

GLOBAL BANKING & FINANCE REVIEW

FINTECH COMPANIES MUST NOT UNDERESTIMATE THE IMPORTANCE OF EFFECTIVE IP MANAGEMENT

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Over the past three years, global investment in FinTech (Financial & Technology) companies has grown four times faster than venture capital investing overall, according to a report by Accenture. Whilst this is clearly good news for the industry, firms in this sector will need to protect their reputation for innovation by capitalising on it in order to maintain momentum and remain internationally competitive. To achieve this goal, however, firms will not only need to grow their Intellectual Property Portfolio, but also find new ways of managing it more effectively.

Citing the Performance & Accountability Report (US Patent and Trademark Office), the annual number of patent actions filed, once again establishes a new record high with close to 6,500 cases filed in 2013. Similarly, according to the EPO's website, filings for 2013 were up by 2.8%. If we were to look back 5 years, that's an increase of over 54,000 filings. The question one now has to ask is, how many ideas/inventions are actually submitted, vetted, reviewed, shortlisted, tested and shortlisted again...before being filed, and how are IP divisions coping with this influx?

This question is handled by IP divisions of companies or governments on a daily basis. Due to the digital age we live in whereby data can flow in and out of enterprises so easily, IP workers need to have the means to effectively manage information. By means, one is referring to the appropriate software to take on the uncontrollable growth of ideas. We live in an age where more than ever, it is advertised that ideas make money. Gone are the days where most ideas were brought forward by a particular sex, race, class or age; now, anyone can bring forth an idea as long as you have the digital capability. This suggests that the fintech sector need to get better at receiving IP submissions so they can rapidly get them through the IP lifecycle and ready for filing. This is where the notion and benefit of 'first to file' comes into play. If you have legacy systems which prove clunky, difficult to use or just plain slow, you are in trouble. Don't take my word for it; ask your inventors what they think of your invention submission process, system or tool. You may be surprised at the answer.

As we all know, IP presents itself in a variety of different forms. Due to its complex nature, it is often the case that a patent for example, is in essence a combination of data and one or more algorithms. This enables a patent engineer to qualify as to the novel nature of said patent. The interesting hurdle here is again, novelty. It has been the winning factor for the fintech sector, and not securing it would be a massive loss in opportunities.

The question therefore becomes, 'how do we manage and therefore defend it and the variety of forms it takes on?' Arguably, even fintech companies should fight technology with, you guessed it: technology. Big Data or smart data, means IP divisions have more and more information coming through than most can handle. It also means more diligence, efficiency and accuracy is required. These are all signs pointing toward the need for robust, dynamic and sharp responses. There is a lot that human beings can do and one of them is enabling technology to do what we can do but faster, more accurately and resulting in more relevant correlations. Innovative technology is out there for us to use and has been for a while, however many companies are not accepting the invitation. The variety of ideas and inventions in IP mean that to gain market advantage, companies need to be quicker and more nimble. This is impossible with cumbersome, slow legacy systems dragging them back. This leaves fintech companies in a place of being fearful of what their competitors are doing but without a dynamic system to spring them back in line with the herd.

It is clear that there needs to be a healthy balance between technical automation and human intervention. The question still remains however; which IP divisions, companies or indeed governments will seek to gain a competitive advantage by including data and technology in their infrastructure to fulfil their IP strategy? This doesn't necessarily make them greedy or fearful but merely, smart.

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