



ClearViewIP

An International

INTELLECTUAL PROPERTY CONSULTING & BROKERAGE FIRM

Commercial Dimensions of IP Strategy

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Agenda

- IP Strategy
 - Two perspectives on IP strategy
 - Implications of a traditional IP strategy
 - Breakdown of a commercial IP strategy
 - A look at the strategic journey
- Real World Examples of Commercial IP Strategies
 - IP & Margin
 - IP @ the Top line
 - IP is Mission critical
 - IP → World domination
- Concluding observations
- Q&A



Two Perspectives on IP Strategy

Widespread View

Filing strategy

Portfolio management

Shield → Defence

Sword → Value extraction

Commercial View

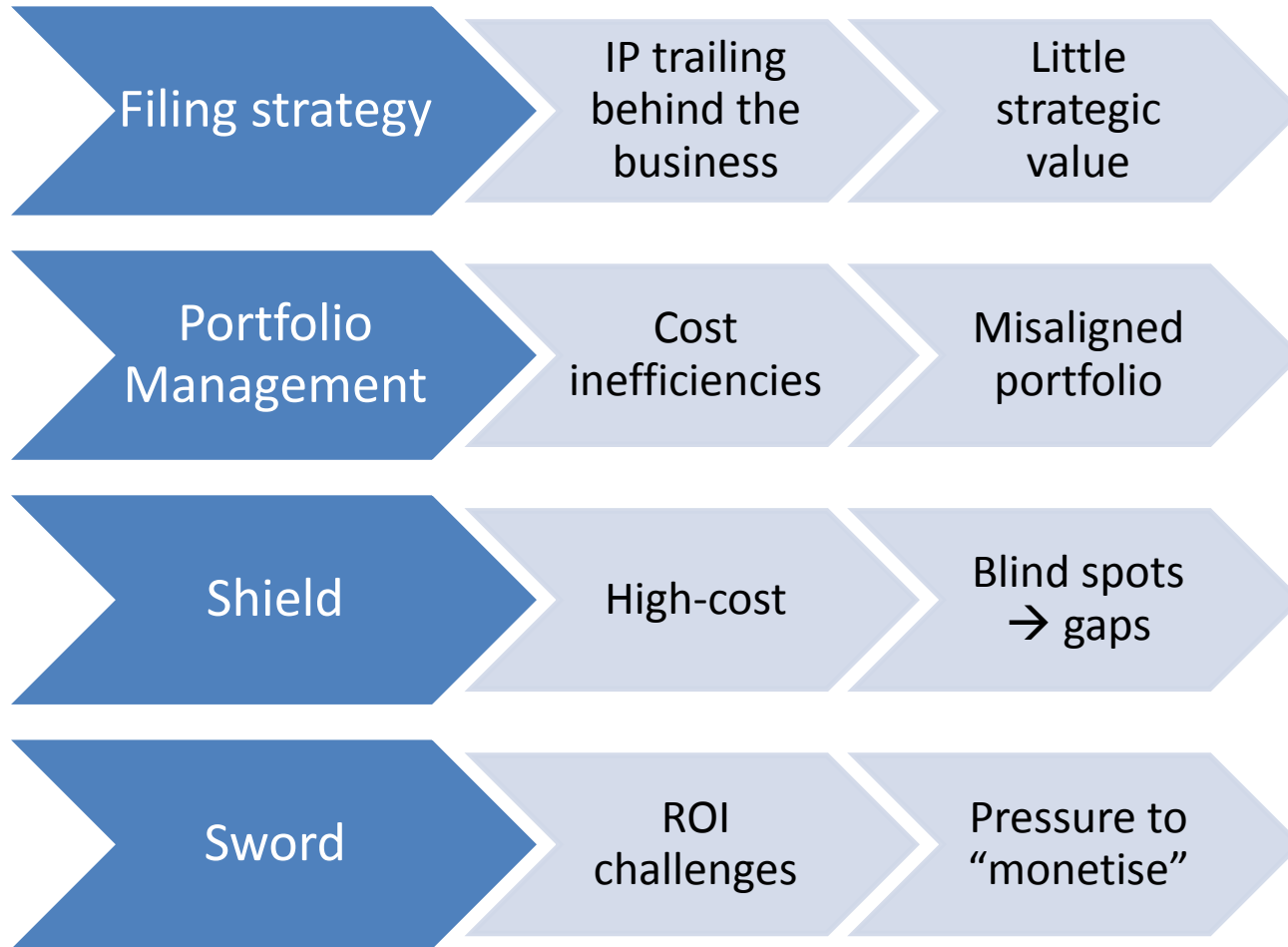
Harvesting & Sourcing strategies

Portfolio alignment

Risk management

Value creation

Implications of Traditional IP Strategy



Breakdown of a Commercial IP Strategy

Harvesting & Sourcing

- Internal & external facing → access/control critical IP
- Tuned into technology & business roadmaps → diversified IP
- Awareness of current & anticipated risks and opportunities
- Understanding of IP landscape

Portfolio alignment

- Continuous process leading to documented in-depth knowledge
- Cover own products and touch on the competition
- Aligned in time and subject matter

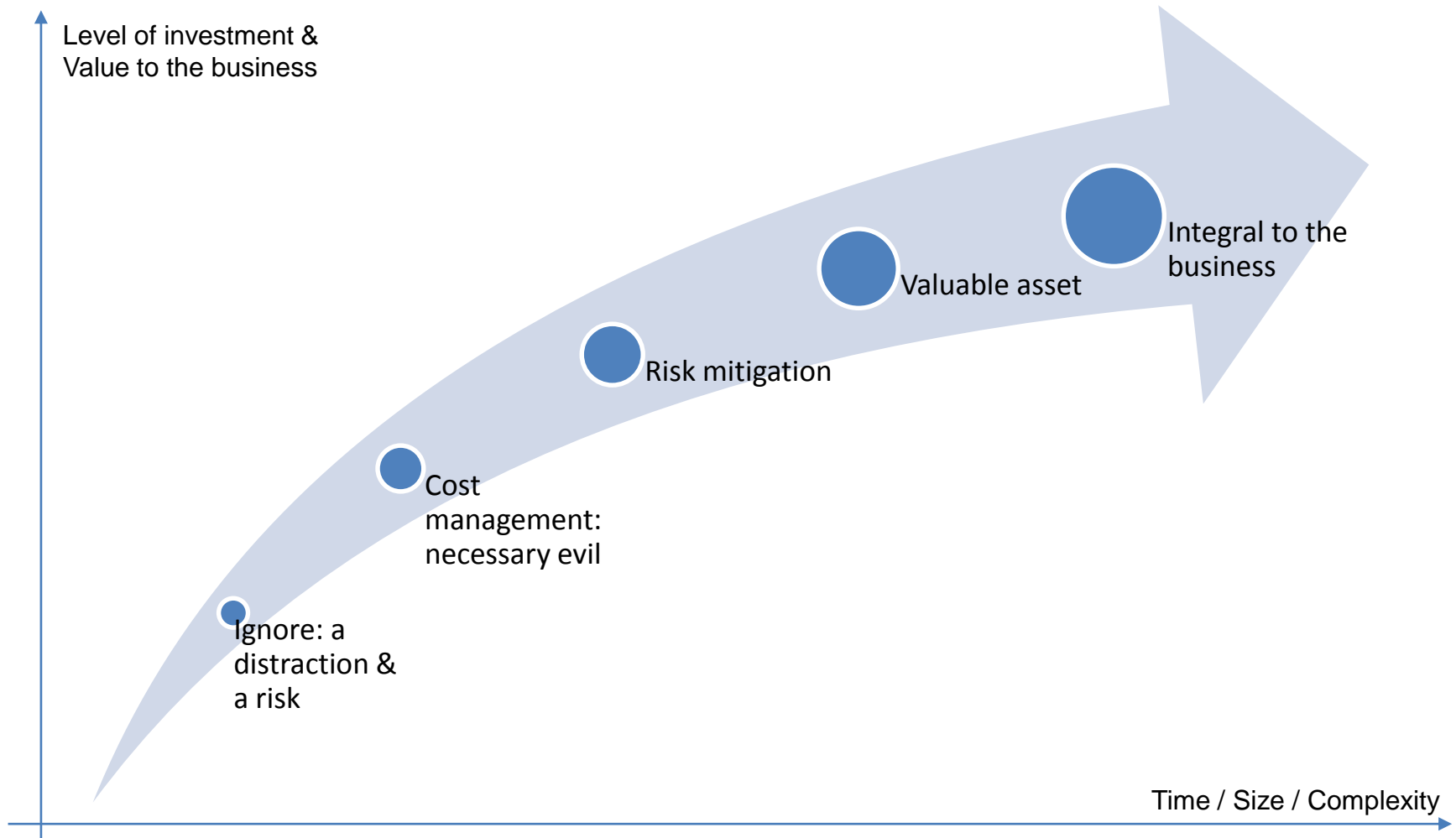
Risk management

- Proactive & targeted risk profiling → agility in response
- Insurance view of IP risks → hedging, accept it's a cost and that won't eliminate risks completely

Value creation

- IP as currency
- Innovation driver
- Collaboration enabler

Strategic Journey



IP & Margin

Company

Consumer Electronics OEM

- European HQ
- Margin absolutely critical to the business

IP Strategy

Keep royalty cost to the minimum

- Proactive management of royalty stack a fundamental component of the IP strategy
- Very focused patent filing & targeted patent acquisition programs
- Proactive risk management

Outcome

Margin protection

- Fend-off license approaches through managed engagements
- Successful cross-licensing negotiations
- De-risk the business



IP @ the Top Line

Company

Designer of fractal antenna technology

- Founded 1999. Patent applications already on file
- VC backed (3i Group, etc.) > €20M invested
- All about market share...
- > 35M units shipped but in 90% of cell phones...

Strategy

Fab to Fables - IP at the core

- Design & manufacture + services + tech licensing
- Patent licensing program initiated in 2008 (50+ patent families, 200+ individual filings)
- IP represented at board level through non-exec member

Outcome

Revenue generation

- Extract value from technology market share
- 9/10 defendants have settled; \$48m+ in damages
- Over 1,000 clients



IP is Mission Critical

Company

Security & Aerospace

- US based
- Legacy of innovation
- Substantial patent portfolio but also proprietary technologies covered by trade-secrets

Challenge

No redundancy on mission critical production line

- Millions of dollars at risk on a weekly basis in event of failure
- Proprietary, high performance, silicon carbide microelectronic devices for military applications
- Substantial capital investment required to achieve redundancy

Solution

Enable 3rd party as exclusive foundry supplier

- Allow manufacture and sale of other high performance SiC devices for commercial purposes
- License substantial IP portfolio (patents and manufacturing methods): redundancy without capital investment + alternative source of revenue
- Terms negotiated on basis of supplier's capital investment, time to market & potential revenues

IP → World Domination

Company and Vision

- Japanese conglomerate
- Contribute to enhancement of corporate value
 - Build world class IP portfolio
 - Exploit IP portfolio
 - Create IP added value

IP Strategy

- Globalisation
- Selection & focus
- Portfolio restructuring
- Strategic use
- Deliver collaboration

Business-aligned Portfolio

- Invention subject to R&D roadmap
- Selectivity to IP that delivers competitive advantage
- Intensive patent acquisition activity, including assets useful in litigation
- IP aligned to business portfolio

Exploitation

- Shift royalty income from domestic to overseas
- Diversified exploitation: deterrent, x-license, royalty income, strategic use
- Strategic: exclusive use, branding, standardisation, sales support, etc.

Collaboration

- Resources: technology, IP, people, channel, etc.
- Leading to: standardisation, pools, alliances, M&A, joint development, etc.

Example

- Licensed, non-exclusively, two patents from UK-based professional trade & certification organisation
- Customised basic technology for railroad applications
- Developed a 440-strong patent portfolio



Concluding Observations

- It's a journey
 - Not necessarily easy
 - Exciting and fulfilling
- Requirements
 - Knowledge: business, environment, portfolio
 - Expertise: stimulating mix of skills & backgrounds
- Management buy-in
 - A degree of exposure
 - Focus on what the business cares about
 - Make business case
 - (Over)Deliver quickly





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