

Monitors "Beyond the Law" / IP Asset Management  
May 21, 2008

Presented by New to In-house Committee of Association of  
Corporate Counsel

# Panel

## Presenters:

- Cheryl H. Agris, PhD, The Law Offices of Cheryl H. Agris, PhD, PC, Pelham, NY
- Mark Medice, Business of Law, Westlaw Business a Division of Thomson-Reuters

## Moderator:

- Susanna McDonald, General Counsel, Director of Information, Claimant Management Systems

# Polling Question #1

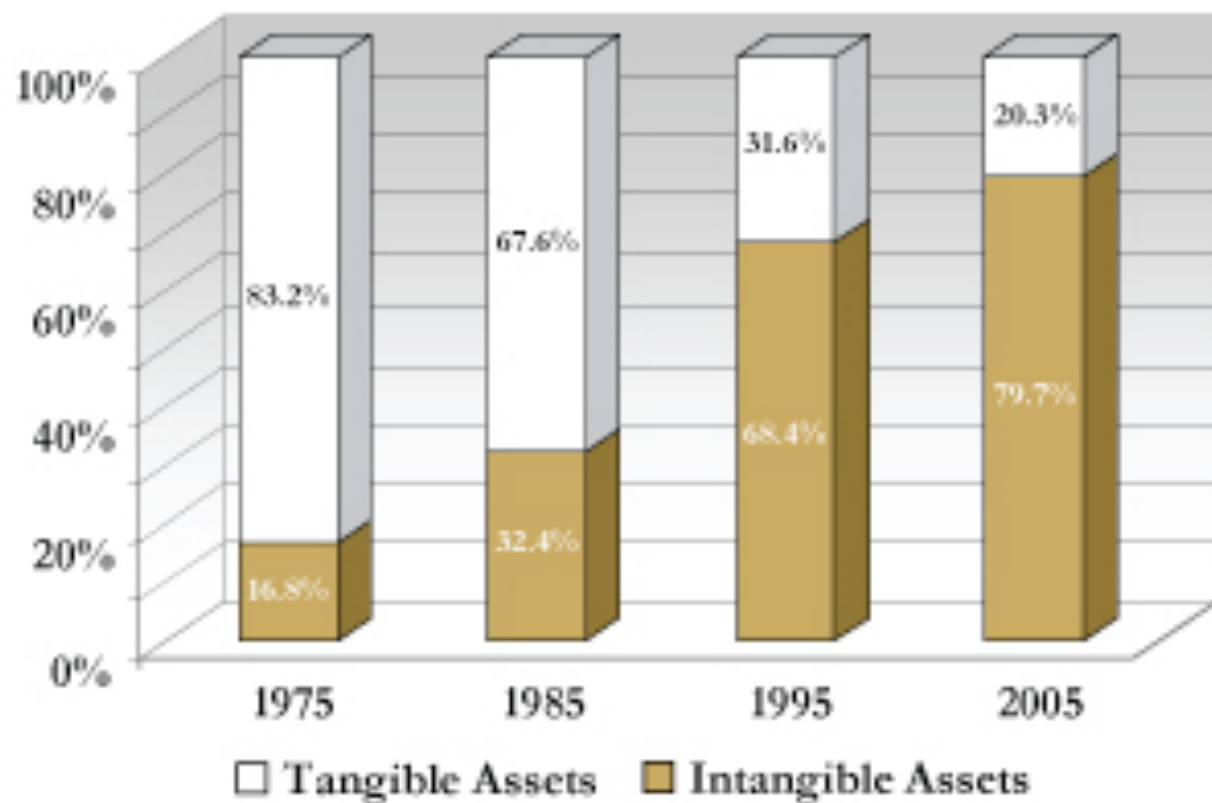
◆ I am the:

- A. General Counsel
- B. IP Attorney or Chief Patent Counsel
- C. Attorney
- D. Licensing Executive
- E. Other

# Patents as Assets

- ◆ Patents have value
  - ◆ Can sell them
  - ◆ Can license them
  - ◆ Can be used as collateral
- ◆ Have offensive and defensive uses

## Components of S&P 500 Market Value



Source: Ned Davis Research

# Agenda

- Patent Uses
- Managing Your Patent Assets throughout its Lifecycle
- Tools
- Resources

# Patent Uses

- Offensive Uses
  - Generate/enhance revenue (licensing, securitization)
  - Establish foothold with respect to product and/or technology
  - Prevent others from copying product/establish exclusivity (litigation)

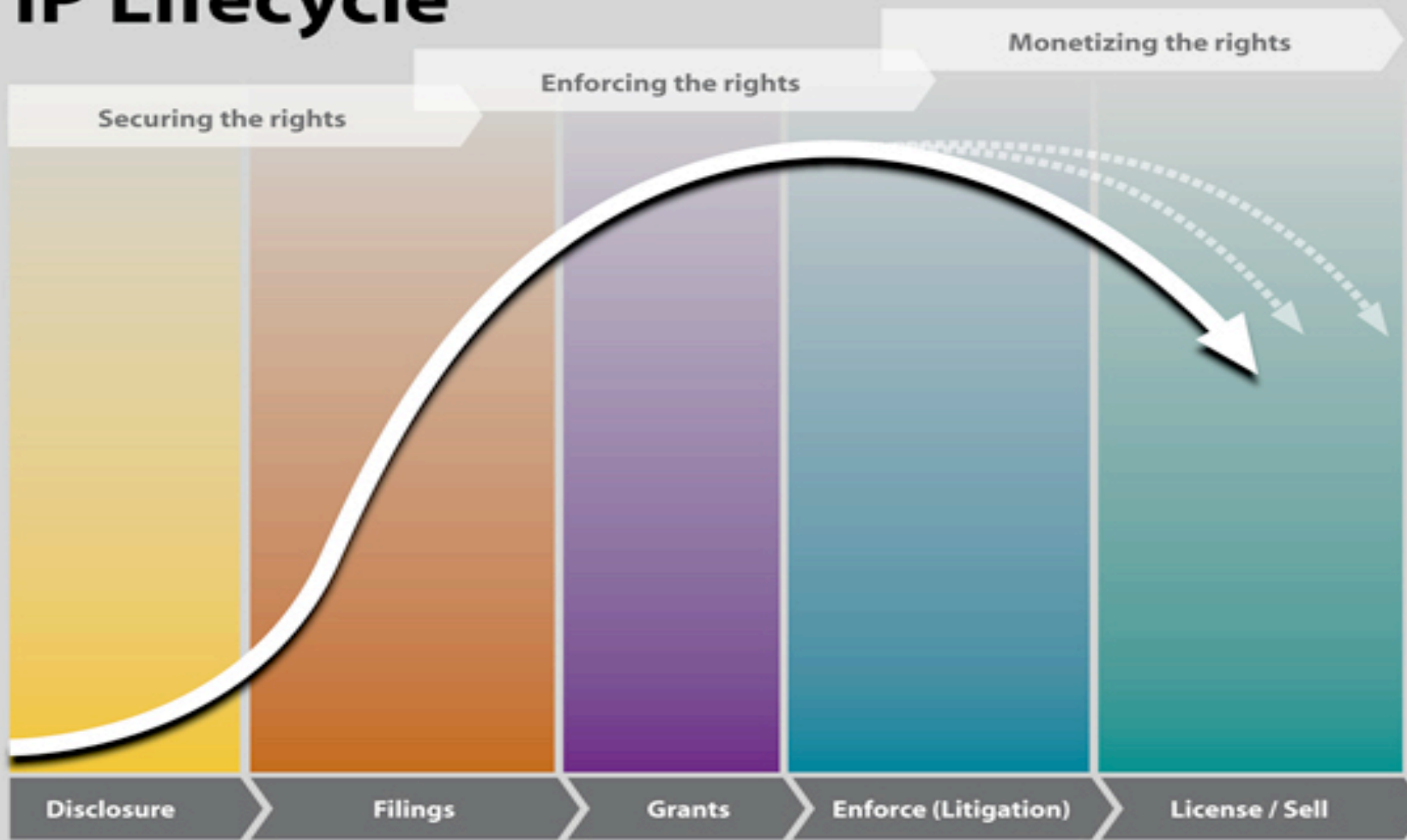
# Patent Uses

- Defensive Uses
  - Freedom to Operate
  - Use as a bargaining chip with a competitor

# Polling Question #2

- My company
  - A. Does not have any program for managing IP
  - B. Outsources management of IP to outside counsel
  - C. Has a program for managing IP in-house
  - D. Actively licenses IP in addition to the above

# IP Lifecycle




# Disclosure

- Before obtaining patent protection, the following steps need to be taken
  - Freedom to Operate
  - Patentability Determination
  - Scope of Patent Protection

# Freedom of Operation

- Search currently issued U.S. and pending applications to determine if your proposed process would potentially infringe claims of U.S. patents or pending application.
- If potential markets in other countries, extend investigation to non-US patents

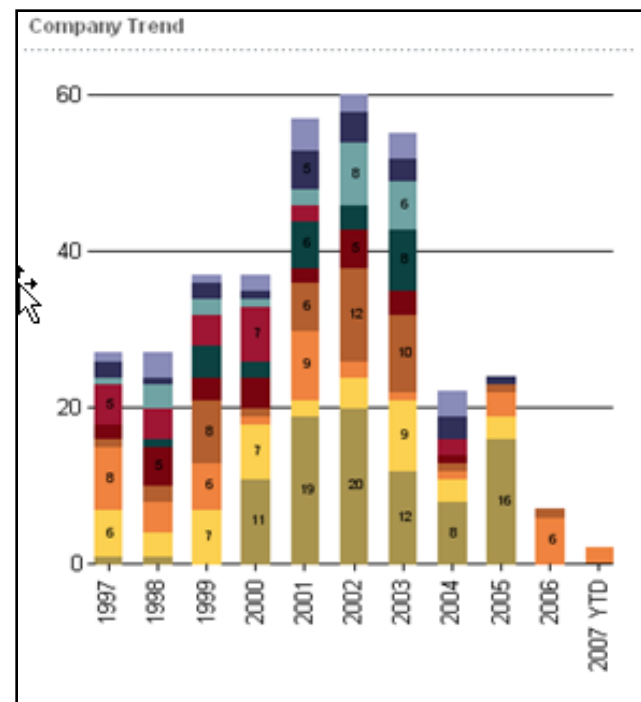
## Freedom of Operation-How?

- Search competitors or other players in technology area
-  Search subject area

# Freedom to Operate

## Robotics-Which companies prolific?

| Company   |        |        |
|---|--------|--------|
|   | Events | %      |
| <a href="#">SONY CORP</a>                             | 88     | 7.4 %  |
| <a href="#">FANUC LTD</a>                             | 44     | 3.7 %  |
| <a href="#">MATSUSHITA ELECTRIC INDUSTRIAL CO LTD</a> | 43     | 3.6 %  |
| <a href="#">INTUITIVE SURGICAL INC</a>                | 43     | 3.6 %  |
| <a href="#">SAMSUNG ELECTRONICS CO LTD</a>            | 25     | 2.1 %  |
| <a href="#">KUKA ROBOTER GMBH</a>                     | 24     | 2.0 %  |
| <a href="#">APPLIED MATERIALS INC</a>                 | 24     | 2.0 %  |
| <a href="#">COMPUTER MOTION INC</a>                   | 23     | 1.9 %  |
| <a href="#">ABB PARTICIPATION AB</a>                  | 22     | 1.9 %  |
| <a href="#">TOKYO ELECTRON LTD</a>                    | 19     | 1.6 %  |
| Other Companies                                       | 833    | 70.1 % |



# Case Study

- Researcher in Pharmaceutical Company proposes to Group Leader a project for obtaining a novel non-aspirin analgesic. Proposes making compounds A, B and C with a certain core structure.
- What steps should be taken?

# Case Study

- Search patent portfolios of Pharmaceutical Company Y and Z, makers of analgesics
- Conduct patent search for aspirin free analgesics
- Conduct search of core chemical structure

# Freedom of Operation

- Identify Patents/Published Patent Applications of Interest
  - Determine status of patent application(s)/issued patents
    - Still pending if patent application? If so, where in the process?
    - If issued, have maintenance fees been paid?
  - Review chain of title
  - Determine if subject to reissue/reexamination/interference/litigation
  - Determine if patent has been licensed or subject to security interest

## Freedom of Operation

- Identify Related Filings
- Determine if Foreign Counterparts have been filed
- Review patents to determine scope of protection

# Patentability

- Review patent searches
- Search technical literature
- Consider defensive publication

# Patentability Determination

- Is it novel?
- Is it non-obvious?
- Does it constitute patentable subject matter?

# Scope of Patent Protection

- Determine scope of protection that may be obtained in view of prior art
  - Product claims?
    - Could related compounds be covered?
  - Method of use?
  - Method of Making?
- Ease of designing around

## After filing the patent application.....

- Continue freedom of operation studies
- Continue to monitor non-patent literature
- Continue dialog with respect to potential markets
- Set up Competitive Intelligence Program

# Polling Question #3

- My company closely monitors IP activity:
  - A. By industry
  - B. By technology
  - C. By company
  - D. All the above
  - E. None the above

# Review by Technology Area – Robotics (901)

**Patents**

Classification Industry Inventor Location  
Company Firm Attorney

Taxonomy: U.S. Patent Classification

Classification Code or Name: robot

Go 901 - ROBOTS

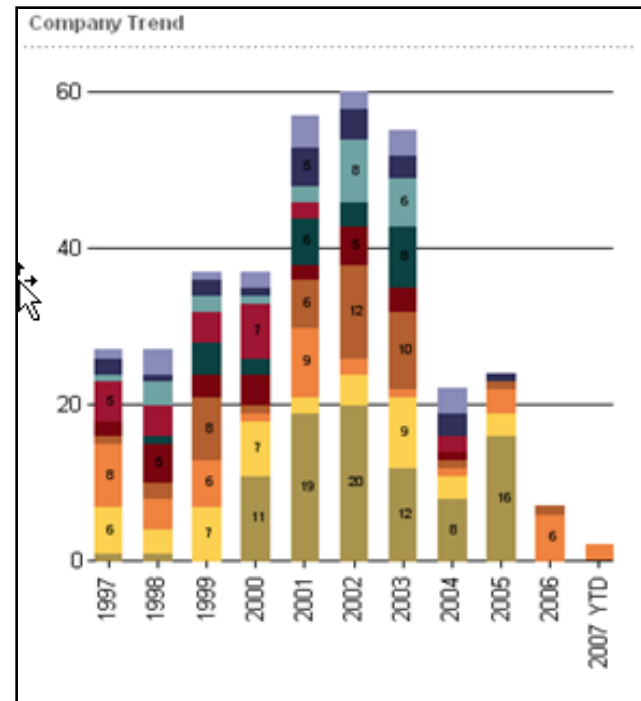
To search for a classification, select a taxonomy from the pull-down, enter a code or classification name in the search field, select a classification from the dropdown and click the "Go" button. To browse all classifications, click the View All Classifications link.

[View All Classifications for Selected Taxonomy](#)

# Competitive Intelligence

## Robotics-Which companies prolific?

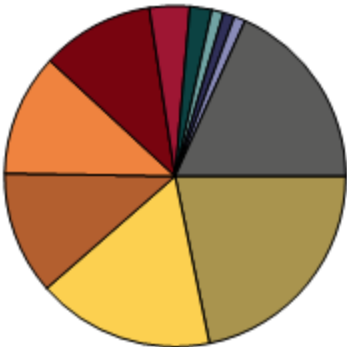
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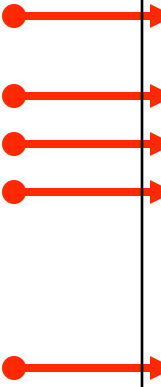
# Medtronic 10-Year Trend

Patent Classification Distribution

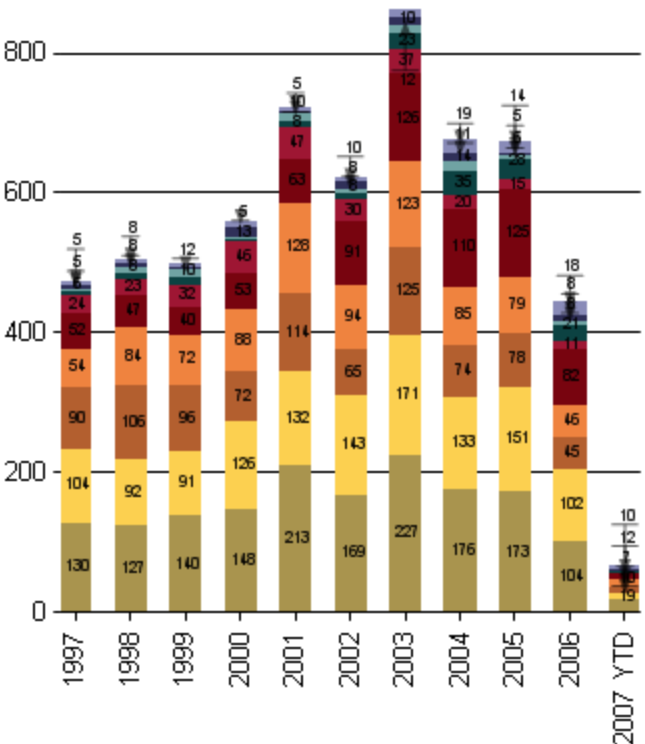


Patent Classification

| Patent Classification  | Events | %      |
|--|--------|--------|
| <a href="#">607: SURGERY: LIGHT, THERMAL, AND ELECTRICAL APPLICATION</a>                   | 1626   | 21.8 % |
| <a href="#">606: SURGERY</a>   | 1255   | 16.8 % |
| <a href="#">604: SURGERY</a>   | 872    | 11.7 % |
| <a href="#">600: SURGERY</a>   | 865    | 11.6 % |
| <a href="#">623: PROSTHESIS (I.E., ARTIFICIAL BODY MEMBERS), PARTS THEREOF, OR AIDS...</a> | 799    | 10.7 % |
| <a href="#">128: SURGERY</a>   | 285    | 3.8 %  |



Patent Classification Trend

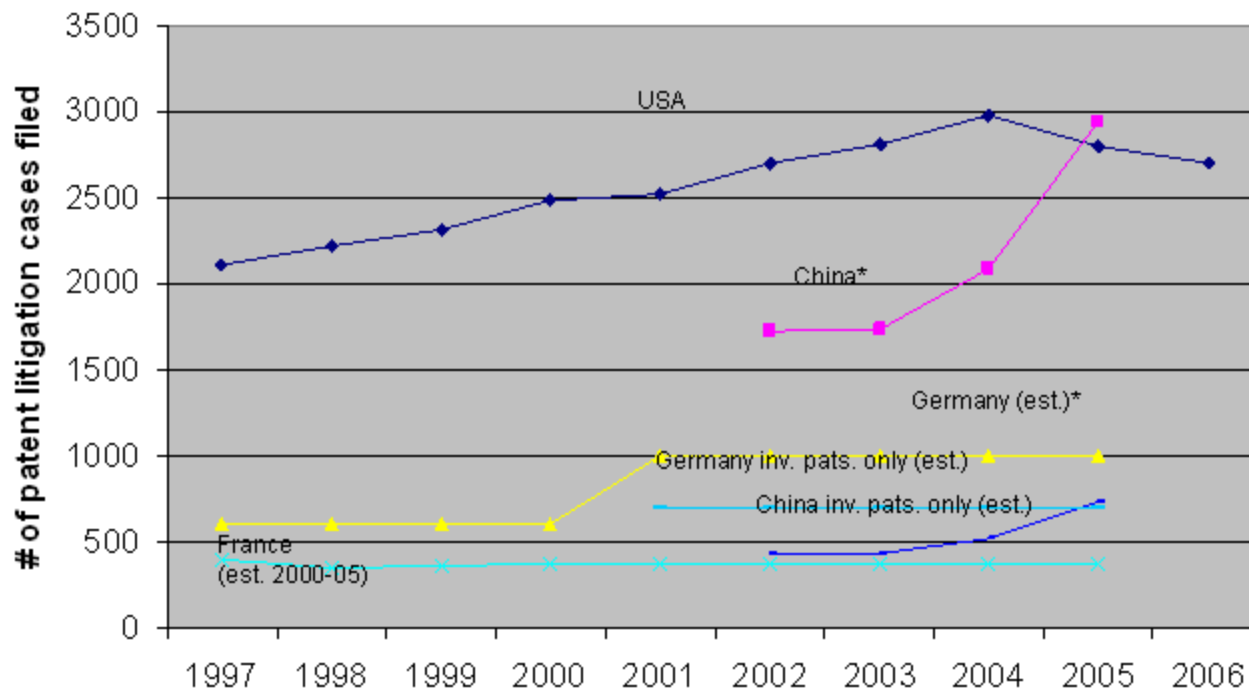


Report Criteria

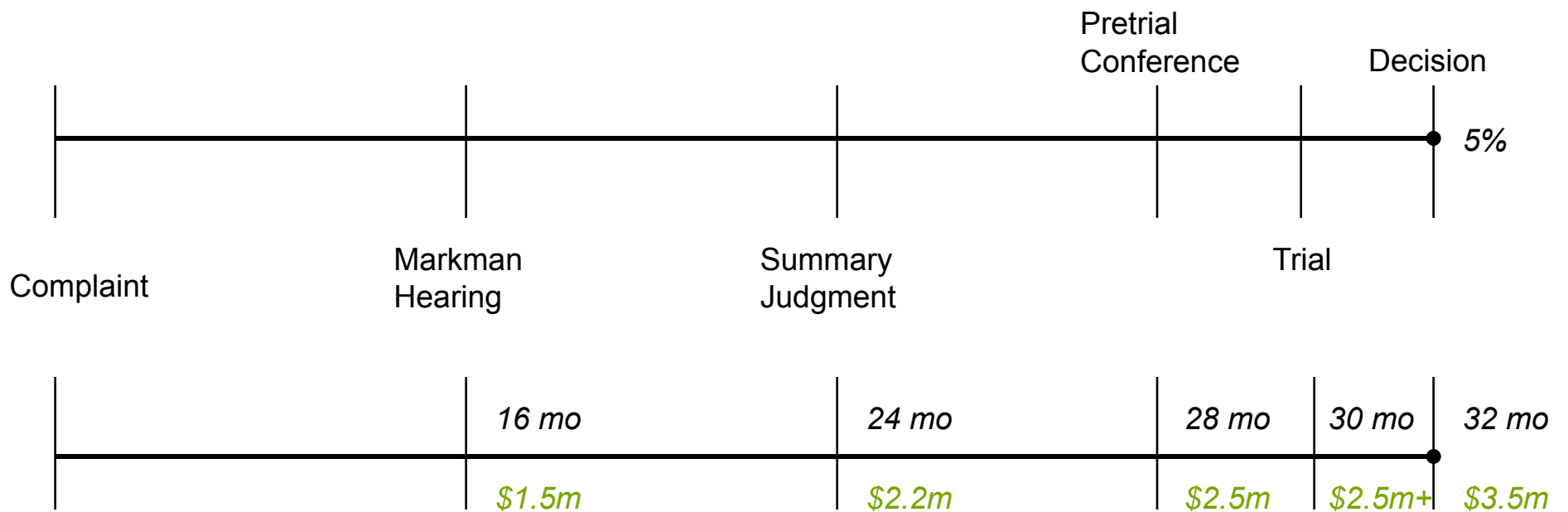
# Post Issuance Activities

- Enforcement
- Raise Revenue
  - Licensing
  - Securitization
  - Sell portfolio

# Post Issuance Activities-Enforcement Litigation Trends - Patents



# Costs of Patent Litigation Skyrocketing



*Costs of Patent Litigation ~25% More Than Other Litigation*

# Intellectual Property Business Models

|  |   |
|--|---|
| <b>Licensing-focused entities</b><br>(e.g. Thinkfire, IPvalue)       | - Help companies commercialize intellectual property                                    |
| <b>Auctions</b><br>(e.g. Ocean Tomo)                                 | - Organize multiple auctions per year<br>- Sellers include individuals, large companies |
| <b>Portfolio assertion companies</b><br>(e.g. Acacia, Mosaid)        | - Assert individual portfolios  |
| <b>Investment companies</b><br>(e.g. Rembrandt IP, Altitude Capital) | - Private investment companies<br>- Finance later-stage development or litigation       |

Source: *Intellectual Ventures, LLC*

# Post Issuance Activities

- Review patent portfolio
  - Acquire Related Technologies
  - Determine whether to maintain or abandon patent position
- Continue competitive intelligence

# Effective Patent Portfolio Management

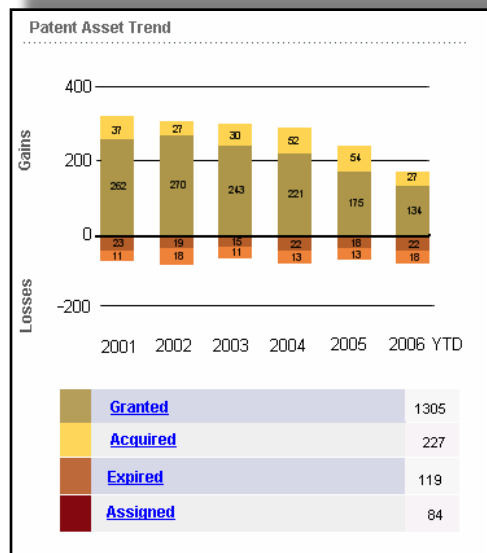
- Keep track of your company's patent portfolio
- Competitive Intelligence
- Communicate!
  - R & D
  - Business Development Teams

## Tools

- Publically and commercially available scientific (<http://www.ncbi.nlm.nih.gov/sites/entrez/>), business (<http://www.sec.gov/cgi-bin/srch-edgar>) and/or patent databases ([www.uspto.gov](http://www.uspto.gov))
- Patent docketing systems
- Cost estimating systems
- Competitor assessment services

# West IP Monitor (<http://www.westmonitor.info>)

- Provides analysis of important patent and trademark activities, applying exclusive content from Thomson, including Derwent.
- Analyzes entire IP lifecycle, accessing 30 million patent / mark records from 41-patent issuing authorities.
- Provides push-of-a-button insights to very difficult to gather intelligence, such as patents -in-litigation by class, company, etc.



## Example Uses:

- Portfolio review
- Supporting filing strategies
- Supporting licensing activities
- Analyzing risks to litigation
- Supporting FTO analyses

# Westlaw Patent Practitioner

The screenshot displays the Westlaw Patent Practitioner interface. At the top, the Westlaw logo is on the left, and navigation links for FIND&PRINT, KEYCITE, DIRECTORY, KEY NUMBERS, COURT DOCS, and SITE MAP are in the center. On the right, there are links for HELP, SIGN OFF, Preferences, Alert Center, and Research Trail. Below the navigation bar, a tabbed menu shows 'Patent Practitioner' as the active tab, with other tabs for Business & News, 50 State Surveys, Trademark, UK IP, and International IP. The main content area is divided into three columns. The left column contains 'Shortcuts' with sections for 'Andrews Litigation Reporters' (including a 'Current Awareness' dropdown and 'Go' button), 'KeyCite this Patent' (with a search box and 'Go' button), 'Find by citation' (with a search box and 'Go' button), 'Search for a database' (with a search box and 'Go' button), and 'Case Evaluator' (with a 'Create Report' link). The middle column is titled 'Resources' and includes 'West eLearning Center' (with a link to 'Free Westlaw lessons'), 'Prior Art' (with links to 'U.S. Patents & Assignments', 'U.S. Patents - Pre 1976', 'Patent Cooperation Treaty Patents', 'World Patent Families (Derwent)', 'Industry Background / News', 'Order Patent File History', 'Link to Delphion Patent Research', and 'Search More Prior Art'), and 'Prosecution Practice Guides' (with links to 'Patent Practitioner Analytical Library', 'Practitioner's Manual of Patent Examining Procedure', 'Moy's Walker on Patents', 'Patents Handbook Series (PLI)', 'Patent Applications Handbook', 'Patent Law Fundamentals', 'Patents Throughout the World', 'Biotechnology and the Law', and 'Search More Practice Guides'). The right column is titled 'Court Records & Litigation Tracking' and includes 'Dockets - Patents' (with links to 'Patent Docket Summaries', 'Patent Trial Filings', 'Patent Briefs', 'Expert Witness Filings', and 'Civil Jury Instructions Filings'), 'Jury Verdicts' (with a link to 'All Jury Verdicts'), 'Litigation Practice Guides' (with links to 'American Law Reports - Patents', 'Patent Damages Law & Practice', 'Intellectual Property Litigation Guide', 'Patents and the Federal Circuit (Harmon) (BNA)', 'Patent Litigation', 'Protecting IP Rights Across Borders', and 'Search More Practice Guides'), and 'Cases, Statutes & Regulations' (with links to 'Fed. IP - Decisions' and 'Annotated Patent Digest (Matthews)').

# QUESTIONS

- For Further Information Contact
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  - Mark Medice, Business of Law, Thomson-Reuters 412-203-2155; mark.medice@thomson.com