

# Intellectual Property Portfolio Management: Trends & Success Factors 2012

**Legal**

*a division of IQPC*



# Executive Summary

**This Intellectual Property (IP) Portfolio Management Trends and Success Factors 2012 white paper reviews the recent challenges and changes in IP. It draws upon the insight of leading legal professionals from across the world, and across Patents and Trademarks. They share how they view the future and plan to tackle the obstacles faced.**

The aim of the white paper is to track how economic and technological challenges are being addressed by businesses: what immediate obstacles are being experienced, how these problems are being tackled through investment and strategy, which are the key geographical regions experiencing investment and change, and how IP is likely to change over the coming decade.

A globalised and increasingly competitive economy has driven both positive and negative change in the IP field. Roll-out of more mature patent regimes in emerging economies has driven up the number of patent applications globally, and non-practicing entities are increasingly prolific. The economy has also brought challenges, particularly since the credit crunch in late 2008. With a number of key economic centres facing recession, the legal and

business world has been plunged into times of constraint and strict budgeting. With this, monetising Patent Portfolios and ensuring a unrelenting focus on the most valuable intellectual assets has never been more key.

Portfolio Management in 2012 is still set against an uncertain global economic climate. In an update to its World Economic Outlook, the IMF said the euro area would fall into a mild recession in 2012 after a “perilous new phase” toward the end of last year, affecting other parts of the world including the US, emerging markets, and developing countries.

This paper explores differences by industry, size and maturity of legal practice and creates a snapshot of where Portfolio Management is headed in 2012 with the following influencers and topics in mind:

- **Impact of global economic climate**
- **Impact of new technology and tools**
- **General trends and factors for success**
- **What’s next - challenges and strategy**

In February 2012, Legal IQ conducted an online survey across nearly 600 legal practitioners and experts – the results of which form the backbone of this report.

Interviews with key legal practitioners are also incorporated, together with analysis of the survey results by a panel of leading legal industry professionals. Data has also been compared, where relevant, to results from [Legal IQ’s Nordic IPR Survey 2011](#) of 271 legal professionals, and the Legal IQ Global Patent Survey 2011 of 72 respondents, to provide an indicator of how core trends are evolving within the industry.

## Key Findings:

- Some 93.6% of Trademark professionals and 96.4% in Patents consider controlling costs to be of importance to their business.
- Litigation Costs for Settlements is deemed the most costly activity in trademarks, and Drafting Patent Applications in patents.
- Alignment of Trademark/Patent Assets with Business Strategy is considered one of the most business-critical activities.
- Lack of a Comprehensive Trademark Culture/Lack of In-House Manpower were the biggest current challenges identified.
- The primary solution currently identified by Trademark professionals is consultancy, while in Patents it is software.

# Contents

<u>Executive Summary</u>	<u>02</u>
<u>Background to the Survey</u>	<u>04</u>
<u>Impact of the Global Business Environment</u>	<u>06</u>
<u>Factors for Success</u>	<u>12</u>
<u>What's Next for IP Portfolio Management?</u>	<u>15</u>
<u>Summary</u>	<u>22</u>
<u>About Legal IQ</u>	<u>25</u>
<u>Interested in Finding out More?</u>	<u>26</u>
<u>Acknowledgements</u>	<u>27</u>
<u>APPENDIX A: Profile of Survey Respondents</u>	<u>28</u>
<u>APPENDIX B: References</u>	<u>32</u>

# IP Portfolio Management Survey Results 2012

**Legal**

*a division of IQPC*



# Background to the Survey

**In February 2012, Legal IQ launched a survey on IP Portfolio Management in Patents and Trademarks, inviting members of Legal IQ and a variety of social media networking groups to participate.**

The IP Portfolio Management Trends and Success Factors study had 595 respondents representing legal IP Portfolio Management professionals working in a wide variety of industries, countries, roles, disciplines and sizes of organisation - offering a broad cross-section of viewpoints. Please refer to Appendix A, pp. 28-31 for survey respondent profile charts.

The majority of respondents (**chart 12**) came from Pharmaceuticals, Biotechnology & Life Sciences (29.4%), then IT & IT Services (6.5%), Education & Government (6.1%), Energy & Utilities (5.8%), Automotive, Consumer Goods, and lastly Technology Hardware & Equipment (5.5%, respectively).

Some 82% of the survey participants came from Europe, with 8.4% from the Americas, 6% from Asia and the remaining 3.6% from the Middle East, Africa and Australasia . With this regional representation, trends in

this report are naturally skewed towards the more operationally mature – and economically uncertain – developed economies typical of Europe (**chart 16**).

Respondents came from a variety of job roles and backgrounds, but were largely composed of manager-level and above (**chart 14**). The largest grouping was IP Managers, who made up 32.1% of respondents, followed by Patent Attorneys (17.7%) and IP Consultants (11.9%). A number of the respondents were in other senior positions including Director/ Management roles (7.2%), Head of Trademarks (4%) and Law Firm Partners (1.8%). The remainder (25.3%) work in roles such as Head of Patents/Head of IP.

In terms of the size of the organisations and departments represented in the survey – organisations were large while the Patent/Trademark/IP departments themselves were small (**chart 11**). The majority of our respondents (35.2%) were from large organisations of greater than 10,000 employees and 24.9% were from organisations of 1,000-10,000 employees.

Of those who responded to the survey, most people work within small Patent/IP/Trademark departments of 1-4 people (38%), or 5-10 people (23%). A significant number of the respondents

work within medium-sized departments of 11-25 people (15%), or 26-100 people (15.3%), while only 8.7% of those who took part in the survey represented departments of 100+ employees (**chart 13**).

Legal IQ also asked respondents to specify their main area of activity (**chart 15**) to identify whether their focus is mainly Patents or Trademarks. The greatest proportion of respondents to the Legal IQ IP Portfolio Management Survey 2012 stated that they work predominantly within Patents (74%), while the remaining 26% said their main focus is Trademarks.

*For a full breakdown of survey respondents by job type, industries, and geography, please see Appendix A, pp.28-30.*

## **What does 2012 hold in store for IP Portfolio Management?**

595 practitioners responded to our IP Portfolio Management Trends Survey in February 2012. Read on for the results.

# Impact of the Global Business Environment

**Legal**

*a division of IQPC*



# Impact of the Global Business Environment

**One of the principal factors that the 2012 IP Portfolio Management Survey set out to analyse was the impact of the global economic climate on IP activities.**

Results of a recent online survey by the International Monetary Fund (IMF) were announced in January 2012 with the headline statement: "IMF Marks Down Global Growth Forecast, Sees Risk on Rise". The online survey reported four key trends:

- Global recovery expected to stall, risks to intensify.
- Euro area expected to fall into mild recession, rest of world to slow.
- Comprehensive package needed to restore financial stability.
- Countries should avoid too rapid tightening of fiscal policy.

With intensifying strains in the euro area weighing on the global outlook, the IMF has sharply cut its forecast for world growth this year, saying prospects have dimmed and risks to financial stability have increased. The IMF said that the euro area would fall into a mild recession in 2012 after the euro area crisis entered a "perilous new phase" toward the end of

last year, affecting other parts of the world including the United States, emerging markets, and developing countries.

Overall, activity in the advanced economies is now projected to expand by just 1.2% in 2012, picking up to a still tepid 1.9% the next year. The IMF's global growth outlook for this year is 3.3%.

Matthew Goodwin, Vice-President & Global Head of Patents at Unilever PLC, recently commented on these developments. He said: "The global business environment is having a significant impact on litigation strategy, which of course will have a direct impact on potential damages liability and settlement costs. As the emerging and developing markets continue to grow at impressive rates and the percentage of overall sales gradually increases in these markets for global companies, the emphasis on enforcement and litigation in the developing regions is correspondingly increasing."

"For in-house intellectual property counsel, finding the required litigation expertise in the BRIC [Brazil, Russia, India, China] countries and more broadly in central Europe, throughout Asia and Latin America, can be challenging. On top of this challenge, in many jurisdictions, intellectual property laws are still in their evolutionary

stage, creating greater uncertainty about the prospects for successful enforcement or defense," he added.

Against this backdrop of global economic turmoil and uncertainty, Legal IQ set out to review the ramifications for those involved in IP Portfolio Management.

**"Activity in the advanced economies is projected to expand by just 1.2% in 2012. The global growth outlook for this year is 3.3%."**

**- International Monetary Fund**

# Impact of the Global Business Environment: Trademarks

Legal IQ asked respondents of the February 2012 Survey to indicate how important they consider controlling Trademark costs to be to their business in the light of tough economic times, and where they perceive the greatest costs to lie.

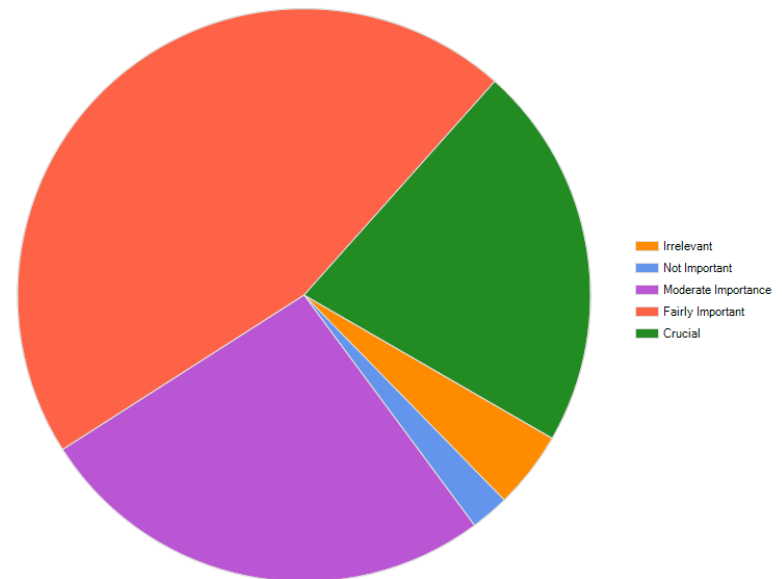
The majority (93.6%) of the legal professionals who responded rated controlling Trademark costs as an important consideration to their business (see chart 1, right). Almost half (44.7%) consider this to be 'Fairly Important,' while 25.5% consider it of 'Moderate Importance' and 23.4% deemed it 'Critical'. Of the remainder, only 4.3% identified it as 'Irrelevant' and 2.2% 'Not Important'.

When asked to identify the biggest Trademark-related cost to their business (see chart 2, overleaf), the most cost-heavy area pinpointed by respondents was Litigation Costs: Settlements, rated at an average of 3.72 (where 1 is the highest, and 7 the lowest).

This was closely followed by Trademark Registration Fees (3.39), Information Search (3.66), Litigation Costs: Damages (3.72), Cost of Managing Trademark Portfolio (4.37) and Drafting Trademark Registration (3.56). Additional areas, such as Handling Trademark Infringement, were also put forward as costly, with a ranking average of 4.49.

Overall, the respondents' attitudes and approaches towards cost indicate that most expect budgets for IP Portfolio Management programmes will remain tightly controlled in the coming year. That expectation reflects the importance of managing costs to organisations at a time when businesses need to be cautious in order to survive in the still unstable economic conditions.

Chart 1: How important do you consider controlling Trademark costs to be to your business?



The majority of the legal professionals who took part in the February 2012 Survey rated controlling Trademark costs as an important consideration to their business (see chart 1 above). Almost half (44.7%) consider this to be 'Fairly Important,' while 25.5 consider it of 'Moderate Importance' and 23.4% deemed it 'Critical'. Of the remaining 6.4%, only 4.3% identified it as 'Irrelevant' and 2.2% 'Not Important'.



# Impact of the Global Business Environment: Trademarks

## Case Study 1: Cost-Cutting Trends – China Patent Agent

Hui Liang, Trademark Attorney, Manager of Trademark Department, Beijing Office, China Patent Agent Limited, says of the fact that 93% of participants consider controlling trademark costs important to their business: “With the sluggish economic growth, companies are trying to reduce trademark management costs, it is a trend that more previously outsourced work is done in-house.”

She adds: “With the ever increasing globalisation of markets, brands with strong consumer recognition and loyalty have high competitiveness and companies are realising that one of their most valuable assets is the brand. However, nearly 50% of the people surveyed regarded that there is a lack of a comprehensive trademark culture in their organisation. Many companies choose brand licensing to set up overseas business, or to launch new products by leveraging the power of existing strong brands. In future, the growing popularity of social networks and new communication media will bring new challenges for Trademark Portfolio Management.”

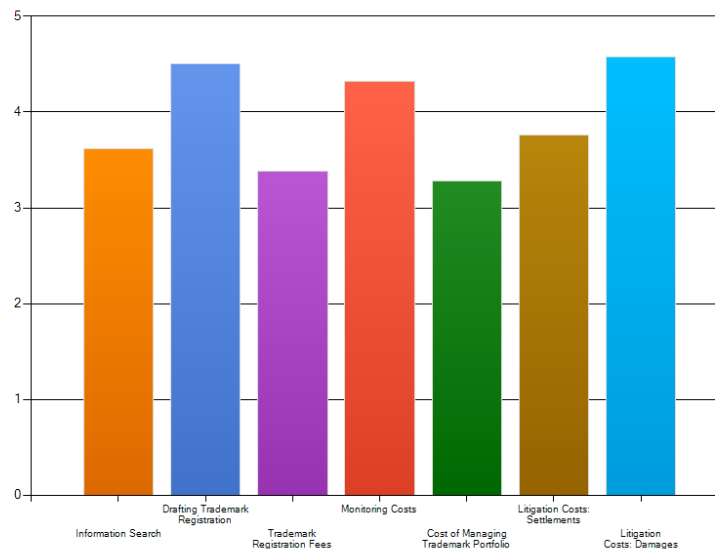


“With the sluggish economic growth, companies are trying to reduce trademark management costs, more work is done in-house.”

- Hui Liang, China Patent Agent

When asked to rank the biggest Trademark-related cost to their business in order of importance (see chart 2 below), the most costly area was identified to be Litigation Costs: Settlements, rated at an average of 3.72, (where 1 is the highest, and 7 the lowest). The other top costs identified were Trademark Registration Fees (3.39), Information Search (3.66), Litigation Costs: Damages (3.72) and Cost of Managing Trademark Portfolio (3.37).

Chart 2: In your experience, what is the biggest Trademark-related cost to your business? Please rank in order of importance.



# Impact of the Global Business Environment: Patents

The aim of the Legal IQ 2012 Survey was to get a picture of how businesses are handling their IP budgets during the continued global economic unrest.

Among the respondents working predominantly within Patents, cost was considered to be of importance to a 96.4% majority, (see chart 3, right). More than half (53.6%) identified it as 'Fairly Important', 25.9% deemed it of 'Moderate Importance' and 16.9% stated it was 'Crucial.' Only a small proportion considered controlling costs was 'Not Important' (2.4%) or 'Irrelevant' (1.2%).

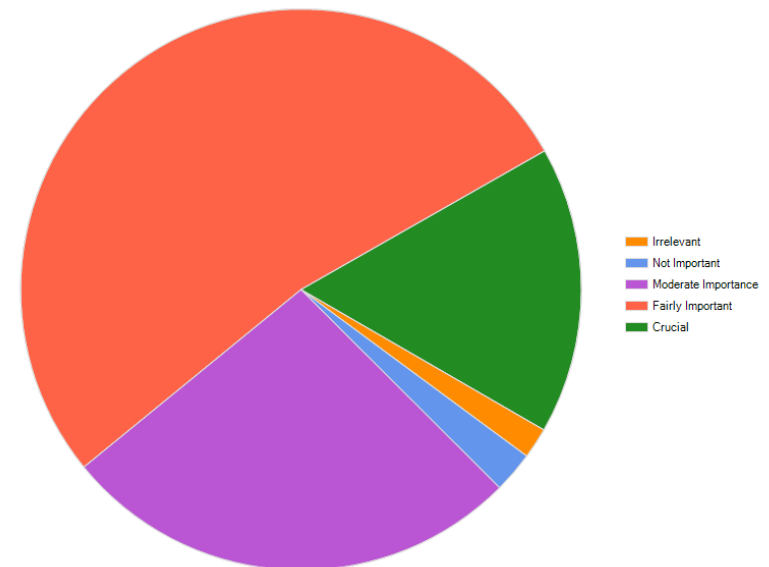
This focus on cost was also dominant in the 2011 Global Patent Survey, where the biggest challenges to business were identified as 'Implementing Defensive Patent Strategies' (31.6%), followed by 'Cutting Costs from Portfolios' (26.3%).

When asked to identify the biggest Patent-related cost to their businesses (see chart 4, overleaf), Drafting Patent Applications was considered the most expensive area – with a rating average of 3.47 (where 1 is the highest, 7 the lowest).

The second most costly area identified on average was Patent Office Fees (3.53), followed closely by the Cost of Managing Patent Portfolio (3.72) and Translation Costs (3.94). The other areas identified were Litigation Costs: Settlements (4.04), Information Search (4.28) and lastly Litigation Costs: Damages (4.8).

Overall, survey respondents within Patents expect 2012 budgets for their IP Portfolio Management programmes will see restricted, and closely targeted, new investment and cost-cutting measures where possible. Managing costs will remain a priority to keep businesses streamlined during the continued global economic unrest.

Chart 3: How important do you consider controlling Patent Maintenance costs to be to your business?



Among the respondents working predominantly within Patents, cost was considered to be of importance to a 96.4% majority, (see chart 3, above). More than half (53.6%) of professionals working in Patents identified controlling costs as 'Fairly Important', while 25.9% deemed it of 'Moderate Importance' and 16.9% stated it was 'Crucial'. Only a small proportion of those surveyed stated that controlling Patent Maintenance costs was 'Not Important' (2.4%) or 'Irrelevant' (1.2%).

# Impact of the Global Business Environment: Patents

## Case study 1: Cost-Benefit Analysis– Intercell

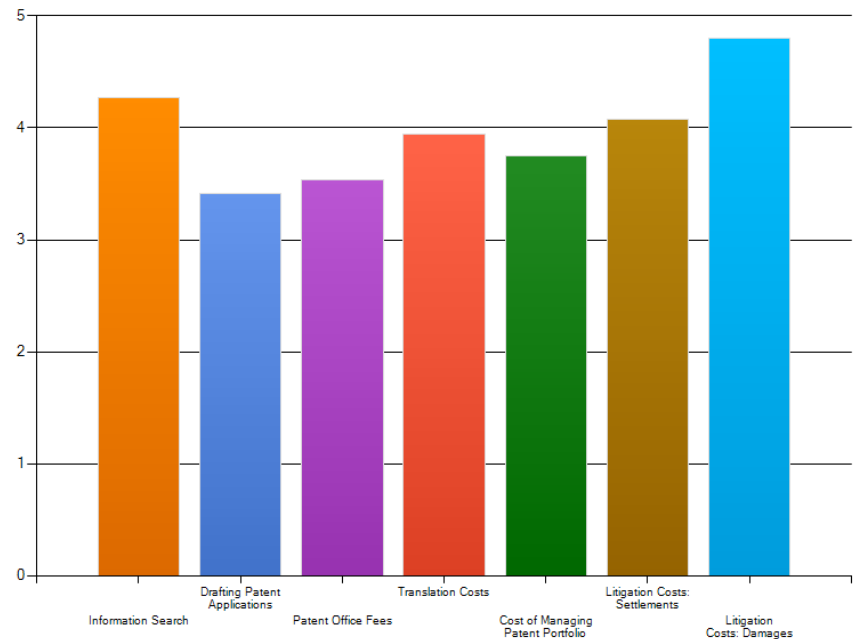
Adrian Spillman, Global Head of IP at Intercell, explains how to decide when to patent and how to approach cost-benefit analysis of a Patent Portfolio: “The cost benefit analysis is a very powerful way of looking at your Patent Portfolio. Not in a bookkeeping way, I think that’s the important thing to understand, but if you really look at cost and benefit in a very broad sense of the meaning of the words, of course, you look at the agent’s price and what the hourly rate is.” He adds: “I think also a very important thing is to show the organisation, normally the senior management, in a transparent way, the cost, so that they can make a good decision based on that.”

“The other side, the benefit side, I think that’s really where the interesting part starts. Looking at patents from that point of view could be an option for the future and particularly in my industry, the pharmaceutical industry or biotech industry where we have projects which maybe only generate monetary value in 10 years’ time. I think the patent function can really play an active role in that and create value in terms of collecting information from an organisation and trying to integrate it into a strategy.”

“The cost-benefit analysis is a very powerful way of looking at your Patent Portfolio.”

- **Adrian Spillman, Intercell**

Chart 4: In your experience, what is the biggest Patent-related cost to your business? Please rank in order of importance:



Commenting on chart 4 (above), Dr. Ming Deng Dipl. Phys, Patent Attorney, Representative in Europe, China Patent Agent (H.K.) Ltd, says: “The results for the seven aspects of Patent Portfolio Management are all around 4%. This reflects an equal importance of every aspect needed for a Patent Portfolio Management based on the daily experiences of participants, 75% of which work in a patent department”.

# Factors for Success in IP Portfolio Management

**Legal**

*a division of IQPC*



# Factors for Success in IP Portfolio Management: Trademarks

**Legal IQ wanted to identify the key strategies in building a successful IP Portfolio Management programme and avoiding an unsuccessful, inefficient one. Survey respondents were asked to rate the importance of different business activities.**

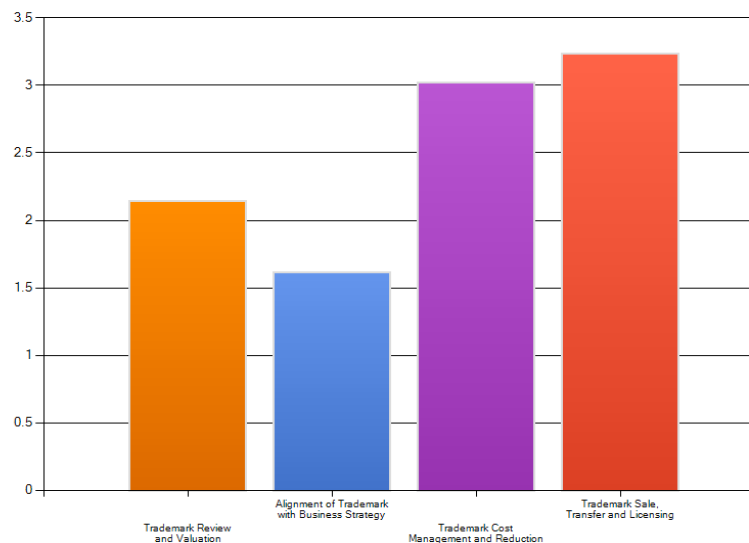
The most widely prioritised area was Alignment of Trademarks with Business Strategy, with an average rating of 1.6 (where 1 is the most important, 4 is the least). The second priority identified was Trademark Review and Valuation ( 2.18). Next was Trademark Cost Management and Reduction (3.02), followed by Trademark Sale, Transfer and Licensing, (3.23) (see chart 5, right).

The fact that the top priorities identified were strategy-related: Alignment of Trademarks with Business Strategy, and Review and Valuation, indicates that organisations are intensively assessing the functionality of their programmes to improve efficiency. This suggests that businesses are undertaking regular realignment to ensure that no resources are wasted.

It is surprising that Cost comes as the third most important priority, given the harsh economic climate, but this suggests businesses are intelligently assessing what is needed in their programmes and developing cost-reduction strategies from those findings. Interestingly, Trademark Sale, Transfer and Licencing, is seen a critical, but lesser concern than the others.

The results reflect a continuation in the business priorities revealed by the Legal IQ 2011 Intellectual Property Rights Survey, which was conducted across 271 IP professionals. ‘The Need to Cut Costs’ (identified by 24.8% of respondents), came ahead of Licensing /‘The Need to Address Increased Piracy and Infringement’ (21.3%) in the list of key problems to address.

**Chart 5: What do you consider to be the most critical aspect of Trademark Portfolio Management? (1 = MOST important, 5 = LEAST)**



# Factors for Success in IP Portfolio Management: Patents

**To identify business priorities and factors for success in Patent Portfolio Management, Legal IQ asked 2012 Survey respondents to rate areas of importance.**

The most significantly prioritised area was Alignment of Patent Assets with Business Strategy, with a rating average of 1.94. This was followed by Quality Audit and Review of Patents, with an average rating of 2.51, Patent Cost Management and Reduction, averaging at 2.69 and Patent Monetisation and Licensing, at 2.85 (see chart 6, right).

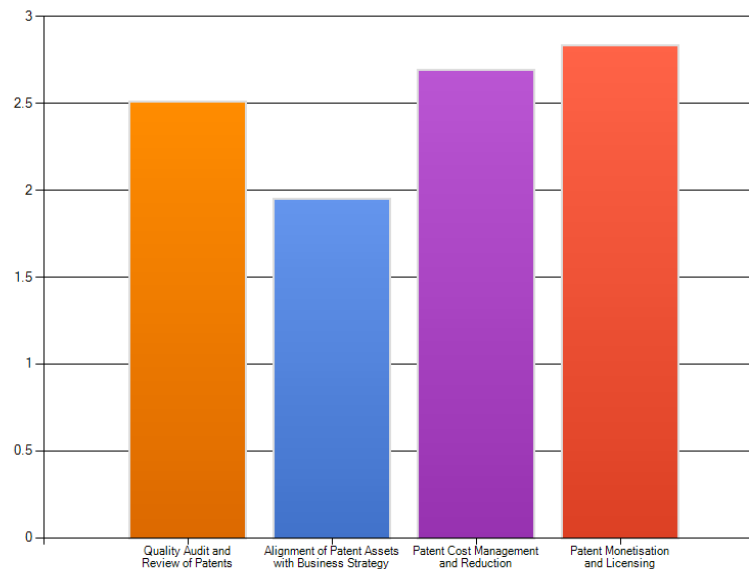
It is interesting to see that Alignment, Audit and Cost Management activities topped the list. The more functional tasks such as Licensing and Patent Monetisation are clearly seen as lesser priorities. This ties in with the trend for detailed assessment of efficiency to determine where to cut cost and where to invest for the best returns.

This trend also appeared in the 2011 Global Patent Survey, where the primary reason for filing patents was profit-driven: 'To Increase Licensing Revenues' (3.32), while functional motives came last : 'To Prevent Others From Copying Products' (2.11).

Matthew Goodwin, VP & Global Head of Patents at Unilever PLC, commented on the results, identifying Cost Management and Reduction as key: "Potential exposure to damages liability in infringement litigation and the costs associated with settlement of litigation feature prominently in the data from the survey (chart 6) as critical aspects of Patent Portfolio Management".

However, Tom Briscoe, Senior Principal IP Strategist for R&D at Dako, says growth is the key: "Aligning business goals with legal requirements isn't the most important issue. The most important issue is growth; if you're not growing, you're dying, so the order in which you align things is very important. There are business, technology and legal aspects that must all be aligned."

**Chart 6: What do you consider to be the most critical aspects of Patent Portfolio Management? (1 = MOST important, 5 = LEAST)**



# What's Next for IP Portfolio Management?

**Legal**

*a division of IQPC*



# What's Next? Trademarks

The Legal IQ 2012 Survey set out to understand what's next for IP this year and beyond. Organisations were asked to pinpoint what they regard as the key obstacles in optimising their IP Portfolio Management programmes and what services and solutions they have considered investing in to address these problems.

Key obstacles highlighted by respondents when it comes to optimising the Trademark Portfolio Management of their organisations, were varied (see chart 7, opposite). The most commonly identified problem by survey respondents was Lack of a Comprehensive Trademark Culture in the Organisation (48.7%).

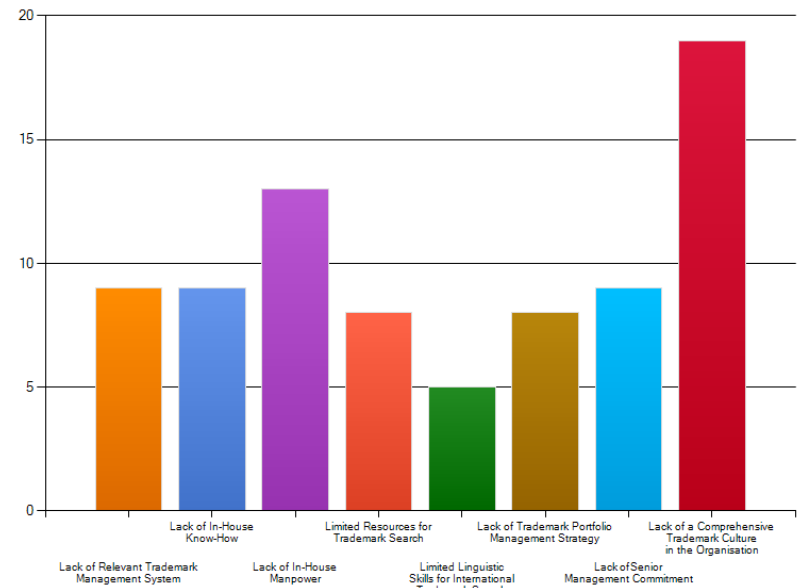
This was followed by Lack of In-House Manpower (33.3%) and then three equally-weighted areas, Lack of Senior Management Commitment, Lack of Relevant Trademark Management System, Lack of In-House Know-How (23.1%, respectively).

Next to be mentioned were Limited Resources for Trademark Search and Lack of Trademark Portfolio Management Strategy (20.5%), and the other area to be pinpointed was Limited Linguistic Skills for International Trademark Search (12.8%).

“Most IP departments don't have the time or the resources to develop a complete general purpose software and at the same time, get the customisation they need.”

- Tom Briscoe, Dako Europe

Chart 7: What do you see as your organisation's key obstacles to optimising your Trademark Portfolio Management? Please indicate any that apply.



The most commonly identified obstacle when it comes to optimising Trademark Portfolio Management (see chart 7, above) was Lack of a Comprehensive Trademark Culture in the Organisation (48.7%). Next was Lack of In-House Manpower (33.3%). These areas were seen as the most significant, followed by some similarly weighted areas: Lack of Senior Management Commitment, Lack of Relevant Trademark Management System and Lack of In-House Know-How (23.1%, respectively).



# What's Next? Trademarks

To gauge what's next in store for Trademark Portfolio Management, Legal IQ also asked the 2012 Survey respondents to identify which services related to Trademark Portfolio Management their organisations have considered (see chart 8, right).

Close to half (48.6%) had contemplated Consultancy Services Related to Trademark Portfolio Management, while a similar number (45.9%) had considered Trademark Portfolio Management Software. The option of Outsourcing of Trademark Portfolio Management had been weighed up by 35.1% of those organisations that took part in the survey.

## Case Study 1: Growing Markets – Intercell

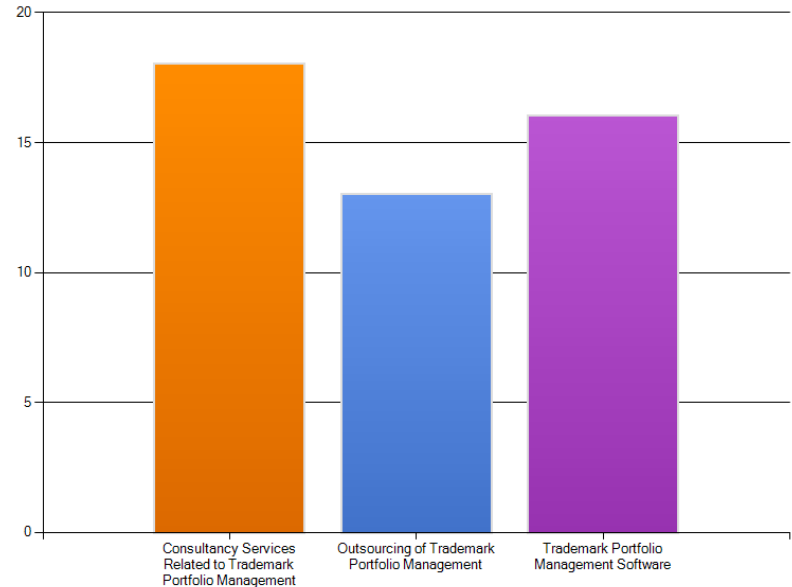


Another growing trend which can be noted among IP departments is expansion/outsourcing into emerging markets, particularly the BRICs – Brazil, Russia, India and China.

Adrian Spillman, Global Head of Intellectual Property at Intercell, offered some best-practice tips on how to tackle patenting in emerging and unknown markets:

“Go with the business and trust that the patent area will develop in these markets and that maybe in 10 years' time, when you have a product on the market, there will hopefully be a legal system where you can enforce your intellectual property as well.”

**Chart 8: What services related to Trademark Portfolio Management have you considered? Please indicate any that apply.**



*In terms of the most widely considered services related to Trademark Portfolio Management that organisations have considered, (see chart 8, above) close to half (48.6%) had contemplated Consultancy Services Related to Trademark Portfolio Management, while a similar number (45.9%) had considered Trademark Portfolio Management Software. The option of Outsourcing of Trademark Portfolio Management had been weighed up by just 35.1%.*

# What's Next? Trademarks

## Case Study 2: Outsourcing your IP – Arla

Jakob Balling, IP Specialist, Arla Foods, explained the logic behind many companies' decision to outsource their IP: "In our case, one reason was strategic, Arla wanted both the business and the IP people in-house, to focus more on the business side of IP and less on the portfolio administration side. Another driver was staffing – the departmental head left and there was no natural replacement. The final reason was geographic – the in-house department was some 300 metres from our HQ. Arla decided to outsource and hire one internal IP specialist, to work with another at the HQ."

"Through outsourcing, we have managed to focus more on IP strategy – to create and implement a global IP policy. That's made the business aware of how important IP is and also when to involve IP competencies, both in-house and in the outsource department. I can't say that Arla has saved any money, but it's difficult to measure." In terms of lessons learned, he says: "One of the issues Arla should have focused a lot more on was the IT side; integrating or moving data from one case management system into another one is a huge task."



"Through outsourcing, we have managed to focus more on IP strategy – to create and implement a global IP policy."

**- Jakob Balling,  
Arla Foods**

## Case Study 3: Investment in Tools – Dako Europe



Tom Briscoe, Senior Principal IP Strategist for Research & Development at Dako Europe, advocates the importance of investment in Technology and Resources. He sums up the pros and cons between in-house and off-the-shelf tools: "We have looked at building in-house tools and one of the problems is there are some very

good tools offered by third parties and then there's also an aspect of the tools that never quite meets what you're trying to do."

Briscoe pinpoints an industry trend towards investment in Off-the-Shelf tools: "Most IP departments and companies really don't have the time or the resources to develop a complete general-purpose software and at the same time get the customisation they need."

He also explains the decision-making process at Dako when it comes to assessing the key requirements from IP Software, ultimately linking this into the potential for using software to help drive growth of the business:

"The decision-making process was really: what software can we find that allows us to have access to all of the public information about the IP landscape and at the same time allows us to capture our expert knowledge about our industry, about our strategy and the potential of each property that we're analysing, to be used in a way that promotes the growth of our business."

# What's Next? Patents

The past few years have brought a number of challenges and developments in IP. Legal IQ's 2012 Survey analysed the weighting of these different challenges for business.

The primary obstacle identified by survey participants in the Patents stream was Lack of In-House Manpower, put forward by almost half of respondents (47.7%) (see chart 9, right). The second most significant problem was Lack of a Comprehensive IP Culture in the Organisation, identified by nearly half of the respondents (42.3%). Lack of Patent Portfolio Management Strategy was selected by 25.5% of participants, while some 22.8% identified both Lack of Senior Management Commitment and Lack of Relevant Patent Management System as key obstacles.

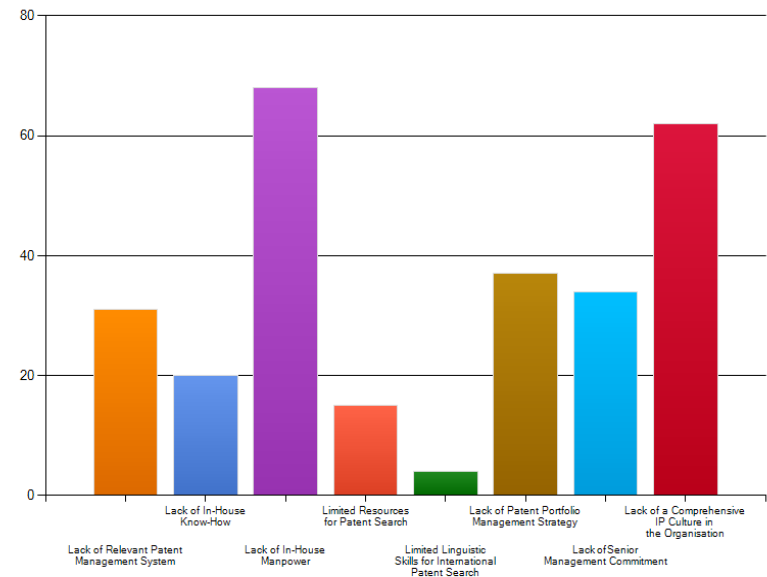
## Case Study 1: Picking the Right Tools – Statoil



Duncan Park, Leading Counsel for IP at Statoil, commented on the results – identifying Lack of Patent Portfolio Management Strategy and co-ordinating strategy with investment in tools as key:

“You have quite a complex array of different types of commercial tools which affect the different types of IP and IP strategies you may have. To combat this, it is important to do a lot of IP mapping across the various technology value chains and constantly try to review the IP portfolio to try and identify the valuable IP - and look at the value, whether it's commercial, technical, legal, or strategic value.”

Chart 9: What do you see as your organisation's key obstacles to optimising your Patent Portfolio Management? Please indicate any that apply.



The primary obstacle identified by survey participants in the Patents stream was Lack of In-House Manpower, put forward by almost half of respondents (47.7%) (see chart 9, above), with a similar number pinpointing Lack of a Comprehensive IP Culture in the Organisation (42.3%). Lack of Patent Portfolio Management Strategy was put forward by 25.5% of participants, while some 22.8% of the professionals in the Patents stream identified Lack of Senior Management Commitment and Lack of Relevant Patent Management System as key obstacles.

# What's Next? Patents

The Legal IQ IP Portfolio Management Survey 2012 also asked respondents to indicate what types of services relating to Patent Portfolio Management their organisations have considered.

Overall, Patent Portfolio Management Software was the primary service identified, by 63.5% of respondents (**see chart 10, below right**). Consultancy Services Related to Patent Portfolio Management had been considered by 39.4%, while Outsourcing of Patent Portfolio Management had been taken into consideration by 19% of the organisations that took part in the survey.

The results reflect changing opportunities and options for business including technological development and new growing markets.

## Case Study 1: Updating Tool Sets – Unilever

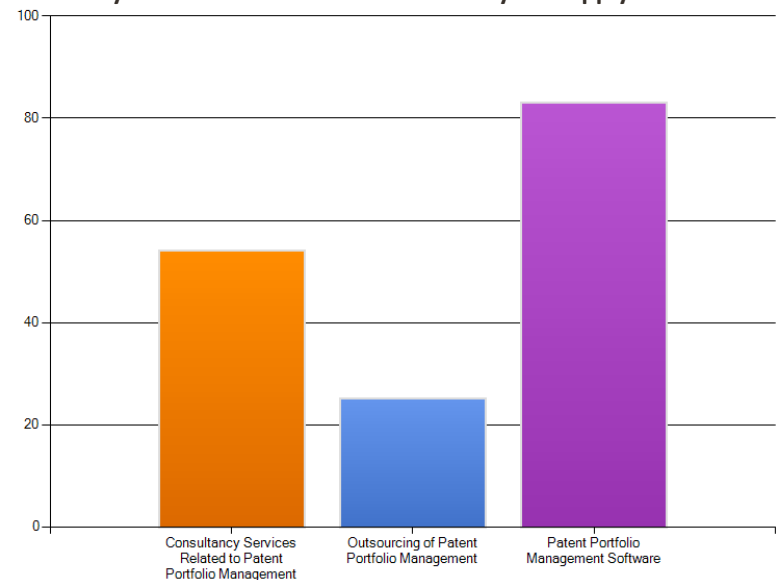
Matthew Goodwin, VP & Global Head of Patents at Unilever discusses the new options that technological development is providing for business: “Advances in technology are beginning to reap benefits for corporate intellectual property departments. In particular, the availability of electronic document management systems, customised for the retention and management of patent files, provides the potential to increase efficiency and greatly enhance communication across multiple office locations. Improved communications in combination with greater file accuracy and integrity will ultimately lead to a higher quality portfolio.”

“These improvements are possible while simultaneously reducing costs and reducing reliance on paper. The leaders of corporate intellectual property departments simply cannot afford to ignore these advances in technology in connection with the ongoing management and operation of their departments.”

## Case Study 2: What to Outsource – Intercell

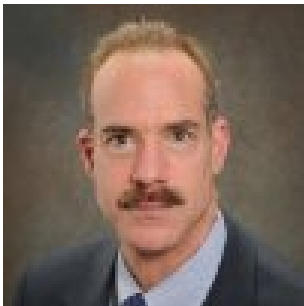
Adrian Spillman, Global Head of Intellectual Property at Intercell, also highlights the importance at looking of what processes you are doing, in terms of in-house versus outsourcing: “I think priorities would certainly include looking at the processes you are doing; can you take certain things in-house and does it make more sense to do certain things in-house? Or, vice versa, does it make more sense to outsource certain things because maybe the agent has more know-how in this area.”

**Chart 10: What services related to Patent Portfolio Management have you considered? Please indicate any that apply.**



# What's Next? Patents

## Case Study 3: Management Buy-In – Unilever



Matthew Goodwin, VP & Global Head of Patents at Unilever PLC, commented on the importance of senior management buy-in: “As the data from the survey indicates (in particular, chart 14 on the obstacles in optimising Portfolio Management), a key factor that will greatly improve prospects for enhanced portfolio management is a strong commitment to, and awareness of, IP from senior leaders in the organisation.”

He explains the importance of strong leadership in IP from senior management: “The leaders establish the priorities and objectives, and set the proper tone. They will lead by example. If IP is considered important, then the organisational culture will be infused with a greater and comprehensive understanding of IP. Unfortunately, the converse is also true, where the biggest obstacle to strong Portfolio Management is insufficient support for this activity from the senior leaders.”

“When the commitment is lacking, the development of IP strategy will correspondingly suffer, and the commitment to recruit and retain the necessary resource talent to strategically manage the portfolio will also correspondingly suffer. Lastly, and again, as reinforced by the survey data, a lack of commitment to IP will unfortunately translate into a lack of commitment for the infrastructure needed to support a portfolio, in particular a robust document management system for IP files, which is an important ingredient and precursor for successful Portfolio Management.”

## Case Study 4: Outsourcing IP – FOKUS



Another trend is to outsource IP. Prof. Dr. Knut Blind, Chair of Innovation Economics at Fraunhofer FOKUS and TU Berlin, says this is common in smaller organisations: “The outsourcing of IP departments is also very common in the area of patents and many companies have also outsourced their patent departments to some external kind of service provider. Therefore, this is quite a common strategy and only the quite big organisations keep most of these activities inside.”

## Case Study 5: Entering New Markets – Dako

Another consideration is that in the face of economic globalisation, Patent Portfolio Management is in most cases not limited within one country or only in Europe. Tom Briscoe, Senior Principal IP Strategist for R&D at Dako Europe, offers some best-practice tips:

“The number one tip for these regions is understanding how the innovation you are evaluating works, whether it’s your own innovation and you’re trying to build a Patent Portfolio around it, whether it’s a third party’s innovation and you’re trying to figure out how that could be used for growth, why you would be interested in their IP, why they would be interested in yours, etc. The second tip is understanding the cultural differences regarding intellectual property, regarding innovation, regarding how people do business, having someone who you can rely on to give you a good overview of that business environment. The third tip is really getting a good understanding of the governmental public policy interest and goals behind the patenting system in the new regions.”

# Summary

“With open innovation and the development of research across the internet and across borders, the IP landscape will change – with less and less large Patent Portfolios, less using IP to exclude other parties, and more collaboration.”

- **Duncan Park, Statoil**

# Summary

## **So how are businesses reacting to the challenging economic climate and changes in the domain of Intellectual Property in 2012 and beyond?**

The Legal IQ 2012 Survey revealed that almost 50% of Patent and Trademark professionals have considered consultancy or software services to improve their working practices and processes. This suggests that as we move into 2012, a period of measured investment may take place to strengthen up IP Portfolio Management programmes.

This is reflective of the business and economic climate. As forecast by the IMF, the euro area has fallen into a mild recession in 2012 after entering a “perilous new phase” at the end of last year, affecting other parts of the world including the United States, emerging markets, and developing countries.

Continued uncertainty of market conditions coupled with an increasingly rapid pace of technological innovation means that the leading businesses of tomorrow will need to be agile in responding to the changing circumstances of today. Businesses will also need to be

technologically forward-thinking in order to unlock the value that new developments in software and collaboration technology can bring in terms of employee efficiency and creating value for customers.

Among the Trademark professionals surveyed, around half were considering the consultancy route (48%) and investment in software (45%).

Interestingly, among Patent professionals, new software systems were by far the most widely considered investment (by about 63% of respondents), with consultancy services a secondary consideration (by approximately 39% of survey participants).

Both streams rated outsourcing of Trademark/Patent management as a less viable solution – appealing to only 35% of Trademark professionals and an even smaller 19% of Patent professionals.

Ongoing adaptation to practices and systems is also expected across the industry as a result of continued technological development. Duncan Park, Leading Counsel for Intellectual Property, Statoil, says of changes expected in IP: “I certainly think that with open innovation and the development of research across

the internet and across borders, the IP landscape will change – with less and less large Patent Portfolios, less using IP to exclude other parties, and more collaboration. And there will probably be more IP used as a commercial commodity as well, so more trading and technology transfer going on.”

For all legal professionals and organisations, regardless of industry, maturity and size, IP Portfolio Management strategy is a cornerstone of success and a driver for growth. An openness to embrace the growing availability of new technology is also key to enable greater efficiency, transparency and business-wide systems.

Those legal practises that are focused on improving their strategy behind IP Portfolio Management in the ways that impact most upon their customers and operating costs will stand out in 2012. And those legal practises who are, in addition, the most responsive to economic and technological change are set to lead the pack.

*Please turn over to see the key industry trends that were revealed by the Legal IQ IP Portfolio Management Survey 2012.*

# Key Trends

**While it is difficult to make sweeping statements about the rise and fall of IP Portfolio Management trends and strategies, legal professionals can take away an awareness and understanding of three clear trends for 2012 from this industry white paper.**

All trends indicate an underlying drive to realign and grow in the face of changing technological, economic, and industry conditions.

The first key trend is that general cost pressures and market uncertainty are driving a re-evaluation of the strategies used for IP Portfolio Management. New investment is generally targeted towards increasing efficiency and stems from this strategic evaluation.

Interestingly, businesses appear to be responding to market conditions by strengthening themselves with measured investment rather than rolling out blanket cost-cutting initiatives.

The second notable trend revealed by the survey is the types of investment businesses are opting for to strengthen

their IP Portfolio Management. There is a preference for investment in software and consultancy, as well as a certain amount of interest in outsourcing.

The third trend is that in response to the fast-paced technological change and growing availability of new software solutions and systems, there is a notable growth of investment in off-the-shelf IP Portfolio Management tools.

Businesses are likely to face difficult conditions in the coming year. Ensuring that IP Portfolio Management alignment contributes to the overall success of the business has never been more important.

There is not a specific 'winning formula' for IP Portfolio Management as challenges vary from business to business and from industry to industry.

However, the survey results and the experts who have contributed their insight to this report suggest that thorough assessment of what works for an individual business is key – whether it be the investment in external consultancy, new software, outsourcing the IP function, or retaining ownership of these in-house.

## **Legal IQ has identified three general trends to watch for 2012:**

1. Realignment of Patent/Trademark assets with business strategy will be the most critical aspect of IP Portfolio Management programmes this year, to streamline costs.
2. Investment in consultancy services and new software is higher on the agenda than outsourcing functions in both Trademark and Patent Portfolio Management.
3. Preference among businesses to invest in off-the-shelf IP Portfolio Management software rather than investing time and money in building in-house tools.



# About Legal IQ

**Legal IQ, a division of IQPC, provides access to online resources and holds regular industry forums and conferences on IPR, Patents, High-Tech IP, Brand Protection, Information Retention, eDisclosure Management and more.**

[www.legaliqonline.com](http://www.legaliqonline.com) is a forum where key industry experts and organisations can share their experience, knowledge and tools, and peers can connect with one another on a global scale, both face-to-face and online. Our up-to-date media centre offers best-practice ideas in a variety of formats, supplied by leading academics and practicing professionals. Our regular, worldwide industry conferences and forums enable our audience to increase their idea sources, widen their contacts and participate in formal and informal learning opportunities.

**SIGN UP FREE!** [www.legaliqonline.com](http://www.legaliqonline.com)

## About the Author



**Helen Winsor** is an online journalist at Legal IQ and follows legal trends including IP Portfolio Management in Trademarks, Patents and Brands. She worked previously as an editor at The Financial Times and Ten Alps Publishing Plc , where she produced features and reports on Finance, Law, Business and Commerce. Winsor holds a BA Honours Degree in English from De Montfort University, Leicester. She can be reached on [helen.winsor@iqpc.co.uk](mailto:helen.winsor@iqpc.co.uk).



## Interested in Finding Out More?

Become a member of Legal IQ today and you'll have continuous exposure to a regularly updated pool of news, views, articles, podcast interviews and transcripts, white papers, reports, case studies, infographics, presentations, webinars and videos discussing the latest industry developments, practices, tools, technologies and systems to keep you up-to-date and help extend your organisation's efficiency, capacity, performance and results.

Hear from leading legal professionals how they're managing their portfolios - to learn more or to sign up for our forthcoming events, please visit [www.legaliqonline.com](http://www.legaliqonline.com) or contact our customer services team on [enquire@iqpc.com](mailto:enquire@iqpc.com).

The ideas presented in this white paper will be discussed in further detail at Legal IQ's flagship events in 2012:

- **Nordic IPR Forum** - 19 - 21 March - Stockholm: [www.nordicipr.com/](http://www.nordicipr.com/)
- **Global Patent Congress** - 25 - 26 September - Copenhagen: [www.patentcongress.com/](http://www.patentcongress.com/)
- **Anti-Counterfeiting & Brand Protection Summit** - 27 - 28 November - Brussels: <http://www.brandprotectionevent.com/>

**SIGN UP NOW!**

[www.legaliqonline.com](http://www.legaliqonline.com)



# Acknowledgements

**This white paper could not have been put together without the input, ideas and engagement of many different people – from members of Legal IQ’s global advisory board, speakers and delegates at our events, and contributors to the Legal IQ website. There are too many to mention them all – but everyone who has taken the time to contribute to the website or to our events has in a way helped expand the body of knowledge about the changes and developments in Trademarks, Patents and Brand Protection.**

A specific thank you also goes out to Dr Ming Deng, Matthew Goodwin and Hui Liang, for their feedback and analysis on the survey results and to those whose comments Legal IQ has directly cited, taken from the Legal IQ podcast and case study series: Jakob Balling, Prof. Dr. Knut Blind, Tom Briscoe, Duncan Park and Adrian Spillman.

And of course, an especially big thank you is due to the 595 legal practitioners who took part in our February 2012 Survey.

# Appendix

# Appendix A: Profile of Survey Respondents

Chart 11: Survey Respondents by Organisation Size

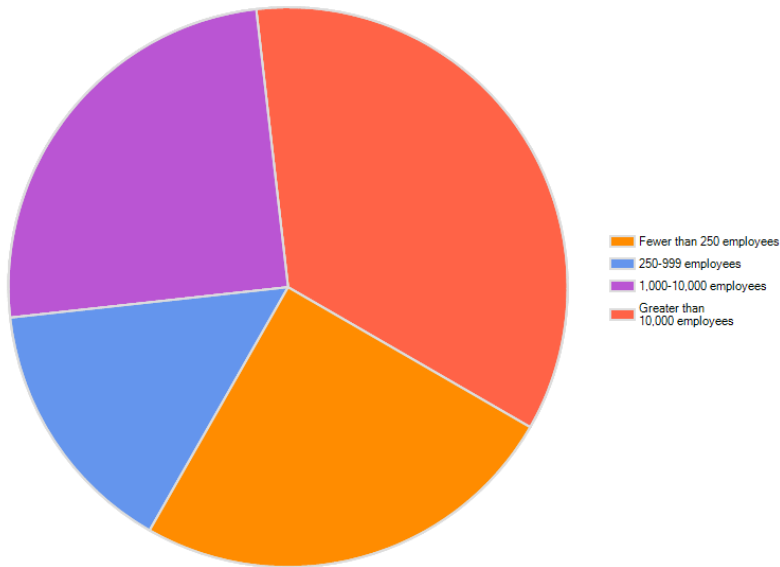
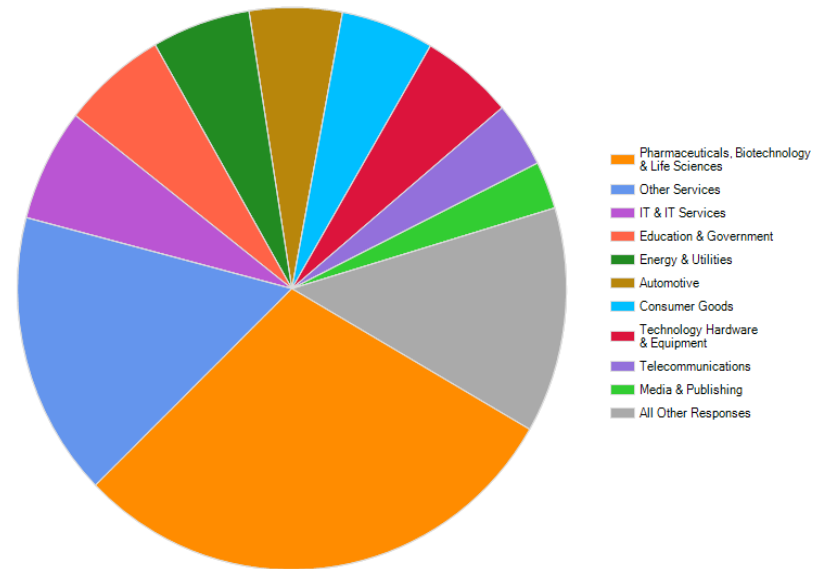
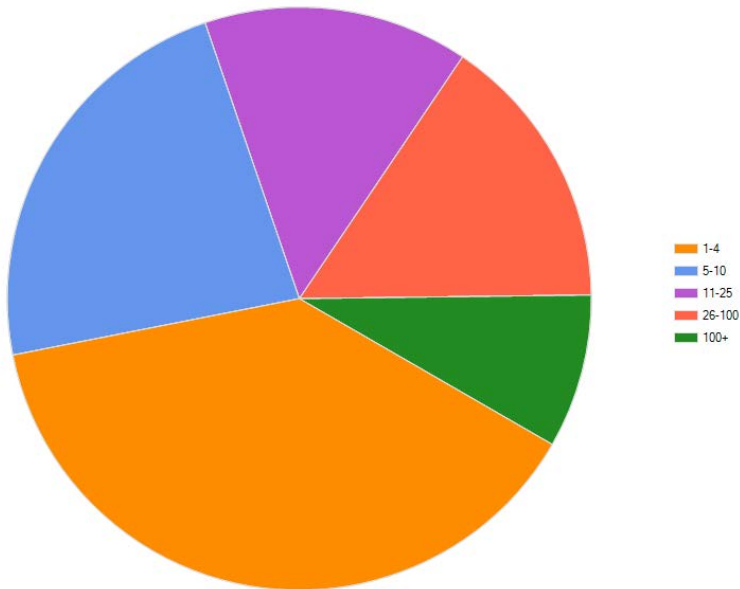


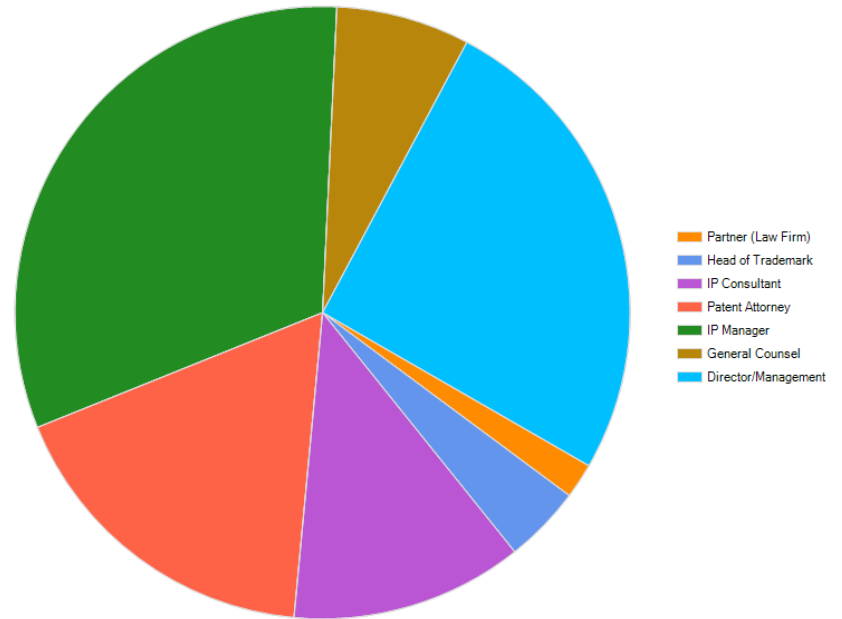
Chart 12: Survey Respondents by Industry



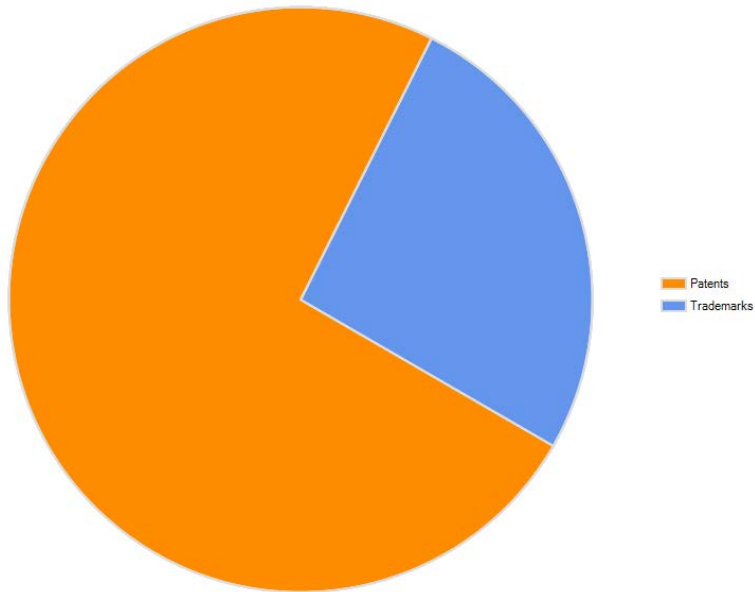
**Chart 13: Survey Respondent by Patent/Trademark unit size**



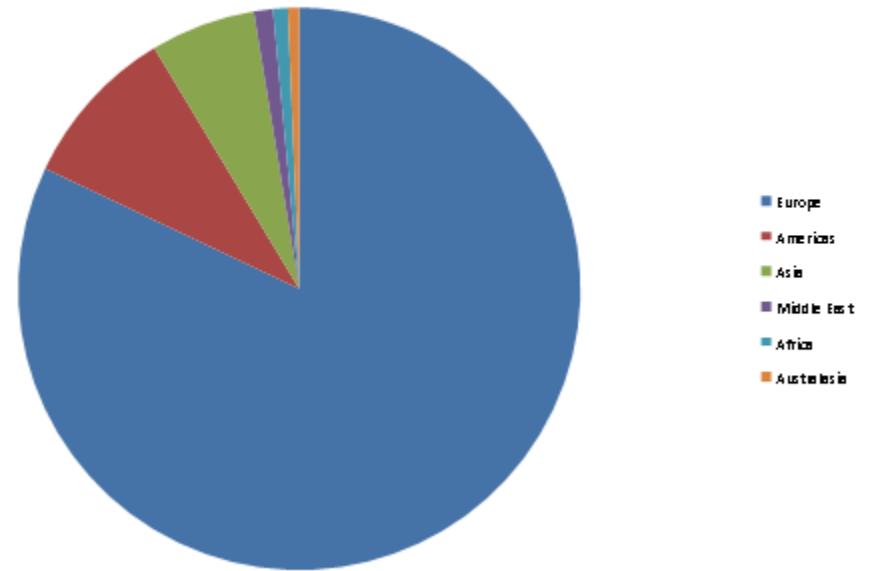
**Chart 14: Survey Respondents by Job Role**



**Chart 15: Survey Respondents by Focus Area**



**Chart 16: Survey Respondents by Region**



# Appendix B: References

This white paper is not intended as an academic piece so citations are not included within the main body, but for interested readers many of the source interviews are available publicly on: [www.legaliqonline.com](http://www.legaliqonline.com).

## Legal IQ Podcast References:

- Jakob Balling, IP Specialist, Arla Foods
- Prof. Dr. Knut Blind, Chair of Innovation Economics at Fraunhofer FOKUS and TU Berlin
- Tom Briscoe, Sr. Principal IP Strategist for Research & Development at Dako Europe
- Duncan Park, Leading Counsel Intellectual Property, Statoil
- Adrian Spillman, Global Head of Intellectual Property at Intercell

All of the above interviews are available at : <http://www.patentcongress.com/WhitePaper/>

## External References:

International Monetary Fund, World Economic Outlook, January 2012:  
<http://www.imf.org/external/pubs/ft/weo/2012/update/01/index.htm>