



INSIDE TECHNOLOGY

Setting up the "Perfect High Technology Intellectual Property Team" For Long Term Global Success

May 7 2008 3:45-5:00 P:M
6-J High Technology



Panelist Introduction

- Mr. Chuck Donohue, Chief Intellectual Property Officer, Pachira IP Inc.
- Dr. Frank Kahlmann, IP Management, Infineon Technologies AG
- Mr. Hironori Seki, Deputy General Manager, IP Division, Renesas Technology Corp.
- Mr. Mike Thumm, Vice President, Patent Intelligence, Chipworks Inc. (Moderator)



Agenda

- Introduction
 - The glass wall: how IP teams are structured today
 - Common issues and challenges

- Panel Discussion
 - Achieving the ideal IP team structure
 - Challenges and solutions
 - Measuring performance

- Summary

- Question and Answer



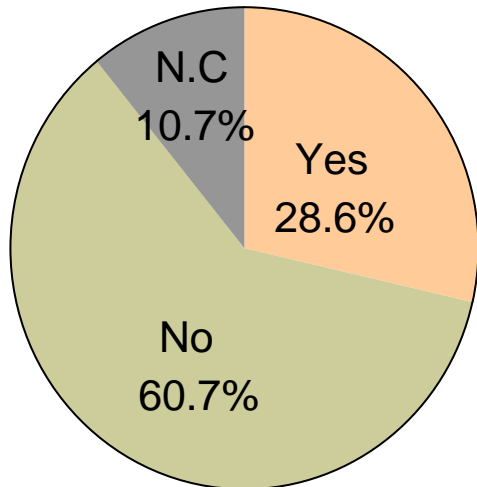
Introduction



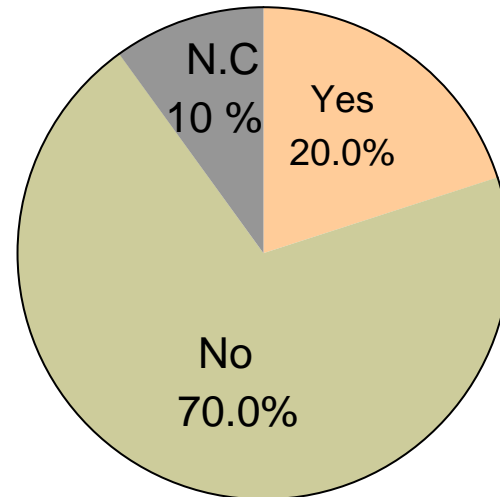
Sixty percent or more of individuals in either group feel a lack of communication.

Do you feel your group communicates well with the other group?

PROSECUTION GROUP
(for Licensing Group)



LICENSING GROUP
(for Prosecution Group)



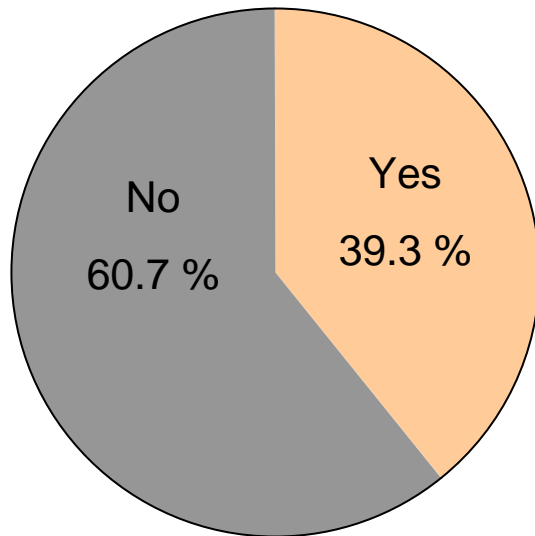
Source: Renesas, 2008



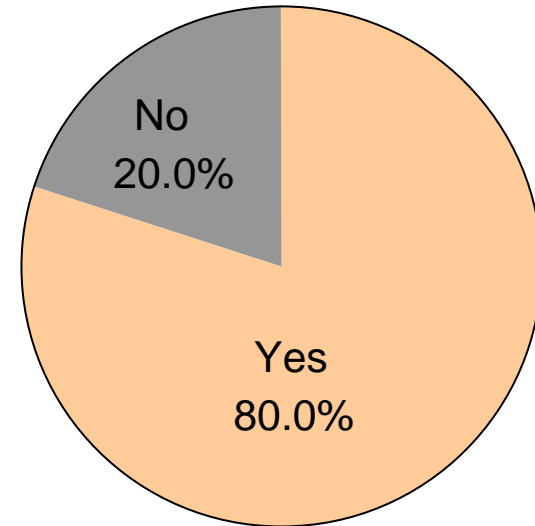
Prosecution Group seem less interested in the work of Licensing Group.

Are you interested in the other group's work?

PROSECUTION GROUP
(for Licensing Group)



LICENSING GROUP
(for Prosecution Group)



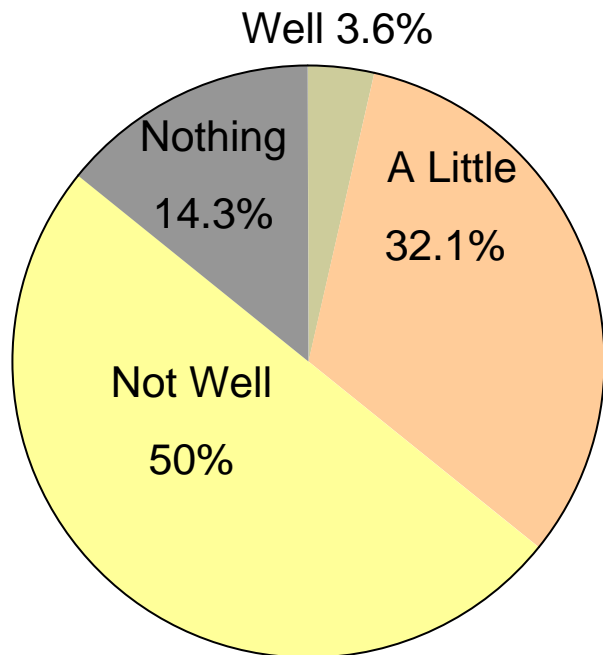
Source: Renesas, 2008



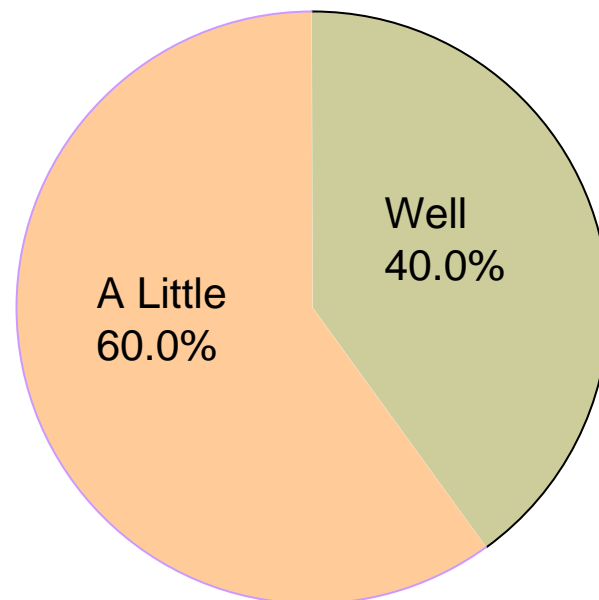
Half of the individuals in the Prosecution Group feel they are not well informed of the Licensing Group's work.

To what extent are you informed of the other group's work?

PROSECUTION GROUP
(for Licensing Group)



LICENSING GROUP
(for Prosecution Group)



Source: Renesas, 2008



Panel Discussion



What is the ideal IP team organizational structure?

(Chuck Donohoe)

- Prosecution and licensing teams should be controlled by/report to the same person (e.g., Chief Intellectual Property Officer, CIPO)
- The CIPO or equivalent should report to the CEO
- The litigation team should be a part of the licensing team or both should be controlled by the same person



What can help bridge the gap between the two groups? (Hironori Seki)

- Regular information exchange – common goals, sharing of licensing projects, business information, market information, etc.
- Job rotation between the two groups – to know each other's problems and to provide feedback on enforcement and prosecution requirements
- Strategic patent portfolio building/cross-functional patent "brush-up" activities
- Cross-functional teams (e.g., prosecution group representation on each licensing project)

Alignment of Incentives



What are the challenges in establishing the ideal IP team?

(Frank Kahlmann)

- Achieving a balance between technical and legal expertise
- Ensuring close interaction between the IP team and business units
- Creating a feedback process between the two groups



What kind of skill set would help solve these challenges? (Frank Kahlmann)

- Communication skills
- Technical and legal expertise
- Business sense
- Passion
- Negotiation toughness



How do you ensure the IP team and its strategy are linked to the overall business strategy?

(Chuck Donohoe)

- Head of the IP team reports directly to the CEO
 - Assists in establishing business strategy
 - Push down through the IP team
- Regular information exchange/alignment with business unit heads
- Mechanism to implement IP strategies that are linked to business strategies (e.g., objectives, incentives, etc)



What are “best” versus “common” practices for measuring IP team performance?

(Hironori Seki)

- Common practice:
 - Royalty – income or balance (income/payment + cost)
 - Size - patent portfolio, issued patents, filed patents
 - Retaining good litigation law firms
- Best practice:
 - Hard to define
 - Own business
 - Business protection/expansion – developing/entering a new market, share/revenue increase
 - Using another business
 - Alliance with others – generate business/royalties or reduce royalty payment
 - Creating business out of patents as assets
 - Explore new revenue possibilities – creating new value using patents



Summary

- An ideal IP team has the prosecution and licensing groups reporting to the same person and has a regular exchange of information.
- The IP team leader reports into the CEO to ensure alignment of IP and business strategies
- IP teams require a balance of technical and legal knowledge
- Individual IP team members should possess strong communication and business skills, coupled with passion and negotiation toughness
- Best practice performance indicators are linked to royalties and degree to which patent portfolio can protect market share



Question and Answer

