

# **INTELLECTUAL PROPERTY PORTFOLIO MANAGEMENT**

**Professor Name – Prof. Rajat Agrawal**

**Department Name – Department of Interdisciplinary**

**Institute Name – IIT, Roorkee**

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**Lecture - 14**

Welcome friends. In our earlier sessions, we were discussing about the how to renew your patents, and how to renew your IP portfolio. We also discussed the important aspect of keeping assets resources and different types of resources for your patent requirements. We called it as budgeting process.

We discussed that how India particularly needs to improve more contribution from business enterprises than the government organizations. We discussed that countries like China, Korea, and Japan are spending more than 70% from the business organizations while in India's case it is around 40%. Now, when we have a limited budget available to us and we have to use that very very effectively. We discussed the examples of Apple maintaining a portfolio of 95,000 plus employees. patents.

We discussed the example of Qualcomm maintaining a patent portfolio of two lakh plus patents. Why maintaining a patent portfolio of one lakh twenty thousand plus? So, when you are maintaining such a large patent portfolio, it becomes a very obvious question and your resources are also limited. So, out of those all through patents which you are maintaining globally, you have to pay annual maintenance charges therefore monitoring of your patent portfolio is very important if you do not monitor your portfolio properly there are always chances there is always a scope that you may overrun the cost some of the important patents may not be protected cannot be maintained because resources are already exhausted

in some lower required patents. If you remember in one of the session we discussed a ranking system, a tier system. Now, that ranking tier system is very useful in that I have a limited budget, and within that limited budget, I would like to maintain those patents,

which are tier 1 patents. So, maximum budgets within the budget need to be allocated for more important those are giving me extra competitive advantage and then you can go for lower priority patents also.

So, all these things are important because it is also important that from time to time, the ranking importance of these patents may change; something that is very important today may not have a similar kind of importance after 5 years. So, your ranking will change, but how will you change your ranking? For that purpose regular monitoring is important. Only when you are regularly monitoring your portfolio, you know what is available with you that is also important. When you are going to fight with other companies that some patent infringement has taken place,

How will you know when you have a large portfolio? When I have only four or five patents with me, it is very easy to monitor because I know in detail what type of claims I have in my patent. But when I have one lakh patents and these one lakh patents are not invented by just one scientist, these are invented by thousands of scientists in my organization and now Therefore, I am not aware. I am the head of my company's, let us say, innovation team.

But even then, I may not be in a position exactly to know that what all is claimed in my one lakh patents. So, therefore, we need to find a solution so that we can effectively monitor our IP portfolio and that is what we are going to discuss in this particular session that is monitoring based countermeasures. Now, here we are going to discuss I already explained you the need for patent monitoring when to conduct monitoring we will be discussing some two three cases which are result of this patent monitoring because whenever you are doing monitoring you will do two things. One it will help you in taking the decisions about there are two purpose we are going to discuss in the next slide.

One is particularly to take decisions with respect to renewing your patent and second you can also check whether there is any infringement of your IP or not. These are the two very important things when you are doing the patent monitoring. Then we will see that how some leading businesses Utilize their patent monitoring strategies, and there are some kind of specialist agencies also available because sometimes you are involved in R&D activities so much that you on your own cannot do this monitoring activity.

So, if you have a security agency to monitor your installations, the same way you can hire a specialist who can do a monitoring job for your IP portfolio. So, what is this patent monitoring? It is a service that keeps a set of results of a previous analysis. such as

competitor or technology area analysis up to date that is the first type of work with this patent monitoring service does monitoring based countermeasures for patent portfolio management it involves actively tracking and responding to various factors so here comes the role of if somebody is infringing your IP portfolio so you need to track that what all is happening like sometime you may track only your limited competitors and sometime you do a much wider tracking like in the case of Samsung and Apple.

So, Apple is more interested in tracking what is happening at the Samsung end and Samsung is more interested in tracking the Apple because they are two competitors on the loggerheads most of the time. So, patent that may be affect our patent portfolios strength relevance and value. So, with your active tracking you are always ready you are always able to maintain the strength relevance and value of your IP portfolio. And for this purpose a search is automated to be repeated at time intervals agreed in the patent databases using the criteria defined in connection with the earlier analysis.

we need to do some kind of automated searches. Automated searches mean you have to apply some kind of AI algorithm that will help you in doing this repeat searches on a regular interval. Today I have a patent portfolio of 95000 after some time my portfolio will become one lakh patents then again my competitor will do a search on my database to see what new patents you are getting and whether your new patents are similar to my patent and then I will go to court to object to your patents or sometimes pre-grant opposition, sometimes post-grant opposition.

So, both these things are only possible when I am sure about my patent and I keep searching, I keep monitoring your patent database also. Now why it is important? So obviously you can understand that what is happening in the IP space. That is the basic issue that is the reason we do patent monitoring. that what my competitors are doing, what my suppliers are doing therefore, continuously monitoring the patent or IP database or IP portfolios are very very important.

Modify the invention in case of infringement. If you understand it is both way possible that you are doing some invention in your organization and it is quite possible that your own invention may be coming in the category of infringement of the IP of some other organization. You have started on your own, but it quite possible, quite possible that your R&D, your product development is similar to some other product which is already protected by your competitor. So, you may have the opportunity to modify your product so that you can avoid possible infringement or litigation after that.

Then understand how the invention differs from prior art. So, after doing this you are able to understand that how my product is not infringing the available prior arts. you are also able to oppose an infringing invention by your competitors. So, not only it helps you for improving your innovations so that you are not going into the infringement case and at the same time you can also oppose others if you are regularly monitoring what is happening in the IP space. So, the basic thing is you have to continuously

do the check that what is happening in the IP space and once you are regularly updated that what is happening in the IP space then only either you will modify yourself or you will propose a infringement case to the others. Now, another important thing is when to conduct patent monitoring. One more important thing with respect to the need for patent monitoring that One important reason for patent monitoring is renewal. That regularly new technologies are coming and in light of new technologies, in light of what is happening in IP space, you can take a decision whether it should be renewed or not renewed.

So, that is one important other than these things reason for doing the patent monitoring or IP monitoring should I renew or should I not renew this particular technology. This monitoring will also help me in global filing because if I know that there is no market for this particular product, let us say, in one of the Latin American countries. But now I am seeing that some patents are being come in a similar technological escape from some of the Latin American countries. It means that I should also go there to protect my IP in those countries. So, this is only possible when I regularly monitor what is happening in the IP space.

Apart from all these needs for patent monitoring I also want to add that renewal decisions are also based only on patent monitoring and your global filing decisions can also be based on your patent monitoring analysis. Then the question comes when to conduct patent monitoring? What is the right time to do patent monitoring activity? Patent monitoring is essential after a patent grant to guarantee that no new invention or application infringes on your invention that is one important thing that once your patent is granted.

So, after that, you need to regularly monitor that there is no infringement of your IP and that no new invention or application infringes your invention. So, this is to keep that avoid possible you can say copying possible threats that they copy your product that is the one important reason. So, one is after the grant to keep yourself safe and patent

monitoring is also vital useful important during the patent prosecution process as it can provide critical data on prior arts.

Now, if somebody has infringed your IP and the one who has infringed the IP for that person also patent monitoring can help us can help him because it can provide some critical data on prior arts. The person who is infringing he can do a claim that I am not infringing your IP because your IP is also not very perfect IP because of some prior art related activities. And here may come the question of why the patent was granted to them. So, that is also possible that the person who is holding the patent, his patent may also come under a question mark.

So, since it also informs whether or not your information infringes on the rights of others, it can also enable an inventor to modify the invention to ensure its novelty and uniqueness. So, the point is that if your patent, you can see from your side and from the other side also. So, for both points, patent monitoring helps in securing a secured position. There are a few interesting cases which we would like to discuss here.

And this case is Roche v. Cipla, where this company Roche has developed a very important drug for treating cancer that is known as Erlotinib And now it actually unleashed the Cipla, that Cipla has developed a generic version of this patented medicine. And this became a very important issue between these two companies. And the matter went to Delhi High Court. The Delhi High Court was to inquire whether Cipla's generic medicine is actually a violation of this patented product or not.

Finally, after hearing both the parties, the Delhi High Court gave its decision in favour of Roche. And it said that Cipla's generic version actually influenced this patented product of Roche and the court emphasized the significance of upholding the patent rights particularly in the pharmaceutical sectors and expressed the need to protect against the unauthorized production and sale of generic versions of patented drugs. So, it means how The issue is that how Roche came to know about Ciplas, this particular thing. This is an example of patent monitoring that unless until you are vigilant, you are seeing that what is happening in the market, you will not be able to protect your interest.

Another very popular case that is discussed in various B-schools is the case of Bajaj Auto and TVS Motors. Now, these are two very big giants in India for the automobile sector, particularly the two-wheeler sector, and this case is very old and started in 2007. But, again it gives us interesting lesson about monitoring of your IP portfolio. Now, this Bajaj Auto Limited which is a very very popular name in our country, they made a case

against TVS motor and the allegation was about unauthorized use of one of the technologies of Bajaj DTSI that is digital twin spark ignition.

Now, because of this DTSI the motorbike engine used to get extra power and it was introduced by Bajaj in 2003. During this case, TVS argued that Bajaj got the patent wrongly and that it was already a known technology in Japan. So, Bajaj should not have any right on this. And therefore, they were saying that we have not infringed any IP of Bajaj. But after this, a lot of deliberations happened in the court.

Particularly, the matter was discussed in Madras High Court. And the decision came in favor of Bajaj, where they said that TVS has infringed the IP of Bajaj, particularly for DTSI technology. The decision of the court was not in favor of TVS, so TVS went to the Supreme Court also. The Supreme Court also actually upheld the decision of Madras High Court. And finally, they ordered the company, which means this TVS, to pay Bajaj a royalty for every motorcycle.

Flame was the name of that motorcycle which TVS has sold and stopped using the DTS technology in its engine. So, all these types of problems may come if you are not able to monitor your IP portfolio correctly. Another very popular case, which is again part of a lot of media headlines, is the case between the popular company Apple Inc. and the popular company Samsung. Now, here Apple's, as we already know, Apple has a huge portfolio of IP and

Now, it is not only about patents, but Apple also has a huge portfolio of various designs. We all know how iPhones are uniquely identified because of their specific design features. So, patent is a separate portfolio, but in their larger IP portfolio, many industrial designs are also protected. Now, one of the important design features is the slide to unlock. There is slide to unlock feature, it was available in Apple phone and the square icon used GUI designs.

So, both these are actually protected under US Design Act. In 2010, Samsung also released one of its very popular mobile phones, the Galaxy X. And in this, Apple said, at least Samsung, that they have infringed their various utility patents and the industrial design protections. And they were involved in various other lawsuits also in different countries about similar kind of IP infringements. The decision of United State Court also came in favour of Apple and they find that Samsung actually infringed both utility patents and industrial designs of Apple and then Apple got

some 5.3 million US dollars for infringing the utility patents and 533 million US dollars for infringing the design related infringements. So, you see that all these cases are only possible when you have a strong monetary system of your IP portfolio. If you do not have monetary mechanism, then how will you go to the court and you will not be able to file any cases. Now, leading businesses, we discussed these three examples.

All these examples are from large business conglomerates. So, they are actually using a patent monitoring agency and this patent monitoring agency helps them in giving the information and accordingly that these are the possible infringements of your patents. So, accordingly, they are able to understand where to file which type of cases and in this case, competitive intelligence is very important. client retention, threat detection, and identification and exploitation of commercial opportunities.

All these things are the important agenda of your patent monitoring strategy, which actually your dedicated agency, they do it. Now, if I say specific strategies for utilizing patent monitoring system for your organization, one is patent to minimize the risk. Large companies actually take benefit of patent monitoring to anticipate rival moves in new technologies and jurisdictions, determine probable infringements and then enforce rights to or negotiate. This may also entail conducting due diligence before investing in a portfolio.

there are many organizations that are doing this type of activities that they are continuously monitoring tracking that how my competitor is moving from one market to another market. And in that whether there can be any IP infringement and if there is a possible IP infringement in that market because I am not protected in that market. So, either I will go in that market and protect my IP so that I can minimize the risk of IP infringement or I will negotiate with that competitor okay you are going in that market I do not have IP but how we can collaborate so to minimize my risk so that is one way of patent monitoring strategy then commercializing and licensing strategies many R&D institutions many educational institutions they apply this type of strategy that for businesses to get a return on their investment they need R&D and products to have commercial viability perfect they must identify new competitors such as startups a few measures in that direction include quick product approval patent invalidity search market potential analysis and additionally companies can work

with other parties to collaborate in a win-win situation and build patent pools. So, the word patent pool sometime may be objectionable also because when you are developing

a patent pool you remain so focused in creating your bigger and bigger portfolio rather than considering the market application of those patents. It is not the time, but you should always remember the case of Kodak. Whenever we are talking of patent pool, immediately the name of Kodak comes to our mind that how this company was so obsessed with patent pool and finally, we all know that the company has become bankrupt. because of their obsession of patent pools.

So, up to a point, it is okay where your primary focus is commercialization strategy, but there are chances that you may become de-focused also. The third is R&D. Now, organizations in R&D need to make wise decisions to ensure profitability. Collaborations with universities, research institutions should aim for not only commercial impact but societal impact also that how you are going to help the society.

So, with R&D efforts my objective is to keep a focus on benefit of the society. Then IP and business strategy building. Now, here that through my IP I am building my business and it is essential to continue to build on IP and through business strategies. Patent monitoring can help active R&D facility acquire useful information from observed patents to create your own portfolio.

For a startup, obtaining funding from technology incubators And investors may be necessary, and then you have to decide which IP to keep, which IP not to keep to get rid of those IP assets, those technologies, those IP things which are not economically viable and may not be very useful in the long-term goals of your organization. And then finally, patent maintenance and paralegal support. So, as we already discussed that you need to be very careful of maintaining your patents and therefore, keeping an eye monitoring the patent database, IP database, IP portfolio from this point of view that whether to maintain or not to maintain a particular patent or IP for my business interest that is another important strategy for patent monitoring. Now, as I said in the beginning

Because this becomes a very specialist job. You are R&D activity. You are into patent development. You handle the lab equipments. So, doing all these things which are more related to legal or economical aspects of your organization.

You can take the help of some kind of patent monitoring organization, and there are various organizations and companies that are actively working in the field of patent monitoring. They may save your time and money. keeping a competitive advantage over your rivals. They may help to formulate new ideas, they may sometimes help you in getting new opportunities also, and they sometimes may help in getting an additional set

of revenue from your IP portfolio. Like in one of the class, we discussed how Hawaii has got

a new stream of revenue because of its large IP portfolio. So, this patent monitoring agency because they are doing a complete analysis that what is happening in IP space and they also know that what is happening in the business space. So, they may help you in getting a new stream of revenue. So, we can add one more point new stream of revenue is also possible from the help of these patent monitoring companies.

So, finally, we discussed in this particular video that monitoring is very very important for variety of reasons that who is infringing your IP, should you maintain this IP. What is the scope of IP in multiple countries? How you are going to use your IP with respect to different monitoring strategies? Where to use collaboration? Where to use licensing?

Where to use a different type of strategy? Where to use minimizing the risk strategy? All these things are important agenda in deciding your role with respect to your monitoring activities. And finally, since it becomes a very specialist activity, you need to take help of a company, agency who is specialized in monitoring activities and that will be more effective, efficient and responsive also.

So, with this we come to the end of this particular video. Thank you very much.