

Transaction talk

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The analysis angle

The capacity to perform deep, insightful patent analysis is foundational to a productive IP organisation

A world-class IP organisation requires timely, meaningful information to operate at peak effectiveness. Insightful analysis of large and complex patent portfolios illuminates the road ahead; it allows decision makers to drive faster than their competitors through the treacherous landscapes common to patent-intensive industries. A potent analysis capability makes business executives, patent licensing professionals and IP attorneys better informed. Consequently, they can reach decisions quicker and with increased confidence.

When a skilled team of patent analysts is in place and equipped with the right tools, the results can be impressive. A skilled analyst on HP's team can capture, sort, screen and rank thousands of patents per week. These analyses are vital to every aspect of our IP operation; for example, they are key to identifying licensing opportunities, sizing up threats posed by a competitor's patents, conducting diligence on potential acquisitions and supporting offensive or defensive legal actions. It is difficult to imagine any fully fledged, world-class IP organisation without similar capabilities.

So how does one go about building such powerful capabilities? This starts with assembling and training the team. Since patents are valuable within a specific legal and business context, discerning analysts should possess acumen in patent interpretation, technology and business. An analysis team needs to have specific skills, knowledge and experience spanning the key technologies in the company's industry. Thus armed, they can develop correctly nuanced interpretations of the relevance and value of a single patent or an entire portfolio. A company's internal pool of technologists is a good source of potential analysts; they come steeped in the requisite technical knowledge base.

Deep patent analysis often requires

that analysts digest enormous and diverse data sets to extract the information that is most relevant to specific opportunities and threats. Dissecting such data sets requires meticulous organisation, attention to detail and endurance. To put these qualities to productive use, it is important to arm analysts with powerful patent search and analytics tools. Each commercial analysis tool has its own strengths and limits. Gaining proficiency in multiple tools is often necessary so that analysts can cross-reference the results from each. This practice produces the most insightful conclusions. Note the emphasis on analysis here: raw data is of little practical use until it is parsed and examined from various angles. Indeed, an abundance of raw patent data, without thoughtful analysis, can be a burden to effective decision making; the effect can be overwhelming to the point of paralysis. Skilled analysts and powerful tools are the antidote.

In addition to the tactical benefits described above, increasing the speed and quality of patent analyses serves as a catalyst to an evolution in strategic thinking. Patent portfolio content and quality become more important to IP decision processes than mere portfolio size. Defaulting to a focus on portfolio size is common, particularly in the IT industry. Through internal development or acquisition, competitors have built large portfolios of patents. They hope that if needed, they will be able to find buried somewhere in their huge patent collection the right calibre weapon or the right kind of armour to deploy.

While measuring the strength of one's patent arsenal in terms of volume may sometimes be effective, maintaining an unorganised or largely non-strategic arsenal comes at high cost. Strong patent analysis capability enables a company to eliminate non-strategic assets from its portfolio. It increases overall efficiencies in much the same way that culling unneeded or defective weaponry from its arsenal enables an army to move with greater agility while maintaining operational effectiveness.

Companies with strong analytic

capabilities can create leaner, higher-quality portfolios that retain their potency at the lowest possible cost. The key is finding the valuable assets and understanding their value within the relevant environmental context. A high-quality portfolio that can be readily deployed represents a competitive advantage. Leveraging analytical capability to gain actionable insight into a competitor's patent portfolio is a potent force multiplier even when preparedness, rather than offence, is the primary objective.

As the business contributions made by internal IP organisations with strong analytical capabilities become more visible, this will influence other companies to think increasingly in terms of portfolio content and quality. This in turn will lead to leaner patent portfolios made up of stronger individual assets. The resources currently being expended to build, purchase and maintain enormous non-strategic portfolios will be liberated for more productive use. As a result, licensing transactions will become more efficient and profitable.

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