



## **How One Small Business Used Intellectual Property To Create Incredible Success**

Business owners, entrepreneurs and CEOs, often want to know how a small businesses can capitalize on intellectual property. They wonder, is IP protection for big firms only? What difference does IP make to them? Sure, it's nice to know that IBM earns billions each year in royalty payments on its IP portfolio, but what about the rest of us?

Here's a small business success story built on IP rights.

The story involves a small group of software developers led by a college drop-out. Like many developers, they were hired to do programming for others on an hourly basis. One day, however, IBM knocked on their door, wanting an operating system for its new line of computers.

The programmers didn't have anything on hand to fit the order, but were aware of another small firm, Seattle Computer Products, with a suitable program called "the Quick and Dirty Operating System." The programmers bought QDOS for \$75,000, renamed it DOS, and licensed it to IBM for an advance of several hundred thousand dollars.

The profits didn't stop there, however, because the programmers wisely gave IBM a non-exclusive license, leaving themselves free to license DOS to others.

By 2006 the revenues of this once small software company had grown to \$44.3 billion. Quite a return on its early \$75,000 investment.

You probably recognize the small business I'm describing. The history of Microsoft, now one of the most successful companies in the world, provides a great lesson for how a small business can use IP rights to create incredible revenue and success. The story also demonstrates the genius of Bill Gates as an entrepreneur. He recognized that retained IP rights would be the company's ticket to success. As he said later:

"Our restricting IBM's ability to compete with us in licensing MS-DOS to other computer makers was the key point of the negotiation. We wanted to make sure only we could license it. . . . We knew that if we were ever going to make a lot of money on DOS it was going to come from the compatible guys, not IBM."

Small businesses can benefit dramatically by turning more of their business assets into valuable IP assets. Unfortunately, many ignore simple, inexpensive steps to secure these rights, leaving others - like Apple, Microsoft, and IBM - to charge ahead. What are you doing with your IP to secure your business success?

*Author, speaker and attorney Mark V.B. Partridge is an internationally recognized expert in intellectual property with over 25 years of experience helping major corporations, entrepreneurs and creative individuals protect their IP rights. As a professional speaker, he offers seminars, workshops and keynotes to help business leaders use IP to turn intellectual capital into incredible value. His book, "Guiding Rights: Trademarks, Copyright and the Internet" is available at Amazon.com and other online bookstores. For more information, visit <http://www.GuidingRights.com>*

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