

Gore-tex patents

[Business](#), [Management](#)



1. After the expiration of one of the primary patents Gore-Tex held in 1996 the company was bombarded with imitators which sold cheaper generic merchandise utilizing the technology application the company had developed. At point in time the sales of the company declined, but this event was not move that destroyed the company due to the fact that the firm had several other patents in place for different types of products. Also the company placed a higher level of importance on research and development and innovation to continue rolling out new products that would captivate the customer base of the firm. At the end of the patent protection phase the best strategy is to increase R&D investment as well as repositioning the product whose patent is expiring at a lower price point in order to continue to generate sales.

2. The fabric technology of the firm has been utilized in wide range of products. The company has application for winter coats, backpacks, shoes and trousers. The firm has been able to obtain prestigious contracts such as the 1969 contract that enabled the company manufactured cables to reach outer space US led moon missions. The firm has diversified product portfolio with multiple application which include: new standards for comfort and protection for work wear and active gear; advanced the science of regenerating issues destroyed by disease or traumatic injuries; next generation materials for printed circuit boards and fibre optics; and new methods to detect and control environmental pollution.

3. The emphasis on technology and innovation has help Gore become a multinational firm whose market value exceeds one billion dollar. Despite the company's success the continuous emphasis on technology is a strategy that

has drawbacks and increases overall business risk. Once the patent of technology expires any firm can imitate the company's product without incurring in any of the original research and development investment the firm incurred in. Another major drawback about placing a high emphasis on technology is that these types of products at times become obsolete very fast as other more advanced technology begin to appear in the marketplace. When a company becomes a victim of obsolete technology all the inventory of the product that became obsolete becomes worthless.

4. Companies that utilize compensation plans in which the employees become part of the ownership group through stock option plans are business entities in which the human capital of firm are more likely to show greater loyalty which leads to lower employee turnover and higher retention rates. The employees realized when they are paid in stocks that there efforts have a direct correlation with the value of their equity investment. Since this particular firm, Gore-Tex, is a privately held company the stocks of the firm are not as liquid, thus the employee might have some difficulty selling them in the open marketplace. Also as times moves forward and more new employees and the current employees continue to receive compensation in the form of equity stocks the value of these stocks might get diluted which means that the employee will own more stocks that are worth less money.