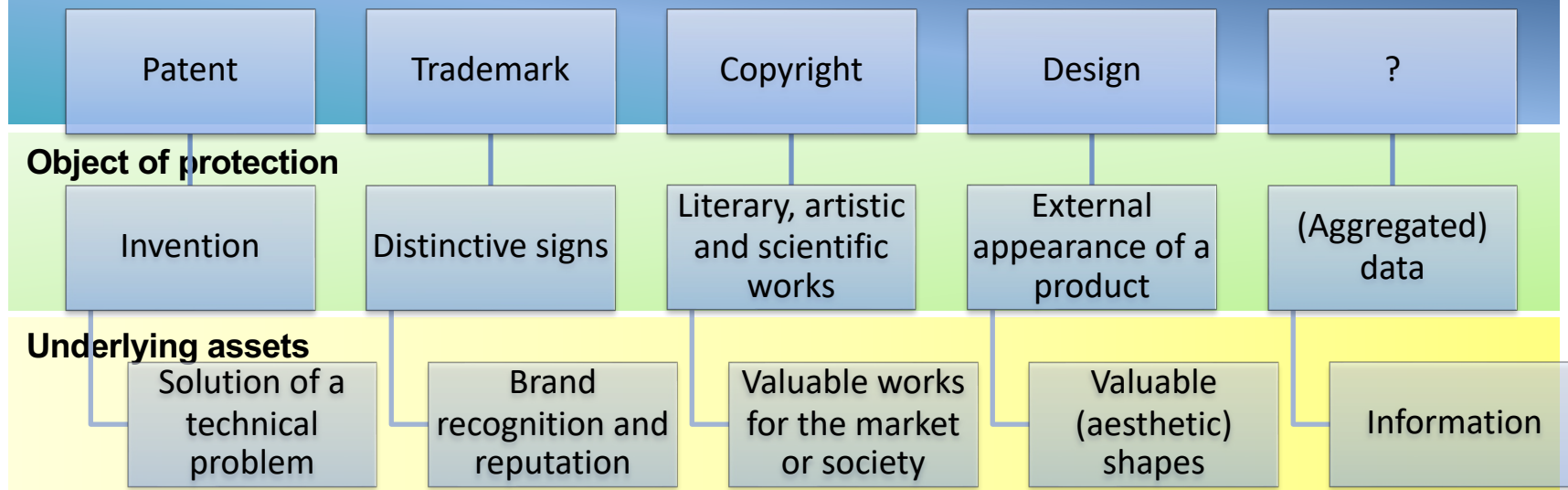
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Overview

- Identifying your core IP assets as an SME (based on a real first-hand case)
 - Early assessment of intangibles
 - Importance of intangibles to appropriately decide on strategy
 - Is there a rule of thumb to decide on the strategy?

1. Intangible assets and IP

Intellectual Property Rights



1. Thermion: a real first-hand case

- Incorporated in 2015
- Guitar pedals and amplifiers
- Won an award to the most innovative entrepreneurial project, including €4000 to apply for:
 - A Spanish trade mark
 - A Spanish patent



2. Our intangible assets at the beginning: brand

- Our brand:

Triode

(local/regional recognition due to prior trajectory in repair and customisation)

- But:
 - Existing prior conflicting trade marks (identical and similar)
- What to do?

2. Our intangible assets at the beginning: brand

- The decision:

Thermion

- Some key ideas:

- Starting a business is burdensome: prevent foreseeable risks in advance – and do not incur on them willingly.
- Do not pour money in a ripped purse

At that point in time:

Thermion brand value = 0

***Triode brand value = few
thousand € + emotional value***

2. Our intangible assets at the beginning: brand

- Should I protect my trade mark?

YES

Really good ratio cost/return

Gathers active and passive marketing – goodwill

Rule of thumb: protect ALWAYS if you plan to expend more
€3000/year in marketing

2. Our intangible assets at the beginning: invention

SE2 – Studio Emulating Environment



Electric
impulse



Impulse
response
(code)

Copyright



Configure the output sound
emulating that you are playing in
a studio with more than 10 HQ
amplifiers, different mic
position...

Patent

2. Our intangible assets at the beginning: invention

Solution to a technical problem (value proposition to market):

- **Record at home as in the studio**
 - vs analogic sound: Do not spend money in a expensive studio setting (+€7000) with a €700 product
 - vs digital sound: Reflect the nuances, undertone and **imperfections** for each guitar whip

2. Our intangible assets at the beginning: invention

Should I protect the patent?

YES

€4000 helped

Unfortunately there is no rule of thumb

Patent if it contributes to sustain a competitive advantage* or obtain direct returns (eg royalties, VC investment)

In such early phases, it is difficult to predict

* At that point the SE2 feature

3. Our intangible assets at the beginning: copyright

What about the impulse responses?

- Software – protected by copyright (WORLDWIDE!)
- Downloadable from the website with a password given after the purchase of a pedal
- Added layer of protection to patent:
 - if someone copies our product will forcedly need to infringe the software – otherwise the output will be just noise
 - in EU cases copyright cases are simpler than patent cases, enforcement is somehow simpler and they are less expensive

Main takeaways

- Inform yourself to take informed decisions
- Importance of costs/benefits analysis
- More on designing an IP strategy for an SMEs in the next session

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THANK YOU

Contact details:
Vicente Zafrilla Díaz-Marta
vicente.zafrilla@ua.es



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