

How to develop and maintain a world-class patent portfolio?



Host and moderator



Gene Quinn
President & CEO
IPWatchdog, Inc.

Presenters



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Conley**

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Technology, CRTI, Kellogg
School of Management,
Northwestern University*



Prof. Holger Ernst

*Chair for Technology and
Innovation Management,
WHU – Otto Beisheim
School of Management*



Jens Bördin

*Co-founder, partner
and CEO of
Konsert Strategy & IP*



Marco Richter

*Managing Director at
PatentSight –
A LexisNexis Company*

Agenda

- How academia defines a world-class patent portfolio
- How leading IP players think and organize
- How development and maintenance of a world-class patent portfolio is supported with smart software solutions

**“The patent system added
the fuel of interest to the
fire of genius”**

Abraham Lincoln

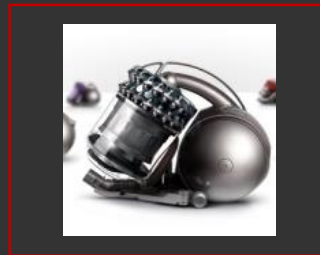


How IP creates value





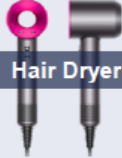
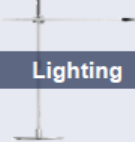
- Protection (Exclusivity)
- Freedom to Operate
- Integrated IP Strategies (patents, trade marks etc.)
- Life Cycle Management
- Portfolio Optimization (Pruning)
- Licensing
- Cross-Licensing
- Standards (Patent Pooling)
- Enforcement (Litigation)
- Investor Communication
- Etc.

These are all very important value-enhancing activities, however, another very important needs to be added...

The real value driver is innovation, i.e. having the right products that customers love and pay for.

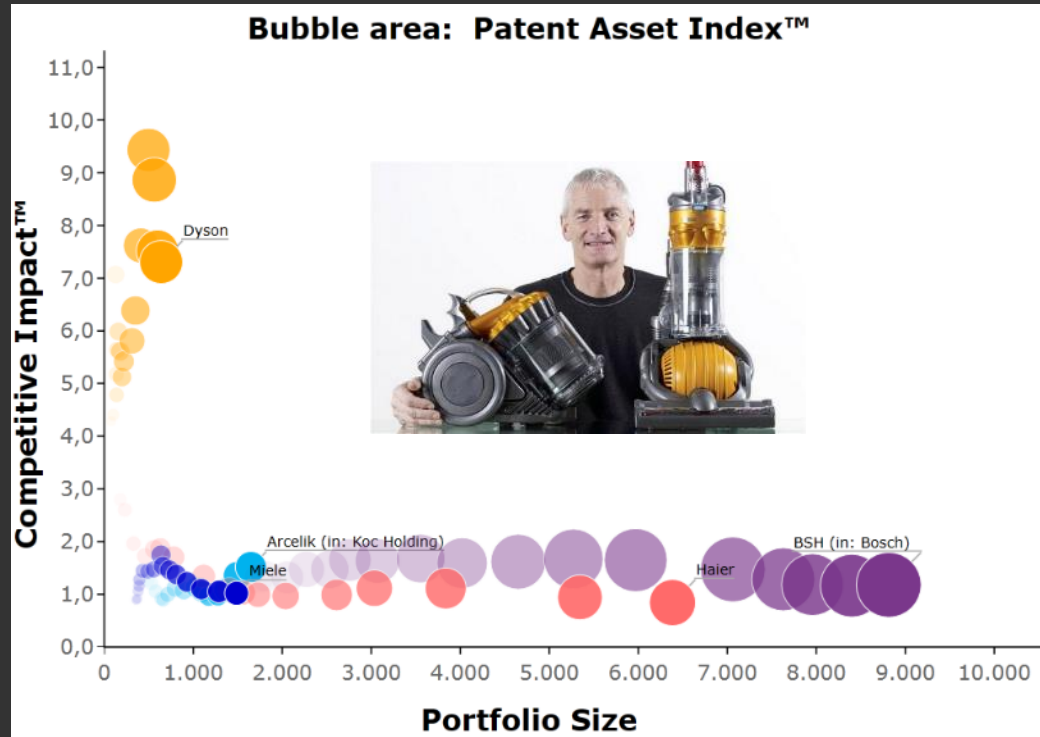


IP has to protect the USP's of a company's products and thereby strengthening it's competitive positioning!

 <p>Vacuum Cleaner</p>	 <p>Hand Dryer</p>	 <p>Fans & Heaters</p>	 <p>Air Treatment</p>	 <p>Hair Dryer</p>	 <p>Lighting</p>
<p>Trademarks Dyson v line Dyson Ball line Dyson 360 Eye line</p>	<p>Trademarks Dyson Airblade line</p>	<p>Trademarks Dyson Cool line Dyson Hot+Cool line</p>	<p>Trademarks Dyson Pure line Dyson Humidifier line</p>	<p>Trademarks Dyson Supersonic™ line</p>	<p>Trademarks Dyson CSYS line Dyson Cu Beam line</p>
<p>Copyrights Website, Advertising</p>	<p>Copyrights Website, Advertising</p>	<p>Copyrights Website, Advertising</p>	<p>Copyrights Website, Advertising</p>	<p>Copyrights Website, Advertising</p>	<p>Copyrights Website, Advertising</p>
<p>Patents Utility and design</p>	<p>Patents Utility and design</p>	<p>Patents Utility and design</p>	<p>Patents Utility and design</p>	<p>Patents Utility and design</p>	<p>Patents Utility and design</p>
<p>Protect</p>					
<p>Unique Selling Point Usability (no bags) Design & Lightness Eco friendliness Powerful</p>	<p>Unique Selling Point Hygiene Eco friendliness Design Time saving</p>	<p>Unique Selling Point Noise level Time saving Automation Design (bladeless)</p>	<p>Unique Selling Point Noise level Automation Design Hygiene</p>	<p>Unique Selling Point Noise level Time saving Temperature control Design (bladeless)</p>	<p>Unique Selling Point Longevity Intensity Precision Energy Efficiency</p>

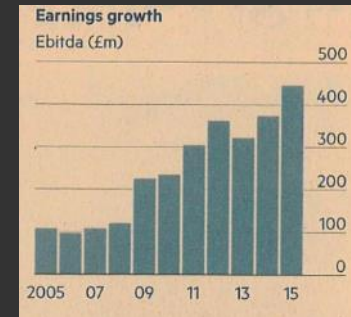
Innovation, valuable patents and financial performance: The case of Dyson

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Source: PatentSight

Dyson's Financial Performance







Limited Financial/Business Impact of Patents

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**No Relationship between patent applications
or grants (patent portfolio size)
and financial value!**

State-of-the Art Approach to IP Management

	Strategy	Explicit IP strategy and link with corporate strategy (Motive: Maximizing strategic and financial value to the firm)
	Key Performance Indicators	Patent quality (value)
	Accountability	Strong
	Top Management Exposure	High
	Governance	Independent IP entities with P/L responsibility, reporting to CEO (CTO), establishment of CIPO positions
	Focus	Strategic management of multiple IP assets, the focus is on value creation along multiple dimensions
	Orientation	Pro-active, strategic
	Organizational Embeddedness	High (high level of cross-functional and business involvement, strong external orientation)
	Skills	Legal and technical, in addition: strategic, financial, new business development, marketing/branding, venture capital, risk assessment
	Methods/Tools	Use of methods and tools to support strategic IP management including IP analytics
	Integration across multiple IP regimes	High (integration of multiple IP regimes)

The IP function becomes a pro-active consultant in the organization to create strategic and financial value.

Smart Analytics as a Core Enabler of a Modern IP Management.



The global IP management best practice study: Objectives and academic institutions

Objectives:

- to gain insights into how companies manage their IPRs on multiple dimensions: e.g. IP management, patent analytics, licensing, organizational issues, IP performance measurement, digitalization of the IP department etc.
- to get insights into global IP Management Best Practices, and its geographical differences, and
- to accelerate research in IP Management, and push it forward as a discipline in the field of strategic management




EUROPE




WHU - Chair of
Technology and
Innovation
Management




**Prof. Dr.
Holger Ernst**



USA



Kellogg Center for
Research in Technology
& Innovation



**Prof. James
Conley PhD**



JAPAN



Keio Business School



**Prof. Mototaka
Sakashita PhD**

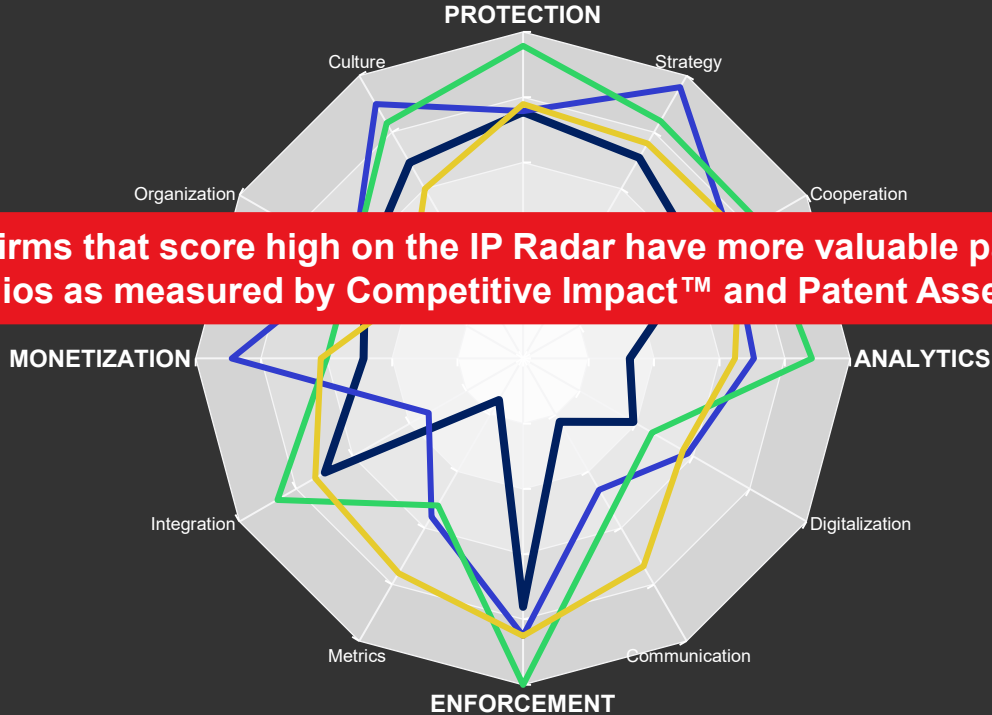
The IP Management Radar – 12 Dimensions to Assess and Benchmark a firm’s IP Management Capability and Strategy

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IP Management Radar: Best in Class Companies from three Different Industries (Consumer, ICT, Machine & Devices)

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Firms that score high on the IP Radar have more valuable patent Portfolios as measured by Competitive Impact™ and Patent Asset Index™!

Av. Sample
Firm 1
Firm 2
Firm 3

Maturity Levels:
0 Non Existent
↓
10 Very High

How leading IP players think and organize

- World-class portfolios are built to support the business
- Supporting the business means tailoring the portfolio to its needs
- This requires a close and agile partnership between IP and all key business stakeholders

Konsert Strategy & IP

- Swedish niche consultancy focused on technology-based competitiveness

MANAGEMENT



JENS BÖRDIN



KARIN LERSTEN



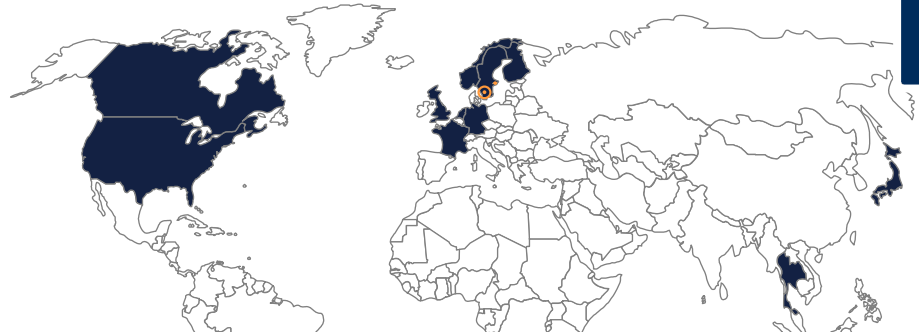
JONAS LINDGREN



ROBIN SPARREFORS

- Core in “businessdriven IP management” - transforming the IP function into a strategy driven, proactive business partner to boost competitiveness.
- Executivelevel engagements at largecap technology companies across industries and geographies.
- Turnkey expertise including setting strategic direction, organization design, transformation leadership, and education and training to secure lasting results.

CLIENT FOOTPRINT



Automotive



Semiconductors



Telecom



Consumer goods



High-tech & electronics



Aerospace & defense



Industrial IoT

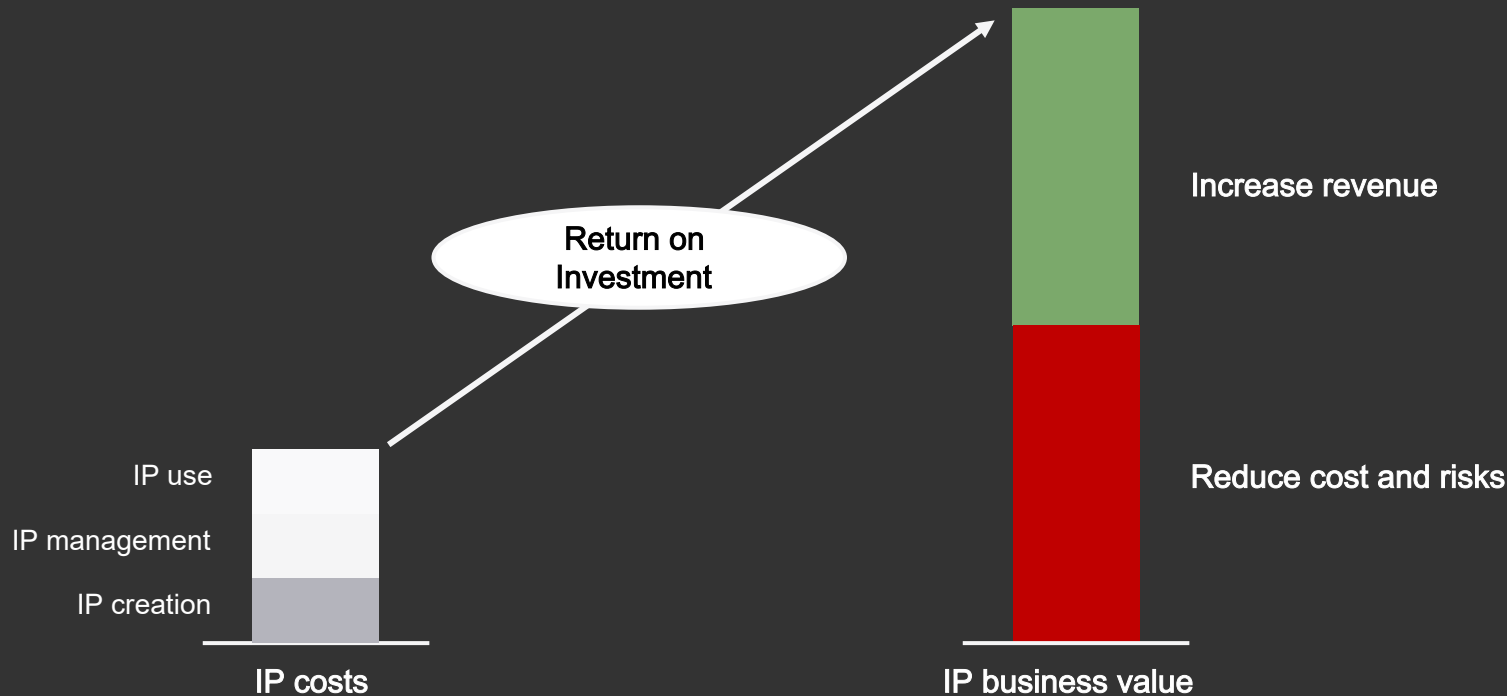
10 out of 13 current engagements with Forbes Global 2000 companies

Poll: Post-Covid 19 - Will executives demand higher portfolio quality per invested IP dollar?"

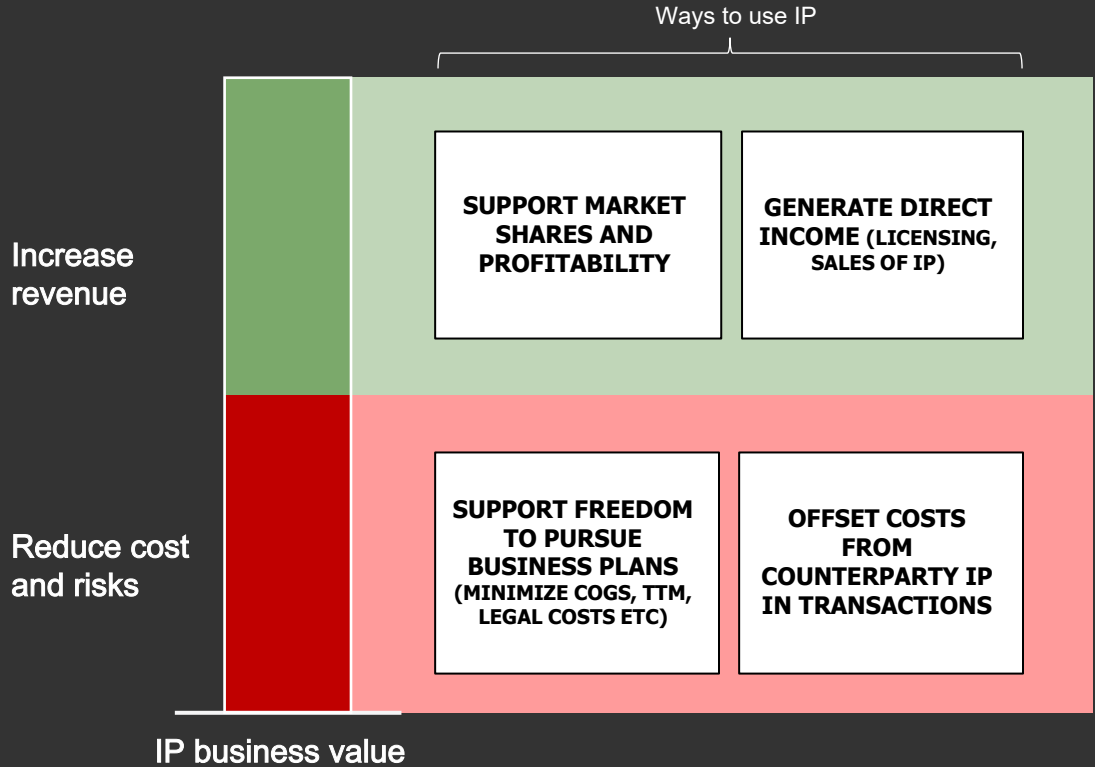


- Yes
- No

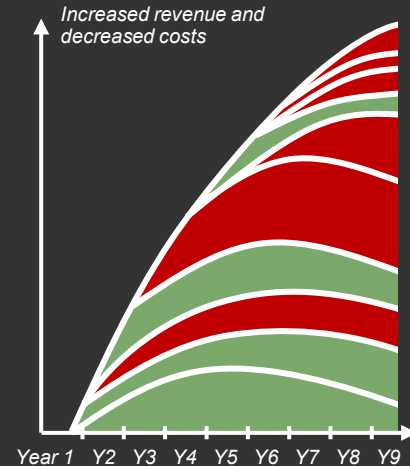
The Objective: Create financial value



A world-class portfolio is built to support the business



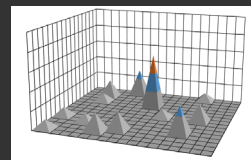
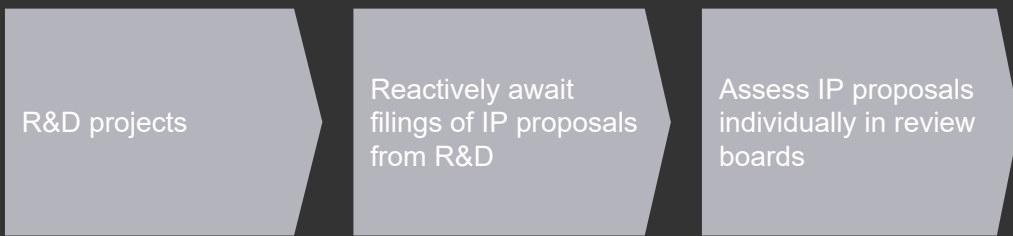
Contribution to RoI over time



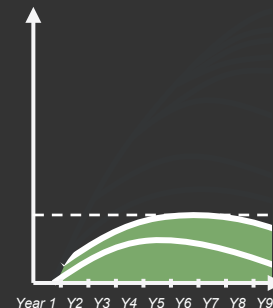
A world-class portfolio is built proactively



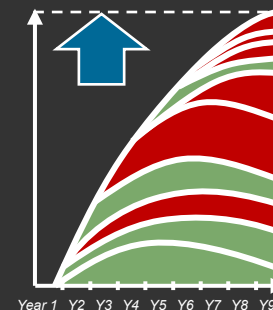
Reactive portfolio management



Fragmented portfolio



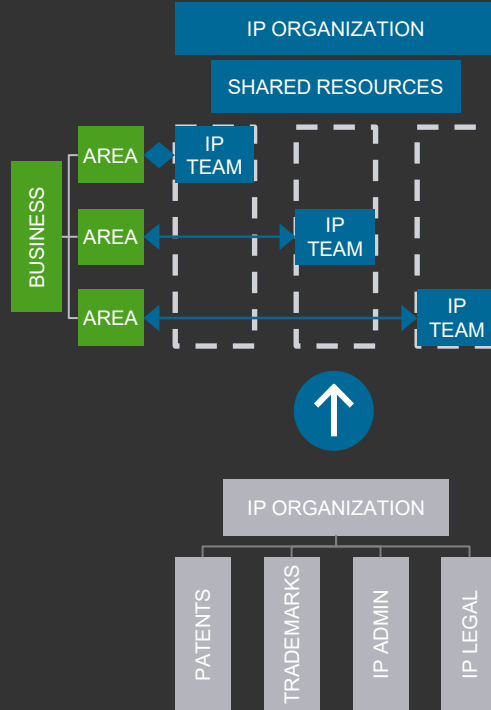
Proactive portfolio management



A world-class portfolio requires a partnership with the business



Accountable and aligned



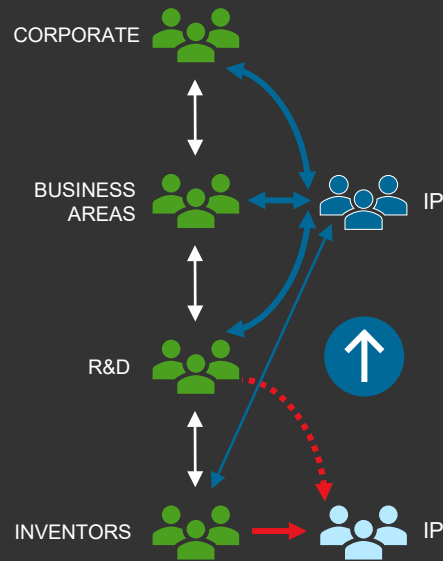
A world-class portfolio requires a partnership with the business



Accountable and aligned



Part of strategic dialogue



Partnership with the business increasingly means plugged into Agile

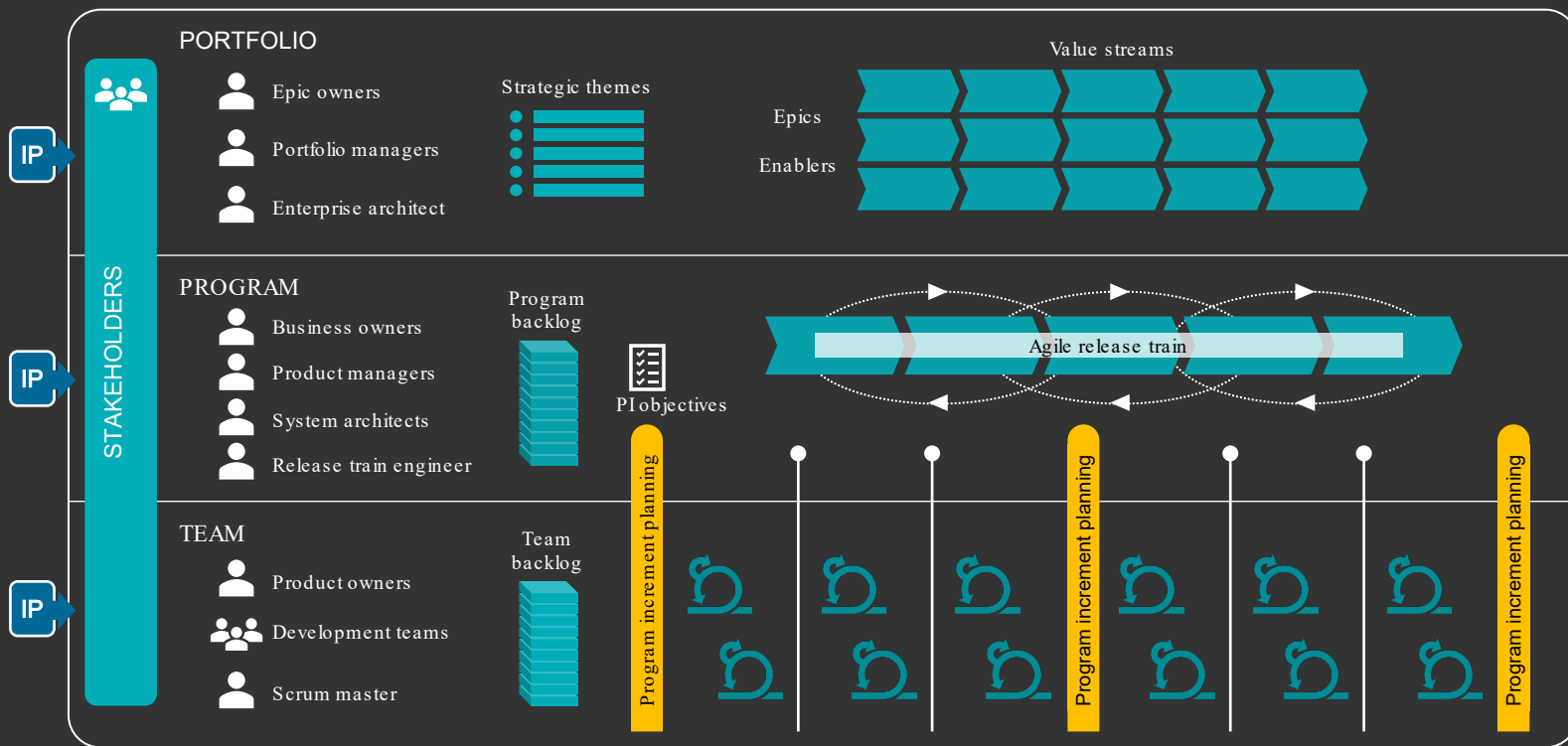


Illustration inspired by the Scaled Agile Framework as an example of an Agile innovation framework. Read more at www.scaledagileframework.com.



For additional
insights visit
[konsert.com](https://www.konsert.com)

Insights

Business-Driven IP Management

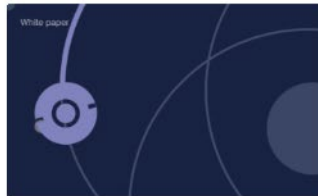
Our perspectives on Business-Driven IP Management

FILTER [All](#) [Case](#) [Video](#) [White paper](#)



Patenting when innovation goes Agile

Konsert's Robin Sparrelofs and Karin Lensten share key characteristics of the IP organizations that are most successful in agile innovation...



Three Key Strategies for Adapting Patent Departments to Agile Innovation Settings

When R&D goes Agile, traditional corporate IP departments struggle to keep up with the new way of working. The reactive,...



Patents as business risk in financial services

Three steps which banks and financial services players should consider to address patents as business risk



Patenting digital innovation – why, what and how? Properly designed, patent-protectable IP frameworks and best practices are critical to patent digital solutions supported by the business.



Digital Technology Innovation

Our perspectives on Digital Technology Innovation

FILTER [All](#) [Case](#) [Video](#) [White paper](#)



Digital innovation bridge

Skills, speed, success – how bridge organizations fuel the digital innovation pipeline



The digital execution gap

How skills, speed and success bridge the gap between innovation strategy and execution



Adopt practices from digital leaders

Leapfrogging in organizing for digital innovation execution as the industry faces potential disruption from fintechs



Fueling new innovation pipeline

Overcoming traditional forms and practices based, ensuring open-mindedness to new technologies critical for future business

**How development and maintenance of
a world-class patent portfolio
can be enabled by world-class patent analytics**

Poll: What would you consider a great value driver for your patent analytics requirements?

- Access technology fields without being a technology expert
- Ability to spot trends and upcoming competition early on
- Analyzing annuity costs of any patent portfolio
- Transforming analytical results into C-suite ready, understandable visualizations

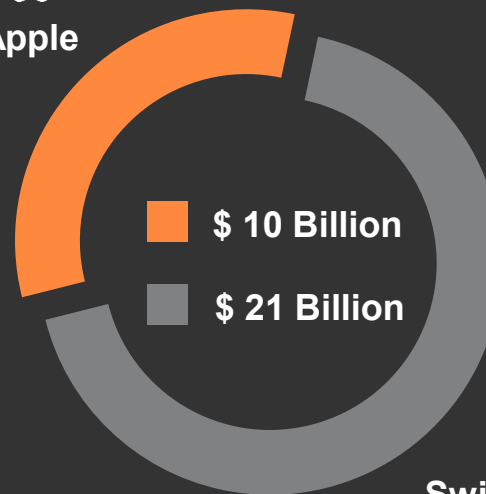
Impact of high-value IP to Business Success

Wearables is one of the most disruptive technology areas today



- Out of over 70,000 patents in the field of wearables only 650 are owned by Apple
- Apple has changed the watch industry tremendously by launching the Apple Watch
- The Apple Watch is now the number one watch in the world


Apple

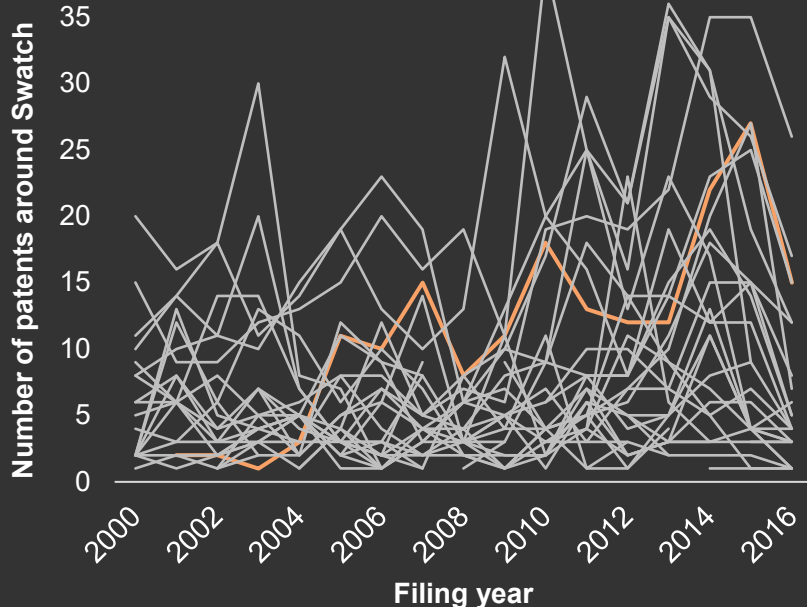



Swiss Watch Industry*

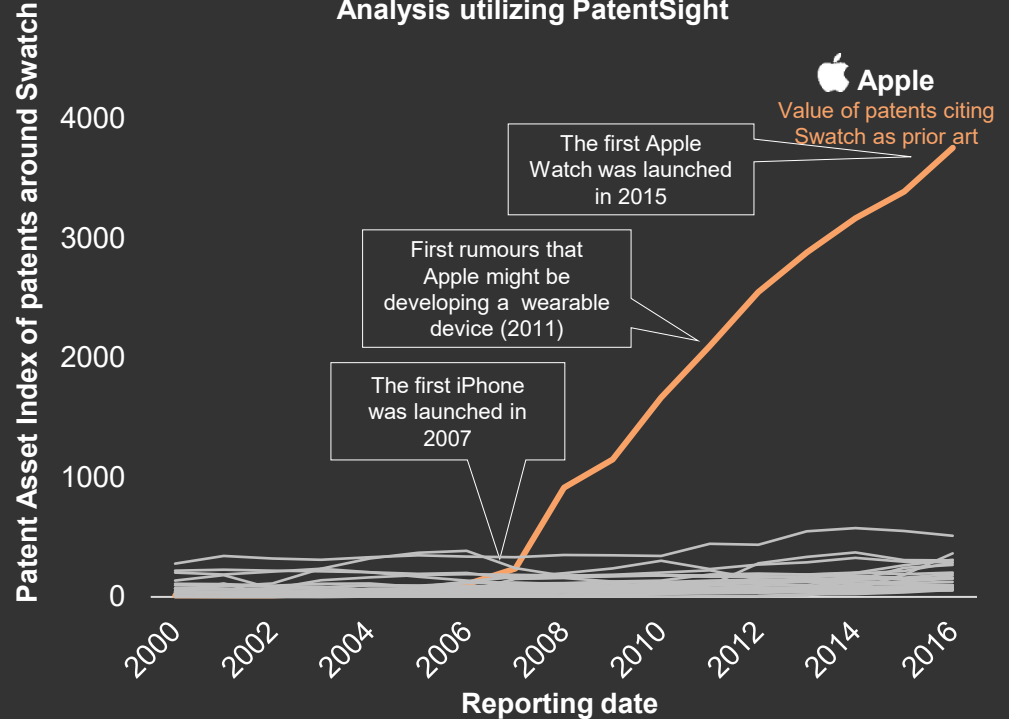
Modern patent analytics can uncover relevant business trends early on

swatch 

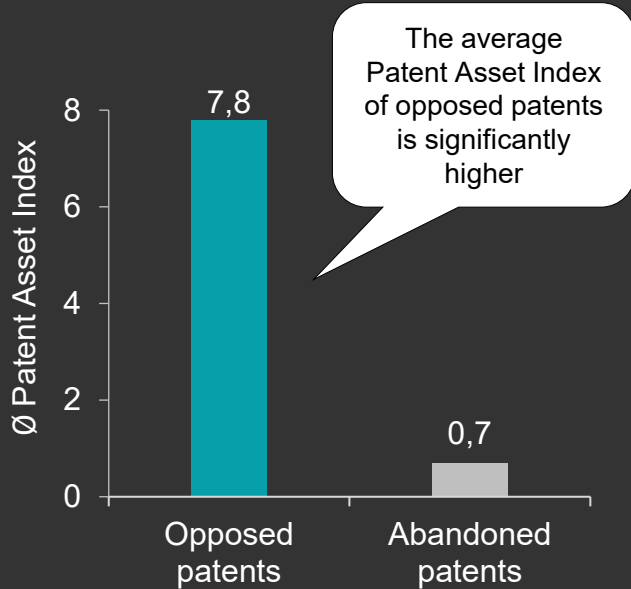
Analysis using legacy approaches



Analysis utilizing PatentSight



Scientific & customer valuation studies show high accuracy of the Patent Asset Index™ Methodology



Validation studies: Patents with a high Competitive Impact are more frequently

- ✓ Considered a key patent
- ✓ Attacked and defended
- ✓ Enforced in court
- ✓ Maintained longer
- ✓ Commercialized
- ✓ Standard-relevant



In the Dow/DuPont case the EU Commission's DG Competition found that **the top 10% of patents were related to blockbuster products**, the most successful products in terms of sales.

Sample: 74.732 patent families. Source: *Ernst, H., Omland, N. (2011): The Patent Asset Index - A New Approach to Benchmark Patent Portfolios. World Patent Information 33, pp. 34-41.*

Maintenance costs of a patent portfolio

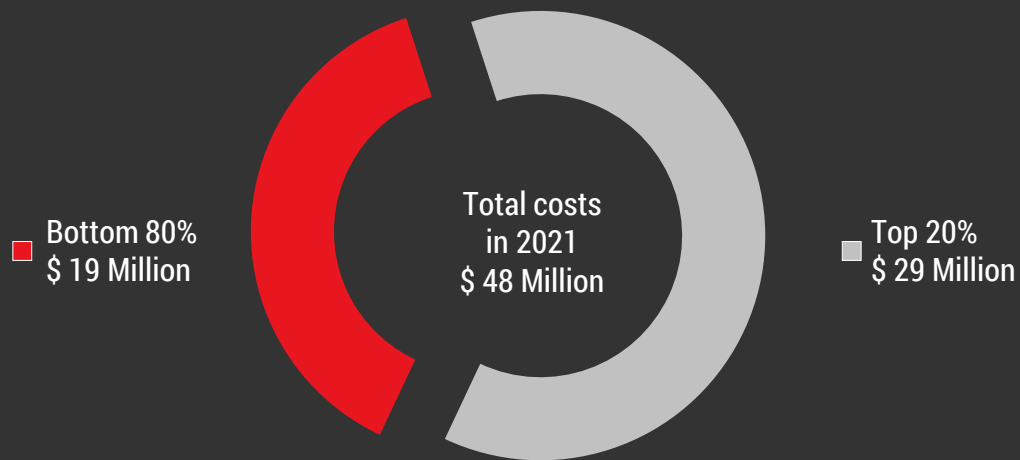
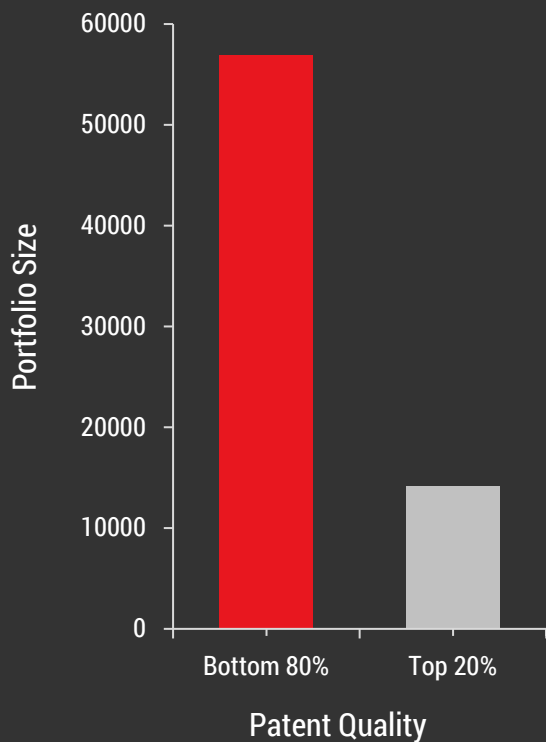
Annuity fees are fees which have to be regularly paid to keep a patent in force in a given country.

Annuity fees for
one US patent
until
end of 20 year
lifetime:
\$ 12,600

Total annuity fees of all
currently active patents
in 2021: **\$ 8 Billion**

**Total annuity fees of currently active
patents until the end of their lifetime:
\$ 184 Billion**

Value Distribution of the Toyota Patent Portfolio



Annuity Fees saving potential for all patent families in the bottom 80%:

For 2021
\$ 19 Million

For remaining lifetime
\$ 531 Million

PatentSight redefines patent analytics by overcoming fundamental data problems

Legacy patent software problems:



Incomplete ownership information



Ambiguous legal status information,
not readily available for analytics



No accurate trend analysis possible



Legacy indicators with limited
applicability, often put in black boxes

PatentSight's solutions:



Mapping all worldwide patents to their
ultimate owner



Providing industry leading legal
status information



Point in time historic data, enabling
true trend analyses



Scientifically proven and industry-
wide accepted indicators


More about Advanced Analytics with PatentSight

Click to download whitepaper




 The Patent Landscape of Artificial Intelligence




 The Landscape of Machine Learning from a Patent Perspective



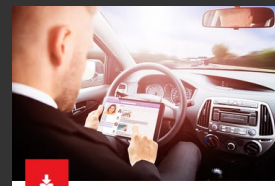
 Looking into the Digital Crystal Ball




 Early Identification of Disruptive Players with Advanced Patent Analytics



 Merger Deals Increasingly Scrutinized Using Patent Analysis



 Digital Aliens in Autonomous Driving

Visit: www.patentsight.com

Schedule a demo at: www.patentsight.com/demo

Find information about our patent analytics seminars at: www.innovation-analytics.com

Thank you

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