TECH FRAME

INTEGRATIVE WORK PROJECT IN STRATEGY

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Executive Summary

In any European jurisdiction filing an Industrial Property (IP) right, such as a patent, a design or a trademark, and being responsible for all its future management and vigilance is a complex process. For this reason these activities are generally subcontracted by the IP Rights' Proprietors to IP Agents. Eyeing this opportunity, Tech Frame a Portuguese IT company has developed an IT solution, Darwin. Darwin is a software that supports all the activities performed by any IP Agent related to the management of IP Rights.

Established in Portugal since 2000, Tech Frame already detains 80% of the Portuguese market share. Despite the large market share the Portuguese market exhibits limited growth opportunities. Therefore, Tech Frame is considering the possibility of entering the Italian market. This Integrative Work Project (IWP) focuses on identifying the opportunities that this market might offer as well as performing an in depth analysis of its structure. Furthermore, it will determine Tech Frame's strengths and weakness and propose entry strategies that will optimally lead to the desired market share.

The implementation proposal takes into account staffing, investment and timing issues necessary to effectively execute the recommended strategies for entry in the Italian market. The large differences between the Portuguese and Italian markets have been a constant concern when developing an international plan that will enable a successful entry.

Key words: Tech Frame, Industrial Property, IP Agents, Patents, Trademark, Darwin.

Description of the firm

Tech Frame is a Portuguese IT Company created in March of 2000 and located in Lisbon. It creates, develops and commercializes IT products targeted at IP Agents. It leverages the large experience of its promoters in the areas of development and implementation of integrated management systems. By supplying the market with innovative products and services, Tech Frame covers the existing needs of the IP sector, offering complete software solutions and services to IP agents, adding value before and after the installation of its products. Tech Frame's key product is Darwin and currently is the only IT solution the company offers IP agents (even though new products are being developed). This integrated IT solution manages IP Rights, such as patents and trademarks, providing services for Official IP Agents, either at a national or

international level. Darwin is highly valuable for any Official IPAgent; it controls the whole flow of documents between the Rights' Proprietors and their IP Agents, and between the IP Agents and the corresponding official bodies — Official Institutes for IP. This system comprises not only the software itself, but also the consultancy and support services necessary to achieve complete maintenance over the IP Rights activities. Darwin is made of six completely integrated modules, each one with several functions, from process management, to client relationship management or even financial management (see annex 1)[1]. Each module can be sold separately. Darwin distinguishes itself from other IT solutions through its multi-language, multi-currency and multi-jurisdiction capabilities. These characteristics enable it to adapt to the specificities of IP markets, at a global level.

Currently Tech Frame has clients in Portugal (80% market share; 350 licenses sold), Spain (5% market share; 80 licenses sold), Angola, Macau, Austria and Mozambique. Besides the office in Portugal it has also an office in Madrid. The Board of Directors of Tech Frame is composed of five members who respond to the President. These five executive directors are responsible for the Administrative and Financial, Commercial and Marketing, Client Support Service, Product Development, and Research & Development departments. In total, Tech Frame has 14 employees from programmers and technicians to sales agents and administrative staff.

Business Mission and Strategic Objectives

Tech Frame's **mission** is the continuous development of innovative systems that offer efficient IT solutions and expert support to IP agents; while exploring the worldwide market providing a stimulating and challenging working environment ensuring its employees a successful career development.

Tech Frame's **Mission Statement** is offering the best IT solutions to the worldwide Industrial Property Agents and the Company's **Vision** is "Be the number one worldwide IT solution for Industrial Property Agents in 15 years". Tech Frame's **values** are integrity, transparency in stockholders relations, responsibility and competence in its services, honouring its commitments, striving for excellence and promoting a healthy co-working environment. Tech Frame' **strategic objectives** for the period ending in

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[1] www.techframeworld.com

2010 are: maintain the position of market leader in Portugal; serve the two biggest Portuguese companies in the Industrial Property sector; achieve 60% share of the Spanish market, selling at least 1000 user licenses (among biggest Spanish companies from 6-10 users); enter into the British, French and Italian markets and achieving at least 60% of the market share over three years. Tech Frame's **Mantra** is**:** "The industrial property agent organizer".

Purpose of the work/ Methodology

The first part of this IWP focuses on the competitive advantages of Tech Frame and the Portuguese market's specificities determined through an external and internal scanning perspective. For this stage, information about the company, its mission and strategic objectives and information regarding the competitive advantages in the Portuguese market was collected in collaboration with Tech Frame's employees. Several meetings were prepared and took place at Tech Frame's office in order to gather all the necessary information and to fully understand the business and the industry. For the second part, the Internationalization process, workshops, meetings at Tech Frame and an in depth research based on several sources, namely the Internet, helped to identify the opportunities in the area of internationalization. After choosing the Italian market and collecting information from all the relevant Industrial Property websites, a telephone based market research was conducted. The target of this research were Italian IP Law firms (potential clients of Tech Frame) in order to identify what kind of software they use (having access to Tech Frame's competitors). With a small sample (10% of the offices), five big competitors were identified as well as their dimension. The third phase focuses on the implementation plan; how to enter, the staffing requirements, timing of implementation and the amount of financing needed to achieve a successful internationalization. Finally, some improvements regarding the marketing strategy were suggested.

External Scanning

1. Industry Mapping

Darwin is vital for the Official IP Agents: it controls and manages all the activities between the Rights' Proprietors and their Agents and between the Agents and the Official Institutes for Industrial Property. The Right Proprietors contract the services of

an IPAgent to manage their Right, such as a Patent or a Trademark. It is only by means of a specialized IP Agent, with the necessary resources, that it is possible to obtain an adequate management and protection of an IP Right. This is obtained through effective registration, surveillance, maintenance and action against infringement. Tech Frame's Darwin software offers IP Agents the support and resources necessary to manage most of the activities related with IP Rights, such as the maintenance and defence of a patent, a Trademark registration or an annuity payment. Besides the IP Agents, the Support Offices of IP (17 in Portugal) are also Tech Frame's clients. They promote and provide information regarding IP to the Right's Proprietors, but since they have some financial restrictions, their usage of Darwin is low. These Support Offices only help the Right's Proprietors in the beginning of the process, but they are not capable of fully managing their rights, outsourcing this service to the IP Agents. The Rights' Proprietors can also go directly to the Official Institute of IP but this is a rare situation since the management of an Industrial Property Right is very complex.

Tech Frame has four suppliers: WIPO (World Intellectual Property Organization) – provides a bulletin (twice a month) with the registered international brands; IHMI (Instituto de Harmonização do Mercado Interno) – provider of the brands registered in the EU; INPI (Instituto Nacional de Propriedade Industrial) – provider of a daily bulletin of Portuguese industrial property requests and new registers; Centura provider of Gupta – Darwin's SQL (Structured Query Language) server. In the near future Microsoft will become Tech Frame's SQL provider.

In the Portuguese Industrial Property industry there are no current competitors; Darwin is the only IT solution that manages IP rights in this market.

Figure I: Industry Mapping
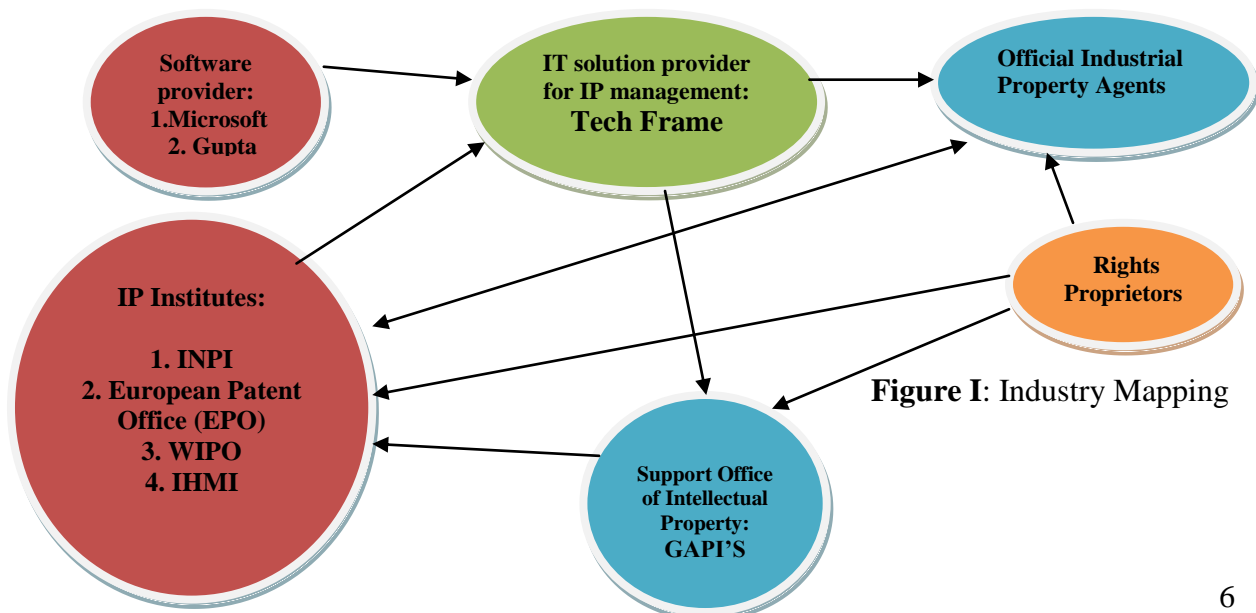
2. Value Chain

The value chain is composed of five main activities: Research and Development, which represents 50% of costs (25% with Human Resources and 25% with technology), Product Communication, which represents 12,5% of costs, Sales, representing another 12,5%, Technical Support representing 15% of costs and Product Reengineering representing 10% of total costs[2].

RESEARCH AND DEVELOPMENT					
COMMERCIAL AND MARKETING					
CLIENT SUPPORT SERVICE					
ADMINISTRATIVE AND FINANCIAL					
1. Research & Product Development	2. Product Communication	3. Sales	4. Technical Support	5. Product Reengineering	20% Margin

Figure 2: Value chain

1. Creation and redesign of the Darwin IT solution by programmers and software designers, focusing on improving product characteristics and functionalities. This stage requires 5 to 6 persons.

2. Presentation and demonstration of Tech Frame's Darwin to Industrial Propriety Agents that requested a demonstration. It requires 2 to 3 persons.

3. Formal proposal and negotiation process. This stage requires 2 to 3 persons.

4. Implementation of the Darwin system and training of its users by Tech Frame technicians. Maintenance and after-sales support, which is essential, distinguishing Tech Frame's service from its competitors (i.e. Spanish market). In this stage 2 to 3 persons are required.

5. Constant upgrade and re-engineering of the Darwin system. This step involves 5 to 6 persons.

3. Analysis of Attractiveness

The Industrial Property Industry in Portugal is an **attractive industry**, even though the Portuguese market has a small size, with only 84 IP Agents. The Portuguese market, for

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[2] Based on information from Tech Frame

the Darwin system, is divided in two main segments: the 84 Official IP Agents and the 17 Support Offices of IP financed by the Portuguese Institute of IP. Most of the IP Agents work in 23 commercial companies, typically Law firms, employing a high number of Agents authorized by the Portuguese Institute of IP (see annex 2).

Tech Frame´s business is measured by the number of licences of usage of Darwin, which depends on the number of IP agents and their supporting and administrative staff (usually 3-5 people). Currently, in Portugal there are 350 licenses installed in approximately 150 computers. In fact only 400 licences (400 current users) were sold so far in the CPLP countries – Portugal, Angola, Mozambique and Macau.

The market penetration is high reflected by an 80% of market share. The limited growth opportunities are mostly located in offices where there are a low number of users and also in potential new offices (see annex 3).

Tech Frame's growth opportunities in Portugal are mainly focused in IP Offices with a low number of users. There are two companies with 21 to 50 users under negotiations with Tech Frame to adopt Darwin, while two others (Clarke & Modet and J. Pereira da Cruz) of similar size have already developed their own in-house software solution seeming unlikely that they will acquire Darwin in the near future.

The Portuguese IP Industry shows some **signs of growth**, not only regarding the number of Patents, Brands and Designs being registered through the National Institute of Industrial Property, but also through the number of agents acting as intermediaries (see annex 4). The growth of the Industry does not mean more business opportunities for Tech Frame since each IP Agent can deal with a higher number of IP processes.

Darwin undergoes constant evolution and development but this type of product in the Portuguese market is clearly in a **maturity phase** since it has been available for some years, it is well known in the industry and has continuously been gaining clients up to a point in which internationalization seems recommendatory. The Official IPAgents are licensed to act as so by the National Institute of Industrial Property, following a rigorous contest as determined by law.

Recently a **new market trend** has emerged: Law firms with departments focusing on IP Law are integrating IP Agents in their structure. This trend is justified by the growth prospect of this industry, but most of all because this Law firms can leverage their core business within their new business unit (cutting out intermediates). This leads to the

concentration of a high number of IP Agents (in the same office) and for Tech Frame this tendency is seen as positive, since the Darwin systems can be more adapted and justified for bigger companies. On the other hand, there's the risk that these companies might develop their own in-house management system. This situation is not common in the industry but it is not unheard-of, like in the case of the Law firm J. Pereira da Cruz.

In the Portuguese Industrial Property industry there are no current competitors. The only rival IT solutions are developed in-house by some Law firms but are not commercialized. When compared, Darwin clearly differentiates itself by being an integrated solution, incorporating several modules that the existing solutions do not have. Therefore, these in-house solutions can be considered **substitute products**. Clearly the low degree of homogeneity between products will reduce the probability of a price war.

In this sector the change of the software system involves high costs, direct costs - training of the users, acquisition of the system (the implementation of a new system requires a long preparation time for its users besides demanding a high investment) and support equipment - but also indirect and intangible costs, concerning the temporary losses of efficiency and productivity within the period of adaptation to the new operating system. These **high customer switching costs** constitute a **structural barrier** of this industry.   For Tech Frame to operate in Portugal or any external market there is no need to obtain any special **licence** or to comply with any specific legislation; the same goes for new entrants in this sector. The investments in infra-structures or equipment are minimal. The major costs implicated are the cost of human resources.

TechFrame has definitely a **strong bargaining power** in its relation with its customers. The strong power of suppliers versus buyers has to do mostly with the extremely high concentration of the industry, especially if assuming that Tech Frame is the only provider of this specific sort of IT.

TechFrame has the possibility of discriminating prices among customers, changing prices depending on the size of the buying company. Furthermore, TechFrame has a varied portfolio of clients and does not depend on a single client or a small group of clients, which also strengthens the position of TechFrame in the bargaining process with its potential clients.

In Portugal the **communication strategy** was developed around "word of mouth", publicity and through a website. Since there is no competition, Tech Frame did not use any kind of aggressive marketing/communication strategy.

In sum, there are unique competitive advantages in the Portuguese market. Besides having a first mover advantage, Tech Frame is the only player in the market (inexistence of competitors) resulting in a strong bargaining power. The customer switching costs are high, which represents an important barrier to competitors and the new trend in the Law firms is also very positive for Tech Frame's business. On the other hand, Portugal is a small market, with few IP agents when compared to other countries. Currently, Tech Frame already detains 80% of the market share and has limited growth opportunities, most of the offices have a low number of users, and two of the biggest ones have developed their solutions internally.

Internal Scanning:

Tech Frame is the only company in the Portuguese market that offers a software designed for the management of IP Rights with an integrated service for Official IP Agents. It is an innovative system in the Portuguese market and is easily adapted to other markets and jurisdictions. This system is imitable, even though it would require a lot of time (Darwin has been developed for the last 15 years), human resources and specific know how, hard to acquire, especially in Portugal. This represents an important entry barrier to other companies. Darwin is a system that requires trial in market and experimentation in order to be considered as a quality solution, making the entry even harder for new competitors in this sector. The fist-mover advantage is a clear competitive advantage of Tech Frame.

A new version of Darwin, Darwin Law, is being created and implements all the existing department activities of a Law firm, going beyond IP law covering civil law and others. A new product is also under development: Web Frame. It compares graphic brands, introducing a new technique of measuring the similarity of images leaving the current practices of the Vienna codes behind. Another product, Darwin portal, is an internet portal which will allow all owners of IP rights to observe all their rights and current processes from all over the world in an organized way, while the IP agents will collaborate by providing the information.

Tech Frame's **brand awareness** in the Portuguese market is high, but only among this specific niche segment of IP Agents. No major investment has been done in the development of the brand in the domestic market due to an expected low growth potential of the client base but most of all because of the inexistence of competitors. Tech Frame´s excellent **reputation** derives from its position as a leader in the Portuguese market and as a result of being a fast growing company in international markets such as Spain. It is seen as an excellent service provider among IPAgents because of the high quality of the software and the high quality of the support service it offers, in terms of maintenance and technical training provided to the end user.

The company does not have any quality certificate, which might be a disadvantage, especially when entering in international markets. This lack of certification stems from the absence of Official entities that provide accreditation (neither INPI nor the Ordem dos Advogados). On the other hand Tech Frame provides certification programs that accredit its users by evaluating their knowledge of Darwin's functionalities. This certification is about to be accredited by the IFP (Instituto de Formação Profissional).

Tech Frame's small dimension and fast growth might justify the current lack of a human resources department. Nevertheless, having a good work environment, transparency, truthfulness and underrating hierarchies are important aspects that the top management tries to encourage. The profile of the top management is broad and their knowledge about industrial property and in particular the Darwin IT system is crucial for Tech Frame´s success. The international experience of the CEO, Carlos Mora, specifically in terms of project management is a strong contribution to Tech Frame´s current internationalization process.

Tech Frame does not have any **strategic partnership**; only Microsoft, since it supplies all the basic software equipment, but does not have any strategic importance since it's a basic partnership which is rather common among the SME (small and medium enterprises). In Portugal there is no partnership either for commercial purposes or distribution. This kind of partnership, in the domestic market, is not necessary since it has no impact on the business. Though, in Austria, Tech Frame has developed a partnership with Law Vision for commercialization, distribution and technical support. By 2007, Tech Frame and Law Vision had managed to sell 122 software licenses of Darwin.

For Tech Frame there is no major gain from **proximity** to clients or inputs, after proper installation of the system since all the technical product support can be done by distance through Portugal.The possibility of ensuring and managing technical P&S support by distance is very important in any internationalization process. Nevertheless, in some markets, there are clients that value proximity and prefer to have Tech Frame's technicians next to them in case any major problem may occur.

Tech Frame develops three stages of customer support: the start-up, the engineering support and the technical support (see annex 5). It's clear that these three stages require highly qualified personnel. There is a shortage of highly qualified human resources in both Tech Frame and in the Portuguese market. Tech Frame invests a lot in training its employees, as their knowledge of the product's technical characteristics is very high. The experience and knowledge of its employees are critical for the company's success.

Tech Frame has several internal strengths as well as some weaknesses. Since it is the only company providing an IT solution for IP Agents in the Portuguese market, it benefits significantly from its first mover advantage. Darwin has been developed for the last 15 years, and it is hard for any competitor to copy such a system, representing a huge competitive advantage and strong entry barrier for the market. The high brand awareness in the segment of IP agents and the perceived quality of its services among them also represents an internal strength of the company. On the other hand, Tech Frame does not have any quality certificate, which might be important in this kind of industry. The lack of a Human Resource department also represents a weakness, since the highly qualified workforce is vital for the company's success.

Analysis of the Italian Market

1. Country Selection

The Portuguese market is fully explored exhibits limited growth opportunities. Tech Frame currently detains 80% of the market share and the 20% left will be difficult to acquire, since these are offices with well developed internal solutions that are unlikely to change provider. Therefore, in order for Tech Frame to expand Darwin's sales, an internationalization process is recommended.

Currently, Tech Frame is considering an expansion of its business into other markets, namely Italy, Great Britain and France. This IWP focuses on the Italian market. The IP

Industry in this country is an attractive industry for the company. The size of the market regarding the number of potential clients is 12 times bigger than the Portuguese market and very strong in Industrial Property (see annex 6). Tech Frame expects to achieve 60% of the Italian market share over three years.

Italy has 1072 Official IP Agents[3] authorized by the Italian Patent and Trademark Office (Ufficio italiano Brevetti e Marchi). If on average each IP Agent has a supporting staff of 4 people, Tech Frame would be able to sell on average, 4288 licenses. Italy has 463 patent and trademark attorneys' offices most of them medium size offices. The number of Brands, Patents and Designs requested every year is also very high, contributing to the huge dimension of the market.

Besides the enormous number of opportunities this market offers, Italy was chosen because of the geographical proximity, close to Portugal and Spain, locations where Tech Frame has already established offices.

2. The Italian Market

At a national level, the Italian Patent and Trademark Office receives applications for the recognition of various IP rights and specific documentation; checks formalities and procedures; conducts technical examination; concedes or rejects the applications received and examines and makes transcripts, notes and issues certifications. At an international level, receives and checks international applications under the Patent Cooperation Treaty, European patents, the Community registration of new plant varieties, Community and international trademarks and their transmission to the competent organizations.

The biggest and most prestigious offices in Italy are located in several parts of the country, different from Portugal and Spain, where most of them are located in the main cities (see annex 7). There are 5 main regions where the number of Italian Law firms is the highest: Emilia Rogmana consisting of 9 provinces has 63 offices, Lazio which consists of 5 provinces such as Rome with 45 offices, Lombardia which consists of 12 provinces such as Milan with 185 offices, Piemonte which consists of 8 provinces with 43 offices and Veneto which consists of 7 provinces with 52 offices [4](see annex 8).

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[3] http://www.ordine-brevetti.it/

[4] http://www.ordine-brevetti.it/

By considering the number of IPAgents by region, the regions with the highest number of agents matches the regions with the highest number of offices: Emilia Rogmana with 147 Agents, Lazio with 110 Agents, Lombardia with 382 agents, Piemonte with 114 Agents and Veneto with 101 Agents[5]. Taking into account that each IPAgent needs a supporting staff of 3-5 people the possible maximum number of licenses installed per region is also highest in the regions with the highest number of agents (see annex 8).

The Italian Industrial Property Industry shows some signs of growth especially in the number of brands and designs registered:

Table I: Number of Brands, Patents and Designs registered from 2006-2007

Industrial Property Rights	2006	2007	2008	2006-2008
Brand Registered	42520	53816	74127	74%
Patents Requested	33335	29187	27832	-17%
Design Registered	1037	1088	2224	114%

Source: Ufficio italiano Brevetti e Marchi

When entering the Italian market, Tech Frame will face fierce competition. Most of the IP offices of medium and small size have their own IT software solution developed internally. When compared to these internally developed IT solutions, Darwin differentiates itself as an integrated solution, with several modules, and multi language, multi currency and multi jurisdiction, having different functionalities. Most of these internal solutions are developed to meet specific needs for each specific office and are not commercialized. These In-house software solutions can be considered substitute products. Studio Torta, Giambrocono & C, Porta Checcacci & Associati, Studio Legale Caffi-Maroncelli & Associati or A.BRE.MAR S.r.l. are offices that developed their own internal IT solution[6]. On the other hand the biggest and most prestigious Law firms have acquired softwares to manage their IP portfolio, from Tech Frame's competitors. Although Darwin is a novel product in the Portuguese market, it has a lower degree of differentiation when compared to other commercialized solutions. Some of the direct competitors present in the Italian market are: Patrix (supplier of Patricia), Dennemeyer (supplier of DIAMS), Computer Packages (supplier of CPI), GlobalIP (supplies Global

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[5] http://www.ordine-brevetti.it/

[6] Information obtained through telephone interview

IP estimator) and Data Cert (supplier of AIMS IP)[7]. Tech Frame's competitors are all the companies that commercialize IT solutions (integrated solutions or just a module of the software) to manage an IP portfolio whose customers are IP agents. Those five competitors are present in several parts of Italy. Patrix, Computer Packages, Data Cert and Global IP are present in the region of Lombardy, most of them in Milano. The other regions with the highest number of competitors are Lazio, Piedmont and Veneto (see annex 9).

The number of licenses per competitor can be calculated as the maximum number a competitor will possibly sell in an IP office. For instance, if Interpatent has one office in Torino with 9 IP agents, and each agent has a supporting staff of 4 people (on average) the maximum number of licenses Patrix will install at this office will be 36. The same calculations are repeated for all the other offices (see annex 10).

Since the cost of switching to other IP software is high (involving training of users, the acquisition of the system and support equipment or even temporary losses of efficiency and productivity during the period of adaptation), these offices (referred in annex 9) will probably not change to Darwin in the near future. Patricia's 99% Client Retention Rate[8] is a good example of this. These high customer switching costs might constitute a structural entry barrier for Tech Frame. Therefore, the potential clients of Tech Frame will be mainly offices where IT solutions were developed internally and a change to Darwin will represent a major advantage to them for the following reasons: (1) most of these internal solutions are not as developed as Darwin possessing fewer functionalities; (2) offices that will not want to change can buy some Darwin modules to add to their own solution; (3)these offices have their own IT department, with at least 8-10 IT employees, which represents a high cost. A change to Darwin will probably save a lot of money, and will more than compensate the change; (4) another advantage is the way that Darwin will reorganize the entire administration and organization of the office, providing a new approach on how to manage IP Rights.

If we compare Darwin to other IT solutions there is a high degree of homogeneity between the functionalities of the different softwares and the support service offered by each company.

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[7] Information obtained through telephone interview
[8] Information provided by Patricia's Project Leader

Patrix, an international IP Management Software provider, commercializes Patricia, a customizable and flexible IP Management Software created by IP professionals. Patricia's functionalities are similar to Darwin's (see annex 11). Metroconsultant, De Gaspari Osgnach s.r.l., Gregorj S.p.a., INTERPATENT, SERRAVALLE and Sisvel S.p.a. have turned to Patricia to manage all the activities related to the IP organization.

Dennemeyer, installed by Cantaluppi Partners (Italian office), offers modular software solutions such as a client/server-based software product (DIAMS) or a web based IP management software (DIAMS-XE), ensuring a high control and management of the entire IP lifecycle. DIAMS-XE allows Cantaluppi's IP agents to keep their entire IP portfolios under control, resulting in substantial costs and time savings. One advantage of this software over Darwin is the Design module functionality (see annex 11). This Design module manages multiple designs through a comprehensive family tree view and is very useful for the IP Agents, especially in Italy, where the number of designs registered from 2006 to 2008 grew 114%.

Computer Packages, one of the world's largest suppliers of Patent and Trademark Management Systems, is present in at least two IP Law firms, Nortarbatolo & Gervasi Srl and Zanoli & Giavarini. It offers two softwares for the IP community; CPI Trademark and Computer Packages Patent Management System. Both have multiple functionalities (see annex 11).

Global IP estimator, acquired by the Società Italiana Brevetti, offers an economic and simple way to generate cost estimates for patents, trademarks and design applications. Global IP estimator enables the customer to separately purchase additional software modules with other functionalities not included in the main package. Once again, Global IP has a Design module that is not provided by Darwin (see annex 11).

Another important competitor of Darwin is AIMS IP, provided by Data Cert. This software is a legal spend management solution allowing IP agents to manage and analyse their IP spend. It is present in three important offices in Italy; Barzano & Zanardo Milano S.P.A., Jacobacci & Partners and Office Gregorj. These three offices have developed their own in-house software and complement their own IT solution with some modules of AIMS IP. This IT solution might be one of the weakest competitors, in terms of functionalities, since it only complements solutions already developed in-house (see annex 11).

These five IT solutions described above are offered by companies that are well established in several markets. Patrix has offices in Sweden (Goteborg), London, Amsterdam, Munchen, Paris, Pretoria and Washington. Dennemeyer is present in Luxembourg, England, France, Germany, the United States and Japan. Computer Packages has several offices in the U.S. such as Chicago, Houston and Denver along with others in Europe. Global IP estimator' clients include 70% of the top 100 Intellectual Property law firms in the United States and multinational companies all over the world. Some of their clients include European law firms such as Beck Greener (UK), DSM Patents & Trademarks (The Netherlands), Groth & Co. (Sweden), F.R. Kelly Co. (Ireland), Hammonds Rechtsanwalte (Germany) or Santarelli (France). Data Cert has clients all over Europe, serving more than 9800 law firms, IP agents and vendor connections from more than 130 countries.

Like Tech Frame, all these companies offer excellent implementation and technical support. For instance, for each new Patricia client, a project management team is assigned to execute the implementation according to a project plan. This implementation takes into account the specific needs of the client and includes a training program, so that the user can efficiently use all of the programs functionalities. The training project takes 1-3 weeks in combination with a workshop that includes a business review. This implementation is definitely superior to Darwin's implementation program, since it is faster, meaning lower costs, fewer disruptions, increased profits and improved operations. Another advantage is Patricia's Collaboration Portal, a tool that allows an interparty collaboration and cooperation, leading to a higher level of service and a reduction of paper trail, costs and reaction times.

In the case of Dennemeyer, training sessions are provided by highly qualified, multilingual staff, in the form of advanced skills training and comprehensive support services. Customized training sessions through the Internet or "Train the Trainer" seminars are also available.

Computer packages offer training to their clients through User Group Meetings, three times per year in different locations. In addition, it also offers new product demonstrations at IP conferences in different cities around the world. Data Cert also has an excellent and fast implementation and support service, since it implements 200 law firm/vendor connections every month from more than 130

countries. The implementation process involves eight steps, where a member of Data Cert is assigned to assist the firm, receiving on average a 90% satisfaction rate from its clients (for the implementation, service and support). The excellent support from Tech Frame's competitors might constitute a disadvantage when entering the Italian market.

Regarding **entry and exit barriers**, the IP management software in Italy is an industry with no major barriers and no special license is required to enter this market.

The Italian customers have a **strong bargaining power** due to the number of choices regarding IP management solutions. The number of **substitute products** is high and the degree of product homogeneity between suppliers is also high. The low degree of differentiation and the **high customer switching costs** will probably lead to a price war. These high customer switching costs constitute an entry barrier for TechFrame.

The **rivalry among competitors is high** and most of them provide high quality IP management softwares enabling them to diversify their products. In sum, Tech Frame has some disadvantages when compared to other competitors, especially in the areas of reputation and brand awareness. Darwin and the competitor's IT solutions are very similar, some of them have a Design module (which might be a factor of decision for potential clients, especially in Italy) and all the companies have a similar support service. So, by taking CPI, Patricia and Dennemeyer (these are the ones offering a similar service in terms of functionalities, quality and price) as a reference we foresee that Tech Frame will achieve, at the maximum, the same market share as them, something between 3%-4%. These three competitors offer an IT solution that is similar to Darwin, they have already been established in the market for several years, and their support services are exceptional. Therefore, it will be very difficult for Tech Frame to gain more market share than its biggest competitors, at least in the first years (see annex 12)[9]. In Spain, where the company entered two years ago, and taking into account that it is a market where the rivalry among competitors is not as intense, the market share is only 5% with 80 licenses installed. So in a market like the Italian one this will be much more difficult to achieve.

Despite the small market share, Tech Frame should enter the Italian market due to the great potential it offers in terms of number of potential clients (which represents a high number of possible licenses sold). Italy is very powerful in terms of Industrial Property

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[9] Market Share (number of licenses sold/maximum number of possible licenses installed); Market share of DIAMS provided by Jurghen Schlotter (Sales & Marketing department)

and even only 4% of market share represents 172 licenses. In addition, Tech Frame is a company with high qualified Human Resources able to improve Darwin's functions and offer a service as good as its competitors. Entering in the Italian market will definitely increase Tech Frame's reputation.

<u>Modes of Entry</u>

The entry mode in Italy will be through the opening of an office. Tech Frame should open a local office and not only export the software and its services. Proximity is one of the aspects that the Italian clients really value and just selling and giving assistance from Portugal will probably lead to an unsuccessful strategy. In addition, most of Tech Frame's competitors have opened offices in Italy. So, potential clients will probably see more advantages in acquiring the services of a competitor's company and not from a company whose services are exported from other market.

In foreign markets, TechFrame adopted other ways of entry. In Austria, it entered through a partnership with Law Vision in terms of commercialization and technical support, dividing the profits of the business (40% for Tech Frame and 60% for Law Vision). In Angola, Mozambique and Macau, Tech Frame had established local partnerships, only in terms of commercialization. In Spain, the strategy adopted was the same that in Portugal, with the opening of a local office. Therefore, Tech Frame should follow the same strategy in Italy.

Italy is a market with great potential and with a huge dimension and entering without any partnership in terms of commercialization, communication or support will indicate commitment to the market, to the potential clients and competitors. In addition, this will represent a low risk for the company since Tech Frame does not have to incur or sustain high costs after leaving the market (since there is only the need of recruiting three workers).

Nevertheless, a strategic partnership (not a partnership in terms of commercialization or support) with the Italian Institute of Technology will add value to the business. The primary goal of this Institute is the creation and dissemination of scientific knowledge, strengthening Italy's technological competitiveness by cooperating with private organizations. In this way, scientific development, technological advances and training in high technology will be encouraged. Through this partnership, Tech Frame would

know what innovative processes and products are submitted to patenting and could improve its software Darwin in terms of functionalities, not sharing, like it did with Law Vision, a huge percentage of its profits.

Recommended Marketing Strategy

By entering in the Italian market, Tech Frame will face a high number of potential clients, due to the high number of IP offices, representing a great opportunity of business. On the other side, the number of competitors will be also high (fierce competition).Therefore Tech Frame will have to differentiate its product in terms of quality, functionalities, support or even price. Since its competitors in Italy offer high quality products together with an exceptional support, Tech Frame should differentiate its product in terms of price. It also should be able to negotiate it until clients became aware of the existing technical differences and improvements Darwin offers when compared with the competitors. Taking into account that Darwin is a system that requires trial and experimentation in the market by its users in order to be assessed as a quality solution, demonstrations and free versions would be a good strategy. For instances, a trial version for 3 months of the use of the various applications of the system (the six modules) or a limited free version from 4-6 months (with just two modules) are some strategies that Tech Frame could follow.

Currently, each license fee of Darwin costs 2000Euros (complete integrated solution independently of the number of users). So, other price strategy could be applying a license fee of Darwin based on the number of users:

Table II: Price Strategy

Number of Users	Price per user
1-10 users	2.000 €
1-20 users	1.800 €
1-40 users	1.600 €
1-60 users	1.400 €
1-100 users	1.200 €
1-200 users	1.000 €
More than 200 users	under agreed offer

Tech Frame should also follow a **market penetration strategy** negotiating with a prestigious Italian IP Law firms, with a developed internal solution. Should offer

Darwin for a lower price and lower than its competitors (to compensate the switching cost) to a number of users or its support services in exchange of reputation/ communication, which is very important in this industry. By taking into account Tech Frame's prices and the prices of Patrix and DIAMS the license fee for this negotiation will have to be lower than 2000Euros for 1-10 users:

Table III: Darwin, Patricia and DIAMS prices

Darwin	1-200 Users	**2000Euros** (price does not depend on the number of users)
Patricia	1-10 users	**2000 Euros** (price decreases with the increasing number of users)
DIAMS	1-5 users	**2000Euros** (price decreases with the increasing number of users)

Tech Frame will have to adapt its software Darwin. Darwin is multi language software but it is not available in the Italian version (only in Portuguese, Spanish and German). Therefore it is necessary to adapt the software to the Italian language and also to the Italian jurisdiction (very different from the Portuguese one). This will require at least one month of time to Tech Frame's technicians. Regarding the functionalities of the software, Tech Frame should develop a new module: the Design Module. This module is very important since Darwin would be more complete and more powerful to compete with other companies that already have this functionality in their IT solutions.

Tech Frame' suppliers will be the ones who will provide the relevant data for the Italian Agents: the Italian Patent and Trademark Office and WIPO (World Intellectual Property Organization).

To increase awareness and reputation within this sector Tech Frame should be present in some Seminars and Conferences regarding Industrial Property. The European Patent Forum and PATINNOVA 2009, the International Trademark Association (INTA) Annual Meeting or the EPO's East meets West 2009 forum in Vienna are important events that Tech Frame should attend (see annex 14).

The communication strategy will use creative marketing techniques, contacting directly potential customers with teaser messages to create interest by the market in getting to know proactively Tech Frame. In the first stage, anonymous letters and emails will be sending to potential clients and after, phone calls to offer an experimentation of Darwin. In this way, the communication and marketing costs will not be so high.

Proposal of implementation

1. Human Resources/Place

Tech Frame has only 14 workers, few of them are technicians and none of them speaks Italian. Italian workers are essential and crucial to the whole entry. Not only workers from the marketing and sales department, to sell and communicate the product, but also technicians for the whole implementation phase. It is also crucial the fluent knowledge of the Italian language by the Portuguese workers even after hiring Italian ones. The clients expect a deep understanding and learning of Darwin's functionalities and want to be sure that high qualified technicians are always available to help them after the installation. Therefore, Tech Frame will recruit new highly qualified employees (Italian citizens) and train the existing Portuguese workers.

One before entering the market, Tech Frame's employees will have to attend Italian classes, to become fluent in this language especially in technical terms. Italian classes will be essential especially because any kind of problem might be solved from Portugal, or any kind of assistance to the Italian office might be needed. For the Italian office four workers will be necessary (at least in the first year): one Italian secretary, two sales agents (one Italian and one Portuguese) for the sales and marketing department and one Italian technician (able to assist 30 customers at the same time). This recruitment process could be supported by AICEP or by a Human Resource Consultant.

The secretary and the Italian sales agent will be train by Lina Fortuna, one of the CEOs of Tech Frame, which already had experience in the training area in Spain and Austria. The Italian technician will be trained by a Portuguese technician that will learn Italian one year before. Most of the training process will occur in Italy with some dislocations to Portugal.

Tech Frame should try to hire a commercial from a competitor's company. For instance, a sales agent from Dennemeyer would help Tech Frame to have a better understanding and knowledge of the competitor's product, gaining some competitive advantage in terms of knowledge of the market.

Table IV: Tasks of each worker

Tasks
1. Technician: technical assistance of Darwin next to the clients or from the Office.
2. Secretary: set all the meetings with the clients, administrative work.

> 3. Sales Agent: it covers all the market. It shows and demonstrates Darwin to its clients, close deals and after implementation manages the client.

In the first stage it is important for Tech Frame to have the support of a national and Italian government agency, such as AICEP in Portugal and Invitalia in Italy. AICEP already had a relevant role when Tech Frame entered in Spain by studying the market, the competitors and the best way to enter. Then, for the Italian market, AICEP could help in the same way as it did before. Invitalia is an Italian government agency for inward investment promotion and enterprise development and will be able to support Tech Frame in all steps of the internationalization and investment process.

Other point to consider is where to install an office. Lombardy is the region where the number of potential clients is the highest. Though, the number of licenses already installed in this region is also high (see annex 13). The office should be located in Lombardy, more specifically in Milan. Milan is one of the best locations for Tech Frame starts its business, not only due to the major opportunities it will find but also because Tech Frame's workers would be closer to its clients. Not only clients located in this region but also clients from other regions in Italy (allowing a country coverage expansion). Proximity is one of the aspects that the Italian clients really value so in this case is important to have an office in Italy and not only export the software and give assistance from Portugal.

2. Investment

The amount of financing needed for this entry will be divided in the initial investment and the expenses that Tech Frame will have to occur every month, after entering Italy.

The **initial investment** includes: the cost of the service of a Human resource Consultant (in order to recruit the Italian workers), the cost of equipment, the fee of an IP Conference and the costs related with the software modifications.

Tech Frame should outsource the recruitment process to a Consultant. Using the services of a Consultant might be useful, since the Portuguese workers are few, have too many tasks and responsibilities (meaning no time to recruit) and also because Tech Frame does not have a Human Resource department. Through a Consultant, Tech Frame could hire the best workers of the industry, even workers from competitor's firms. In general, the cost of this service is a percentage (14%-16%) of the annual salary

(meaning 14 months) of the worker that will be recruited (in this case 3 workers). The average salary of the four workers (see annex 15) and the cost of outsourcing the recruitment to a Consultant will be:

Table V: Monthly Salary of each worker/ Cost of the Consultant Service

Position	Monthly salary	Annual salary	15% Annual salary
Secretary	1500 Euros	21000Euros	3150 Euros
Italian Sales Agent	2888Euros	40432Euros	6064,8Euros
Portuguese Sales Agent	2888Euros	40432Euros	Already recruited
Software technician	2226Euros	31164Euros	4674,6Euros
Total	**9502 Euros**	**133028Euros**	**13889,4 Euros**

Source: http://www.payscale.com/index/it/Job; Human Resource Consultant

Regarding the investment in equipment, this will be mainly in computers since the software is already developed. At least 4 computers will be necessary. The rest will be mainly in equipment, namely chairs, tables or other tools necessary to the normal function of an office. The cost of the software adaptation and the development of the Design Module will also be an initial investment:

Table VI: Cost of equipment and software modifications

Equipment/Software modifications	Cost
4 PCs+ Equipment	4000Euros+5000Euros
Software adaptation	4500 Euros
Design Module	Not available[10]

Source: Tech Frame

The participation in some conferences will also represent an investment. The fees will depend on the conference and on the number of days. For example, the conference **East meets West in Vienna fees** will have a cost of:

Table VII: Fees of the Conference East meets West in Vienna

Programme section	Fee	Includes
Training session	EUR 100	Participation in one of the training sessions
Introductory session	EUR 80	Participation in the introductory session
"East meets West in Vienna" forum	EUR 345	Full programme of presentations, evening event, buffet lunch and participation in discussion

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[10] The cost will depend on the number of functionalities of the Module and on the time of development.

| Poster session | EUR 150 | A booking for a space in the poster session does not include any participant registration. |

<div align="center">Source: http://www.epo.org</div>

The **monthly expenses** will include the rent of an office, the monthly salaries of the four workers (referred in table IV), the gas, water, telephone and electricity and the cost of the training in Italy.

The training process will start with Italian classes for the Portuguese employees and will include also the training given to the new Italian employees. Since the training will be mainly in Italy given by Portuguese employees, and will last one year, accommodation and travels are required and represent another cost. This will not be an opportunity cost since the two employees that are now giving the training in the Spanish market (and will finish before entering Italy) will be the same for the Italian one (their salaries will not change).

<div align="center">

Table VIII: Cost of training

Type of Cost	Cost	Total cost per year
Ticket plane (one trip)	120Euros	**2400 Euros** (20 trips)
Rental House	1200 Euros/month	**14400Euros**
Italian Classes[11]	---------	--------

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The cost of the office in Milan will depend on the location and size. Tech Frame should rent an office, with at least 4 divisions. The city of Milan is divided in four main zones:

<div align="center">

Table IX: Rental Rates per zone

Milan City Zone	Demand	Supply	Rental Rate-average range[12] (Euro/sqm/Year)
Zone A	High	Low	380-600 Euros
Zone B	High	Low	300-400 Euros
Zone C	Stable	High	200-320 Euros
Zone D	Stable	High	120-180 Euros

Source: www.colliers.com

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Zone A (historical centre) and Zone B (Semi-centre) are the most prestigious zones with low supply and strong demand resulting in high rental rates. The major occupiers are

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[11] Cost will depend on the number of workers and on the type of course (hours).
[12] Average range provides just the general view on market situation within each zone, without focusing on internal specifics and property characteristics that may change the rental prices.

offices such as banks, insurance and real estate companies. Zone C (out of ring) and Zone D (peripheral area) are areas with an increase of supply and a stable trend of rental prices. Since the location of the office is not relevant for Tech Frame's business and the technicians and sales managers will be at the client's company and not the opposite, Zone D is the best location. It is not the most prestigious location but it less expensive which results in fewer costs for the company. For an office with 100 square meters the rental price will be approximately **15000euros/year** (1250Euros per month).

The monthly expenses with water, gas, telephone and electricity will be approximately **4200Euros** per year (350Euros per month).

In conclusion, there will be two types of cost, the initial investment and the monthly expenditures:

Table X: Initial Investment+ Monthly expenses

Italian Classes	N/A
Design Module	N/A
Software adaptation	4.500€
HR Consultant	13973,4€
4 PCs+ Office Equipment	9.000 €
IP Conference	575€
Office in Paris	1250€/month
1 Secretary	1500 €/month
2 Sales Agents	5776 €/month
1 Technician	2226 €/month
House rent	1.200€/month
Gas, Water, Electricity; Telephone	350€/month
Flight Ticket	120€

Initial Investment

Monthly expenditures

3. Measures

Strategic Theme	Objectives	Measurement	Target	Initiative
Financial	Expand sales and number of clients.	Sales revenue; Profitability; Sales volume; Number of clients.	4% of the Italian Market Share in the first two years.	Price Strategy; Partnership with Italian Institute of Technology; Promotional and communication strategy.

Customer	Lower prices than competitors; Create awareness among potential clients; Demonstration of Darwin in the biggest offices.	Questionnaires to potential clients; Level of awareness (market study); Number of demonstrations.	40% of potential clients aware of Darwin (recall and recognition); Demonstration of Darwin in the 20 biggest offices in the first 6 months.	Free demonstrations; Free trials from 3-6 months; Participation in IP Conferences; Teaser messages and emails.
Internal	Recruit Italian workers; Train Portuguese and Italian workers; Commercial strategy with a prestigious office.	Number of workers; Level of training.	Find one Italian office for commercial strategy in the first two months; Recruit 3 workers.	Training; Recruitment; Italian Classes.
Learning	Faster implementation; Darwin Portal; Add functionalities.	Time of implementation.	Implementation time: 1-3 weeks.	Adapt Design module.

4. Timeline

Before enter the market	Dependency of activities
Activity 1. Italian classes (1st year before)	
Activity 2. Reformulate strategic objectives (6 months before)	
Activity 3.Develop Communication Strategy (5 months before)	
Activity 4. Contact AICEP and Italian agency (5 months before)	
Activity 5. Contact HR Consultant and hire workers (4 months before)	Activity 2
Activity 6. Contact Italian Institute of Technology for strategic partnership (4 months before)	Activity 2
Activity 7. Look for an office to rent (3 months before)	Activity 2
Activity 8. Train Portuguese and Italian workers (3 months before)	Activity 1, 5
Activity 9. Installation Complete: Server, Furniture (1 month before)	Activity 7
Activity 10. Adapt software (1 month before)	Activity 2
After enter the market	
Activity 11. Incorporate Design Module (1st month)	Activity 2, 10
Activity 12. Demonstrations and free trials in offices of potential clients	Activity 3
Activity 13. Continuous training of Italian workers	Activity 5
Activity 14. Commercial Strategy with a prestigious Italian office	

<u>Conclusion</u>

With only 14 workers, Tech Frame is already present in six countries. Darwin, the only IT solution commercialized by the company, is an innovative product in the Portuguese market. Detaining 80% of the Portuguese market share, Tech Frame has a first mover advantage and faces no competition. When entering the Italian market, these unique competitive advantages and opportunities will disappear and new strategies will have to be adopted.

The Italian IP Industry is very different from the Portuguese one, not only regarding dimension but also competition. The size of the market regarding the number of potential clients is 12 times bigger than the Portuguese and the number of strong and well established competitors is much higher.   Therefore, Tech Frame will have to differentiate its product by adopting new price strategies and by promoting Darwin next to a prestigious Italian IP office.

The offices with developed internal solutions will be the main potential clients. Besides an attractive price offer, Tech Frame will have to develop a new module, the Design module. In this way it will be able to compete with other companies. Competent and qualified Human Resources will be necessary and essential for a successful business. The lack of awareness and reputation will also have to be overcome through an aggressive communication and promotional strategy and not only through "word of mouth".

Tech Frame's strategic objectives will be hard to achieve specially the 60% Italian market share in the first three years. Nevertheless, Italy is one of the European markets most powerful in IP, with a growing IP Industry and a market of considerable size, comparing to other IP markets. Tech Frame has all the capabilities to enter the Italian market, expanding its business and sales and definitely increase its reputation.

Annex 1: Darwin Integrated Modules

Process Management: manages processes and daily procedures; structurally divided information between Trademarks and Patents; manages all the information concerning internal and external processes, searches and warnings; prints out directly over the official documents forms; makes viability searches much easier; manages and controls claims processes (attack or defence), managing deadlines; performs viability searches through automation of tasks of criteria building, results analysis and relevant warnings to the clients.
Client relationship management: maximizes the gains obtained from the entity's knowledge base; allows for reciprocity analysis and portfolio transfers between entities; crates mailing lists; manages contacts; registers information by entity.
Document Archiving and workflow: provides the system with capabilities of document management and business workflow; allows digitalization, manipulation and registers all the documents sent or received.
Financial management: manages the entity financially based on the information made available through Process Management; encompasses the relationships with clients and suppliers, from the point of view of invoicing, bank management and cash flow.
Business Intelligence: manages important information relevant in supporting the decision making process of top managers.
Daemon referee: Manages all the procedures automatically triggered by the system.

Source: www.techframeworld.com

Annex 2: Portuguese Entities by average number of users

Average number of Users	IP offices	Support Offices of IP
1-5	11	17
6-10	4	
11-20	2	
21-50	6	
51-100		
+100		
Total	23	17

Source: INPI

Annex 3: Darwin Clients in Portugal by average number of users

Number of users	IP offices	Market Share	Support Offices of IP	Market Share
1-5	8	34.8%	3	17.6%
6-10	4	17.4%		0%
11-20	2	8.7%		0%
21-50	2	8.7%		0%
51-100	0	0%		0%
+100	0	0%		0%
Total	16	69.6%	3	17.6%

Source: TechFrame

Annex 4: Number of Patents, Brands and Designs registered from 2006 to 2007

Patents, Brands and Designs registered	2006	2007	2006-2007
Inventions registered via national	319	368	15,40%

Requests of registry of design property via national	199	305	53,50%
Number of design objects registered via national	535	724	35,30%
Number of brands registered via national	15600	20199	29,50%

Source: INPI (Instituto Nacional Propriedade Industrial)

Annex 5: Stages of customer support

Start-up – the technicians and all Tech Frame's team is present in the customer's company, the duration of this stage depends on the dimension of the customer varying from 2 days to 2 weeks.
Engineering support – period in which the development team is at the customer's company to evaluate the system, and might last from 2 to 3 months.
Technical support- which will remain till the termination of the contract and is done by support technicians or help desk, most of the time by distance. Each technician at this phase is responsible for 50 up to 60 clients, demonstrating the easiness of providing support at this stage.

Source: Tech Frame

Annex 6: Comparison of the Portuguese and Italian market

Country	Number of agents	Number of offices	Potential of sales (licenses)
Portugal	84	23	336[13]
Italy	1072	463	4288

Source: INPI; www.ordeni-brevetti.com

Annex 7: Biggest Industrial Property Offices in Italy

Industrial Property offices	**Number of Offices**
Avvocati Associati Feltrinelli & Brogi	6
Barzanò & Zanardo	6
Botti & Ferrari S.r.l	5 (3 in Italy)
Bugnion spa	12
Dr. Modiano & Associati S.p.A	11 (8 in Italy)
Innova & Partners	5 (4 in Italy)
Giambrocono & C. S.p.A.	3
Jacobacci & Partners S.p.A	8 (7 in Italy)
Luppi & Associati S.r.l.	3
Maroscia & Associati S.r.l.	4
Metroconsult S.r.l	3
Notarbartolo & Gervasi S.p.A.	8
Perani Mezzanotte & Partners S.p.A.,	2
Società Italiana Brevetti S.p.A.	5
Studio Torta S.r.l.	6
Simmons & Simmons	22 (3 in Italy)

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[13] Only takes into account the 84 IP Agents, not the Gapi's.

Cantaluppi Partners	1
Zanoli & Giavarini	3

Annex 8: Number of Italian offices and Italian Industrial Property Agents per Region

| Region	Number of Offices	Number of Industrial Property Agents	Possible maximum number of licenses installed
Abruzzo	1	1	4
Calabria	2	2	8
Campania	6	8	24
Emilia Rogmana	63	147	252
Friuli Venezia Giulia	10	30	40
Lazio	45	110	180
Liguria	11	20	44
Lombardia	185	382	740
Marche	9	15	36
Piemonte	43	114	172
Puglia	5	6	20
Sicilia	3	3	12
Toscana	21	42	84
Trentino Alto Adige	4	5	16
Umbria	3	4	12
Veneto	52	101	208

Source: www.ordeni-brevetti.com

Annex 9: Competitor's locations

Industrial Property offices	Software	Locations	IP Agents	Region	Number of licenses
De Gaspari Osgnach s.r.l.	Patricia	Padua	3	Veneto	12
Gregorj SpA	Patricia	Milano	8	Lombardy	32
Interpatent	Patricia	Torino	9	Piedmont	36
SERRAVALLE	Patricia	Montanaso	1	Lombardy	4
Sisvel S.p.a.	Patricia	Milano	6	Lombardy	24
Metroconsultant srl	Patricia	Milano	2	Lombardy	8
Metroconsultant srl	Patricia	Torino	2	Piedmont	8
Metroconsultant srl	Patricia	Genova	2	Liguria	8
Cantaluppi Partners	DIAMS	Padua	11	Veneto	44

Zanoli & Giavarini	CPI	Milano	3	Lombardy	12
Zanoli & Giavarini	CPI	Treviso	3	Veneto	12
Zanoli & Giavarini	CPI	Bergamo	3	Lombardy	12
Nortarbatolo & Gervasi	CPI	Milano	6	Lombardy	24
Nortarbatolo & Gervasi	CPI	Padua	6	Veneto	24
Nortarbatolo & Gervasi	CPI	Bologna	6	Emilia-Romagna	24
Nortarbatolo & Gervasi	CPI	Rome	7	Lazio	28
Nortarbatolo & Gervasi	CPI	Florence	6	Tuscany	24
Nortarbatolo & Gervasi	CPI	Turin	6	Piedmont	24
Società Italiana Brevetti	Global IP	Rome	9	Lazio	36
Società Italiana Brevetti	Global IP	Milano	9	Lombardy	36
Società Italiana Brevetti	Global IP	Florence	9	Tuscany	36
Società Italiana Brevetti	Global IP	Varese	9	Lombardy	36
Società Italiana Brevetti	Global IP	Verona	9	Veneto	36
Barzano&Zanárdo	AIMS IP	Rome	12	Lazio	48
Barzano&Zanárdo	AIMS IP	Milan	12	Lombardy	48
Barzano&Zanárdo	AIMS IP	Turin	12	Piedmont	48
Barzano&Zanárdo	AIMS IP	Vicenza	2	Veneto	4
Barzano&Zanárdo	AIMS IP	Biella	2	Piemonte	4
Jacobacci & Partners	AIMS IP	Turin	19	Piemonte	76
Jacobacci & Partners	AIMS IP	Milan	12	Lombardy	48
Jacobacci & Partners	AIMS IP	Padua	1	Veneto	4
Jacobacci & Partners	AIMS IP	Rome	2	Lazio	8
Jacobacci & Partners	AIMS IP	Brescia	4	Lombardy	16
Office Gregorj	AIMS IP	Milan	9	Lombardy	36

Annex 10: Number of licenses per competitor (only the 5 competitors mentioned)
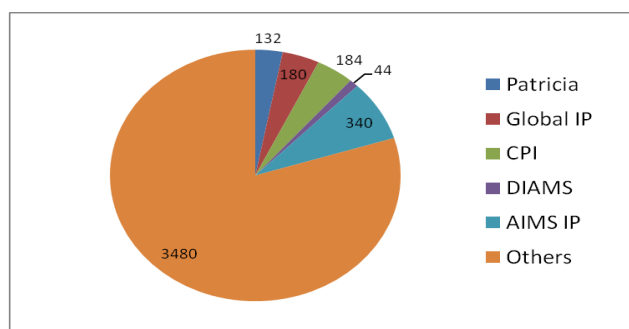
Annex 11: Comparison of Darwin and main competitors

Functions	Patricia	Darwin
Basic Information	Yes	Yes
Country and Law File	Yes	No
Diary	Yes	Yes
Name Information	Yes	Yes
Financial	Yes	Yes
Work Flows	Yes	Yes
Term List into Outlook	Yes	Yes
Classification help	Yes	No
Cited Material Handling	Yes	No
Family Overview	Yes	No[14]
Family Country Coverage	Yes	Yes[15]
Document Storage	Yes	Yes
Designated Countries	Yes	Yes
Cost estimation	Yes	Yes
Electronic filing	Yes	Yes
Batch Processing	Yes	No
Document Management Creation	Yes	Yes
Time Registration	Yes	Yes[16]
Maintenance	Yes	Yes
Reports	Yes	Yes
Functions	DIAMS	Darwin
Docketing	Yes	Yes
Reports	Yes	Yes
Mail merge	Yes	Yes
Documents	Yes	Yes
Batch Update	Yes	No
Multilingual screens	Yes	Yes
Patents Module	Yes	Yes
Trademarks Module	Yes	Yes
Design Module	Yes	No
Matter Management Module	Yes	Yes
Financial Tracking Module	Yes	Yes
Functions	Global IP estimator	Darwin
Application Information	Yes	Yes
Country Selection	Yes	Yes
Generation of estimates	Yes	Yes
Estimate reports	Yes	Yes
Assignment Module	Yes	Yes
Design Module	Yes	No
Prosecution Module	Yes	Yes[17]

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[14] Only through the future Darwin Portal
[15] Does only few tasks when compared to Patricia
[16] Does only few tasks when compared to Patricia
[17] Not well developed.

Functionalities	AIMS IP	Darwin
IP management	Yes	Yes
Electronic Invoicing	Yes	Yes
Automated Rules Engine	Yes	Yes
Reporting	Yes	Yes
Budget collaboration	Yes	Yes
Multiple Currency	Yes	Yes
Security	Yes	Yes
Integration	Yes	Yes

Functions	CP Patent System	CPI Trademark System	Darwin
Web Links	Yes	No	Yes
Automatic Deadline Calculation	Yes	Yes	Yes
Comprehensive Searching	Yes	Yes	Yes
Document Generation	Yes	Yes	Yes
Flexible Reporting	Yes	Yes	Yes
Image and Document Linking	Yes	Yes	No
Integration with the CP patent annuity payment service	Yes	No	No
Quick Docket	Yes	Yes	Yes
Family tree view	Yes	Yes	No
Change Request	Yes	Yes	Yes
Email	Yes	Yes	Yes
Due Date report by email	Yes	Yes	Yes
Statistics	Yes	Yes	Yes
Letter Generation	Yes	Yes	Yes

Annex 12: Estimates of Market Share of Competitors (based on the number of licenses)
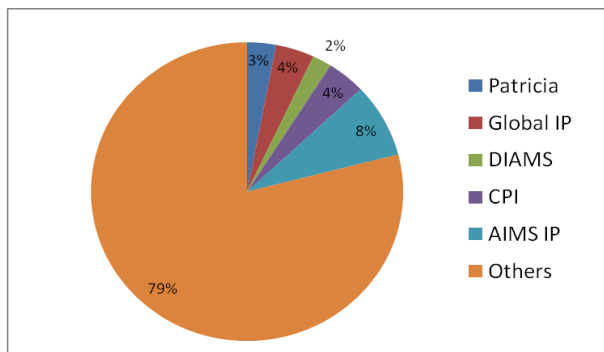
Annex 13: Number of licenses per region (from the 5 main competitors)
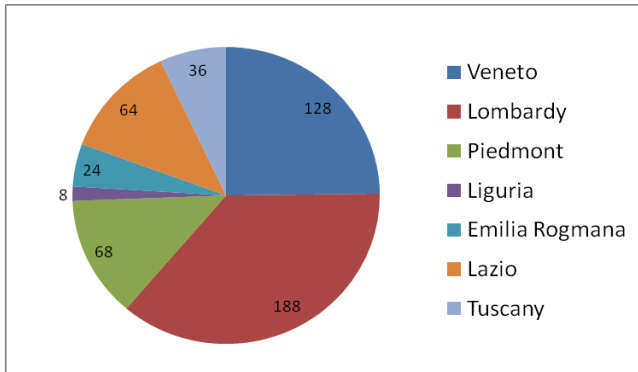
Annex 14: Agenda of Events

European Patent Forum and PATINNOVA 2009- This forum will be joined by patent attorneys, innovation stakeholders and experts from research and politics. During three days, this event will focus on the "… unstoppable wave of innovation accompanying the rise of digital technologies and digital design over the last ten years which has infiltrated all aspects of modern life, raising the prospect of the need for new economic models and posing challenges to the IP system as we know it.."
International Trademark Association (INTA) Annual Meeting- "Over the course of five days, there will be continuous opportunities for networking, education and professional development, as well as committee meetings and exhibits. The three days of educational programs include valuable skill-building workshops, industry breakouts and trademark law sessions focused on international topics."
EPO's East meets West 2009 – "With over 50% of patent applications worldwide being written in Japanese, Chinese or Korean, understanding patent information from Asia has become an essential element in the work of every patent searcher. The EPO's East meets West forum provides an ideal platform for patent information users around the world

Source: www.epo.org/; www.inta.org/index.php

Annex 15: Median Salary by Job - Country: Italy

Source: www.payscale.com

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