

Intellectual Property
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Lecture - 65
Case Study: Dolby

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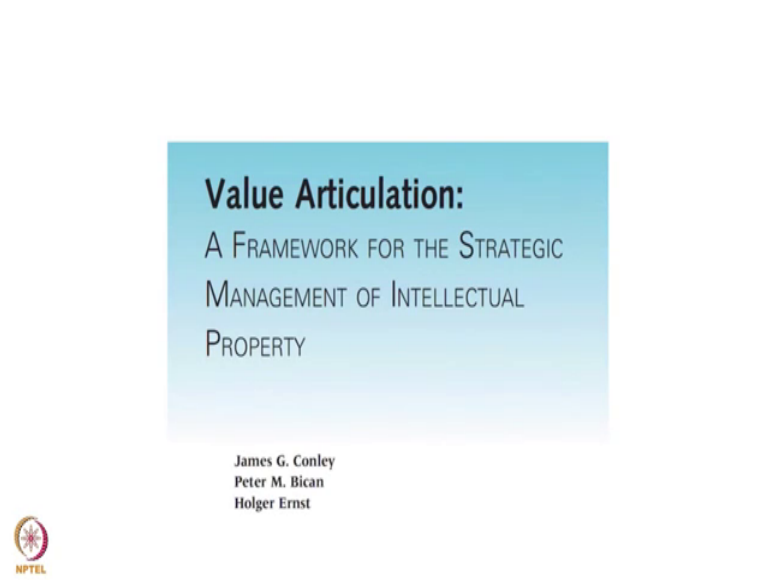
Case Study: Dolby

Value Articulation: A Framework for the Strategic Management of Intellectual Property

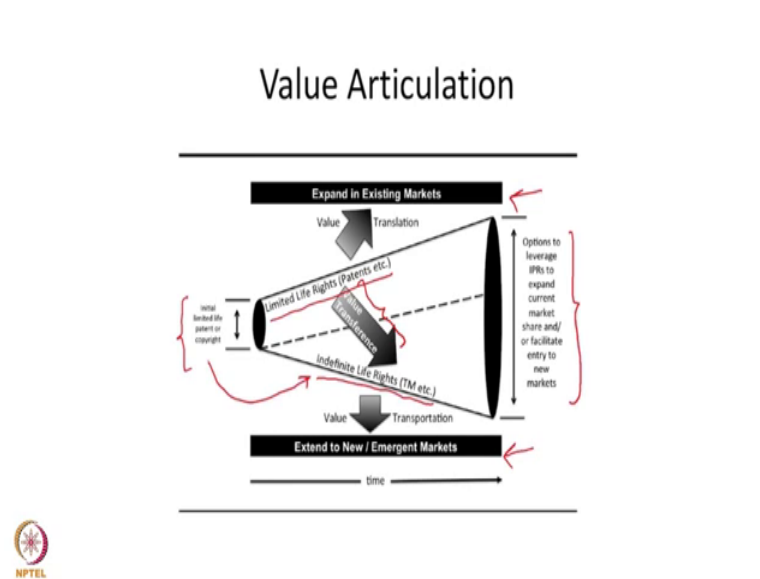


Now, let us look at the case study in a bit more detail. This is with regard to Dolby and this comes from the article; Value Articulation: A Framework for Strategic Management on Intellectual Property, written by James Conley and his colleagues.

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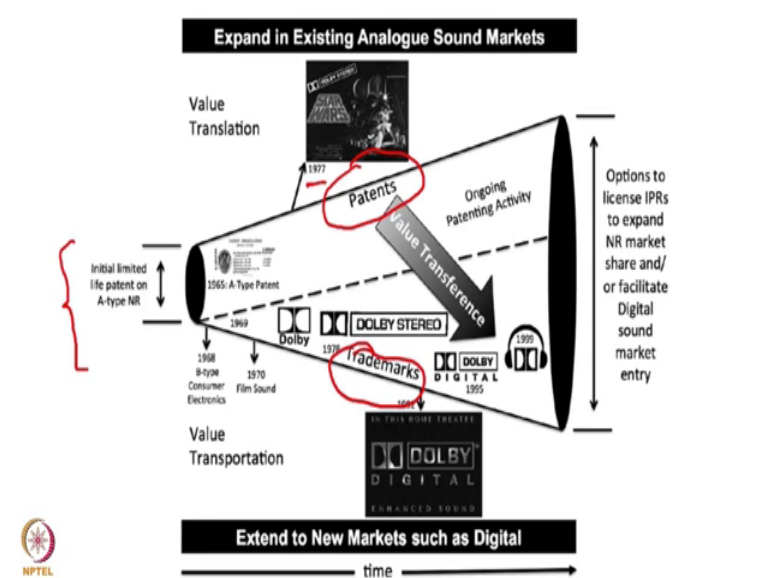
Now, the value articulation framework talks about translating or rather moving limited life IP what you can see here initial limited life, which involves a patent or a copyright on to a translating that over a period of time into options to leverage IPRs to expand current market share or facilitate entry into new markets.

So, it's about expansion of markets, how to expand and expect a existing market and how to what you find here, and how to extend to new and emergent markets. Now, this can be done by moving your value from a limited life IP to an unlimited life IP. Now, here you

find that patterns have a limited life and within that limited life if you can do what the authors call value transference to an indefinite life IP like trademarks, then you can transport the value what they call value transportation, in such a way that the value can endure for a longer time.

So, business scholar have been concerned with extending the value over a period of time, and they have come up with different models by which you can translate value that is protected in a patent or a copyright into something which is indefinite, which has an indefinite or an unlimited life for instance trade secrets and trademarks.

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Now in Dolby's case, Dolby's started off with patents; what we call patent on A-type NR which was a technology, and it went on to transfer the value on its patents to its trademark; you can see how Dolby has done it.

In 1968 they came up with some technologies on sound, and in 1970 they came again with some technology on sound, they were quick to register different trademarks on their products. They had Dolby, then they had Dolby stereo, they had Dolby digital and Dolby for personal use. Now, all these trademarks came over a period of time whereas, the patent which they had for the A-type patent for their technology noise reduction technology that continued through their patenting process.

Now, in 1977 Dolby made a strategic alignment with the Star Wars series where in Dolby would appear in all the promoting material. That was a critical way by which Dolby's technology which was protected by a host of patterns could now have a visible face when it is advertised. So, Dolby stereo got into film sound through the model by which their marks were advertised with all the marketing material that went along with the Star Wars series.

So, this is a case where the initial value that was there in patterns got eventually translated into trademarks, in such a way the options to licence IPRs to expand the noise reduction market share, and to facilitate digital sound market entry. So, they were not only able to capitalise their existing share in a market, they were also able to move into new markets.