

Dinner Speech MIPLM 2nd module 2019

Company Fest AG & Co. KG

(speech version – official company version see below)

IP in a medium sized family business, opportunities – risks in the IoT environment and internationalization

Facts and figures: Festo are a global company in the field of automation technology with a turnover of 3.1 billion and with 21.000 employees. We offer about 30.000 products in several variants. Festo is represented worldwide with 61 locations. We have 10 development locations. The main development work takes place in the headquarter in Esslingen (Stuttgart).

Festo is a family business and our owners, at the age of 80 years plus, have been and already still are interested in innovative solutions. In the early days of Festo, they recognized the potential of pneumatics for clamping tools for woodworking machines. Since 2000, the field of woodworking machines has been an independent company (Festool).

In our basic technologies, pneumatic, mechanic, mechatronic and electrical engineering, we operate in a volatile market environment. Foundations for key technologies were laid e.g. fuzzy logic, artificial intelligence, machine learning, the processing of big data, etc. in 1950's. Due to the technological advancement higher processor capacities are now available at reasonable prices. The possible use is now given.

As in most industry sectors different kinds of grow together. To be successful in the market, you must design products "smart".

What does all this have to do with IP?

In the basic technologies we know our competitors very well. Accordingly, we have a competitive monitoring of our competitors, know their IP strategy, portfolio etc. The firms know each other, the claims are clear. We have not had any substantially patent disputes in the last 20 years. We have been able to clarify many cases by patent monitoring and preliminary negotiations for rights for joint use for free. At that time, our main activities were at Europe. In Europe we have a common IP culture and a similar jurisdiction.

In the past years, our market activities have changed. China has become a main market and USA is becoming more and more important for us, too.

As already mentioned, the world is changing rapidly. Large companies, especially American, take a great interest in IT technologies IoT and Industry 4.0. New firms are constantly founded. Due to the economic policy and the 5-year plan of further expansion of those technologies and the corresponding companies can be expected in China.

This is also reflected in consequently increasing of the amount of new patent applications. Another feature is the enlargement of patent families, USA becomes more and more important.

How do you deal with a small IP department with 4 patent engineers?

To be honest, I do not know.

I see a chance in taking part in all possible communities and organizations, such as Profinet User Organization, Linux User Organization etc. to profit from the IPR policies.

Furthermore, a strategy could be to buy the corresponding technologies and products from the “big players” of the world.

In my opinion another opportunity is to analyze IP portfolios with the help of the very good online analysis tools, so that a risk assessment can be made for the management board.

It is also possible to carry out an FTO analysis on specific topics or launch your own IP.

If you can see solutions here, I would be happy to discuss them further.

Let us now move on to another topic.

The internationalization of an IP department and the challenges:

As I have already told you, we are a very small team of IP professionals for the whole Festo company. In the middle of 2016, we had the opportunity to work together with department of Corporate Market Evaluation to establish a position in our Lithuanian service organization for competitive analysis. As the position is divided into two parts, there were corresponding induction and support tasks.

IP professionals are hard to find on the job market. It took us a long time to teach our new IP professional at technical and product know-how of Festo and IP know-how. Usually it takes 2-3 years until an IP professional is taught, as you know by yourself. We carry out weekly telephone conferences and several business visits. Indeed, our IP professional is in maternity leave now. We were not able to re-occupy the position.

After several tries, we were also able to hire a patent professional for our Technical Engineering Center in Shanghai China, in 2017.

Like our colleague in Lithuania, the technical management and teaching is also carried out at us, headquarter. Both colleagues are employed by the respective national companies. As I have already explained, the training takes some time.

Next to the fact of teaching Festo's special product portfolio and technologies, another main topic was the training of IP knowledge. It is still a great challenge. In Europe, especially in Germany, we have the most diverse universities, such as the Université de Strasbourg, the Ostbayrische Hochschule Amberg-Weiden, the Humboldt University in Berlin etc., associations, such as VPP, LES and providers of training in the IP field, such as Forum, Management Circle, IP for IP, without highlighting specific organizations or providers which offer a large independent training for patent engineers and IP professionals. The aim of this training for Festo is to ensure that employees remain in industry after their training and study. We want to avoid that they move to a patent law firm.

These training opportunities are missing in China or I have not found them yet. It would be very helpful to anyone who has a tip here.

But the Asian mentality also presented us with challenges. IP department works with online databases with worldwide access. As you maybe know, China has restrictions on access to foreign servers. Our Chinese employee neither told her direct boss (also a German – but not an IP expert) nor me that she was unable to work comfortable. I only recognized this during my business trip to China and we could solve this problem.

Our company structure in Asia is another challenge in terms of mentality. Our Chinese employees are employed by different kind of companies. The communication structures and contractual relations are difficult to work with between the different companies and with the headquarter.

I hope that I will be able to complete the development of our China strategy with a corresponding remuneration system as a pilot project this year and to implement this to the other Technical Engineering Centers all over the world. The next project will be at Bulgaria.

Thank you for your attention.

Kerstin Single

This article was written in the author's personal capacity. The views expressed her own and do not necessarily represent the views of Festo AG & Co. KG.