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Doing more with less

IP services outsourcing is growing to address the “new normal”, writes Bob Stembridge, IP analyst at Thomson Reuters

The large multinational corporations that make up the S&P 500 index reported record corporate earnings throughout 2011 and are expected to see calendar year 2012 earnings growth of 8.1%, according to analysts polled by Thomson Reuters. Meanwhile, US employers reported the smallest payroll growth in the last six months this April, with the unemployment rate still holding at 8.2%.

The disparity is stark: corporate profits are now at their highest level since World War II, but fewer people are working. We're all doing more with less. It's a refrain that echoes in the corridors of large corporations, buzzes at cocktail parties and surfaces in all manner of economic indicators from GDP to new factory orders. We've entered a “new normal” in which the business landscape has changed fundamentally, requiring businesses to continue to produce outsized returns with downsized labor forces.

What does that mean for those of us in the worlds of R&D and intellectual property management? Patentability searches, patent preparation, licensing opportunity analysis, IP payments on existing portfolios, and trademark watching tasks that were once managed by teams of dozens are now managed by teams of one or two. They could complain, but there aren't that many folks around to listen these days.

The age of outsourced IP analysis and management

Instead, multinationals with large portfolios are increasingly outsourcing key aspects of their IP research, analysis and management to outside specialists who can build economies of scale in IP services. The phenomenon has given birth to a dramatically increased set of service offerings, skill sets and new job descriptions, as consultancy groups with expertise in niche areas fill the functions once handled by in-house staff and systematise many core IP services on a global scale.

Consider patent search and analysis, for example. The key for an innovation-minded organisation is to locate evidence of prior art

before too many development dollars are wasted chasing futile patent applications through a patentability search. Done correctly, the patent search is a methodical hunt for information about an invention published one year or more prior to a patent filing. If prior art exists, your invention is not patentable. If it does not, you've got the green light to move to the next step.

When companies are resource-constrained, patentability searches often become a weak link in the IP chain. It's not uncommon for a company pursuing a new process or product to pay for a computerised patent search and a manual search through the archives at the US Patent and Trademark Office (USPTO); then, if no prior art is found, they dive right into the patent application process. While these cursory searches are good first steps, a deeper analysis is usually required. And, in the patent-litigation-happy world in which we exist, skilled research assistance is a must to avoid the worst case scenario of securing a patent only to have it invalidated in a court of law.

Outsourced patent search specialists perform hundreds of patentability searches a day and have built creative keyword analysis, deep web search capabilities and trusted sources into their day-to-day workflows. The increased efficiency creates faster, more accurate results.

Data-based analysis

The same can be said for patent licensing analysis and portfolio audits, patent preparation, IP payments and trademark searching and watching, all processes that benefit enormously from scale. Take portfolio audits, for example; a practice that has taken on new prominence in today's bottom-line business culture. Following the premise that the only way to derive real value out of an IP portfolio is to synchronise inventive strategy with big picture corporate strategy, IP audits assign a score to new inventions based on the scope of technology impact, competitive advantage and feasibility of development they confer. Those with the highest scores receive the largest investment, in terms of precious R&D dollars and rigorous patent and trademark protection.

To get to this level of detached,

quantitative analysis of how well a new technology maps to current business strategy, only objective third-party data can paint an accurate picture. A reliable metric for this type of evaluation is citations. By tracking citations to an existing portfolio, IP professionals are able to spot potential licensees, potential infringers, developers who are adding value or competitors. Patterns of behaviour revealed in the citation data help to isolate those components of an IP portfolio that are receiving the most outside attention while also identifying friends, foes and the new category of “frienemies” who can simultaneously be partners on one venture and competitors in another.

Innovate or die

The phrase “innovate or die” has served as a rallying cry for R&D-focused businesses in the post-recession market environment. The idea, of course, is that by continually pushing for the next iPhone, Dyson or Prius, innovators can break down barriers and create insatiable demand in any economy.

“In many ways, the innovation industry has itself innovated a path forward to securing the protection necessary to stimulate that growth by outsourcing many of the functions that were once staples of the in-house workflow,” notes Chris Veator, executive vice president of Global IP Services at Thomson Reuters. Along the way, they have found economies of scale and new ways of divining vital information that will change the course of product development for years to come.

The Global IP Services team at Thomson Reuters is a worldwide network of highly specialised, deeply experienced subject matter experts and consultants that provide a comprehensive range of services across the IP life cycle to corporations and law firms around the globe. For more information on how Thomson Reuters can help you tackle the challenges your organization faces every day, please visit ip.thomsonreuters.com

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