

PatentSight® Helps Integrate Innovation and IP Strategies and Measure Patent Quality

How patents became a managing board agenda item at Siemens



At a glance



Customer

Siemens

Requirements

- Support shift from quantity- to quality-driven IP strategy.
- Apply metric for improving patent quality over time.
- Track patent value compared to competitors.

Solution

With LexisNexis® PatentSight®, Siemens tracks patent quality improvement and identifies innovations that create greater business value.

Bottom line

- Inventors and patent attorneys align behind value-driven IP strategy.
- Newly identified patent gems are leveraged to create business value.
- Role of patents elevated to strategic competitive advantage.

“You can only improve what you can measure. We needed an indirect measure and a tool that would help us measure the quality of each patent and our entire patent portfolio and track quality changes over time compared to our competitors... PatentSight is quite a good match for Siemens.”

Beat Weibel, Chief of Intellectual Property (IP) Counsel and Group Senior Vice President, Siemens

Overview

Siemens is a digital pioneer focusing on the areas of electrification and automation. The company partners with its customers to unleash their business potential using energy-efficient, resource-saving technology and digital know how. Siemens currently holds more than 100,000 patents and in 2013 was filing applications for more than 3,000 new patents annually across its lines of business. Based in Germany, Siemens is a multinational engineering company with annual revenues of €86.85 billion and 385,000 employees around the world in 2019.

Business problem

When Beat Weibel joined Siemens as Chief of Intellectual Property (IP) Counsel and Group Senior Vice President in 2013, the company, like many large technology companies, was focused primarily on the quantity of patents, not their quality. The focus on quantity over quality reflected a disconnect between the development and IP teams at Siemens. Inventors would invent first and then call on their colleagues to prepare and file patent applications. Siemens was not evaluating the quality of its inventions before filing patent applications. The upshot was that Siemens was spending huge amounts of time and money obtaining and managing patents with limited knowledge of whether they represented business value or created competitive advantage for the company.

“Companies previously used patents to establish IP rights and block competitors from benefiting from basic innovations. In a digital world... I felt Siemens needed a different approach to IP rights and a different understanding of how to create these IP rights.”

Beat Weibel, Chief of Intellectual Property (IP) Counsel and Group Senior Vice President, Siemens

Tackling the challenge of integrating innovation and IP activities

The transition to a quality-driven patent strategy began by integrating the company's IP activities into its innovation process. Instead of waiting for inventors to bring their inventions to Siemens' patent attorneys, the attorneys now go out to talk to researchers and developers to better understand how what they were working on might contribute value to the company. The attorneys and inventors rose to the challenge of close collaboration. The company's innovation and IP activities are now aligned behind a value-driven IP strategy.

An essential element of the shift to quality over quantity was selecting a metric for determining whether the change in strategy was successful. For this, Siemens turned to PatentSight and the firm's Patent Asset Index™. The Patent Asset Index™ is an objective measure of global technological strength and innovation. The measure takes into account both the number of patent-protected inventions and their quality, or value.

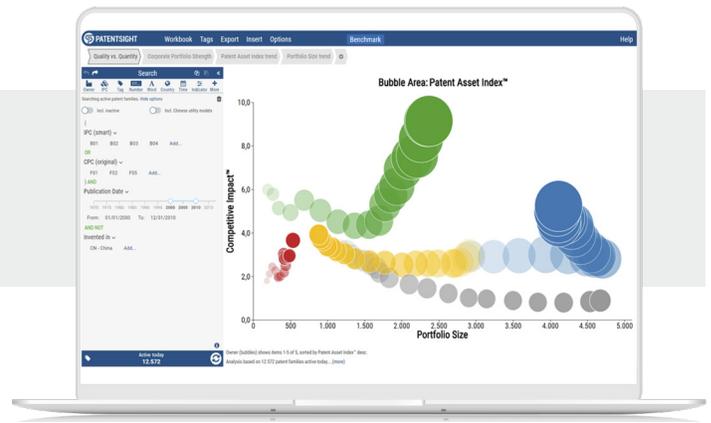
An example of how the shift to a focus on quality is working is Siemens' patent portfolio strength in the highly lucrative and competitive Internet of Things (IoT) market between 2016 and 2020, as objectively measured by the Patent Asset Index™. Between 2016 and August 2020, Siemens increased its IoT patent portfolio strength by 47.2% and was the only player in the market that showed clear average patent quality improvement.

Not surprisingly, the transition to a quality-driven patent strategy has caught the attention of the Siemens managing board. After a presentation reporting initial results of the shift to a value-based IP strategy, patent quality updates have become a Managing Board agenda item once or twice a year.

“I was lucky that the managing board trusted me and the PatentSight tool when I told them we could harvest more valuable inventions and create broader and more important patents by changing our strategy and measuring quality improvement compared to our competitors. Of course, now the board expects to see quality improvement every time.”

Beat Weibel, Chief of Intellectual Property (IP) Counsel and Group Senior Vice President, Siemens

Key PatentSight® capabilities that support measuring patent quality:



▪ The Patent Asset Index™

An objective measure of global technological strength and innovation that accounts for both the number of patent-protected inventions and their quality, or value. The method allows the identification and profiling of patent gems businesses can leverage to create value from innovations.

- **Competitive intelligence & benchmarking:**
Base decision-making on true patent portfolio strength and quality indicators, while relying on industry proven KPIs to track competitors' progress.
- **Disruptive technology scouting:**
Identify disruptive innovations and promising startups with patent analytics to gain a competitive edge.
- **Portfolio optimization:**
Answer key questions to define international patent filing strategy, increase portfolio efficiency and identify competitive strengths and weaknesses.

▪ Effectively communicate quality KPIs

PatentSight Business Intelligence helps you effectively communicate your findings to key stakeholders and report to the managing board, enabling you to turn your patent department into a strategic consulting unit.

▪ Excellent data quality

To ensure the data is accurate and reliable, a highly skilled team of experts continually tracks factors that can affect the ownership of patents—and therefore who holds commercial power over them—including corporate structures, mergers and acquisitions, company name changes, patent transactions, and others. The team also checks for the validity and remaining lifetimes of patents. This ensures that analyses focus only on active patents, pending patent applications, and valid patents.



For more information, visit [PatentSight.com](https://www.patentsight.com)

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