

# TRANSLATION: EMERGING MARKETS TODAY, FOR BUSINESS TOMORROW

Joseph Karcinell outlines how to capitalise  
on globalisation in relation to IP.







Amidst an era of extraordinary advancements in global communication, navigating opportunities in emerging markets is crucial for any business. Global activity and competition are on the rise within a worldwide marketplace that witnessed national phase patent filings grow by 151 percent (from 171,598 to 430,357) over the most recently recorded decade (1998-2007).

Companies must capitalise on current market filing trends, but long-term or prospective growth opportunities cannot be ‘short changed’. Hence, companies must also look to secure IP protection today within the markets of tomorrow.

All signs point overseas for major industry players, such as Pfizer, Microsoft and Toyota. According to their annual reports, the three companies have all experienced international revenue growth over the past five years that has far outpaced the growth achieved in their domestic markets. At Microsoft, international business grew from 32 to 41 percent (dollars) as a proportion of overall corporate dealings from 2004 to 2008; at Toyota, that proportion increased from 66 to 75 percent (vehicles sold) over the same period; and at Pfizer, the increase was from 44 to 58 percent (dollars). All three industry giants have seen a significantly increased proportion of overall revenues derived from international markets.

Many more companies are becoming restless within economic and local geographic constraints. Globalisation, within the context of patent protection, is a concept that has evolved and is defined by the notion of capitalising on a geographic destination abroad prior to one’s competitors, as well as capitalising on new consumer/market targets.

“THE IDENTIFICATION OF PROSPECTIVE MARKETS OF SCALE IS SOMETIMES HINDERED BY THE NOTION THAT PATENT PROTECTION, WHILE LEGALLY ATTAINABLE, IS NOT PRACTICALLY ENFORCEABLE.”

Capitalising on a geographic destination abroad equates to innovative corporate leaders securing IP protection now across the marketplaces of tomorrow. Short-sighted companies failing to secure IP protection within emerging markets could ultimately see reverberating effects as their competitors protect similar technologies in those markets and therein gain recognition for innovation that may well not be their own novel idea(s).

The new consumer/market targets encompass heightened demand for innovation as the global consumer is becoming more savvy, knowledgeable and sophisticated. The World Wide Web, telecommunications and various forms of broadcast media have consumers constantly asking: “What’s next?”

Next big market

Key criteria for companies canvassing the globe in the hope of supplying the “next” include market size and patent protection enforceability. Regionally, innovation has found its way into Asia at an exponential rate

via the PCT (Patent Cooperation Treaty) during the last recorded half decade (2003-2007).

Specifically, China is the region leader, having experienced a 117 percent increase in national phase filings (from 23,354 to 50,739) between 2003 and 2007. The Republic of Korea (+81 percent) and Japan (+50 percent) have also experienced substantial increases in the number of national phase filings received over the same period. Therefore, Asia—especially China—and other global markets will be key commerce sites for companies jockeying for lead industry positioning.

Many other markets are also being actively explored and strategically invested in. The Internet is becoming a faster, more sophisticated information forum by the minute. Outside Asia, countries such as Russia (+121 percent), Brazil (+77 percent, based on 2002-2006 data) and Mexico (+42 percent), each with populations of more than one hundred million, have experienced tremendous national phase entry growth over the past five years.

Notable ‘best kept secrets’ of this emerging market grouping are lesser ‘secrets’ each year: Indonesia, Ukraine, Egypt and others. Many businesses today are focusing on lesser travelled international markets in a constant effort to secure and strengthen their future positioning.

The identification of prospective markets of scale is sometimes hindered by the notion that patent protection, while legally attainable, is not practically enforceable. Nonetheless, as evidenced in often stereotyped China, national phase filings have grown quite substantially over the past five years. China is shifting from a country once thought to be a financially vulnerable destination

for patent filings, and is quickly becoming a filing staple for many companies around the world.

An instillation of confidence, and therein the opportunity to thrive within an evolving market, such as China, is built on effective communication and monitoring by its national administration. The Chinese authorities have intensified their efforts to protect investments and innovation. For example, between 2007 and 2008, China saw a 10.8 percent increase in the number of patent infringement cases accepted and an 84.4 percent increase in the number of cases of patent imitations investigated. IP protection enforceability within emerging markets is critical, and it is a step forward for both industry leaders and governing authorities globally.

Confidence in IP protection enforceability, coupled with the need to venture into maturing markets, creates the challenge of putting research and planning into action across international business barriers. An inherent issue for organisations looking to gain ground within these evolving markets is the language barrier associated with patent translation. The challenge is quite literal, in terms of speaking foreign languages, as well as integral, in terms of

understanding the costs involved in propelling applications destined for many different patent offices throughout the planet.

The fees for translating patents continue to be the most fogged and most costly part of international patent prosecution. Companies must take control of their international patent portfolios and, through multilingual specialty consultancies, get a deal that is fair. Leaner patent processes, encompassing better translation management, will enable a more cost-effective and empowering approach toward globalisation for any innovatively driven business.

Strategically managing an international patent portfolio in today’s dynamic global marketplace will be a vital component for companies looking to ‘get in’ on the markets of tomorrow. Tomorrow is a future that cradles a parallel between the developing markets’ dedication toward guaranteeing enforced patent protection and innovatively driven corporate leaders becoming believers in the potential for financial success across unique geo-opportunities.

Proactively managing international patent portfolios and electing to quickly motion towards

capitalising on a lesser travelled market today, will serve to reward any business tomorrow.

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### TRADEMARKS - PATENTS - (INDUSTRIAL) DESIGNS - DOMAIN NAMES

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