

# Undercutting innovation

Intense competition for contracts and a cavalier approach to intellectual property could leave innovators out in the cold. It may also force them to reinvent their products even faster



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» Companies might lose the incentive to innovate, or go out of business, if IPR infringement persists <<

At *Fairplay Solutions*, one of our key concerns is reporting on excellence and advancement in maritime equipment and ship design. This issue is certainly no different. Our feature on manoeuvring and propulsion on p16 covers everything from the latest research findings (a strategic Europe-wide effort to identify innovative propulsion concepts) to fully realised products (Wärtsilä's 360° rotatable 'Icepod', which can be used for propulsion or icebreaking).

The never-ending quest to tap new revenue streams remains a key driver of technical innovation across all areas of the industry. This is especially the case when the search for continued prosperity means undertaking operations in growing markets, such as windfarm installation and maintenance, icebreaking, and offshore support. In this very issue there are profiles of a sideways-moving oblique icebreaker/potential oil spill response vessel on p13, and a highly flexible compact semi-sub on p32.

However, in more established areas of operation, the choices that companies make in their quest to keep margins healthy can have the knock-on effect of undermining innovators. As we note in this month's regional profile, western European shipyards fighting hard for a share of falling demand for new ships face a quandary: they cannot compete with Asian shipbuilders on price but now their unique selling point – the sophistication of their products – is also under threat due to violation of intellectual property rights (IPR). The problem is more pronounced for equipment manufacturers.

As a maritime safety journalist, the battle that such companies face to protect their IPR is one I am familiar with. In the past five years, many safety companies have found

themselves undercut by design infringement and by pure counterfeiting of both products and spares. It's a problem that threatens not only revenue and progress but also vessel safety, because the quality of the copy rarely matches the original.

It is easy to see how companies might lose the incentive to innovate or simply go out of business if such a problem persists. However, if one approach cited by industry association Danish Maritime becomes commonplace, market conditions actually could force an increase in the pace of innovation. One of the organisation's member companies experienced patent violations so frequently and was so frustrated in its efforts to pursue violations that it decided that, rather than renew the patents, it would constantly improve and update its products to stay ahead of Asian competitors.

As long as markets stay depressed and IPR enforcement remains challenging, this could be the only feasible model for prosperity – or just survival – for some companies. Even so, working in the full knowledge that competitors are likely to benefit directly from your hard work, ingenuity, and investment in R&D can hardly be a motivating prospect.

On a completely different note, this is the final issue of my five-month caretaking spell at the helm of *Fairplay Solutions*; I'm returning my attention to *Solutions*' sister magazine, *Safety at Sea*, and from next month will leave readers in the capable hands of my colleague Uchenna Izundu. *Solutions* will continue to offer you the best news and analysis on shipbuilding, ship technology, and ship operations, and to seek out and celebrate maritime innovation, wherever it appears. **is**

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