

## Creative Barcode

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Creative Barcode is a mechanism for safe disclosure of pre-contract early stage propositions, proposals and creative concepts, under pinned by a Trust Charter Agreement. It embeds unique digital barcodes into proposals, concepts, visuals, film and video.

It was introduced to provide a much-needed system by which creative industries could quickly, and cost efficiently, reduce vulnerability when disclosing materials to third parties in pursuit of new business. Through permission-based use it seeks to ensure creators are fairly remunerated when their work is commercialised.

### **Will the Creative Barcode mechanism and safe-disclosure agreement work equally well for universities?**

To develop new income streams from commercial consultancy services and participate in open innovation activities, universities will need to open up conversations with industry much earlier and disclose knowledge-based propositions pre-contract. This will place many universities in the same position as private sector creative consultancy firms.

Added to the mix are the relatively new business models driven by the internet age such as open innovation and crowd sourcing that now supplement corporate firms' own R & D activities. These models could lead to greater commercial opportunities for universities but are not necessarily protected by non-disclosure agreements.

### **Glasgow goes open source – a high risk strategy?**

In the summer of 2010 Glasgow University took a bold step and announced that it was to make its entire IP available as open source. It remains to be seen whether this was a smart move.

Open source is not for the faint-hearted. It does not suit everyone, particularly those operating in creative industries who earn their living from idea generation, bought and sold. In creative industries, 'open source' could cause the collapse of their entire economic model.

Arguably, universities are in a similar position to that of creative industries in that they exploit knowledge, creatively articulated or otherwise, and often seek to trade it with industry rather than simply commercialise it themselves through the launch of new businesses, products and services.

University spin-outs are fewer and farther between these days. Successful ones are hard to predict.

**So how do you build respect for knowledge and its commercial value before validated commercial applications have been identified? And can you protect knowledge in order to benefit from its commercialisation?**

Traditional IPR mechanisms and laws do not enable the protection of ideas, much to the chagrin of the creative industries. Does early stage, knowledge-based research with proposed market application fall into that same category?

Lawyers, venture capitalists, corporate companies and intermediaries are likely to argue that it does; that only applied knowledge and know-how can be formally protected and valued under full non-disclosure agreements.

To support business development through early-stage conversations with industry safe disclosure mechanisms and trust agreements are likely to become as important to universities as they are to creative industries.

It is known that many corporates are shy of signing NDAs for fear of negative impact on their own IP. In open innovation, where an estimated 75% of innovation concepts, digital solutions and software applications are not subject to patent, every participant is vulnerable and exposed to the risk of

misappropriation. PR credits and fame alone do not pay the bills.

However, corporates are not in a position to negotiate dozens - even hundreds - of individual NDAs with those participating in their open innovation activities.

Participants, particularly the idea generation and problem-solving crowd, are not in a position to stand the cost, time and complexity of seeking legal protection and contracts for each piece of new business they pitch for, or each open innovation activity they participate in.

Is Creative Barcode the answer? Creative Barcode was introduced to provide open protection to under-pin and support open innovation. As such it is designed to increase innovation opportunities not restrict them.

**Are all ideas the same and thereby free?**

Importantly, Creative Barcode also protects the interests of industrial partners when source of concept is challenged by another party. The indisputable source is easily and swiftly identified by the unique barcode associated only to that concept and its creation source.

The origin of source and how it was identified, articulated, taken forward and commercialised is arguably the key to overcoming the notion that all ideas are free purely on the basis that ideas can be similar. Or that it is the commercialisation party alone who deserves all of the commercial benefit, leaving creators unrecognised and/or unremunerated. This is something Facebook recently learned to their cost.

The \$315m (£195m) acquisition of the Huffington Post by AOL has also caused an exploitation stir amongst its small army of unpaid journalists who arguably made a significant contribution to the popularity, and thereby value, of the organisation that saw it attract 26 million readers a month.

That fan base would have determined AOL's interest and the price it paid. Three venture capital firms, and the private investors who have supported Arianna Huffington since she launched the site in 2005, will be sitting pretty. However, the largely unpaid content providers leave empty handed. They are suing Huffington Post for \$62 million.

In short, the creators, content, knowledge and solution providers are getting mighty tired of being used to build others' value with no form of remuneration when commercial success leads to revenue shares for all but the creators.



Andy Warhol

Creative Barcode and its permission-based use and ethical trading terms seeks to shift the attitude of the commercialisation parties away from ideas and knowledge being free towards a mechanism whereby ideas and knowledge source can be identified beyond doubt and remuneration share incorporated accordingly.

To achieve that Creative Barcode needs to achieve critical mass and change the ingrained habits of creative industries, knowledge holders and problem solvers who currently have little option but to pre-contract, disclose knowledge and concepts without any form of agreement in place.

This habit has almost certainly come about due to the absence of a non-complex, low cost mechanism and trust based disclosure system being in place. This, arguably, has led to the high-level exploitation we are experiencing today.

Using Creative Barcode, creators' lack of protection can be replaced with an IP management policy '**No pre-contract, proposal, proposition, or concept leaves the building without its Barcode**'.

With its permission-based, use-only agreement, creators (including universities and those who seek to use their work) will need to get used to negotiating fair commercial terms.



**Maxine Horn** is the CEO of Creative Barcode and former CEO and founder of British Design Innovation (BDI)

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