

### Conclusion

Basically, the reach of IP laws is still limited, for instance, copyright protects only the expression of an idea, not itself; infringement is not occurred if the plaintiff can not prove the defendant's access to the material in question. Also under fair use doctrine, users can use ("borrow") some indefinable part of the protected material with impunity. Although these users are not pirates but merely those who make copies for their own convenience and enjoyment, not in pursuit of illegal profits, still this may injure this protected work's own customers. As for patent, a patented device may be reengineered by a third party that will not be considered an infringer if the new assembled device performs equivalent processes differently<sup>209</sup>.

Also, as described previously, a digital content product shall not be defined as a tangible asset nor an intangible asset because there are rights from the intellectual property system for the origin of the product—"content" and other rights from the Civil Code for the product itself. Most content can be protected by the copyright system, yet some types of content cannot fulfill conditions of intellectual property protection, such as a database. Due to the complication of rights in a digital content product/service, a digital content company sometimes needs to deal with various rights owners before it is able to sell its product. Accordingly, end users usually do not build any direct relationship with the rights owners, but obtain a product/service that consists of various rights.

Basically, intellectual property provides two functions for a digital content company, one function is to allow the company to obtain protection for its intellectual property, especially business flows and business models are the major competition advantage for a company in this industry; and the other is to build up effective "entry barrier". Then, the company may be able to "win" a large market share and profit through its unique business models. In other words, because "content" is the origin of digital content industry, the design of business flows and business models follows characteristics of different "content" which establish various roots of diverse digital content companies. Mainly, business flows and business models make "content" into

---

<sup>209</sup> Anand, B. N., & Galetovic, A. (2004, December). How market smarts can protect property rights. *Harvard Business Review*, (4), 73-79

profit. Without such application, “content” certainly has no value for a company. Thus, business flows and business models are very crucial to a company in this industry.

Intellectual property is just one means of protection. The most important is the significant linkages between the most effective applications of intellectual property and successful marketing which can bring actual profit to a company.

Therefore, this research intends to urge a digital content company establishing an infrastructure from inside out for the purpose of taking actions for exercising its intellectual property and planning them for marketing strategies.

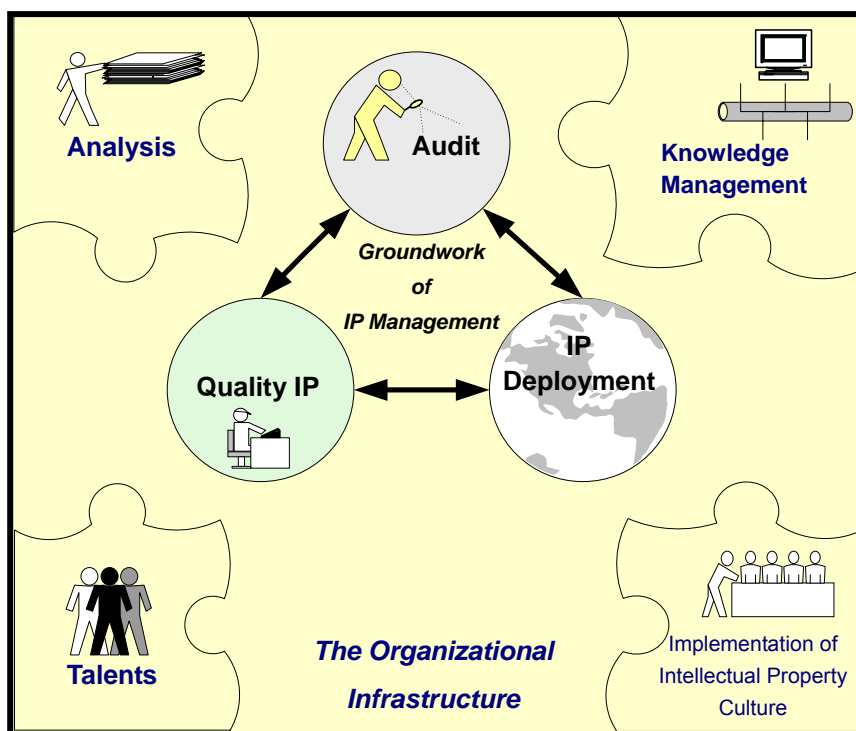
## 1. Conclusions

- (1) Intellectual property concepts should be applied in “marketing” and vice versa.

The value and quality of intellectual property should be examined by analyzing the results of the exercising of intellectual property rights. In other words, the action of “creating value” is achieved through the use of intellectual property combined with marketing strategies on a worldwide scale. Because the core concept of marketing is the exchange value with others, and the function of marketing is to solve the problems arising from such an exchange, it is vital that the role of intellectual property in marketing is sufficiently understood.

- (2) The most primary concept for strategic intellectual property management is an organizational infrastructure integrating the groundwork of IP management.

In order to follow the concept that is recognized by everyone, namely intellectual property is important, many companies just rush into any possibilities without observing and examining the most basic problem which is to identify the necessity and the preparation. Therefore, speaking of a company itself, before a company is able to execute strategic intellectual property management and exercise IP to create profit, the primary infrastructure inside of a company is needed to be established. Therefore, this research provides a framework that consists of the primary infrastructure of a digital content company and groundwork of IP management.



- (3) The 4C structure can be used to analyze decisions of planning and exercising intellectual property.

As in the previous review, there is no particular theory applied to including intellectual property for marketing and relevant decisions. Among numerous existing marketing theories and tools, this writer chooses the 4C structure as a main application in this research because the 4C structure is based on not only total cost analysis (TCA) but also exchange theory that forms the core concept of marketing. Most marketing structures follow marketing textbooks written by McCarthy or Kotler, which include a process from environmental analysis to STP and then to 4Ps. The described above implies the major differences between Traditional Management School and the 4C structure—the former is process-oriented and the latter is a theory. The 4C structure applies marketing exchange theory integrating marketing activities; it obligates marketers to handle Explicit Unit-Utility Cost and Implicit Exchange Cost before/during/after the process of an exchange; and then marketers apply the most adequate marketing tools to solve those problems based on the analysis result of the 4C structure.

Therefore, this research hypothetically expands the application of the 4C structure which may provide useful ideas to the rights owner, where to pay attention while planning and exercising IP. Also, this research takes one of the exercising IP actions (productization) as an example to go through the analysis of the 4C structure.

- (4) A digital content product can be analyzed through the product life cycle and the 4C structure.

In order to develop a practical marketing function that is needed to cohere with the reason that a company is operated: profit. Accordingly, it is necessary to include product life cycle (PLC) as one of major elements in this structure. The traditional PLC uses rate of sales growth and rate of return on investment as two variables marked on the major axes of a graph. Although not every product shows a typical S-shaped product life cycle, a product still needs to pass through its product life cycle and the shape of curves just shifts upon the changes of those two variables.

This research certainly would stir up doubt why a digital product is able to fit into such an old-fashioned model of analysis. However, this research intends to emphasize not PLC itself, but the “flexibility” of PLC. In other words, the time of each stage may be longer, shorter, overlapping or even one stage may be missing entirely, but a product still needs to go through a life cycle. Many research papers and reports have brought out new terms or concepts, yet they still discuss a product life cycle. Especially, the PLC of a digital product is still in divergent development.

The core concept of marketing is exchange, in other words, “exchange” for profit for the company. This research provides a perspective through the 4C structure which distinguishes between what actions make a product fly up or dive down and what kind of concerns should be checked.

## **2. Limitation of the Research**

During the process of this research, it has been limited to the following reasons:

- (1) Trade secret: in general, marketing strategy and marketing plan are one of the core competitive advantages for a company, thus it is hard to search out the actual facts.
- (2) The ability of interpretation: there are innumerable theories and knowledge can be used in this research, yet this writer may interpretate information under subjective influences and education background. Therefore, explanations in this research may not be in-depth or have errors.