

# Patent Portfolio Development

**Earn more. Pay less.**

When executives, engineers and inventors look at their patent display walls, they see achievement. They might, however, also be looking at gold and not even know it. Some patents can generate significant revenue but remain untapped simply because nobody has bothered to evaluate them.

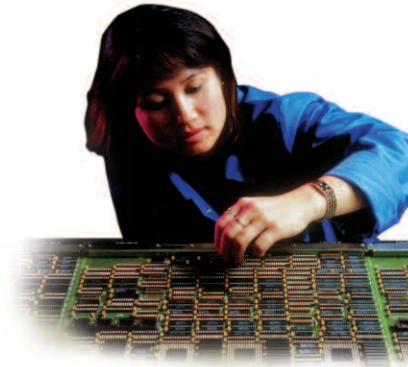
Industry analysts estimate that the licensing market will grow from \$150B to \$500B by 2015 and the key for any company to capture their share of this new revenue requires a comprehensive licensing plan, with both offensive and defensive strategies. Companies must be able to identify their patent assets and know each one's strengths and weaknesses in order to maximize ROI. According to Dr. Bernie Meyerson, an IBM Fellow: "In the 1960s, a dollar of semiconductor R&D spending would generate \$40 in revenue. Now it returns just \$6." This fact alone means companies must look for new ways to generate more revenue from their inventions – namely their patent portfolios.

## Opportunity Awaits

Chipworks has intimate knowledge of the global electronics industry and helps companies organize and categorize their patent assets based on revenue potential and defensive value, with the goal of building new revenue streams and limiting royalty payouts. Since technology patent licensing is a relatively new business reality, and because it is so complex and global in nature, many companies have revenue-generating assets right under their noses – yet don't even know it. These are "proud patents" and Chipworks, as technology and patent interpretation experts, helps companies identify the winners and develop strategies to initiate assertive claims and defend against counterclaims.

## Identifying Proud Patents

Protecting patent assets takes time, money and resources, so it's only logical to invest in those with the greatest licensing potential. Licensing executives worldwide agree that between one and three percent of an organization's patent portfolio is used to generate revenue. Quality over quantity is key, and Chipworks' unique Patent Portfolio Development service is designed to filter out those patents that offer minimal potential, freeing up resources to focus on the "Proud Patents" which have the greatest potential to generate revenue.



**CHIPWORKS**  
has  
technical expertise  
combined with  
patent and market  
knowledge



## The Solution

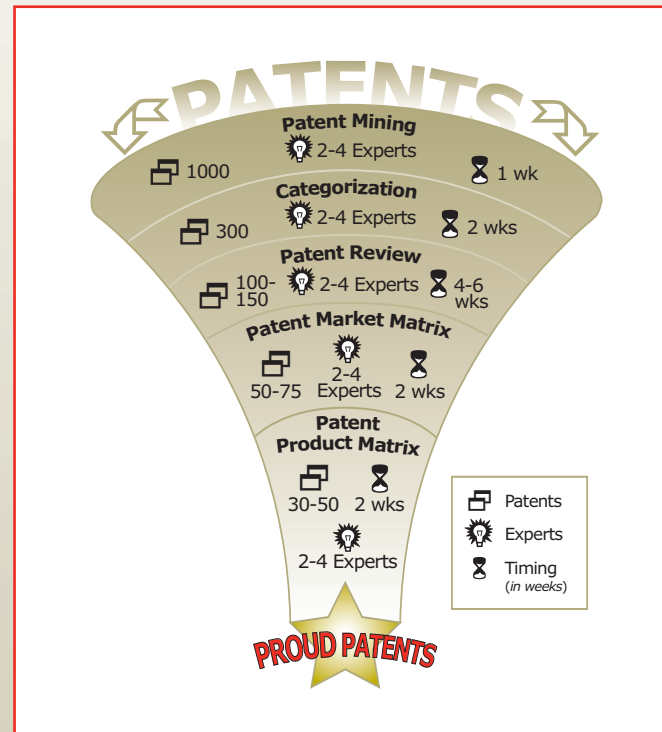
Chipworks' Patent **Portfolio Development** service is a critical step in a strategic licensing strategy. In contrast to an unfocussed hit-and-miss approach, it helps companies make sense of their patent assets and identifies the specific products, companies and industries which have the greatest licensing potential. Once completed, companies have a comprehensive and streamlined patent portfolio from which they can plan both offensive and defensive licensing strategies.

## The Payback

Chipworks has extensive knowledge of the global electronics/semiconductor marketplace, a thorough understanding of patents and sophisticated reverse engineering capabilities. It is this unique combination that enables Chipworks to deliver multi-million dollar licensing opportunities for clients throughout the world – including the top semiconductor and electronics companies.

## Chipworks' Portfolio Development Process

1. **Patent Mining:** A high-level inventory of all patent assets to identify known gems and to put aside those with little or no value.
2. **Patent Categorization:** Groups the short-listed assets into *Yes*, *No* and *Maybe* categories for further review based on type of technology, usefulness and likeliness of use in other companies' products.
3. **Patent Review:** A summary of each "Yes Patent", along with a rating based on current and potential market use, cost and complexity of analysis, prior art implications and technical strengths and limitations.
4. **Patent Market Matrix:** Indicates which specific markets and companies are lucrative targets for licensing revenue. The matrix organizes patents by technology area and lists the products, product families and companies – along with sales volumes – to identify targets with the greatest revenue potential.
5. **Patent Product Matrix:** Also categorized by technology area, this matrix provides in-depth details about the patent's technology and functionality and identifies specific products which should be analyzed for possible infringement.



The following table is representative of results we have garnered for our clients.

Company	Patents Mined	Patents Categorized	Patents Reviewed	Patents Recommended	Claim Charts Produced
A	1,500	510	200	45	54
B	2,400	832	475	72	22
C	1,250	500	80	38	30

### About Chipworks:

Chipworks reverse engineers and analyzes semiconductor and microelectronic systems for two distinct and complementary groups. Patent Intelligence customers are law firms and Intellectual Property groups who need Chipworks' support to defend or enhance their licensing positions. Technical Intelligence customers are engineering and product development groups who use Chipworks experience and expertise to help them understand competitive technology, benchmark their innovations and speed their time-to-market.

