

The valuation tool IPscore

Supporting innovation management and patenting

PATENTSIGHT GmbH

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Outline

- Using patents in innovation strategy
- The role of portfolio management
- Ipscore

Patents

- Patents **delay imitation** from 15 to 30 months, on average (twice in Biotech)
- Upon imitation, turnover drops by 15%, on average (50% in Biotech)

Source: Ernst/Conley/Omland (2006)

	Internal use (%)	Licensing (%)	Cross-licensing (%)	Licensing and use (%)	Blocking competitors (unused) (%)	Sleeping patents (unused) (%)
Electrical Engineering	49.2	3.9	6.1	3.6	18.3	18.9
Instruments	47.5	9.1	4.9	4.3	14.4	19.8
Chemicals and Pharm	37.9	6.5	2.6	2.5	28.2	22.3
Process Engineering	54.6	7.4	2.0	4.9	15.4	15.7
Mechanical Engineering	56.5	5.8	1.8	4.2	17.4	14.3
Total	50.5	6.4	3.0	4.0	18.7	17.4

Distribution by technological class. Number of observations = 7711.

Source: Giuri et. al. (2007): Inventors and invention processes in Europe: Results from the PatVal-EU survey, Research Policy, No. 36, pp. 1107–1127.

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The innovation process: Uncertain!



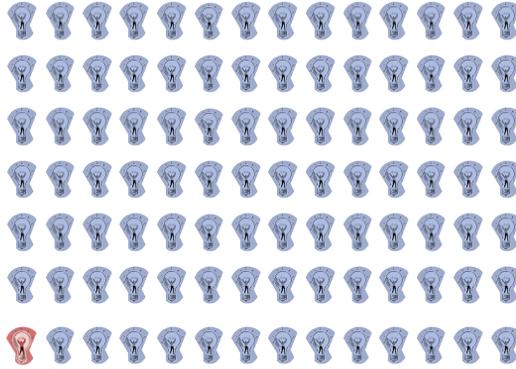
100 elaborate ideas

Source: Commes/Lienert (1983); Berth (1993)

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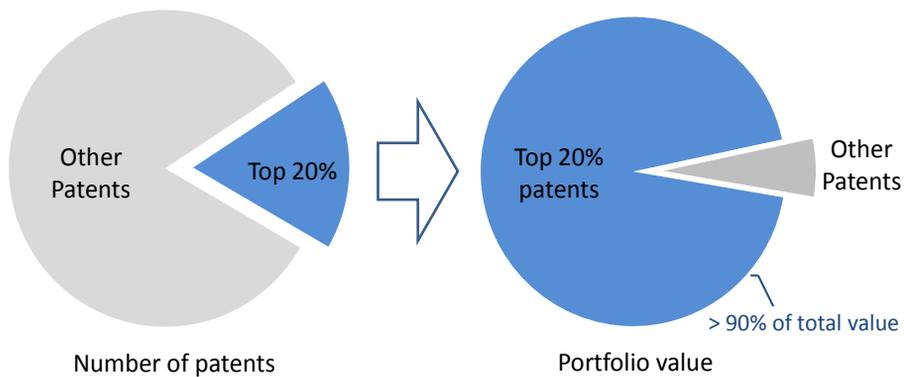
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Most ideas are NOT profitable



1 economic success

Most patents are thus not worth much



Data source: PatVal-EU survey of >7000 European patents. See for example Giuri et al. (2007): Inventors and invention processes in Europe: Results from the PatVal-EU survey, Research Policy, No. 36, pp. 1107-1127.

Portfolio Management is Key for Innovation and Patent Management

- Concentrate scarce resources on **most promising** projects / patents
- Improve the value of projects / patents by **appropriate** management action

Which projects or patents are worth most?

What impacts the value of these specific projects or patents most?

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Outline of IPscore

IPscore is a software from the EPO that is meant as:

- An evaluation tool for the management of innovation and patents
- A guide for locating potential gains and opportunities for saving costs
- Supporting a company-wide dialogue about patents and strategy

IPscore can be used to evaluate...

- individual patents
- patented technologies (1...x patents)
- R&D projects, even if no patent exists yet
- ideas

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Outline of IPscore (2)

IPscore consists of...

- 40 assessment factors
- predefined scales that guide the responses
- analysis of one patent or of whole portfolio
- documentation of all valuations (database)

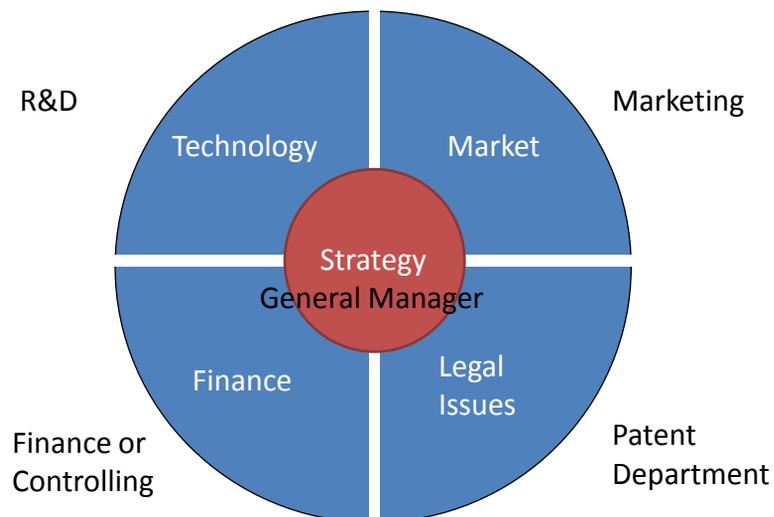
IPscore is used to evaluate patents in a **systematic, comprehensive and time-saving** way.

The evaluation is performed by the user!
IPscore is "only" the tool.

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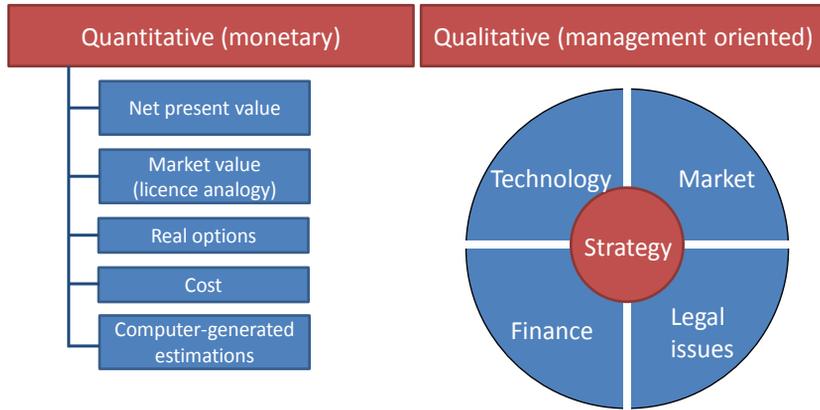
Patent valuation with IPscore



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Overview of valuation methods

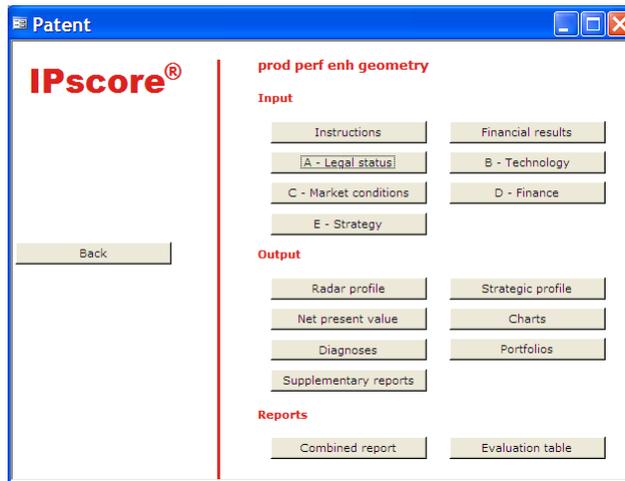


„The patent is worth € 50.000“

„The patent protects a technology of strategic importance for an attractive market, it can be enforced efficiently, but significant investment is still needed “

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How IPscore looks like



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The valuation is implemented like this

Help

A - Legal status
prod perf enh geometry

No. **Factor**

A1  What is the status of the patent?



Notes that will be saved with this patent

Answer

Score

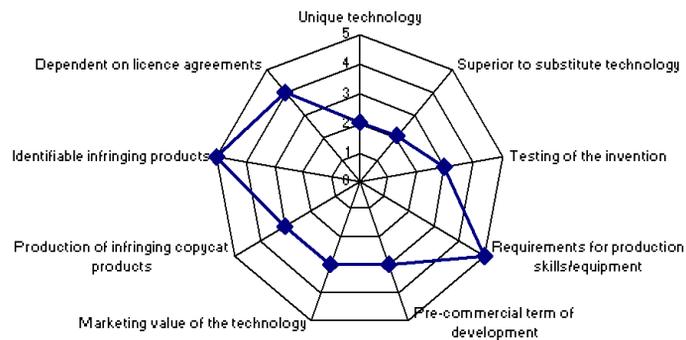
- 1 Patent not yet applied for
- 2 Patent application filed
- 3 Novelty search and patentability evaluation completed
- 4 Patent granted
- 5 Opposition period expired

Choices for the answer (can be adapted)

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Results: technological profile

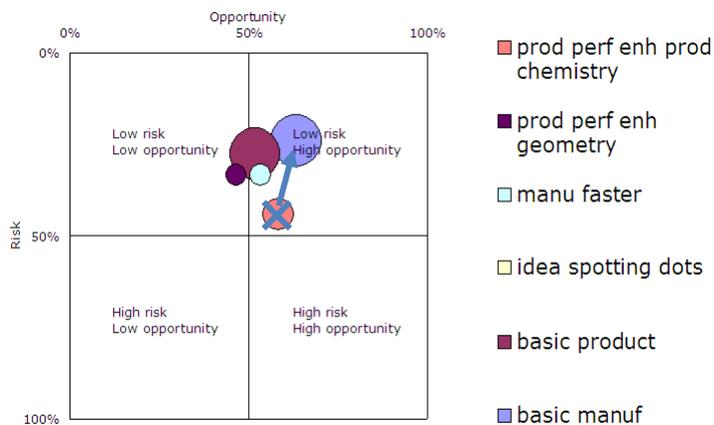


The technology profile gives an overview of the characteristics of the technology that co-determine its value. It presents the technology in a way that can be understood by everybody.

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Results: opportunity/risk portfolio

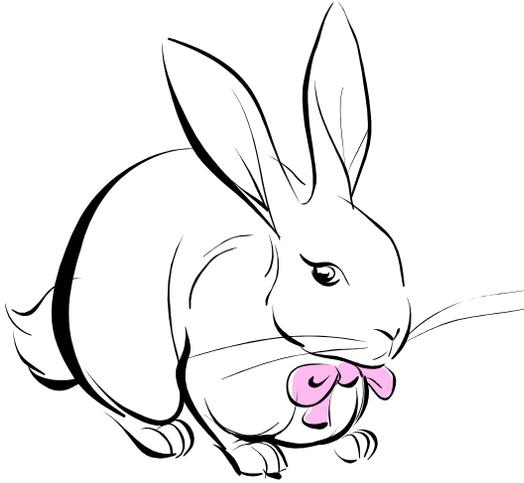


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Thank you very much for your attention!

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What is it worth?



- To you
- To your daughter
- To an animal freedom activist
- To a butcher
- To its mate

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