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Shepherding innovation

The outsourcing of IP services sparks a shift in corporate roles, says Stuart Recher, vice president, Thomson Reuters IP Consulting Services

The age of innovation management is undergoing its latest transformational stage and like most that hit a seminal moment it has branched out and flown the coup. Once manned by a department of in-house specialists, there has been a fundamental shift in IP groups around the world, as businesses turn more and more to outsourcing key aspects of their IP management.

In 2012, *Sourcing Line Computer Economics* reported that 35% of chief financial officers said that their company was currently outsourcing; and the trend does not stop with the kinds of IT and software development projects that have traditionally been associated with outsourcing. Multinational firms with large IP portfolios are increasingly reliant on outside specialists who can build economies of scale in IP services. Patentability searches, patent preparation, licensing opportunity analysis, patent annuity and trademark renewal payments plus trademark watching tasks that were once managed by teams of dozens of in-house professionals are now overseen by teams of one or two.

So what does that mean for the worlds of R&D and intellectual property management? How does a firm that has slashed its operational staff find alternative methods to still wield the capabilities of a fortified IP department? The answer is by redefining the roles that comprise corporate IP management and utilizing external resources performed by field experts.

Reassigning responsibility for innovation assets

Thomson Reuters has been focused on providing solutions that systematise many of the core IP management and support services on a global scale for a number of years. Case in point is one of its latest offerings, dedicated to ensuring that valuable development dollars are not wasted chasing futile patent applications through a

patentability search. Done correctly, a patent search is a methodical hunt for information about an invention to determine whether or not prior art exists. What makes one of these searches successful is the knowledge of where to look and how to use bits and pieces of information as stepping stones to more detailed insight.

When companies are resource-constrained, non-exhaustive patentability searches can become a weak link in the IP chain. And in a world of patent litigation and multi-billion dollar settlements, these leave companies susceptible to patents being invalidated in a court of law or, worse, infringement cases that put a firm on the brink of financial ruin.

Outsourced patent search specialists, by contrast, 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. They provide a level of insurance and value that complements that of the in-house group, but without the overhead. And, the increased efficiency creates faster, more accurate results.

The helpful audit

The same can be said for patent licensing analysis and portfolio audits, patent preparation, IP payments and trademark searching and watching. Take portfolio audits, for example: a practice that has taken on new prominence in today's bottom-line business culture. 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 detail, objective third-party data searched and analysed by experts trained in that area and on the database paints an accurate picture. A reliable metric for this type of evaluation is citation information. Citation data help identify patterns of behaviour to isolate components of an IP portfolio that are receiving the most outside attention. By tracking citations to an existing portfolio,

IP professionals are able to spot potential licensees, possible infringers, developers who are adding value or new uses for a technology or competitors.

This is yet another area where outsourced specialists can often be more effective at searching the various forms of IP that are hiding deep inside citation data because they have honed their perspective from tracking these trends across dozens of other companies around the world.

“Value engineered” IP

As multinationals continue to embrace the concept of value engineering to systematically streamline their workflows on everything from product development to sales, the IP department has become fertile ground for improvement. This one-time cost center is slowly evolving into a lean and mean strike team, supported by outsourced specialists who can deliver added value at a fraction of the cost. The resulting new paradigm of IP management is one where both cost and quality improve with each incremental gain in efficiency.

Stuart Recher holds an MBA from Duke University, and is Vice President of IP Services within the IP & Science business of Thomson Reuters