

Garnock Engineering Co Pty Ltd - Looking for a new way to make \$\$?

Steve Sanders' advice to anyone starting out with a new product is to "be sure you know the market potential of your product and match it with appropriate protection. That," he said, "means patent, trade mark and/or design protection in every market you intend selling into."

Mr Sanders is the Managing Director of Garnock Engineering Co Pty Ltd, a traditional heavy engineering firm in Kemblawarra, New South Wales. It's been providing general, marine and quarry engineering services since 1938 and Sanders went out on a limb last in 1997 when he introduced an entirely new venture into the business.

Mr Sanders decided it was time to take a risk on something new, by buying the rights to an invention.

"We were looking for new business which would give us regular repeat work. What we needed was a product which was innovative, which we could manufacture exclusively and which would open up new markets for us," Mr Sanders said.

"We explored a number of inventions before deciding on the Borthwick Comformatic bed, a novel concept which combines the comfort of a traditional slat bed with the versatility of the fold-away sofa-type bed."

Mr Sanders negotiated with the inventor of the novel bed idea, purchased the invention and began following up market opportunities.

"Our first priority was to establish ownership of the product. We wanted to be very sure we held exclusive manufacturing and marketing rights on the bed, both here in Australia and overseas.

"The inventor had already started the protection process with a provisional patent. We took over that process, first with an assignment agreement with the inventor and then taking out patents worldwide."

An assignment is an authority by the inventor to hand over the patent and although not required in Australia, it is a prerequisite for patenting a product in most other countries.

"We set up a subsidiary company, called Borthwick Industries Pty Ltd, to run the project. We registered the company name and took out patent and trade mark protection to ensure we own the product, the words and the logo.

"It was all very new to us and we've found patenting to be an expensive and complicated process. We did ease the way, however, by employing the patent attorney who established the original provisional patent. He had all the background and has been very helpful so the protection process has been fairly straightforward.

"The only real hitch we've had in the whole process was to discover, when we purchased the invention, that development of the product was not as far advanced as we'd thought. This was not all bad, however, because although it meant some redesign work it gave us an opportunity to look at ways in which we could reduce production costs," Mr Sanders said.

The Borthwick bed is based on a concertina action which, when extended, becomes a solid platform for a mattress. It's a unique concept. Each slat is individually mounted to the action, ensuring they follow the contours of the human body. The result is a comfortable sofa bed which, because no lifting is involved, is very easy to operate – you simply pull from the front. It also has a self-locking device once the bed is in position.

It can be made out of timber or steel and is perfectly suited for use just about everywhere - from homes and caravans to boats and aircraft.

"We have held positive discussions with firms in the US, Canada and Asia about the possibility of licensing. For our business, licensing is the best strategy."

Garnock has employed a marketing manager to drive this part of the business but, until Borthwick Industries gets off the ground, the parent company is providing staff, administrative support and financial back-up.

Support for the project also came from BHP, which assisted in the design work with drawings and testing. The New South Wales Industrial Services Office helped out with marketing support, sourcing overseas contacts and componentry.

Borthwick currently has patents in more than 100 countries. They were filed through the Patent Cooperation Treaty or PCT system which allows a single international application to be filed, in English, that has the same effect as a separate filing in any of the PCT member countries you choose to designate for patent protection.. It also has the advantage of providing extra time to allow companies like Borthwick the chance to assess a particular market before going ahead with a full patent in the countries chosen.

Sanders expects the Borthwick bed to be a winner.

"It's a clever idea and it's certainly got world wide application. You have to be sure of a large market before embarking on a venture like this. We would not have gone ahead with it unless we intended to get involved internationally. That's meant the expense of worldwide patent protection for our product but we know it's going to pay off for us."