

Complexities in product / service development

Understanding the risks and
opportunities with intellectual
property

21 June 2016

What CUBICIBUC does...

- Clients tell us that they don't want launch products with outstanding risks associated with the IP.



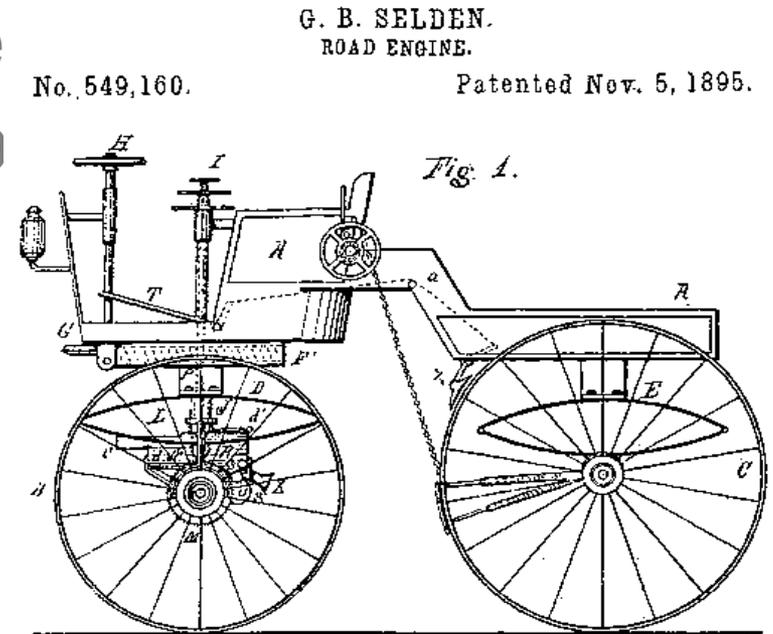
- At Cubicibuc we believe that it is impossible to develop modern, complex products without infringing IP.



- We provide services that allow our clients to understand who owns that IP; what the owners might do with it; and how our clients can manage those risks.

Today's product world is a complex place

- “In 1899 George B. Selden patent for the automob patent”



Today, it is impossible to develop modern, complex products without infringing IP. The key challenge is to understand who owns that IP and what they will do with it when your product is successful.

The spectrum of possible approaches to intellectual property

Naïve Avoidance



Naively ignoring the facts, not making suitable provisions. Lacks of planning means no leverage.

Information Overload



Unnecessarily trying to “know” everything inevitably leads to decisions paralysis. Too much info means no prioritisation.



A pragmatic approach to managing IP risks

Naïve avoidance



Where's our 'magic sauce'?

Who has existing IP?

Likely 3rd party response?

Information overload



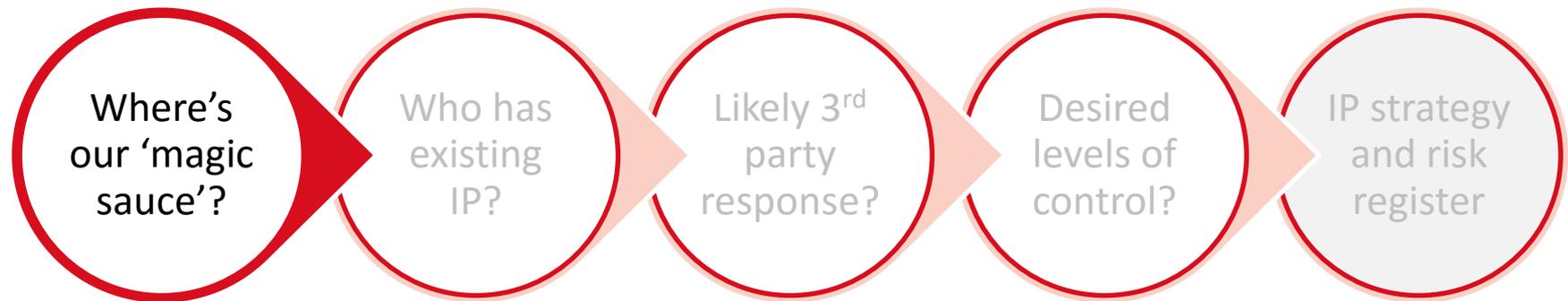
Desired levels of control?

IP strategy and risk register

Naively ignoring the facts, not making suitable provisions. Lacks of planning means no leverage.

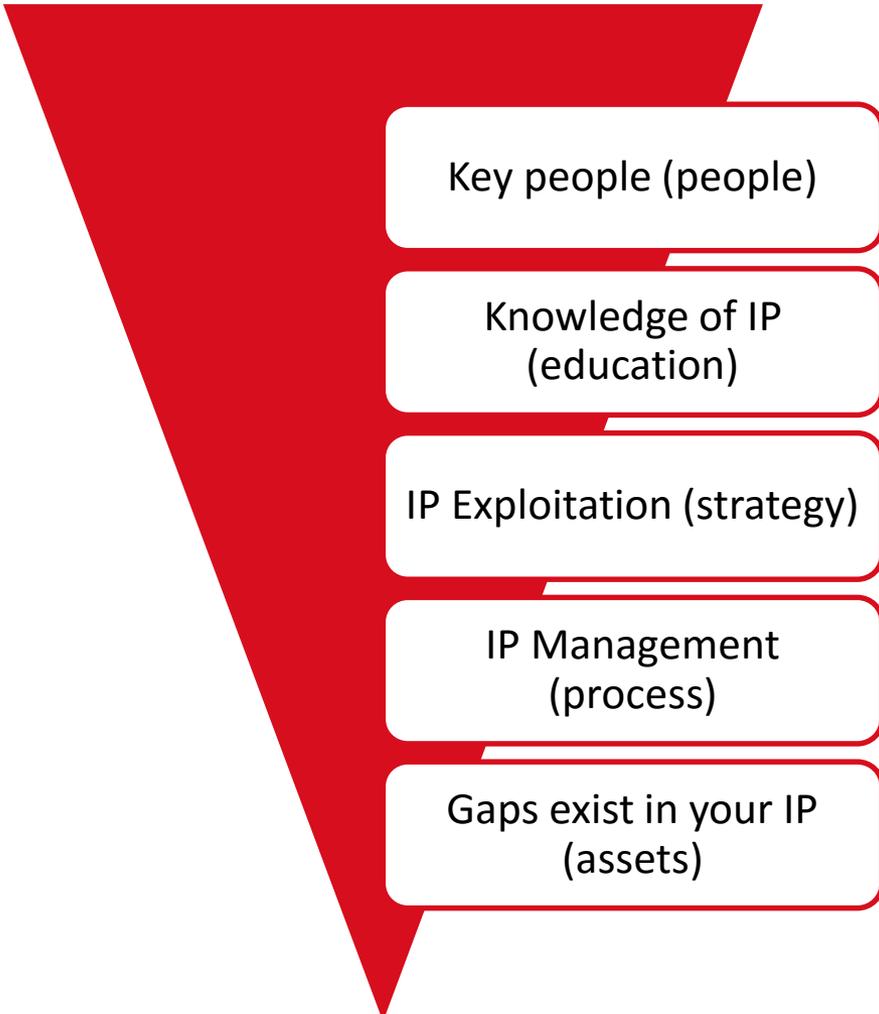
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A pragmatic approach to managing IP risks



Where is the magic sauce?

- All businesses apply intellectual assets as the foundation of how they add value.
- Understanding where, how and by whom the value creation is done means that the associated IP can be identified and protected.
- While avoiding third party IP is impossible managing your own position to understand where in your value chain the “magic happens” is vital.



Key people (people)

Knowledge of IP
(education)

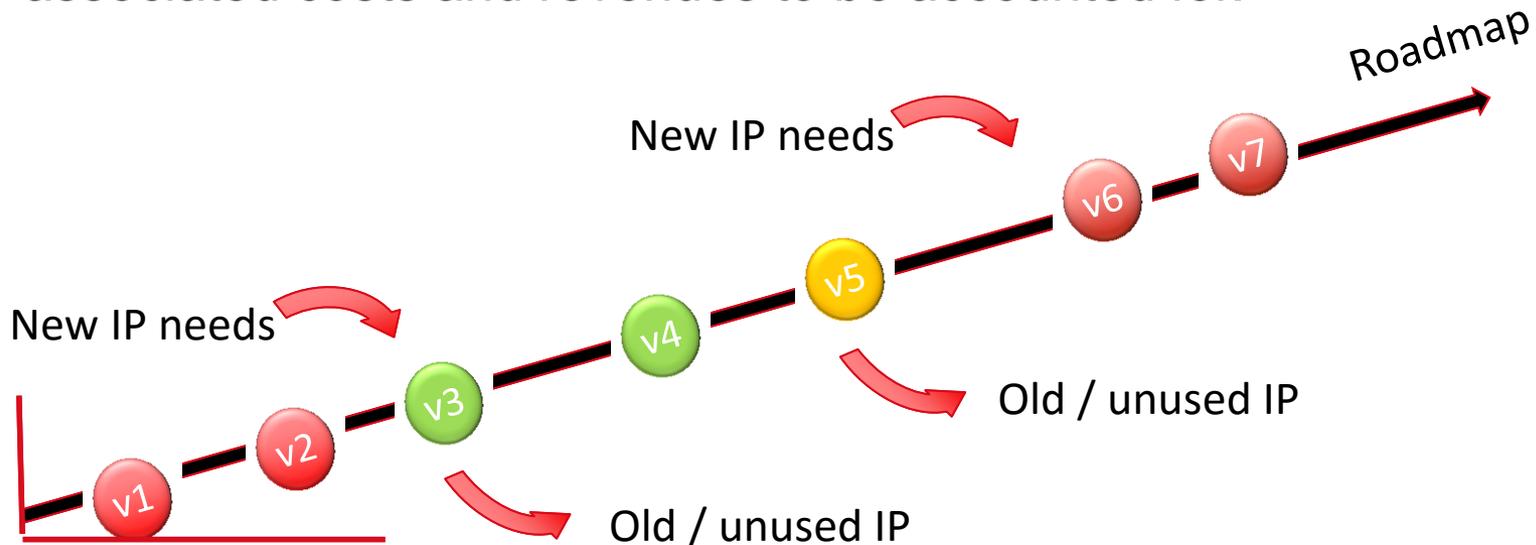
IP Exploitation (strategy)

IP Management
(process)

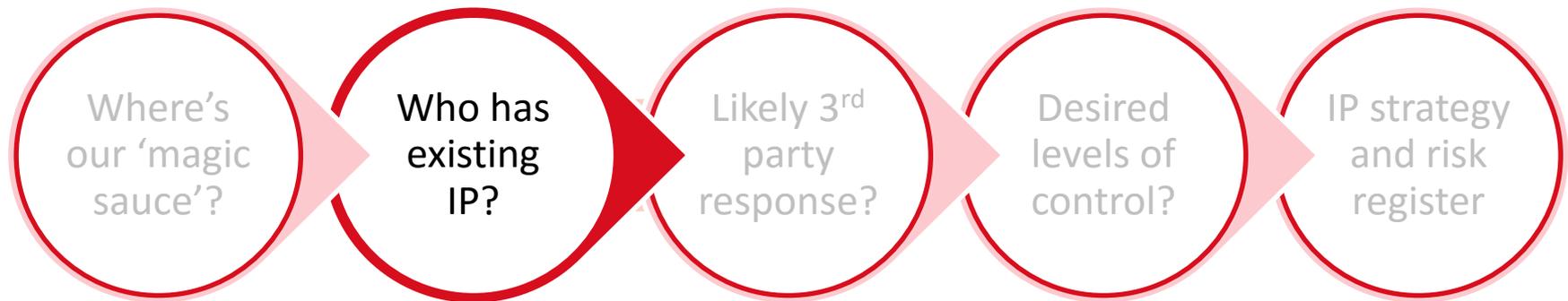
Gaps exist in your IP
(assets)

IP portfolios should be dynamic and your IP strategy closely match your product strategy

- Maintaining portfolios is increasingly costly – organisations continually look to reduce these costs, and extract value from IP
- In parallel, IP is not static. Just as product portfolios move on, technology evolves, so must IP portfolios. IP portfolios must adapt to current company drivers
- Managing an IP portfolio is therefore an active responsibility with associated costs and revenues to be accounted for.

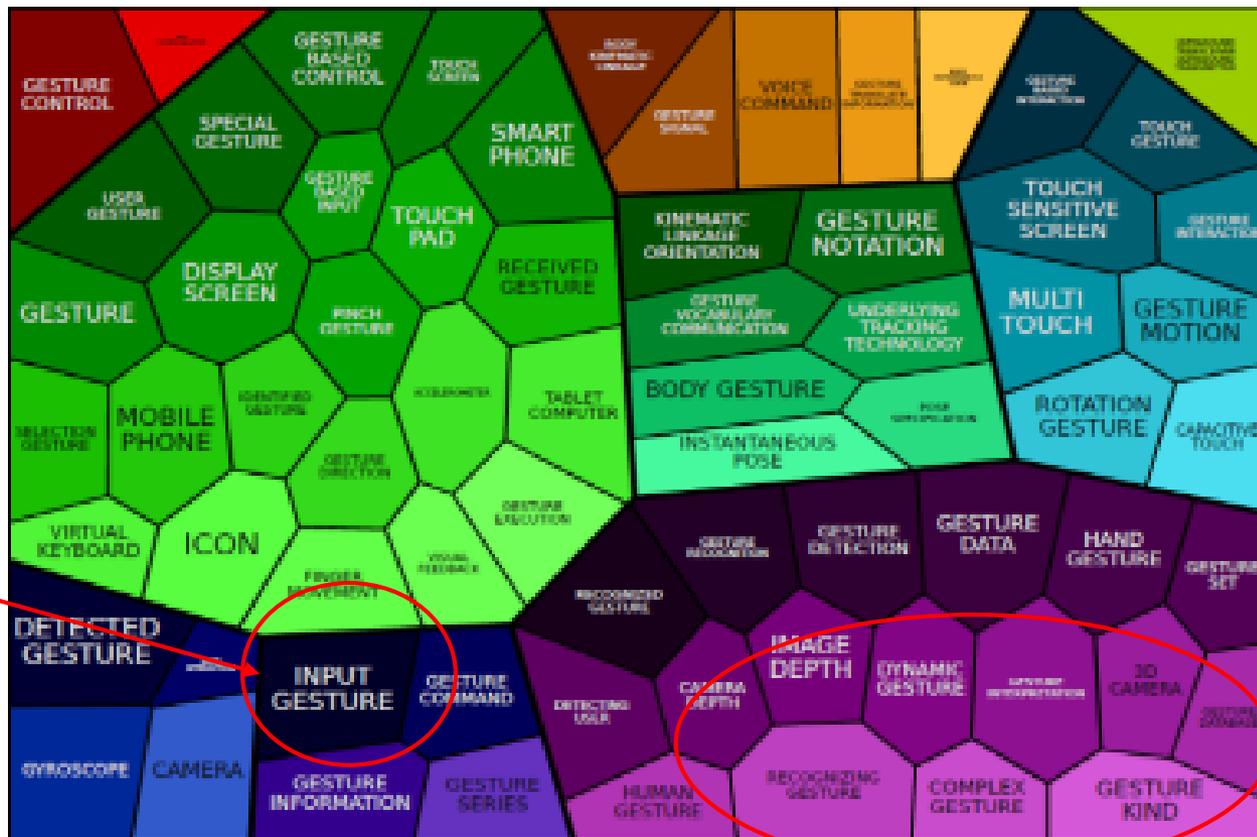


A pragmatic approach to managing IP risks



“Semantic text analysis” may identify the appropriate technology clusters

A starting point to landscaping is often identifying what technology is key, and how to identify / describe it.

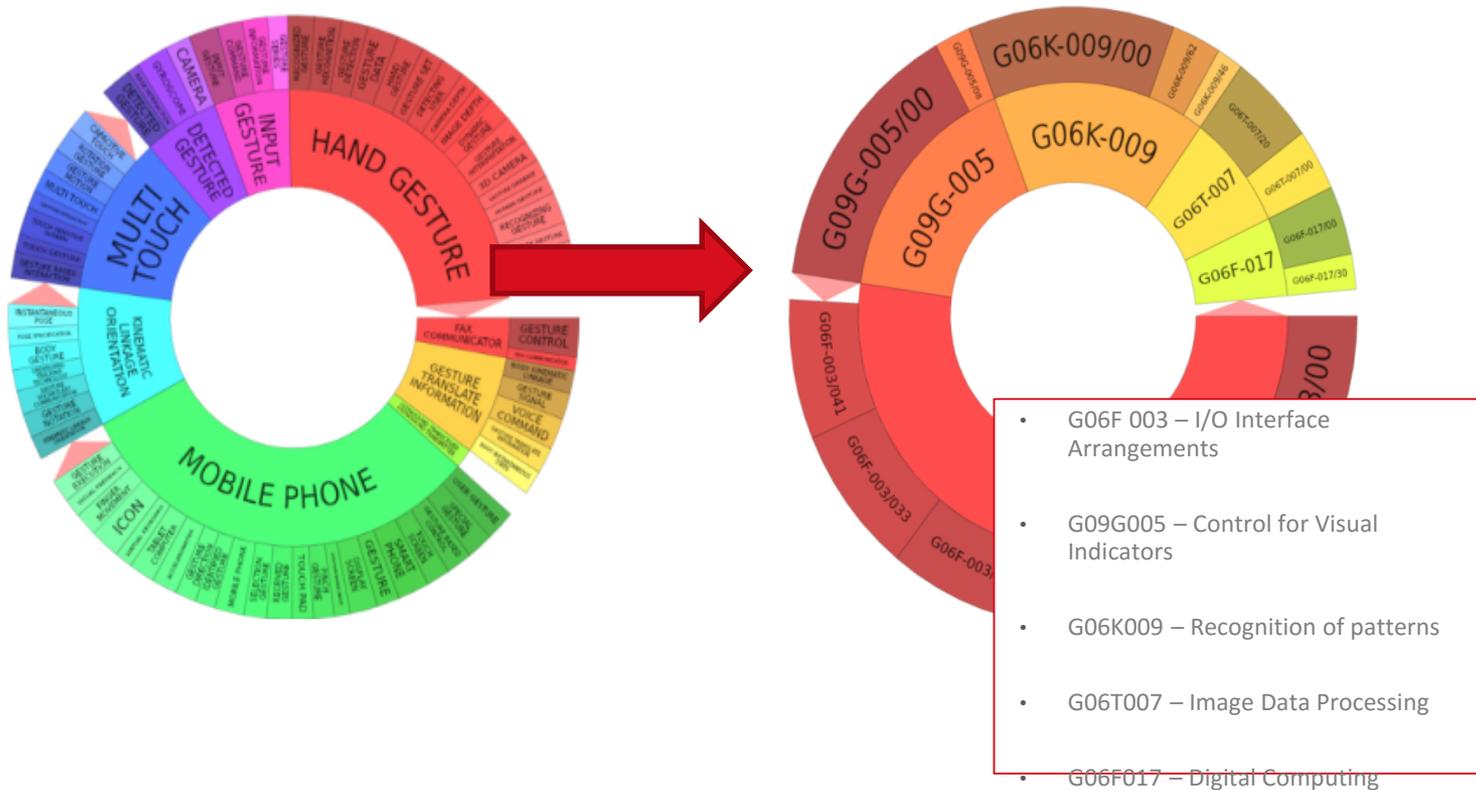


Main

Tech areas of additional interest

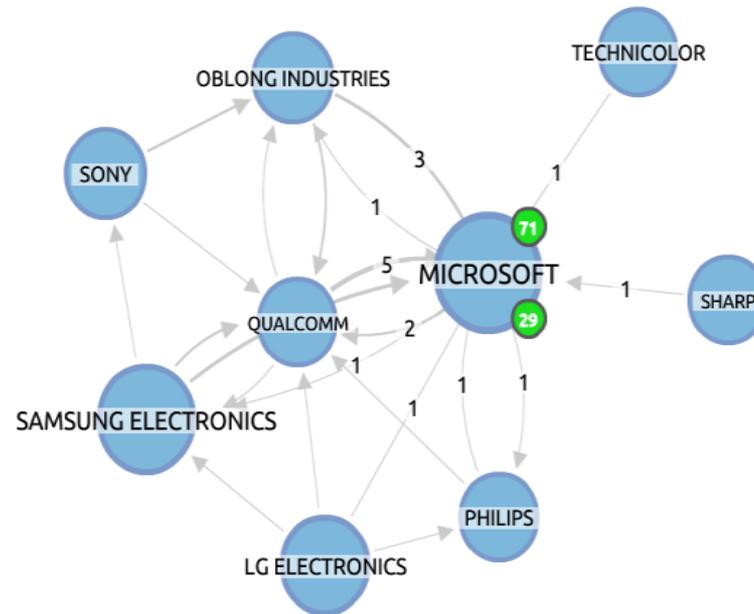
Clustering tech areas into more granular subsets

International Patent Classification (IPC) based clustering of the portfolio in combination with the semantic provides a tighter list of relevant patents.

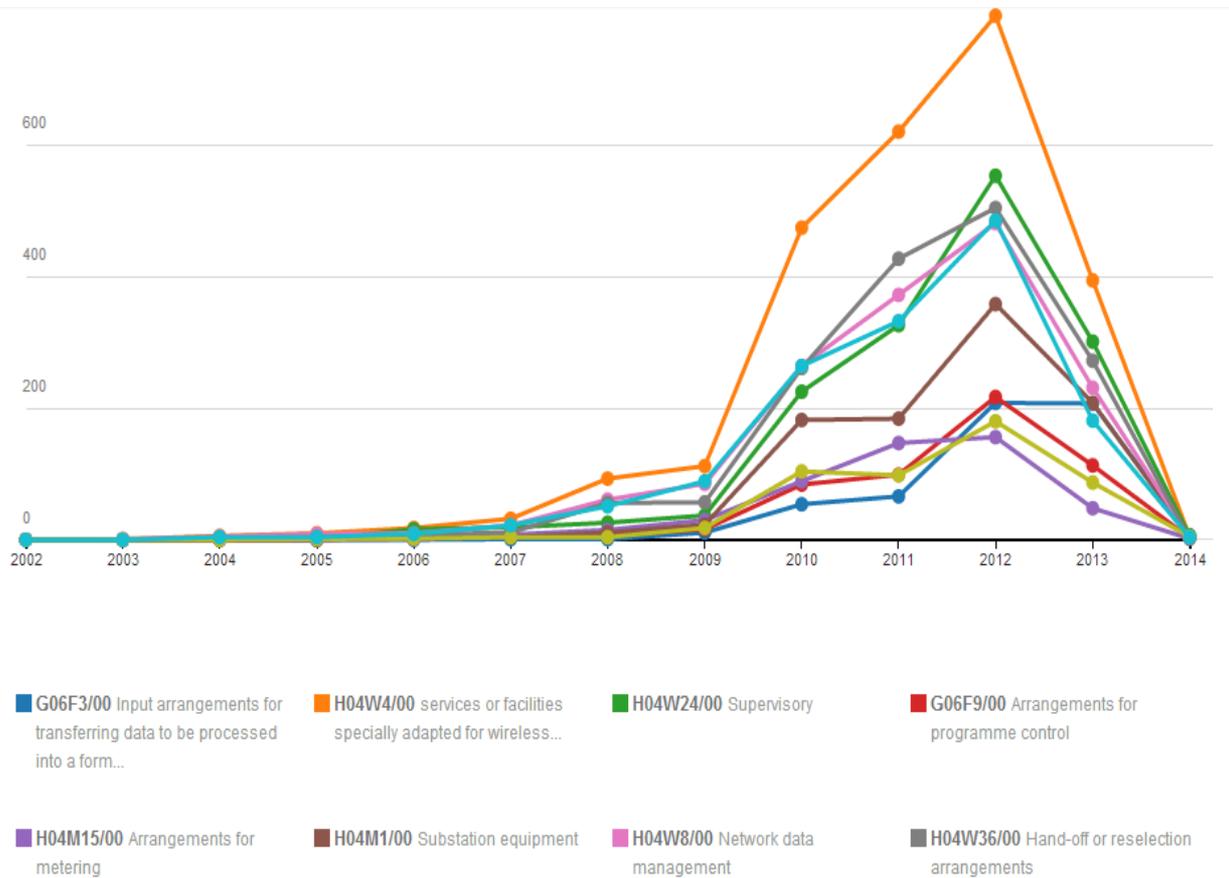


Citation analysis of patents gives us insight into where the portfolio sits

Understanding the relationship between third party portfolios helps pinpoint potential key players with seminal patents.

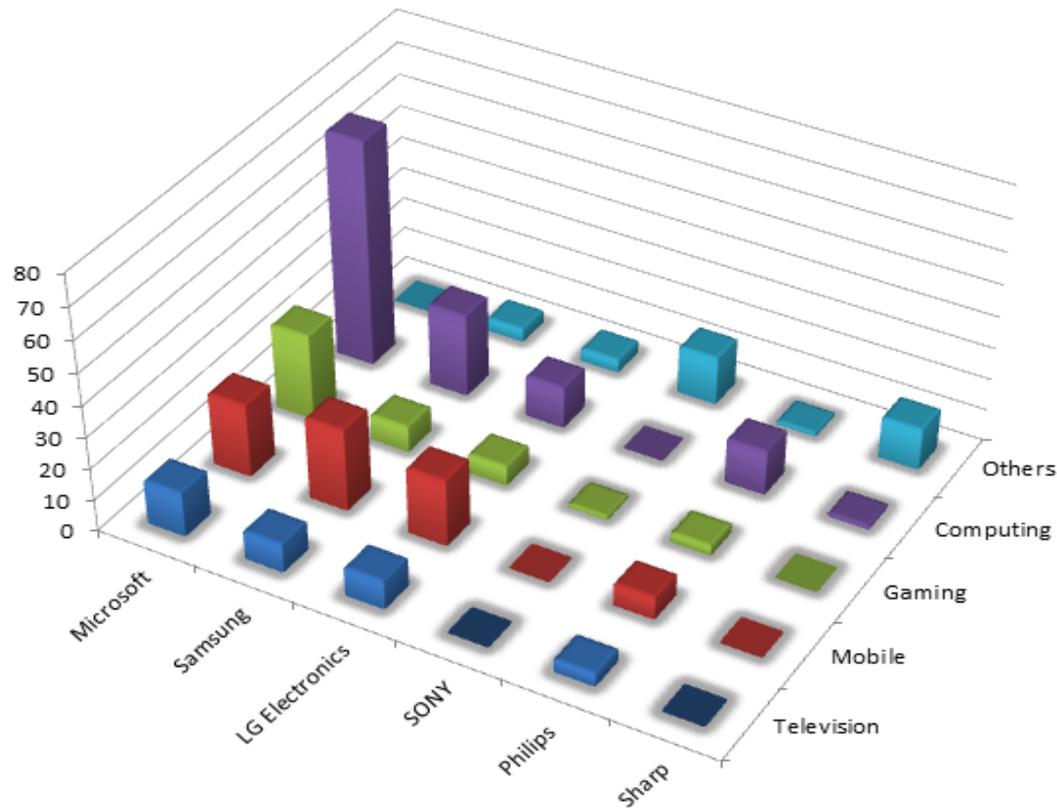


Technology trend analysis would be useful to identify the key tech area among several areas for a given assignee/competitor

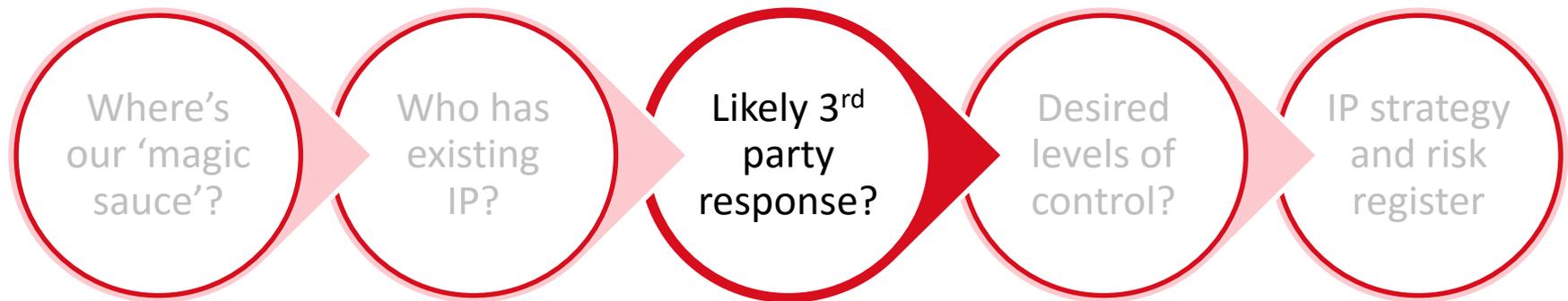


Simple analysis shows which third parties have the strong portfolios

Having a view of the ownership landscape assists in preparing engagements with these entities – prioritisation, identifying leverage for negotiations or partnering opportunities.

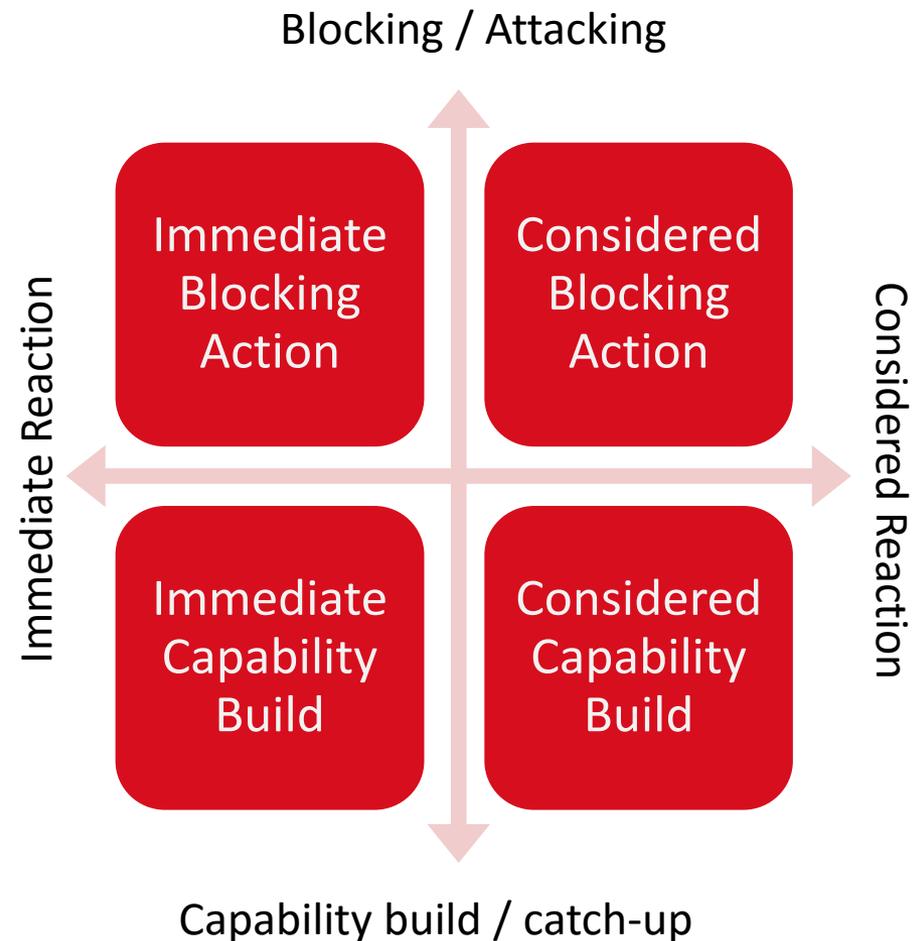


A pragmatic approach to managing IP risks

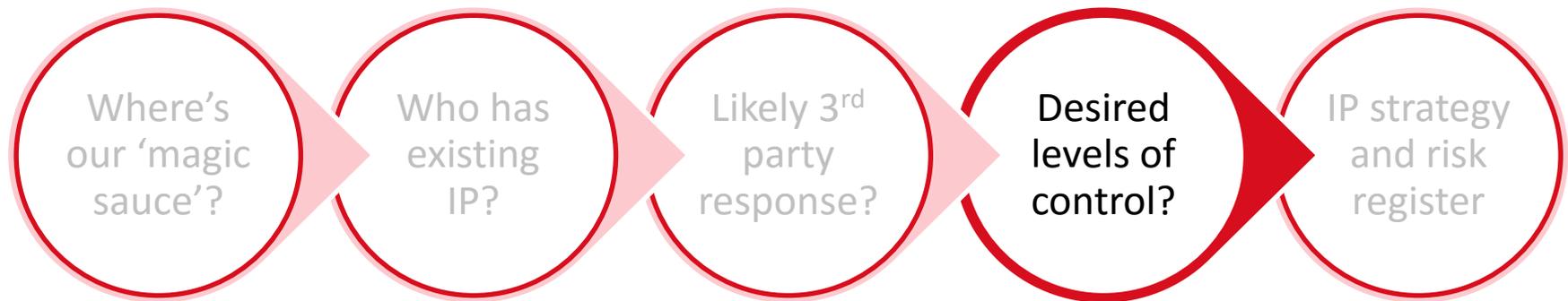


Competitive reaction

- Understanding who owns the IP that you might be using allows you to prepare for potential responses to your market
- The IP landscape gives you valuable business intelligence to spot trends, to identify weaknesses and to build IP ahead of product roadmaps



A pragmatic approach to managing IP risks



Thinking about the value of your IP

- Do we really care if others use your invention? If they did, would it impact your business?
- How likely is it that others will use your invention?
- Would having a patent deter others from practicing the invention?
- What appetite do you have to enforce the patent? How policable is the invention?
- What is the plan for utilising the invention? What are your own plans for exploitation?

Note: Only point 5 is introspective, but is historically the only question firms have asked.

Align IP strategy with business strategy to maximise

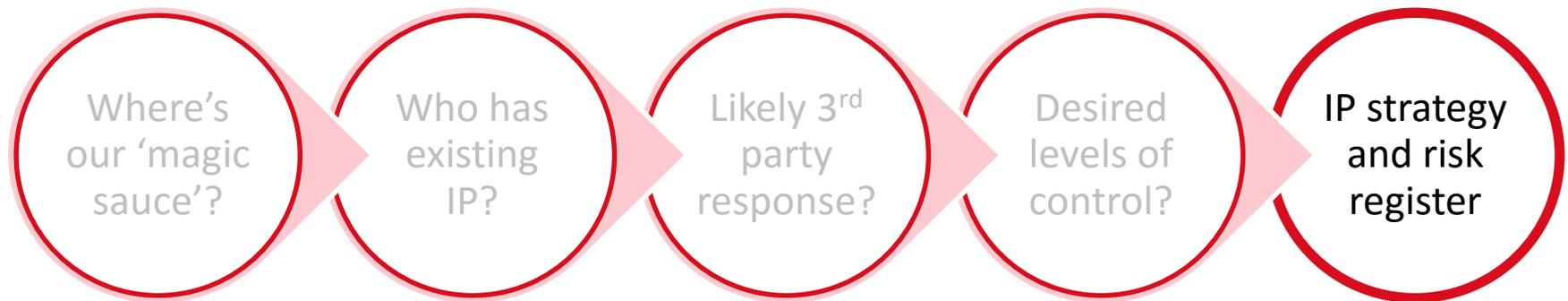
- Having no concept of value exposes the business to lost opportunities where IP could have contributed.
- Placing a value on your IP allows you to use it as leverage in commercial negotiations with suppliers and customers.

Align IP strategy with business strategy to maximise

- Understand how your IP can help succeed in controlling, managing or influencing relationships with suppliers, customers, competition in various sectors and markets.

	Market	Sector	Relationship
Control			●
Manage			
Influence		●	

A pragmatic approach to managing IP risks



Driving R&D activity to generate patents for widest possible adoption

- R&D effort must be directed towards continually generating new IP to follow evolving technologies. However this can be expensive, and with complex products no one company can be expert in all necessary areas
- Prioritising R&D can be done directly or through research projects or consortia or by being involved in standards setting activities

Driving R&D activity to generate patents for widest possible adoption

- But working with standards committees takes a lot of time and effort, and is expensive
- Developing IP through R&D effort can be difficult. Increasing your patent portfolio through acquisition is an alternative option. IP may be acquired:
 - from existing owners
 - through acquisition of entire companies

Questions the Board should be able to articulate answers to their shareholders about their IP & IP strategy

How does our IP contribute to P&L?

Are we using IP to protect our investment in R&D and new product developments?

How does our IP strategy protect our position for today and tomorrow?

Are we communicating information regarding our IP assets sufficiently well to shareholders?

Do we manage IP risk sufficiently well, and are we prepared to react to threats and opportunities?

Does our IP roadmap align with our business strategy and product roadmaps?

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