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Sagacious IP

Patent Portfolio Management



Sagacious has developed multiple options and approaches to suit various budgets and requirements.

Variant/ Approach	Details (Objective of this approach, when it is most suited, Expected Output)
Approach 1: Portfolio Management/ Acquisition aimed at Selling/ Licensing of any Monetizable Patents	<p><u>Objective:</u> To study patent portfolio (or a subset of portfolio) of the client and identify patents that are infringed in the market (by any company or a set of target companies).</p> <p><u>Expected Output:</u></p> <ul style="list-style-type: none">• A list of all infringed patents from the portfolio• List of potential infringers• At least one Evidence of Use (EoU) chart (claim chart) per infringed patent (more EoUs per patent can be included as needed)• Brief comment may also be included for patents that are discarded as non-infringed to suggest best course of action for them (if any). <p>This approach is <u>low cost</u> and is most suitable in following two situations:</p> <ul style="list-style-type: none">➤ Client wants to sell/ license their patents (or a subset) to any outside company without any restrictions OR➤ Client is acquiring a portfolio and needs to check its worth in blocking target competitors/ companies <p>Slides 4-5 provide more details about this approach, specially, the methodology, approx. effort/ costs involved, samples of output, etc.</p>

Variant/ Approach	Details (Objective of this approach, when it is most suited, Expected Output)
<p>Approach 2: Portfolio Management aimed at Monetization of Monetizable Patents Only in Areas Non-Core to the Client's Business</p>	<p>Objective: To identify patents in client's portfolio that are not core to client's business and that are also infringed in the market.</p> <p>Expected Output:</p> <ul style="list-style-type: none"> • A list of all non-core infringed patents from the portfolio along • List of potential infringers • At least one EoU chart per infringed patent (more EoUs per patent can be included as needed) • Brief comment may also be included for patents that are non-core but discarded as non-infringed to suggest best course of action for them (if any). <p>This approach is also <u>low cost</u> and is most suitable when</p> <ul style="list-style-type: none"> ➤ Client wants to generate an additional source of revenue from patents maintained by them but of no use to their core business ➤ Client wants to identify patents that can be discarded or sold <p>Slides 6-7 provide more details about this approach, specially, the methodology, approx. effort/ costs involved, samples of output, etc.</p>

Variant/ Approach	Details (Objective of this approach, when it is most suited, Expected Output)
<p>Approach 3: Portfolio Management aimed at Monetization of Any Monetizable Patents by Targeting Only Non-Competing Companies</p>	<p>Objective: To identify the applications of <u>core-patents</u>/licensed patents in 1-degree/2-degree separate markets (or non-competing companies)</p> <p>Expected Output:</p> <ul style="list-style-type: none"> • A list of all infringed patents from the portfolio • list of potential infringers (in new markets/non-competing companies) • At least one EoU chart per infringed patent (more EoUs per patent can be included as needed) • Brief comment may also be included for patents that are applicable in new markets but discarded as non-infringed to suggest best course of action for them (if any). <p>This approach requires <u>medium cost</u> and is most suitable when</p> <ul style="list-style-type: none"> ➤ Client wants to make additional revenue from non-competing companies that might be infringing client’s patented inventions ➤ For example, recently IBM sued an e-commerce company Groupon for using Single Sign-on technology. <p>Slides 10-12 provide more details about this approach, specially, the methodology, approx. effort/ costs involved, samples of output, etc.</p>

Variant/ Approach	Details (Objective of this approach, when it is most suited, Expected Output)
<p>Approach 4: Complete Portfolio Management encompassing Categorizing patents based on technology and importance to Client, identifying monetization opportunities and identifying pruning opportunities</p>	<p>Objective: To get a business value of each and every patent through categorization of entire patent portfolio</p> <p>Expected Output:</p> <ul style="list-style-type: none"> • Patents categorized as Fundamental, Future, and Fringe • Fundamental patents are those that <ul style="list-style-type: none"> <input type="checkbox"/> Protect core business/products <input type="checkbox"/> Are infringed by direct competitors • Future patents relate to the technologies that do not have a current wide-spread application but have a high potential to be applicable in future • Fringe patents are the lean and abandoned technology patents, thus can be sold or abandoned. <p>This is the most comprehensive approach with <u>higher cost</u>. This approach gives complete clarity about the portfolio. A competition-ready set of patents can be used to maintain an edge over competitors. Prepare for future technology. Cost optimization and saving through abandoning obsolete technology patents.</p> <p>Slides 13-16 provide more details about this approach, specially, the methodology, approx. effort/ costs involved, samples of output, etc.</p>



Approach 1

**Portfolio Management/ Acquisition aimed at Selling/ Licensing
of any Monetizable Patents**

Methodology & Others Details

Approach 1 – Methodology

Step 1: Extracting and Ranking Client's Patents



- Extracting patents owned by the client
- Ranking the identified patents among themselves based on patent quality indicators to get a priority order
- Patent quality indicators e.g., count of forward citations, pending life, claim length, etc.

Ask for
Sample

Step 2: Technology Based Ranking (T – Ranking)



- Quick TAC (Title, Abstract, Claim) based screening of the patents (as per their ranking order)
- This would promote patents based on the breadth of claims and the ease of infringement identification

Ask for
Sample

Step 3: Detailed Analysis



- Detailed analysis to mark them as High (H), Medium (M) and Low (L) infringement potential
- Identify potentially infringing products for the High and Medium patents
- Shortlist potential products for charting (EoU generation) based on infringement analysis

Ask for
Sample

Step 4: Claim Chart Generation



- Evidence gathering for cases shortlisted
- Detailed charts for the shortlisted cases

Ask for
Sample

Detailed pricing can be provided on request. However, for a general idea – for a portfolio of around 400 patents – doing all the above steps and generating close to 10 EoU would cost around USD 4,000 for Step 1 -3 and additional USD 1,500/ EoU generated at Step 4 (we let client decide if EoU we have made is usable and if they want to pay)



Approach 2

Portfolio Management aimed at Monetization of Monetizable Patents Only in Areas Non-Core to the Client's Business

Methodology & Others Details

Approach 2 – Methodology

Step 1: Extracting and Ranking Client's Patents

2 1 3

- Extracting patents owned by the Client (extraction would be limited to non-core IPC classes)
- Ranking the identified patents among themselves based on patent quality indicators to get a priority order
- Patent quality indicators e.g., count of forward citations, pending life, claim length, etc.

Ask for
Sample

Step 2: Screening for non-core patents and T-Ranking



- Manual screening to identify patents non-core to Client's business.
- Quick TAC (Title, Abstract, Claim) based screening of the non-core patents (as per their ranking order)
- This would promote non-core patents based on the breadth of claims and the ease of infringement identification

Ask for
Sample

Step 3: Detailed Analysis



- Detailed analysis to mark them as High (H), Medium (M) and Low (L) infringement potential
- Identify potentially infringing products for the High and Medium patents
- Shortlist potential products for charting (EoU generation) based on infringement analysis

Ask for
Sample

Step 4: Claim Chart Generation



- Evidence gathering for cases shortlisted
- Detailed charts for the shortlisted cases

Ask for
Sample

Detailed pricing can be provided on request. However, for a general idea – for a portfolio of around 400 patents – doing all the above steps and generating close to 10 EoU would cost around USD 7,000 for Step 1 -3 and additional USD 1,500/ EoU generated at Step 4 (we let client decide if EoU we have made is usable and if they want to pay)



Approach 3

**Portfolio Management aimed at Monetization of Any
Monetizable Patents by Targeting Only Non-Competing
Companies**

Methodology & Others Details

Approach 3 – Methodology (1/2)

Step 1: Identifying 1-degree / 2-degree separate markets



- Identifying markets based on:
 - Inputs from you [Tagged Patents (if any), On-going licensing programs, Encumbrances, Direct Markets and Licensed Patents]
 - Additional IP and market research – e.g., Patent citation analysis, competitor's activity analysis, licensing activities, etc.
- Preliminary evaluation of markets based on market size, patenting environment, licensing and litigation activities in the markets
- Shortlisting markets based on Client's inputs

Ask for
Sample

Step 2: Extracting and Ranking Client's Patents in the Identified Markets

- Extracting patents (using classes and keywords) relevant to newly identified market
- Ranking the identified patents among themselves based on patent quality indicators to get a priority order
- Patent quality indicators e.g., count of forward citations, pending life, claim length, etc.

Ask for
Sample

Step 3: T-Ranking

- Quick TAC (Title, Abstract, Claim) based screening of the patents (as per their ranking order)
- This would help in identifying patents relevant to the identified market
- Also, this would promote patents based on the breadth of claims and the ease of infringement identification

Ask for
Sample

Step 4: Detailed Analysis

- Detailed analysis to mark them as High (H), Medium (M) and Low (L) infringement potential
- Identify potentially infringing products for the High and Medium patents
- Shortlist potential products for charting (EoU generation) based on infringement analysis

Ask for
Sample

Approach 3 – Methodology (2/2)

Step 4: Claim Chart Generation

- Evidence gathering for cases shortlisted
- Detailed charts for the shortlisted cases

Ask for
Sample

Step 5: Assessing Possible Ways of Monetization in New Markets

1. Assessing & Identifying those opportunities where **you have good strength as well as market's licensing potential is also high**. You can directly start with creating new licensing programs
2. Assessing markets where **you have good strength but market's licensing potential is medium to weak**. You would guide whether you wish to pursue in such markets.
3. Assessing & identifying those cases where **you have weak to medium strength but market's licensing potential is high**. Strengthening Client's position by –
 - Acquiring new patents
 - Collaboration opportunities
4. **Technology licensing**: Licensing Client's technology, not just patents. E.g., supporting start-ups in developing new products through Client's technology.
5. Other monetization avenues:
 - Defensive patent pools
 - Technology transfer
 - Spin-offs
 - Joint ventures
 - Patent sales (if not applicable in direct market as well)

Detailed pricing can be provided on request. However, for a general idea – for a portfolio of around 400 patents – doing all the above steps and generating close to 10 EoU would cost around USD 10,000 for Step 1 -3 and additional USD 1,500/ EoU generated at Step 4 (we let client decide if EoU we have made is usable and if they want to pay)



Approach 4

**Complete Portfolio Management encompassing Categorizing patents based on technology and importance to Client, identifying monetization and pruning opportunities
(F3 Analysis)**

Methodology & Others Details

Approach 4 (F3 Analysis) – Overview

The concept of F3 analysis originated with the intention of maximizing value from the complete patent portfolio. With help of F3 analysis, we aim to provide macro level insights, while ensuring to generate value from each and every patent. The patents are divided into three categories:

Fundamental Patents

- ❑ These are the **core, and most important patents** for any business. These have the maximum potential to generate value using multiple strategies, such as licensing out, cross-licensing, litigation, etc. Objective is to identify:
 - **Patents protecting Client's products**
 - **Patents covering competition**

Future Patents

- ❑ These are the patents which are not generating much value currently, but have a **high potential in the future**. To ensure these patents generate optimum value, a check has to be kept on current market, while strategically prosecuting the open applications. Objective is to identify:
 - **Patents covering future technology and having at least one open application**

Fringe Patents

- ❑ These are the secondary/non-core patents, which have the **least potential for value generation**. There are two major techniques to generate maximum possible value out of these patents, pruning, or licensing out. Objective is to identify:
 - **Lean/Obsolete patents**
 - **Monetizable patents (if any, otherwise pruning)**

Approach 4 (F3 Analysis) – Methodology (1/2)

Step 1: Patent Categorization

- ❑ For categorization, Sagacious will tag entire portfolio as per the technologies described by the patents, and the breadth of the claims. The tagging will be done for 5 major parameters:
 - **CORE/ SUPPLEMENTARY** - To identify whether a patent corresponds to one's own product
 - **RELATED FEATURE** - To identify probable product feature the patent might be applicable
 - **TECHNOLOGY TAG** - Multi-level tags to organize the patents into technology buckets
 - **APPLICATION TAG** - Multiple, comma-separated values to identify possible applications/products
 - **OPEN FAMILY MEMBER** - Multiple, comma-separated values to identify possible applications/products
- ❑ Please note that Sagacious provides **Patent Categorization** as a single, different service as well

Step 2: Preliminary Decision – Fundamental, Future or Fringe

- ❑ Based on the input from tagging, the patents will be categorized among the Fundamental, Future or Fringe based on:
 - **PRODUCT PROTECTING/ COMPETITION COVERING?**
 - If yes, the patent will be marked as 'Fundamental' and taken for generation of EoU on self product / competitor's product
 - If no, the patent will be passed to next evaluation.
 - **OPEN FAMILY MEMBER?**
 - If yes, the patent will be marked as 'Future' and taken up for directed prosecution to get a desired claim applicable on future products.
 - If not, the patent will be marked as 'Fringe' and can be abandoned if there is no monetization avenues.

Approach 4 (F3 Analysis) – Methodology (2/2)

Step 3: Detailed Decision Making



- ❑ EoU GENERATION AND DISCUSSION
 - For all EoU generation, Sagacious follows a two step process:
 1. Generate a 2-slider, and discuss with client's in-house patent team.
 2. Based on the discussion, decide whether to generate an EoU or not, and proceed accordingly.
- ❑ For each successfully generated EoU, the patents will be confirmed as 'Fundamental'
- ❑ For the weak 2-slider mappings / EoUs e.g., any claim element is missing in the potential product/service, the decision making process will be followed as:
 - If the target product/service lacks a feature currently and the patent has open application, then the patent will be marked as 'Future'
 - In these cases, Sagacious recommends the directed prosecution of the corresponding open applications to ensure the target product/service gets infringed by the application (when granted).
 - If there is no open applications for the weak EoUs, then the patent should be marked as 'Fringe'. The Fringe patents can be taken up for sales or abandoned

Ask for F3 Analysis Case
Study and Sample

Detailed pricing can be provided on request. However, for a general idea – for a portfolio of around 400 patents – doing all the above steps and generating close to 10 EoU would cost around USD 15,000 (including all discussions on strong and weak EoUs to accurately understand the categorization) and additional USD 1,500/ strong EoUs (and USD 500/ weak EoUs) generated at Step 3 (we let client decide if EoU we have made is usable and if they want to pay)