Burning the Ships   **G. Hyland**
by **Marshall Phelps** & **David Kline**
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Marshall Phelps is Microsoft's corporate Vice President for Intellectual Property Policy and Strategy responsible for setting the global IP strategies and policies for the firm since 2003. Previously he spent 28 years with IBM where he served as VP for IP & Licensing building its $2B/yr licensing program. He holds a JD from Cornell and an MSc from Stanford's business school. David Kline is a journalist, author and consultant, achieving fame for his seminal work in the field of corporate IP strategy in 2000, "Rembrandts in the Attic" from Harvard Business School Press.

It is generally recognized that since the turn of the new millennium the wider corporate world has been exploring how best to manage one of their previously overlooked intangible assets – intellectual property. Clear examples had been established in the nineties including IBM's near death experience. This book is from one of the masters behind Big-Blues revival giving a brief account from the IP perspective whilst discussing current topics before showing us tips for the way forward. It comprises six chapters with an index, but unfortunately lacking references throughout which is sorely missed. The structure follows Phelps' chronological train of thought beginning from 1) collaboration, to 2) cutting the link with the past, 3) money's meaning, 4) alliance with the open source world, 5) leadership and 6) the road ahead.

Necessity is the mother of invention and the gist is how to pragmatically liberate corporate-IP's captive wealth – adapt or die. IBM's desperate fight for survival in the early 1990s, when there was only three months of cash left, via aggressive IP out-licensing is recounted. Moving onto Microsoft in chapter-2 the defining action was removal of the NAP-clause (non-assertion of patents) from customer contracts moving to a PCL (patent cross licensing) collaboration model. This irrevocable cutting of the umbilical cord with the past was Cortez's "burning the ships" moment for them. The Toshiba deal was the first breaking of the ranks in the suspicious PC hardware industry and Japan Inc. Chapter-3 continues as the U-turn from fortress mentality progressed into open innovation with the establishment of IP-Ventures, and structured out-licensing particularly via Ireland and Finland. In time the VC community was won over. Focus then moved onward, in chapter-4, to the deadly threat of open source software and the Novel deal which broke the back of that. The key is leadership as outlined in chapter5 which qua IP-policy must come from the top. Finally an epitaph to the future – the individual inventor's predicted re-ascendancy via an interesting take on the US patent system's origins, plus some justified railing against free content.

Things are the way they are for a reason. Usually that's history, and what we learn from that is we don't. At best anything about Microsoft is controversial as it is difficult to give a semblance of balance; at worst its biased. Overall in reading this book one has the impression that great strides were made in terms of strategic thinking, especially related to IP, which is in fact quite true. That butter wouldn't melt in their mouths, which is not; there being insufficient detail about the "Dark Side". Considering strategy is context sensitive it behoves one to understand the bigger picture, a deeper understanding of who and what this company really is. With 80% market-share and 20% average net margin, hoovering up $12B/yr in profits – a hegemon, whose creed is "embrace, extend, extinguish". Yet spending $7B/yr in R&D what has Microsoft ever actually invented, where is the true innovation? – from the murky acquisition origins of MS-DOS (16bit-CPM) to the Go Corp. matter with blatant disrespect from the very top for another company's IP? Cross licensing was nothing new, having long been the norm in the consumtronics industry. Collaboration was an offensive defense. A cursory examination of the anti-trust (US) and competition law (EU) cases against Microsoft makes ugly reading. Neither was IBM the sole pioneer of aggressive out-licensing – Texas Instruments faced with the same situation at the same time and did the same thing. One might argue that all this has no place in a book on current IP management methodology, but context is everything; these cases and behaviors were still being played out during the period covered by this book. Covering all this would certainly restore balance, and be a marked improvement.

Overall – recommended: an airport management book with a positive message and interesting insights from an icon.