1. Background

regify S.A., headquartered in Luxembourg, is an international provider for trusted and binding communication and digital post. The company was founded in 2006 and focuses on the secure exchange of documents and messages. The regify services (regimail, regibill, regipay) combine the qualities of registered mail with the time and cost savings and the simplicity of e-mail communication.

regify users (companies, consumers and public organisations) send and receive confidential messages using their existing e-mail services; they register with their regify provider of choice and can immediately exchange regify messages with any other regify user. Regify services have been developed for global use.
2. Description of the technology

The unique regify methods enable networked communication business with multiple providers and their users through a central clearing centre. This unique approach provides a cost-effective mechanism for secure and auditable communication transactions that work across providers. The graph below illustrates a typical regify transaction.

The regify inventions concern the communication processes and methods performed on this 3-tier architecture. These inventions have been patented since 2006, and to date regify owns a portfolio of three core patents that have been registered internationally. The company has been able to leverage these intellectual property (IP) rights in order to innovate and capitalise on its competitive advantage. With products for the generic electronic letter (regimail), the delivery of electronic payslips (regipay) and legally compliant electronic invoices (regibill), regify has a broad portfolio of products with features that competitors cannot copy due to its patents.
3. Fund raising motivations

Initially, the company piloted both the technology and the business case in the highly competitive German market. In order to do so, regify secured investment from national business angels, willing to invest in companies with international expansion plans. In those first four years, regify optimised its technology and managed to win the first key customers.

Based on these initial commercialisation successes, regify decided to grow its business product offerings internationally. However, although regify would maintain good profit margins due to the unique product, an international rollout requires substantial investments. Moreover, to go international it is also imperative to be able to defend one’s business and be prepared that other parties may claim ownership of IP rights in a critical domain. The way chosen by regify to prevent margin deterioration and to reduce legal risks related to IP rights was to develop its own portfolio of IP.

Ownership of IP turned out to be one of the main assets for investors to financially support the international expansion of the business. The first step the company took was to prepare a sound business plan which also explained how existing IP was managed and how new IP was developed. It turned out that investors were impressed by regify’s approach to IP, after having performed an in-depth IP due diligence.

The latter revealed that the already granted and newly registered patents were allowed on unique communication technologies without important competitors in the market, which provide a promising foundation for a long-term investment with substantial economic return.

4. Product and business valuation

Indeed, regify impressed its investors with its ground-breaking technology and the competitive advantages that arise from its IP assets and IP management strategy. All this has proved to be a main decision criterion for regify investors since the company’s core business is in the software industry and its value is mainly driven by the creation of superior technology that wins in the marketplace.

The regify technology system, included in its business offer, has certainly played a fundamental role in its investors’ decision, as secured and auditable communication is essential in today’s business world. Nevertheless, what really made up its investors’ mind was the long-term sustainability of the business based on the regify patent portfolio and its well thought-out business plan. More precisely, in its first national commercialisation phase, although the high-risk investment, business angels relied on the value of regify IP assets and its
business strategy. At the internationalisation phase, investors also valued the quality and experience of its IP management and its market strategy. The investment resulted in a 22 % participation of three investors.

« Our investors would not have committed the required resources for our international rollout if regify did not have patents in place. Copying an innovation is fairly easy for most of the technologies. Therefore, it is imperative in the technology sector to acquire intellectual property rights », Mr Kurt Kammerer, CEO at regify said

5. The lesson learned

IP rights have provided regify with a solid foundation for its business success. Its patent portfolio proved to be a perfect means to exploit innovation in the market place and establish business partnerships. regify’s case shows that even a small company with little money can succeed in a competitive market environment and win against bigger competitors if such a company can leverage its business value using patent rights. Moreover, thanks to the 20-year protection term of patents and their efficient management, investors are attracted by the perspective of long-term economic benefits deriving from a business that is IP-protected.

« Building a substantial business in high-technology sectors requires patents. So, if you do not have them yet, we recommend innovating and acquiring IP rights over the created intangible. A good IP strategy will help you compensate for the financial limitations that small companies typically have and will strengthen your competitive position and the financial viability of your product offerings! », Mr Kammerer underlined.
GET IN TOUCH

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The European IPR Helpdesk aims at raising awareness of Intellectual Property (IP) and Intellectual Property Rights (IPR) by providing information, direct advice and training on IP and IPR matters to current and potential participants of EU funded projects. In addition, the European IPR Helpdesk provides IP support to EU SMEs negotiating or concluding transnational partnership agreements, especially through the Enterprise Europe Network. All services provided are free of charge.

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Website: On our website you can find extensive information and helpful documents on different aspects of IPR and IP management, especially with regard to specific IP questions in the context of EU funded programmes.

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