



# The Early Identification of Disruptive Players

with advanced patent analytics

PatentSight Use Case

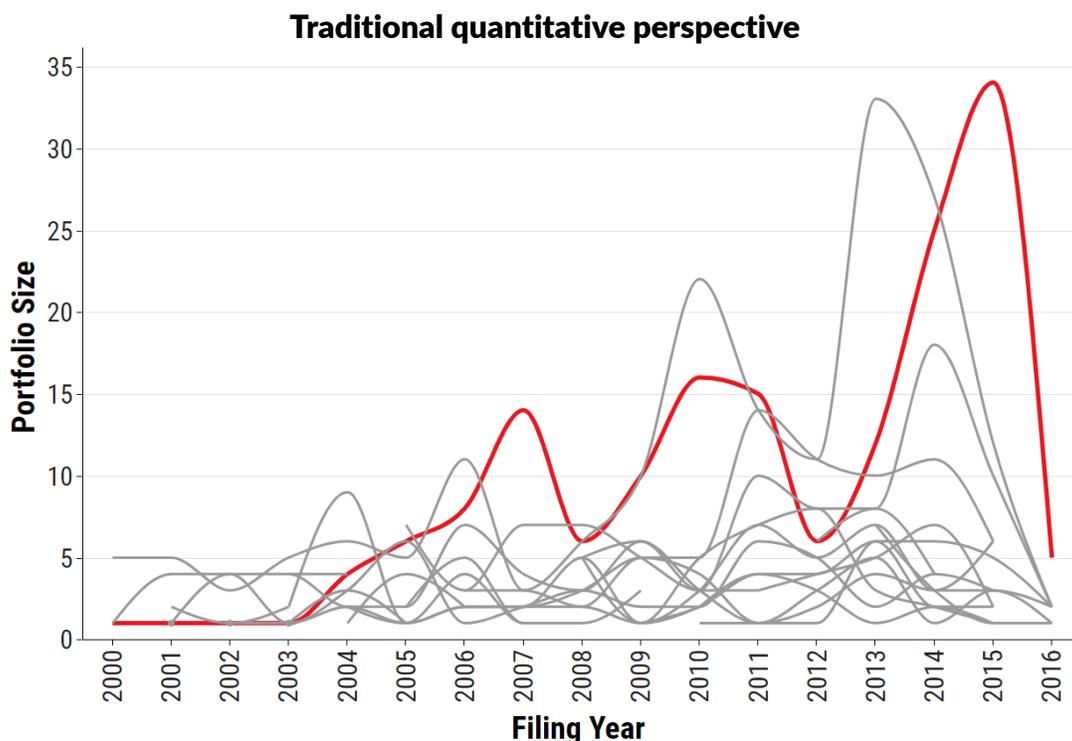
# From Quantity to Quality—Revealing Hidden Trends with PatentSight



What if it was possible to spot disruptive trends early on, to prepare or even capitalize on the market shift? Within just two years Apple® has become a leader in the watch market. As with the iPad®, iPod® and Apple computers before it, the Apple Watch® has been a clearly disruptive force, resulting in millions of dollars in revenue being shifted from the traditional watch market. This type of event occurs in many industries today, and it's something every company tries to predict.

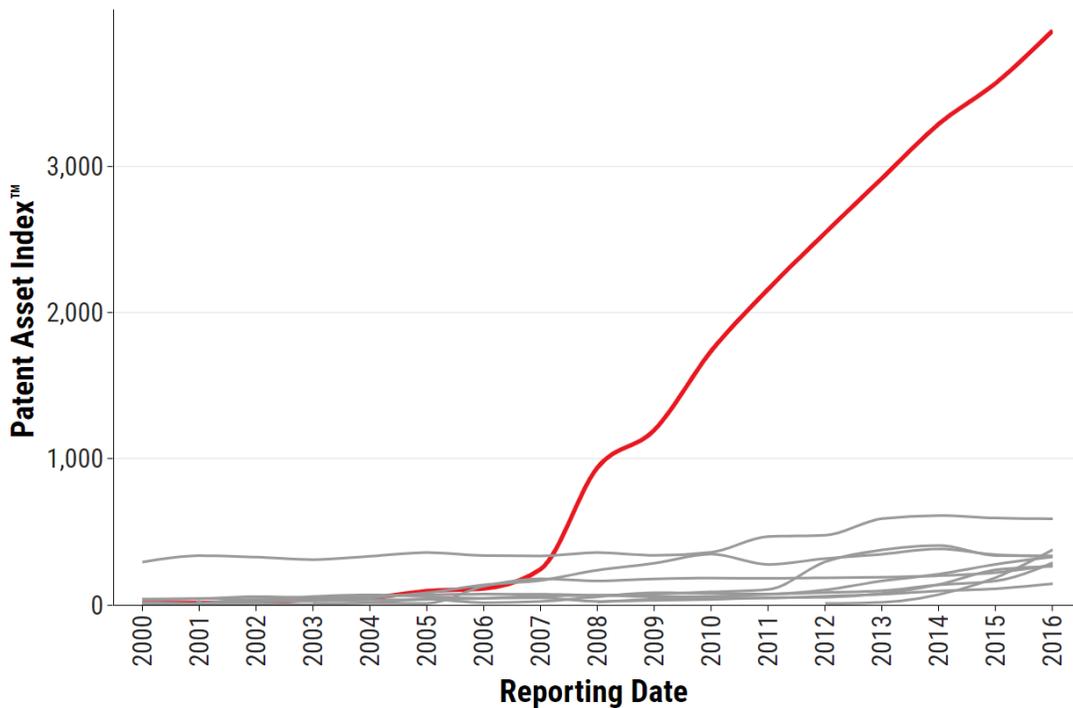
Traditional intellectual property analytics are difficult to read, even for seasoned experts, with analyses more often appearing jumbled rather than as meaningful insights. Now, there are alternative analytics methods that enable analysts to predict revolutionary products like Apple's wearable devices, years before their market launch.

The charts below show how transitioning from a traditional count-based-approach to a qualitative assessment of citations reveals hidden trends:



Source: LexisNexis PatentSight

### Alternative qualitative perspective



Source: LexisNexis PatentSight

**On the vertical we have moved away from a purely quantitative approach to a qualitative one.** Instead of focusing on the large number of patent families, we now look at the strength of the portfolios citing this technology the independently verified Patent Asset Index™ methodology.

**On the horizontal we switch from a simple filing year to a full evaluation of the active portfolios over time, which we call Reporting Date.** Each data point is comprised of active patents only, and the available information at that point in time. Combining historic legal status and citation data in a way not seen elsewhere in the IP Analytics Industry provides a window into the true state of the innovation landscape at a given point in time.

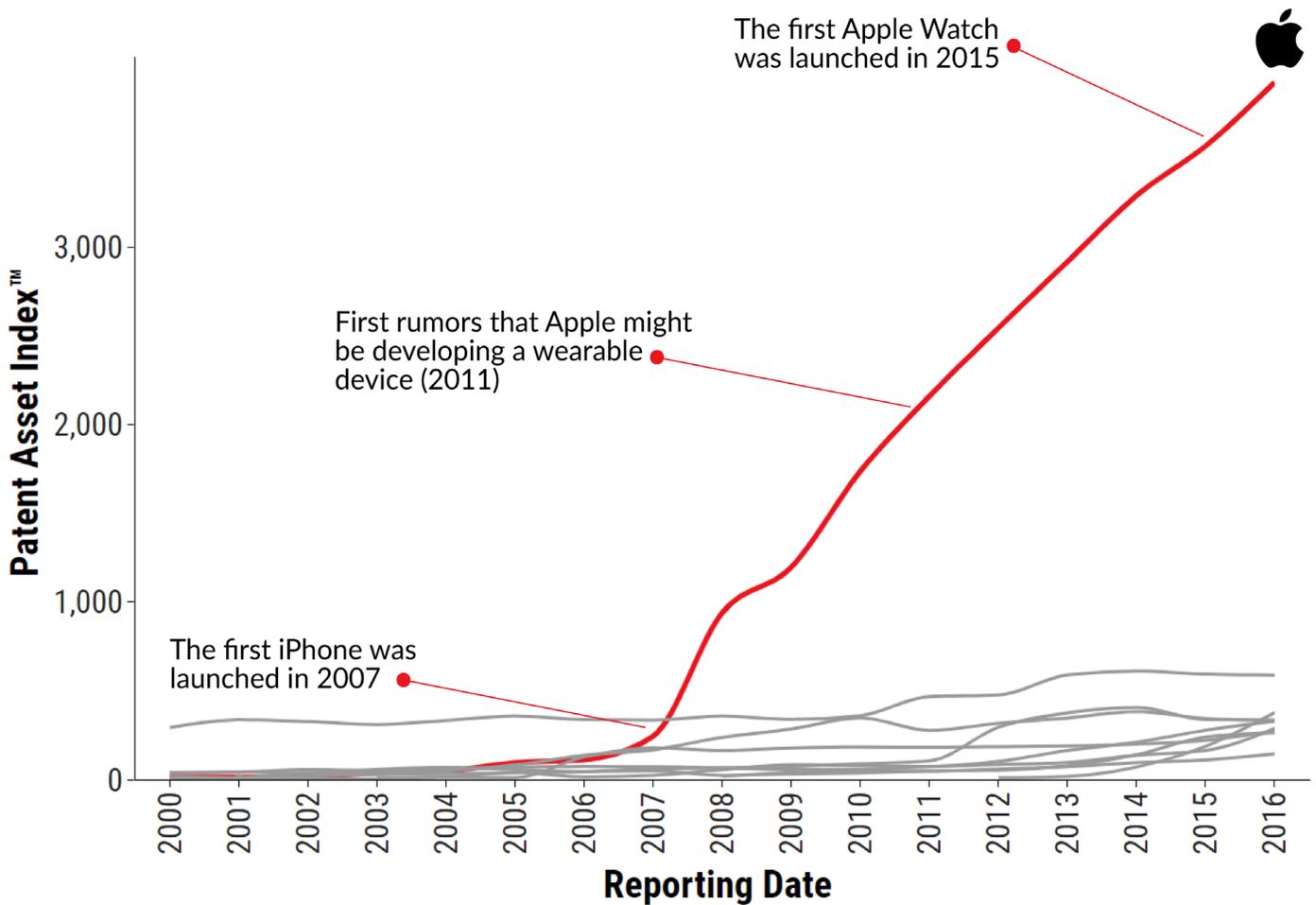
With this transformation, Apple can clearly be seen rising from the pack, whereas before it was one of many undistinguished players. Such trend analysis need not be complex, and can be created in seconds with only a few clicks in PatentSight.

**Knowing what's next—seven years before product launch**

In 2007, Apple launched the first iPhone. It took until 2011 before the first rumors surfaced that Apple might be developing wearable devices—and another four years until the Apple Watch finally hit the shelves.

With PatentSight citation and quality metrics, it was already evident in 2008, that out of more than 10,000 patents, a handful of Apple's patents, that cited those of Swiss watchmakers, had been displaying significant growth in strength (as indicated by the steady rise in the graph below). Using traditional patent analytics, it may have never occurred to the Swiss watchmakers to consider Apple as a competitor, since it does not appear to be a strong player, based simply on the number of patents citing the technology field of watches.

**Qualitative approach clearly reveals the strength of the Apple portfolio**



Source: LexisNexis PatentSight

# Identify Disruptive Technologies and Innovations with Easy-to-use Analytics



Apple became the number one watchmaker in the world within two years—with just one product!

The early identification of this disruptive technology would have given the market leaders of the time—in 2008—clear signals about a new groundbreaking trend that they could have taken advantage of likely gaining millions of dollars in revenue. In fact, market leaders started their first discussions that Apple might be developing a wearable device in 2010. With the qualitative metrics of patent data analyses (as shown on page 4) they could have been created two years earlier!

In recent years, it has become increasingly common for new niche companies—which may at first appear small and insignificant—to break through to the larger market and become leaders in a short time. Their developments arise from unconventional practices, eventually leading to the displacement of established companies.

For this reason, it is essential for companies to identify disruptive technologies and their developers early on. Only in this way can they have a chance to react to developments in time to:

- Align their own developments
- Reject non-competitive innovations at an early stage
- Purchase new types of innovations to set themselves up for a trend in a timely fashion

The companies that don't do this risk losing their market relevance and competitive strength. Their products and technologies can become outdated overnight, resulting in enormous financial losses.

Technological improvement is secured and sustained through the intellectual property of a company. Benchmarking against competitors and trend analysis in the field of future technologies is a common use case for IP portfolios analytics.

However, in recent years it has been established that only a small portion of patents create any value for the holder. Therefore traditional analyses which simply compares the size of patent portfolios or counts the number of patent families on its own does not provide us any concrete insight into the strength of these patents.

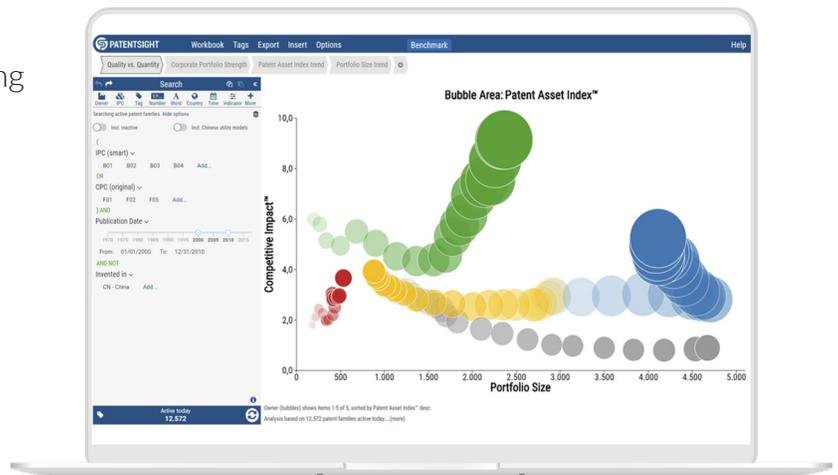
## Quality KPIs Lead to Unexpected Insights



## LexisNexis® PatentSight®

PatentSight launched its first Business Intelligence Software in 2012. In 2018, PatentSight became part of LexisNexis® IP. Its platform provides unique, reliable and relevant insights into the patent landscape for decision makers and patent experts in the fields of:

- Competitive intelligence and benchmarking
- R&D strategy
- Disruptive technology scouting
- M&A and due diligence
- Licensing and monetization
- Portfolio optimization



## Patent Asset Index

PatentSight is known for its development of the Patent Asset Index, a proven approach to assess patent quality and benchmark patent portfolios. The Patent Asset Index is recognized by technology leaders to provide an accurate view of the strength, quality and value of patent portfolios to reveal the impact and efficiency of an enterprise's investment in innovation.

Analyses delivered by PatentSight are regularly reported to top executives of leading companies. Benchmarks are often featured in the shareholder annual reports of some of the world's largest corporations. Excellent data quality is our highest priority and a foundation of any analysis.

## Intelligence to Drive Progress

Find the Unexpected with Advanced Patent Analytics

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