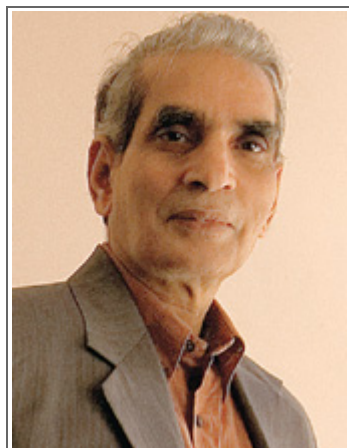


Patents probing

SciTech Patent Art Services has seized the opportunity in the emerging patent analysis market beyond India

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Former director of Indian Institute of Petroleum T.S.R. Prasada Rao is involved in business development at SciTech Patent Art Services

DILEEP PRAKASH

When we think of offshoring, we usually think of reducing costs. In some technology industries, offshoring is also a way of augmenting human resources and speeding up product development. Few people would think of offshoring to India as a way of doing things that can otherwise never be done. But there are examples to prove this theory, although on a small scale.

SciTech Patent Art Services is a small company based in Hyderabad, promoted by Srinivas Achanta, a US-based entrepreneur of Indian origin. It was set up three years ago to do patent analysis, with a single employee and a contract - from a large US multinational. The multinational was finding it difficult to do this job at home because human resource costs were prohibitive. It wanted SciTech to work exclusively for it, but allowed the company to expand after a year. SciTech grew quickly and is on target to touch \$1 million this year. It has 60 employees.

SciTech is the only company in India devoted exclusively to patent analysis. The only other private sector company is Evalueserve, a 'knowledge process outsourcing' company in Delhi, which does intellectual property services among a host of other businesses. The third player likely to enter this space is Unit for Research and Development of Information Products (URDIP), a CSIR lab in Pune. Despite the handsome margins (higher than 40 per cent), this sector may not see too many companies rushing in. We will see why.

Patents are a goldmine of information. About 80 per cent of the information in a patent is never published elsewhere. In many cases, patents are the earliest source of information on research work. Patent offices accept applications only if it is not published, so scientists file a patent application before they write a research paper about the invention. Still, searching through patents is not easy, not least because one needs to search worldwide in many languages.

To do this job thoroughly, one needs to employ postgraduates and doctorates in science and engineering - in large numbers. Imagine the costs of employing a hundred such

specialists in the US. So what patent service companies in the US do is to use automation tools. For example, MicroPatent, the world's leading patent online searching and analysis company, uses a software tool called Aureka to analyse patent information. Such tools help immensely but are only part of the story.

When a person reads a patent, he or she reads it differently from a machine. Patents are complex documents where words can mean different things to different people. An automobile engineer, for example, would read a word in a patent differently from a chemical engineer. Currently, such industry associations are too subtle for machines to catch.

When specialists are appointed to read each word in a patent and ask the right questions, they can come up with intriguing and invaluable insights. This can be done in India, and SciTech has converted this into a good business.

When a scientist comes up with an idea, the company concerned has to decide whether the idea is worth it. It could then ask SciTech to do a novelty search. A company's research managers would want to know the areas to invest in. A patent analysis reveals areas that are crowded and those that are still open for R&D. One can then take all patents in an area and map the claims; such mapping would also reveal areas that have not been touched so far. A really innovative team could use patent analysis to predict the next evolutions in technology.

When he started the company, Srinivas had some expert help at hand. His father-in-law, T.S.R. Prasada Rao, is the former director of Indian Institute of Petroleum at Dehradun and a scientist who is well-connected in the petroleum and petrochemical industry. He also roped in Vijay Kelkar, the former petroleum secretary, as the chairman of SciTech. Rao is now vice-chairman and helps with business development.

His primary job is not to get ahead of competition. It is to convince managers that SciTech can do things they cannot.