

By Paul Belleflamme, 18 December 2012

## Good IP tidings we bring...



As Christmas is drawing nigh, I found it ~~fun~~ appropriate to collect a number of “*IP Xmas stories*”. As you will discover below, these stories add some Christmas spirit to the IP, IT and innovation issues that we regularly discuss on this blog.

\* Like everyone, I ~~loathe~~ love **poinsettias**. Because they blossom in winter and display striking red and green colors, poinsettias are ideal for Christmas decorating. Yet, their market domination did not happen by chance. It resulted from more than a century of clever decision-making by the Ecke family in California. The [story of the Ecke poinsettias](#) provides a nice illustration of two major choices that many innovative firms face one day or another:

- What is the most effective way to protect an innovation: secrecy or patent?
- Which market(s) should an innovative firm operate in: the market for ideas and/or the market for products? (See the [related IPdigIT post](#).)

Regarding the first question, part of the Ecke’s success is due to a technique for grafting together two varieties of poinsettias that was kept secret for decades. It is only when this technique was discovered that competitors were able to enter the market. Yet altogether, secrecy allowed the Ecke family to protect their innovation for a longer period than if they had been granted a patent.

The discovery of the Ecke’s secret brings us to the second question. As competitive pressure increased on the product market, the Ecke family decided to focus increasingly on the markets for ideas: they sold off more than half of their land, invested heavily into new research facilities, and started to patent new varieties.



\* You probably remember Nick Hornsby's novel *"About a boy"* and the eponym movie (if not, you can watch the trailer [here](#)). You also probably remember that in the movie, Hugh Grant plays the role of a self-confessed "shallow" man, who does not have to work because his dad wrote a huge **Christmas hit**. You may then wonder how realistic this story is. I do not mean whether it is possible to be as shallow as Hugh Grant's character (I hope it is not!), but whether those lucky enough to have written a classic Christmas hit are actually living in clover.

Well, as you might have guessed, the reality is much tougher than movies would like us to believe. Even if some Christmas hits turn out to be cash cows that can be milked December after December, songwriters and recording artists often get very little of that money. As written in a [Guardian article](#) published last December,

*"The biggest non-charity Christmas hit in the UK is Mary's Boy Child by Boney M. (Watch the [cult video](#) here.) (...) In the unlikely event that Boney M sold £1m-worth of Christmas records a year, the four band members would receive £357.14 each."*

And the numbers are pretty much the same on the other side of the Atlantic, as explained in [this article](#) (published last December as well):

*"When it comes to CD sales, a record label has to pay the writer 9.1 cents per song, which is often split with the publisher. That means a songwriter will earn \$45,500 on a million-selling CD — half that if the song was co-written. Given that only 13 albums went platinum last year out of around 100,000 releases, that's not such a high payout for 1 in 8,000 odds."*

\* To top the Christmas tree, I propose **two short stories**. The first comes from the blog *IPWatchdog*, which tracks, year after year, the oddest "Xmas patents". The so-called [Santa Claus Detector](#) is definitely worth a look!

The second story is more recent and, potentially, of great practical use. A team of math students

from the University of Sheffield proposes a [calculator](#) to compute the number of baubles, tinsel and lights needed for a perfectly decorated Christmas tree. (I'm not sure it would be of any help for [this one](#), though...).

**Happy festive season** to you all (and if you are, like me, a Seinfeld fan, "[Happy Festivus](#)")!