



Live Webinar:

**Building a Strategic
Patent Portfolio**

31 May | 12:00 IDT | 11:00 CET

Today's Speakers



Rina Arad

Managing Director, Arad Ophir



Didier Patry

Chief Executive Officer,
France Brevets



Anne Le Turnier

Business Development Manager,
LexisNexis®

Housekeeping

- This webinar is being recorded, you will receive the link access it, in a follow-up mail.
- If you have questions during the presentation, please send us via the *Question Tab* they will be answered by the end.



PatentSight Webinar

Israel



IP Management & Economics
Strategic Management of IP Assets

May 31st, 2021

www.francebrevets.com

Didier Patry



CEO, France Brevets



<https://www.linkedin.com/in/didierpatry/>
didier.patry@francebrevets.com
Mobile: 06 81 00 44 05 (WhatsApp)

Experience



Chief IP Counsel EATON EMEA
Director Legal Affairs EATON Aerospace EMEA
Dublin, Ireland



Chief Counsel Strategic IP Transactions
HP HQ
Palo Alto, CA



Chief Patent Counsel SWATCH Group
Managing Director ICB (Swatch IP Consulting)
Switzerland



Senior IP Attorney
Houston, TX, London, UK

Teaching Assignments



Master in Management
Executive MBA (EMBA)



SciencesPo.

MASTER IN FINANCE AND STRATEGY

Bocconi

LLM in Law of Internet Technology

Topics in Economics

- *Strategic Management of IP Assets*
- *Build-up of a Strategic Vision*
- *Alignment of IP Assets with Business Objectives*



Today's Agenda

1. **France Brevets :** Purpose and Mission
2. **IP and Economics :** Collisions and Threats
3. **Patents' Strategy :** Quantity vs. Quality
4. **Business Cases :** 5G, Swatch, Ranger Rover, Smart Car, Nespresso

MISSION

BOOST INNOVATION IN EUROPE



Liberté • Égalité • Fraternité

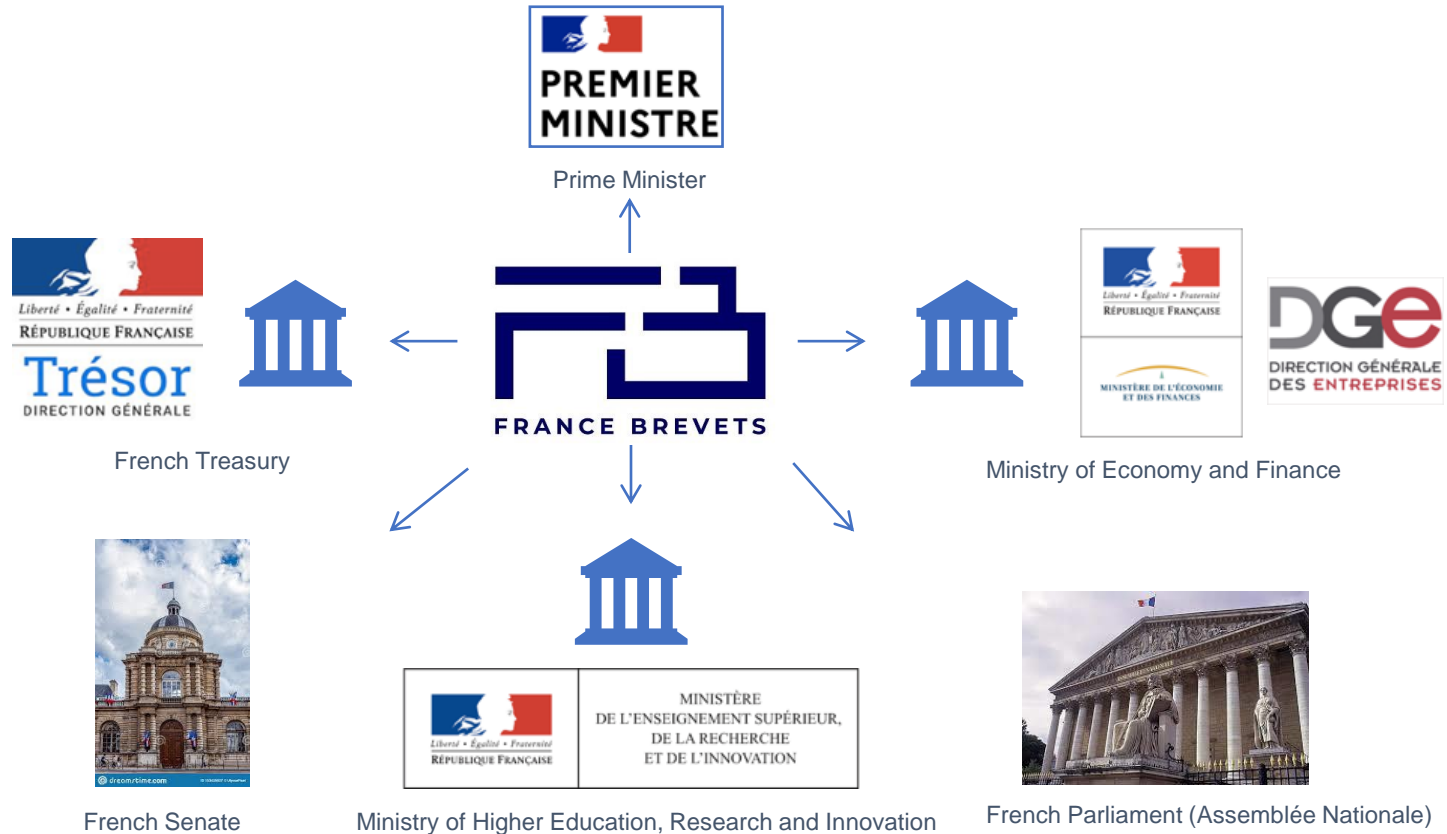
RÉPUBLIQUE FRANÇAISE



The French Government and France's Public Investment Bank (CDC) are equal shareholders in France Brevets

Expertise

Strategic Orientations - IP National Plan



Geopolitics in IP and Tech

Business and International Diplomacy (at Vivatech)





Business Booster

Construction



LA FABRIQUE À BREVETS

Defence

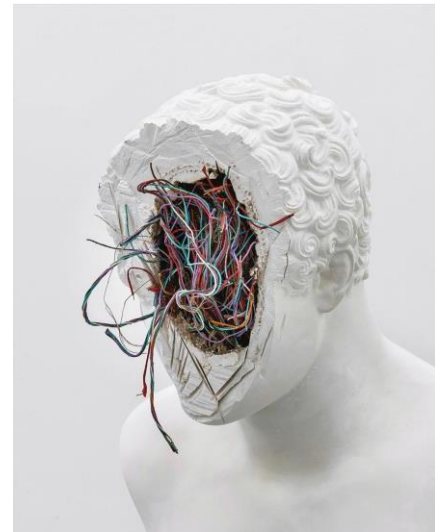


ALLIANCES STRATÉGIQUES

Expertise



IP FOR BUSINESS



The Patent Factory:

The Patent Booster for Start-Ups

energysquare

THE NEW GENERATION OF WIRELESS CHARGERS



As a tech startup, it is critical for us to have strong IP in order to license our technology to bigger companies: we need to protect our innovation and to protect the partners who are embedding our technology. As IP protection is so expensive, particularly for an early stage startup, we need funding mechanisms to build a strong IP portfolio very early in our development. Having worked with France Brevets on similar funding mechanisms, we welcome InvestEU spreading the benefits of this model to other European countries.

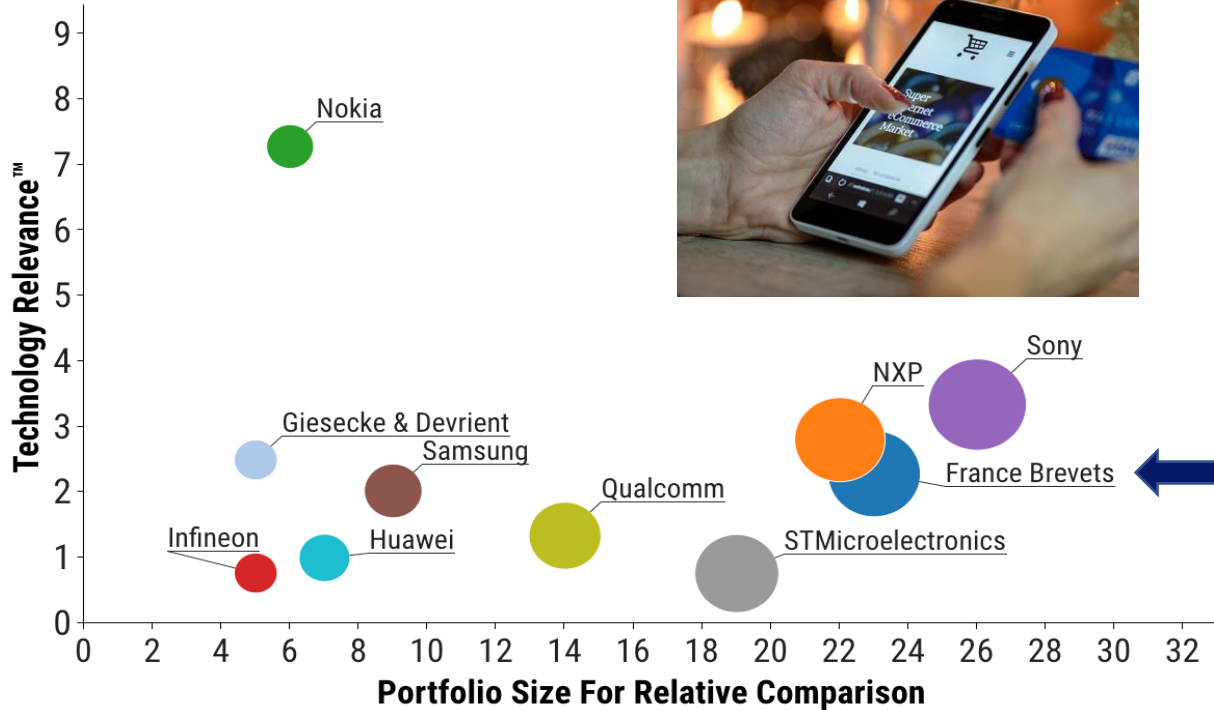
Timothée Le Quesne
CEO, EnergySquare



ENERGYSQUARE



Open Innovation: NFC Licensing



- Bubble size: number of patent rights
- Based on **FB core patents**



IP Strategic Options

Principles

Level 1

1

Offensive

Protection against copy of valuable data, creations and innovations

Objectives:

- Get market exclusivity
- Remove competitors
- Fight tech robbery
- Control unfaithful partners and ambitious resellers
- Control volatile suppliers

2

Defensive

Protection of business and profit margin against aggressors

Objectives:

- Fight back aggressive competitors
- Negotiate with offensive licensors
- Rebut hostile take overs
- Defend against abusive players

3

Cash

IP-based revenue generation, ability to generate cash or benefits in €

Objectives:

- Profit margin optimization
- Revenue growth
- Tax optimization
- Financing transformation and new products
- Launch plan B/Pivot

Standard Level

IP Strategic Options

Principles

Level 2

4

Power Play

Leverage in business relations

Objectives:

- Improve power position to impose or maintain business model (Proprietary / Open Source)
- Generate web of contractual connections
- Create *unnneeded* legal ties and obligations
- Maximise control over business partners

5

Company Value

Company value Attractiveness

Objectives:

- Attract capital / funding
- Succeed IPO
- Make IP value visible
- Improve image / Communication on tech
- Secure employees retention

6

Ecosystem

Entry into ecosystems

Objectives:

- Get Awards/rankings
- Enter R&D and business Consortia
- Enter peace agreements or ecosystems (Open Invention Network, RPX, LOT)
- Obtain regulatory approval (AMM) or standardize technology

Expert Level

IP Strategic Options



Range Rover Evoque



Range Rover Evoque ?

No : LandWind X7 !!

Question :

What should have been the IP Strategy of Range Rover ?

- A. *Offensive: protection against re-use (SO 1)* ●
- B. *Company Value: Attractive (SO 5)*

IP Strategic Options

swatch® 

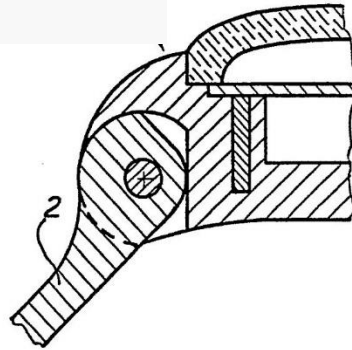
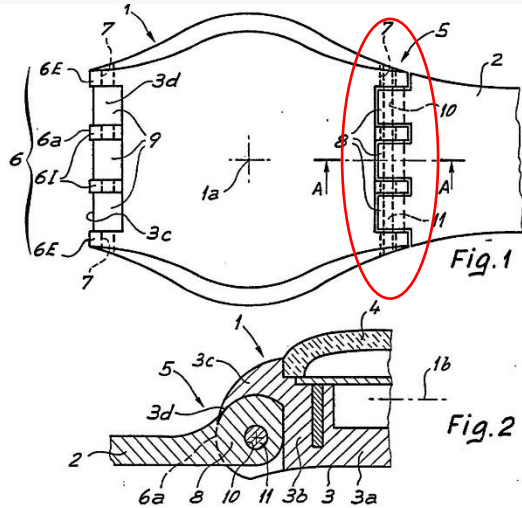


Fig. 3

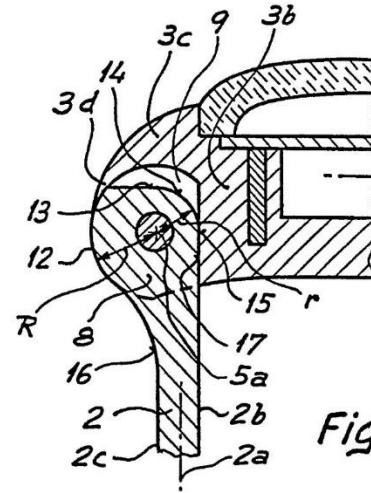


Fig. 4



Question :

What was the IP Strategy of Swatch ?

- A. *Offensive: Protection against re-use (SO 1)* ●
- B. *Cash: Revenue generation (SO 3)*

IP Strategic Options

Apple Wins \$120 Million in 'Slide-to-Unlock' Patent Infringement Case Against Samsung



Apple has recently won a patent infringement case against Samsung in the US but as per Samsung, the patented features were "obvious" and thus did not need to be patented.

- NEWS18.COM
- LAST UPDATED: NOVEMBER 07, 2017, 11:53 IST
- EDITED BY: SARTHAK DOGRA
- FOLLOW US ON: [f Facebook](#) [t Twitter](#) [@ Instagram](#)
[Telegram](#) [Google News](#)

Question :

What was Apple's IP Strategy against Samsung ?

- A. *Offensive: Protection against re-use (SO 1)*
- B. *Power Play: Leverage in business relations (SO 4)* ●

(12) **United States Patent**
Chaudhri et al.

(10) **Patent No.:** US 8,046,721 B2
(45) **Date of Patent:** *Oct. 25, 2011

(54) **UNLOCKING A DEVICE BY PERFORMING GESTURES ON AN UNLOCK IMAGE**

(56) **References Cited**

(75) Inventors: **Imran Chaudhri**, San Francisco, CA (US); **Bas Ording**, San Francisco, CA (US); **Freddy Allen Anzures**, San Francisco, CA (US); **Marcel Van Os**, San Francisco, CA (US); **Stephen O. Lemay**, San Francisco, CA (US); **Scott Forstall**, Mountain View, CA (US); **Greg Christie**, San Jose, CA (US)

U.S. PATENT DOCUMENTS				
5,465,084	A	11/1995	Cottrell	340/825.31
5,559,961	A	9/1996	Blonder	395/188.01
5,677,710	A	10/1997	Thompson-Rehrlich	345/173
5,821,933	A	10/1998	Keller et al.	345/348
5,907,327	A	5/1999	Ogura et al.	345/339
6,151,208	A	11/2000	Bartlett	361/683
6,160,555	A	12/2000	Kang et al.	345/358
6,192,478	B1	2/2001	Elledge	713/202
6,249,606	B1	6/2001	Kiraly et al.	382/195

(Continued)

(73) Assignee: **Apple Inc.**, Cupertino, CA (US)

FOREIGN PATENT DOCUMENTS
EP 1 284 450 A2 2/2003

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.

(Continued)

This patent is subject to a terminal disclaimer.

OTHER PUBLICATIONS

IBM, "Access/Control Icons (Icon Keys)," IBM Technical Disclosure Bulletin, Vo. 38, No. 4, Apr. 1995.

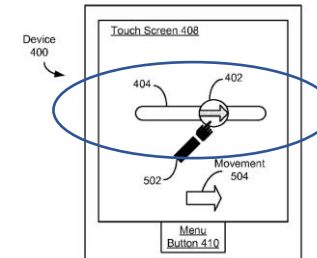
(Continued)

(21) Appl. No.: **12/477,075**

Primary Examiner — Boris Pesin
Assistant Examiner — Andres E Gutierrez

(22) Filed: **Jun. 2, 2009**

(74) *Attorney, Agent, or Firm* — Morgan, Lewis & Bockius



IP Strategic Options

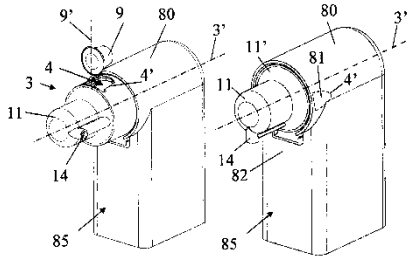


Fig. 1a

Fig. 1b

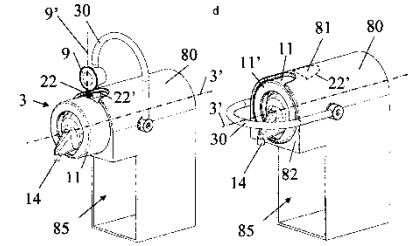


Fig. 2a

Fig. 2b

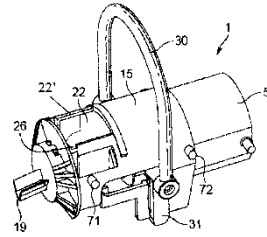


Fig. 8

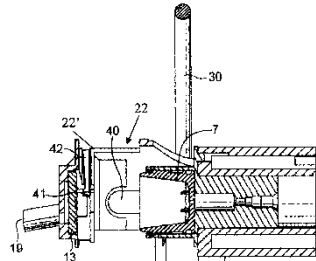


Fig. 9

U.S. Patent Jan. 23, 1979 4,136,202

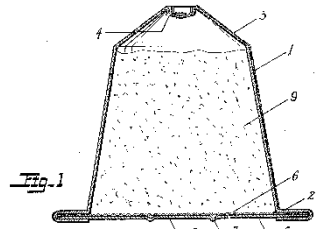


Fig. 1

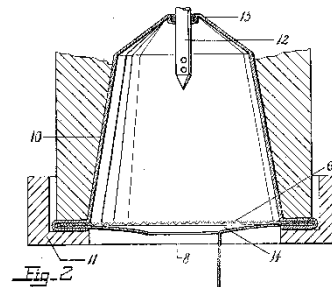


Fig. 2



Question :

What was the IP Strategy of Nespresso ?

- A. *Offensive: Protection against re-use (SO 1)* ●
- B. *Power Play: Leverage in business relations (SO 4)* ●

IP Strategic Options

swatch® 



Mercedes-Benz



Question :

What was the IP Strategy of Swatch ?

- A. *Cash: Revenue generation (SO 3)*
- B. *Leverage: Leverage in business relations (SO 4)* ●

Strategic Considerations: *Step Back, Pause and Rethink*



1. What's your primary business objectives ?
2. Growth, Revenue, P&L and/or your Profit Margin !
3. IP should Protect (*not your products but*) the Growth, the Revenue, the P&L and the Profit Margin of your Company
4. Your job: mitigate and reduce risks ! What really matters !
5. Do you have the *right* IP Strategy and the *right* IP Assets ?
6. Do you have enough impactful patents to support your IP strategy ?
7. How and where will you find those valuable assets ?

IP & Economics:

High Pressure on Companies' Profit Margin

Patents: A Real Threat - An Economic Weapon: *Severe Collisions On The Horizon !!!*



Banksy : "CND Soldiers" 2005, Message for Peace, State Britain exhibition, at the Tate Britain, London, 2007

'Enough is enough:' IBM sues Airbnb over ecommerce patents

WRAL Tech Wire, 12/03/2020

Data Scope Ltd files a patent lawsuit against Deezer SA in the Southern District of Florida

Groupon finally settles IBM patent suit with a \$57M payment

Tech Crunch, 1/10/2018

Netflix Accused of Infringing on Broadcom's Video Streaming Patents

Variety, 14/03/2020

France Brevets SAS

Distribution, communication, publication, copy and use strictly limited and submitted to express written approval

IP & Economics:

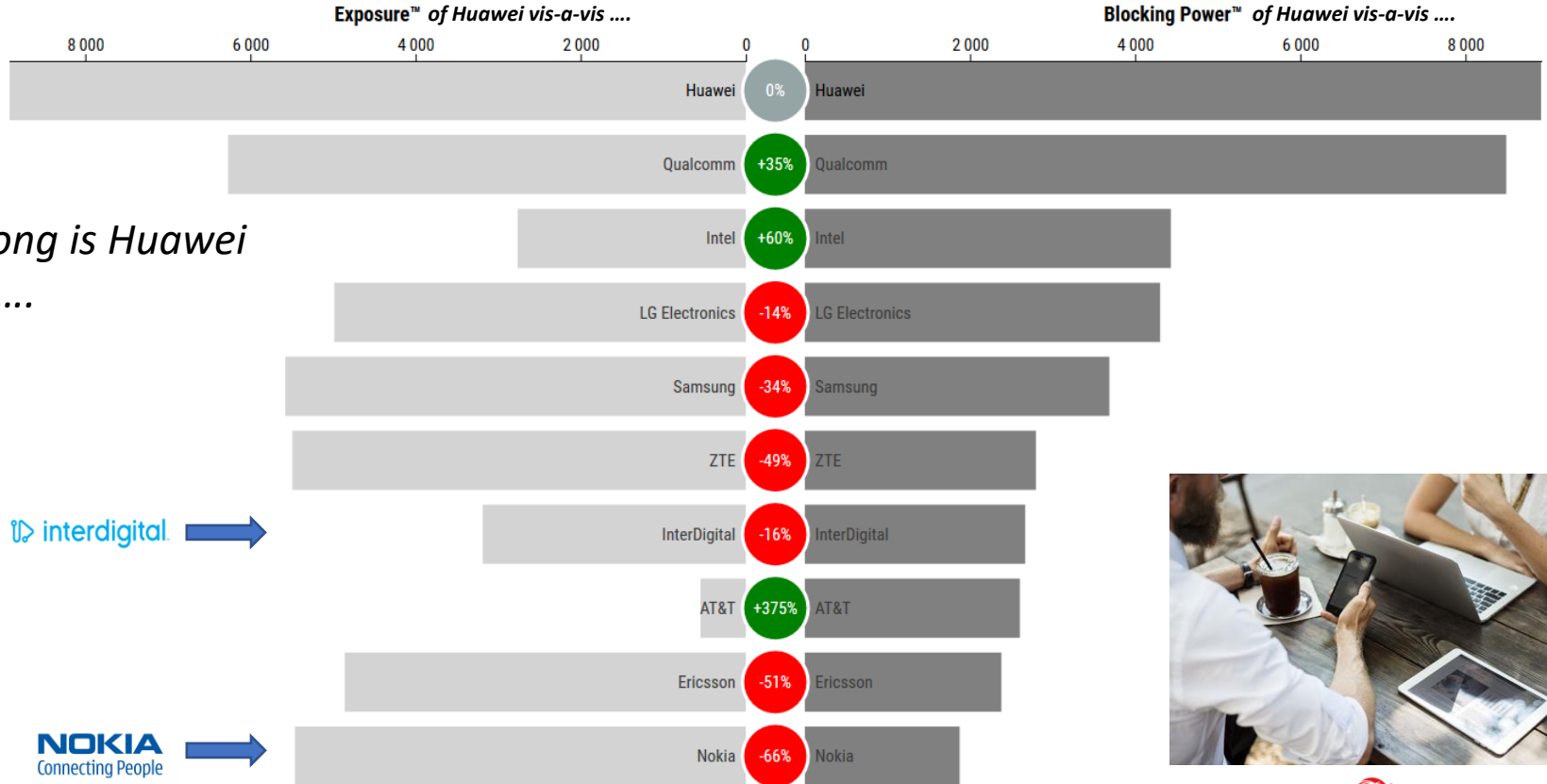
High Pressure on Companies' Profit Margin

Balance of Power



How strong is Huawei against

Owner



interdigital →

NOKIA Connecting People →



IP & Economics:

High Pressure on Companies' Profit Margin

Forbes

What The Huawei Patent Licensing Deal Means For Nokia



Trefis Team Contributor
Great Speculations Contributor Group ©

- f [Nokia announced that it has signed a multi-year smartphone patent licensing agreement with Huawei, in a move that would give the company royalty agreements with all the major global smartphone vendors.](#)
- t [Although Nokia did not break down the financial terms of the deal, it said that revenues from the agreement would begin to be recognized from as early as Q4 2017. Below, we take a look at what the deal could mean for the two companies.](#)
- in

Research firm Inderes estimates that the licensing agreement with Huawei could stand at somewhere over 100 million euros (\$118 million) annually.

In comparison, Nokia's licensing agreement with Apple is estimated to stand at about 250 million euros (\$296 million).

IP & Economics:

High Pressure on Companies' Profit Margin



InterDigital Signs License Agreement With Huawei



April 28, 2020 08:00 ET | Source: InterDigital, Inc.

WILMINGTON, Del., April 28, 2020 (GLOBE NEWSWIRE) – InterDigital, Inc. (NASDAQ:**IDCC**), a mobile and video technology research and development company, today announced that, together with its patent holding subsidiaries, it has signed a multi-year, worldwide, non-exclusive, royalty bearing patent license agreement with Huawei Investment & Holding Co., Ltd. ("Huawei"), one of the world's leaders in the information and communications technology industry.

The agreement covers certain of Huawei's products and certain of InterDigital's essential patents. InterDigital and Huawei have also agreed to dismiss all pending litigation between the companies.

"This agreement, reached amid challenging circumstances given the current economic downturn, highlights the strength of our business and the value of InterDigital's contributions to multiple generations of wireless and video standards," said William J. Merritt, President and CEO. "The agreement also underscores the fairness and flexibility of our licensing approach, including our rate and portfolio transparency, which set an industry standard."

IP & Economics:

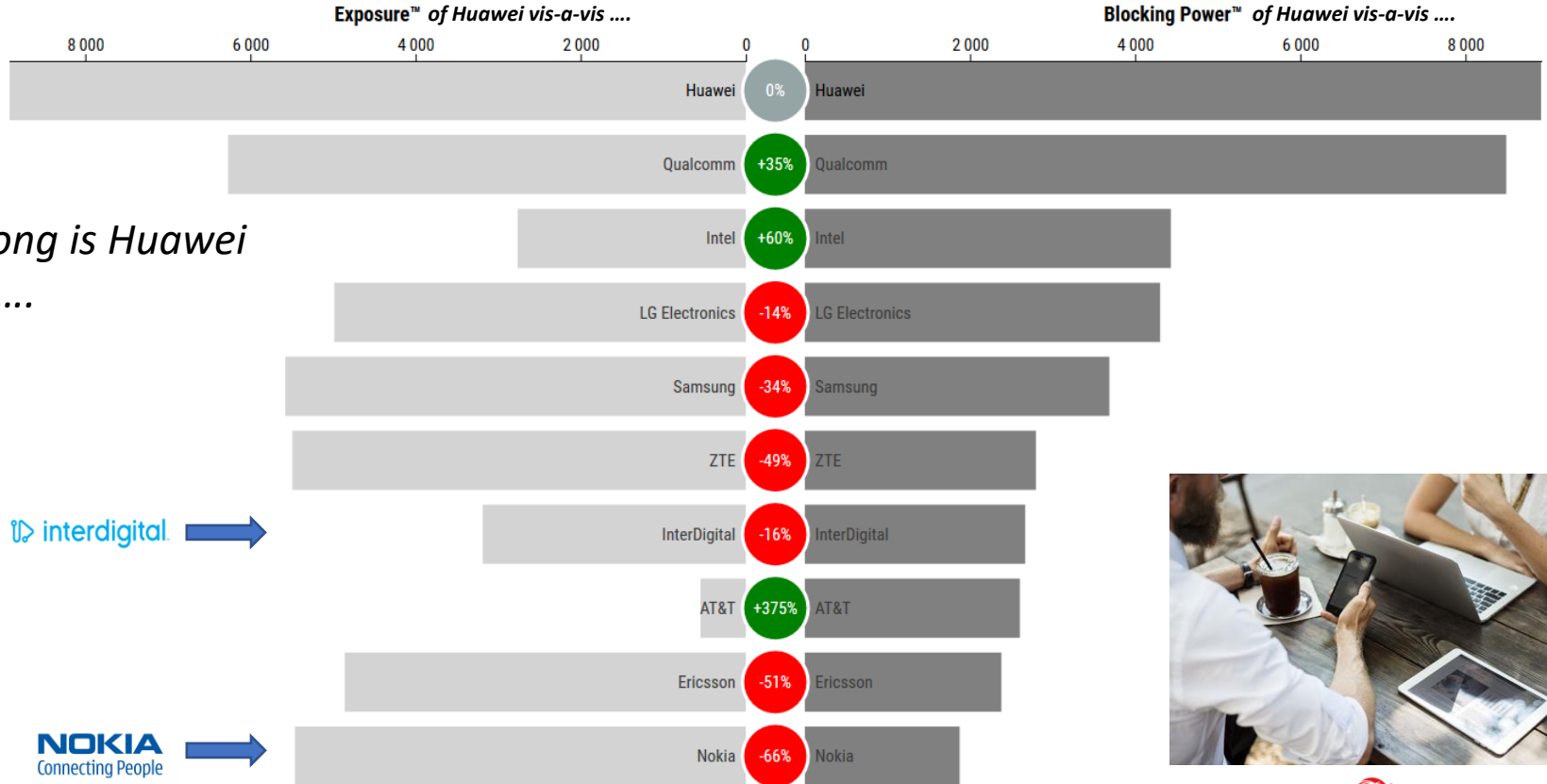
High Pressure on Companies' Profit Margin

Balance of Power



How strong is Huawei against

Owner



interdigital →

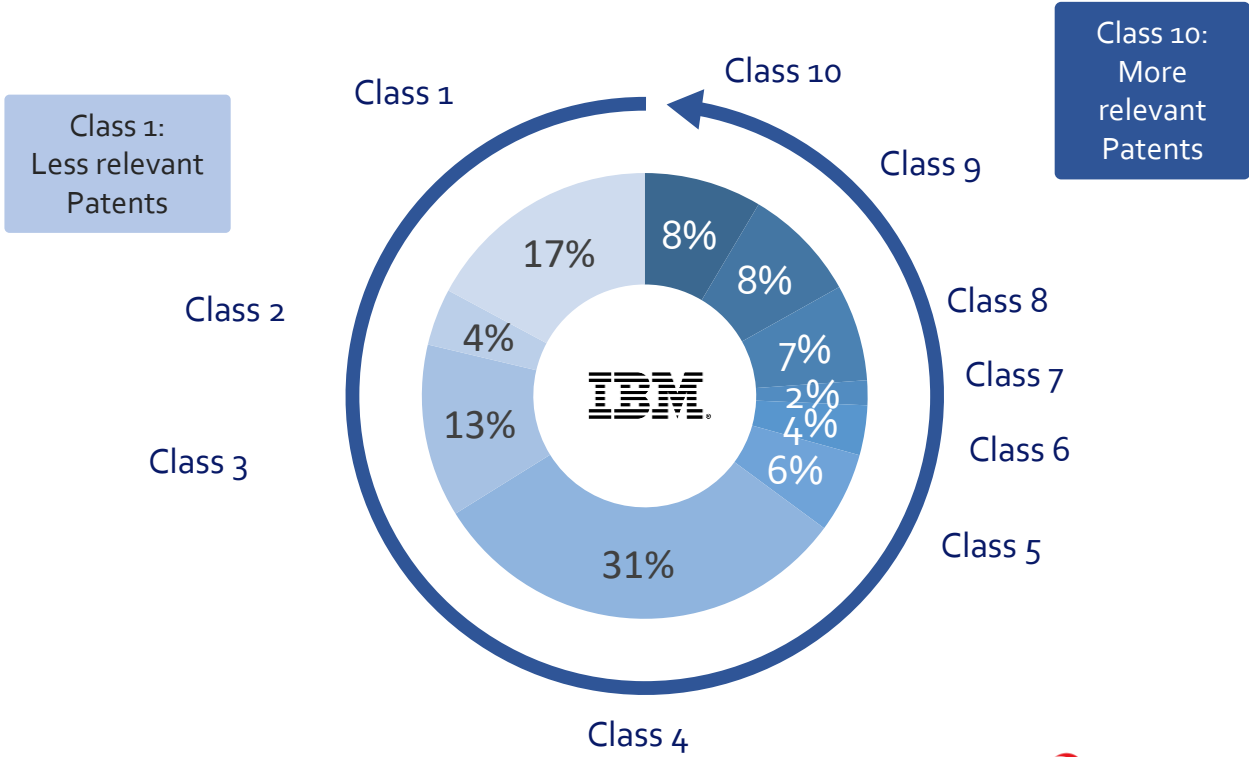
NOKIA Connecting People →



Quantity vs. Quality



Portfolio analysis : Quality must be taken into account



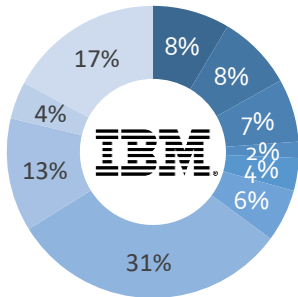
Source: PatentSight LexisNexis, France Brevets SAS

Quantity vs. Quality



Portfolio analysis : Significant differences in quality

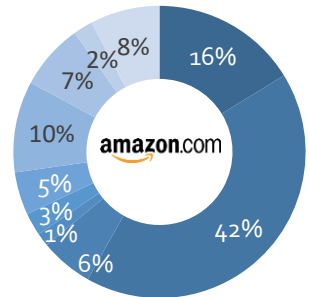
Class 1
Class 10



3 009 patents « Class 10 »
(Average lifespan remaining: 9 y)

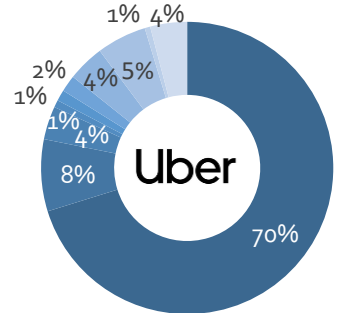
Annual Sales*: \$ 77 Bn

* Annual Sales of 2019



1 336 patents « Class 10 »
(Average lifespan remaining: 12 y)

Annual Sales*: \$ 280 Bn



344 patents « Class 10 »
(Average lifespan remaining: 15 y)

Total Funds Raised: \$ 25 Bn








Source: PatentSight LexisNexis, France Brevets SAS

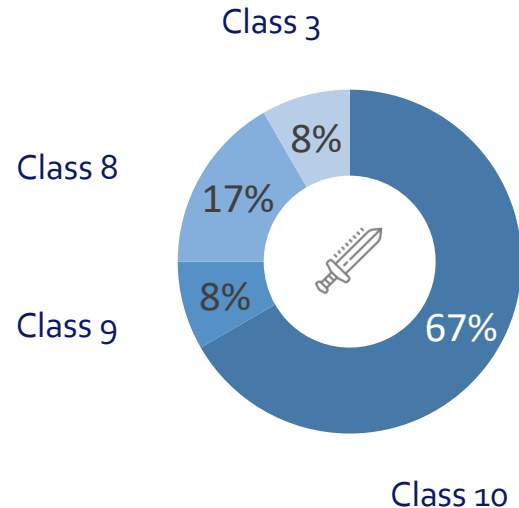
“Big” does not mean “Good” !



92% of IBM’s Top Notch Patents used in litigation are in classes 8, 9 and 10

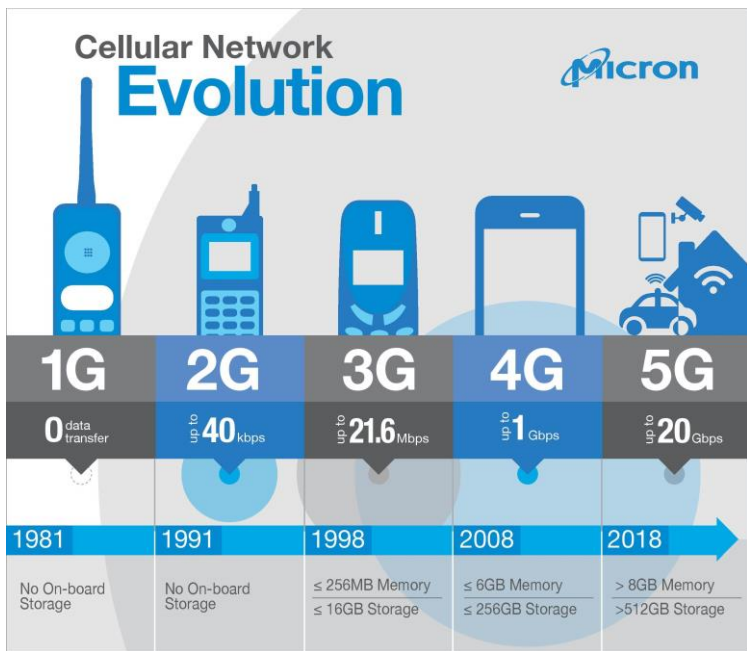
Over 12 patent families (only) used in litigation

IBM.		
IBM.		GROUPON
 BROADCOM		NETFLIX
DataScape		 deezer



Source: PatentSight LexisNexis, France Brevets SAS

5G



100x



Faster Download Speeds

While a 3-gigabyte movie would take 40 minutes to download on 4G, it would take only 35 seconds on a 5G network.

10x



Decrease in Latency

Data response times will be as low as 1 millisecond, providing endless possibilities from remote surgery to self driving cars.

100x



Network Capacity

5G promises greater traffic capacity, allowing for millions of devices to be connected on the same network within a small area.

In depth



#1 Germany



#2 France



#3 UK

Net benefit position in Europe

Industry Impact

By cluster



Smart Production & Logistics

68€ Billion

Net benefit



Smart Rural

54.5€ Billion

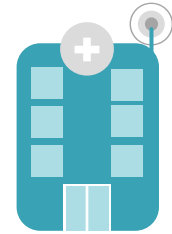
Net benefit



Smart Urban

29€ Billion

Net benefit



Smart Public Services

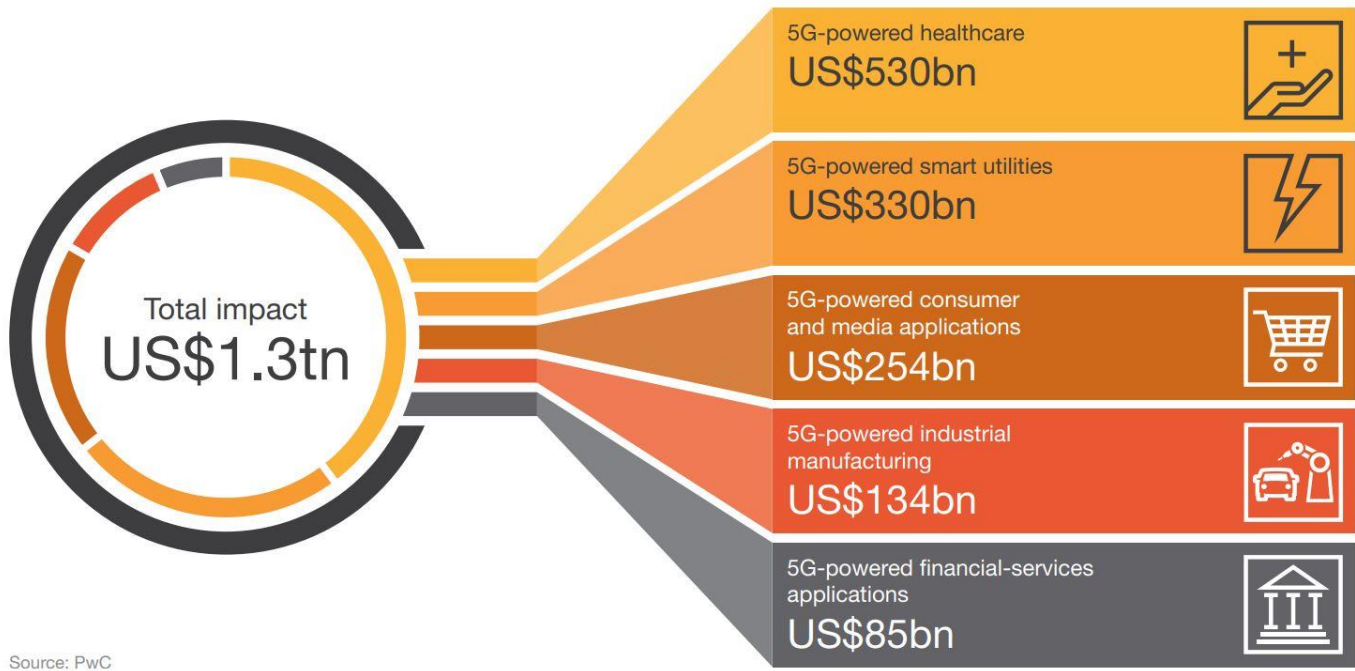
10€ Billion

Net benefit

Positive Impact for Industry Segments

Impact of 5G on the world economy

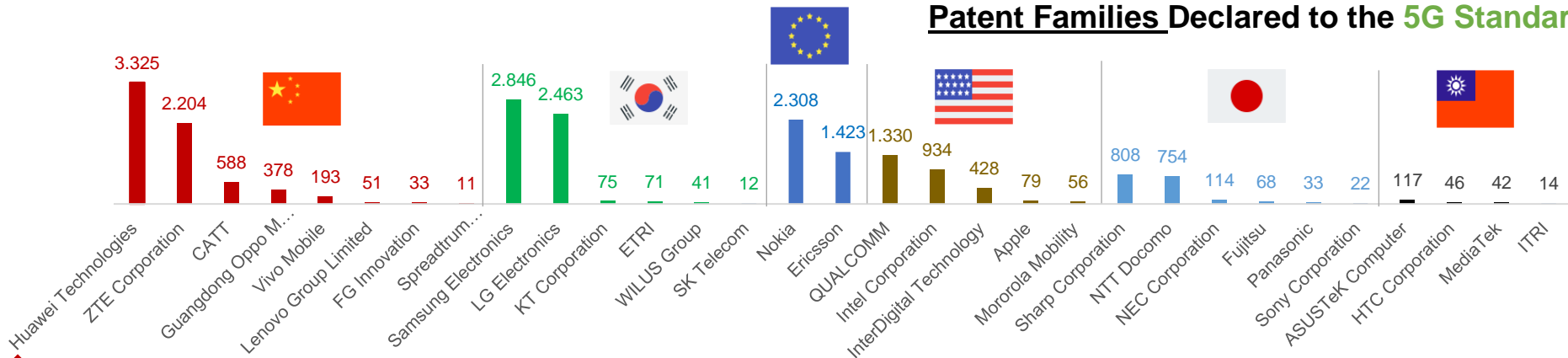
Exhibit 1: 5G boost to global GDP by industry by 2030 (US\$, 2019 values)



Source: PwC

5G Standard

Patent Families Declared to the 5G Standard



2.5\$ per handset

Tech / Big Tech

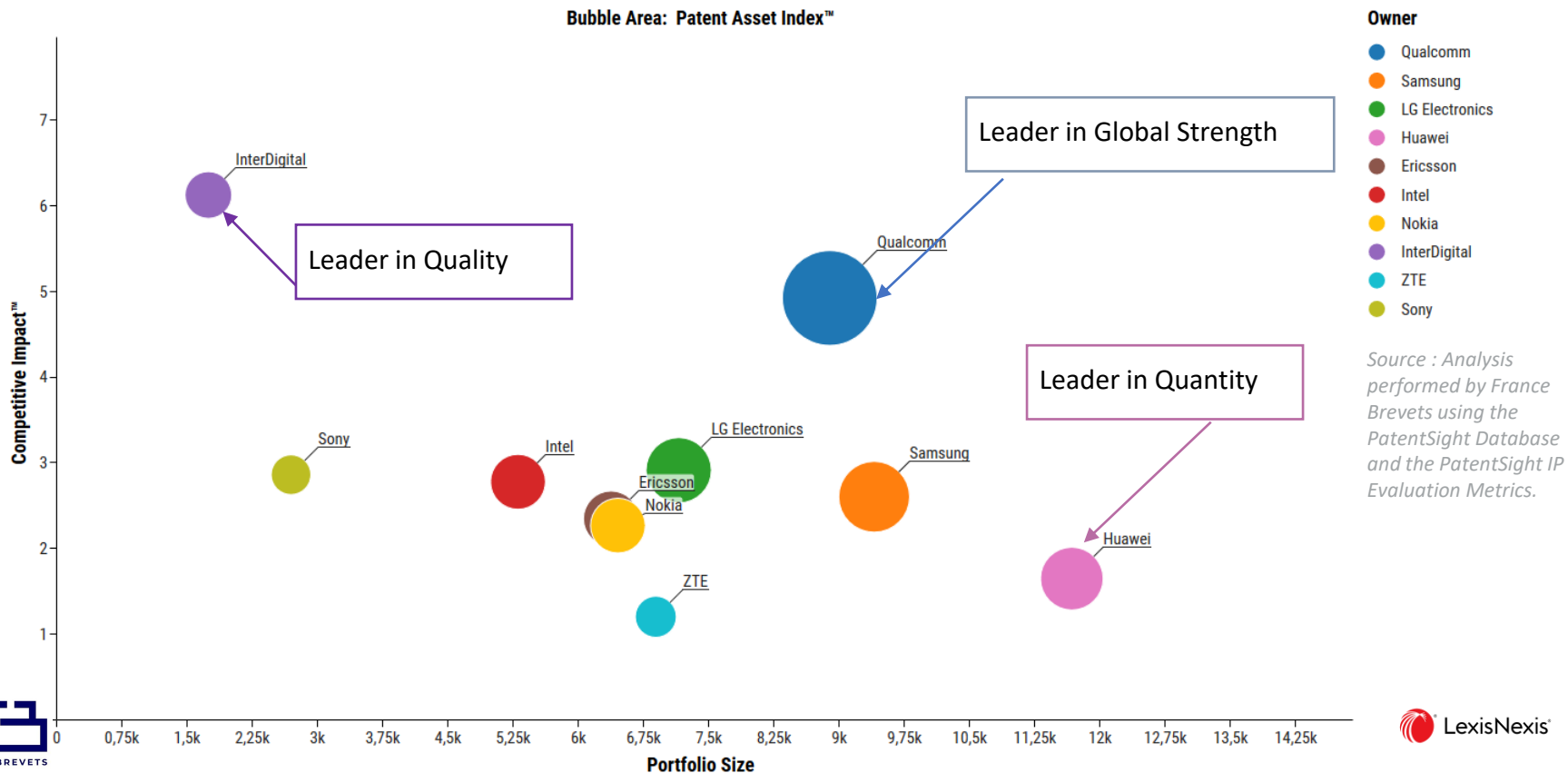
US-China tech war: Huawei pushes licensing of 5G mobile technology amid struggles with Washington's trade sanctions

- Telecommunications giant Huawei 'will not seek a royalty rate higher than US\$2.50' per 5G smartphone
- The company's revenue from patent licensing between 2019 and 2021 was estimated to be 'about US\$1.2 billion to US\$1.3 billion'

Source: Fact finding study on patents declared to the 5G standard. Study as officially commissioned by the German BMWi - Federal Ministry for Economic Affairs and Energy January 2020 - Dr. Tim Pohlmann IPLytics GmbH

*<https://www.scmp.com/tech/big-tech/article/3125690/us-china-tech-war-huawei-pushes-licensing-5g-mobile-technology-amid>

5G - Competition Landscape: Quantity x Quality x Global Strength



5G and Automotive



Licensors



5G and Automotive



Licensees



BMW GROUP



Rolls-Royce
Motor Cars Limited



Polestar



5G and Automotive



Question :
FRAND Fair, Reasonable, And Non-Discriminatory?
A. *Is that price fair and reasonable ?* ●
B. *Is that price structure non-discriminatory ?* ●

Vehicle pricing

eCall only \$3/vehicle

3G (includes 2G and eCall) \$9/vehicle

4G (includes 2G/3G and eCall) \$15/vehicle

Avanci provides predictability, transparency and simplicity for the auto industry and other IoT verticals.

5G and Automotive

Source :

Arya, Sunil, The Value of Standardized Technology to Connected Cars, Summary. (July 2020). 4iP Council.

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SUNIL ARYA*
The Value of Standardized Technology to Connected Cars

https://www.4ipcouncil.com/application/files/5615/9550/2021/The_Value_of_Standardized_Technology_to_Connected_Cars.pdf

Connected Car Packages vs Price (€ /11 Years)

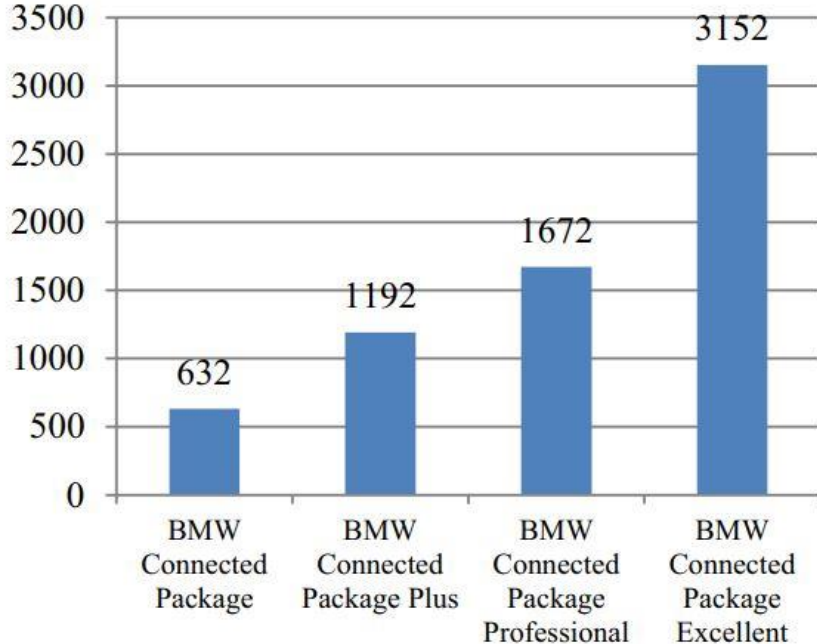


Figure 2: Connected Car Packages vs Price (€/11 years) for BMW

5G and Automotive

Vehicle pricing	
eCall only	\$3/vehicle
3G (includes 2G and eCall)	\$9/vehicle
4G (includes 2G/3G and eCall)	\$15/vehicle

Question :
FRAND Fair, Reasonable, And Non-Discriminatory?

A. *Is that price fair and reasonable ?*
B. *Is that price structure non-discriminatory ?*

Connected Car Packages vs Price (€ /11 Years)

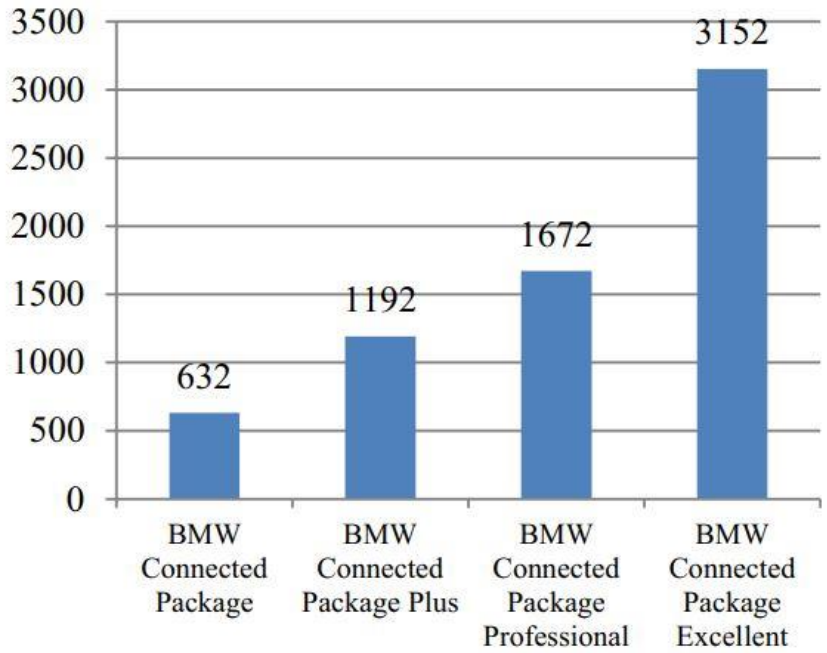


Figure 2: Connected Car Packages vs Price (€/11 years) for BMW

5G and Automotive

Connected cars

Daimler feels the pressure after losing to Nokia again

In the ongoing connected cars battle, Daimler faces a sales ban after the Regional Court Munich ordered an injunction against the company. The action is based on the infringement of a Nokia UMTS patent. In early August, Daimler lost another suit against Nokia. Today's judgment puts pressure on the Stuttgart car giant.

30 October 2020 by Mathieu Klos

The court granted Nokia's claims in full, ordering injunctive relief and damages. On Monday, the court will set out the reasons behind its judgment.

Daimler appeals again

Nokia can now enforce the judgment against a security deposit of 18 million euros. It can also obtain a sales ban of all Daimler's UMTS-enabled cars. Nokia did not comment on if it would take this step. However, as the deposit is relatively low, the market considers enforcement likely.



Issues

Cost of 5G licensing:

- **Who's paying ?**
 - **Car manufacturer ? System supplier ? Chip maker ?**
- **Price of 5G for Automotive**
 - 4G : 15\$/vehicle maximum
 - 5G : ? **Price is unknown**
 - 3G : 9\$
 - 4G : 15\$
 - 5G : **21\$? More ?**
 - **Can the car manufacturers afford to pay 21\$ or more per vehicle ?**



Issues

Cost of 5G licensing:

■ **Price for other sectors:**

- **Telecommunication** : Huawei [2.5\$ per handset]*
- **Airports ?**
- **Logistics ?**
- **Industrial Manufacturing ?**
- **Financial Services ?**
- **Agriculture ?**
- **Healthcare ?**
- **Public Services ?**



Strategic Considerations: *Things are changing*

Get prepared and take action before it's too late :

- 1. What's the balance of power between your company and "the others" ?**
- 2. What does "efficient" and "impactful" mean for a patent ?**
- 3. What's the biggest risk for your company ahead ?**
- 4. Will your in-house R&D produce the innovations you need to generate efficient and impactful patents ?**
- 5. It's time to put together a hybrid strategy :**
 - (a) Home-Grown Patents to avoid any use of your technology (SO1: Offensive)**
 - (b) Acquisitions of Patents to protect your business (P&L) (SO2 : Defensive)**

Data analytics will help you to see what's coming ahead and better decide !

Further readings

Open Innovation:

- **MIT Sloan Management Review: Is Your Company Ready for Open Innovation ?** *Ulrich Lichtenthaler, Martin Hoegl, and Miriam Muethel* September 2011 <https://sloanreview.mit.edu/article/is-your-company-ready-for-open-innovation/>
- **IAM Magazine: Is Your Country Ready for Open Innovation ?** *Michel Neu* September/October 2014 <https://www.iam-media.com/law-policy/your-country-ready-open-innovation>



THANK YOU SO MUCH

תודה

VIELEN DANK

GRAZIE MILLE

MERCI BEAUCOUP



www.francebrevets.com

May 2021

Contact details

Anne Le Turnier

Business Development Manager

LexisNexis IP

Tel: +33 (0)6 26 99 53 08

anne.leturnier@lexisnexis.fr

www.lexisnexisip.com

DANKE!
THANK YOU!
MERCİ!
GRAZIE!
GRACIAS!
DANK JE WEL!

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Appendix

Didier Patry, CEO



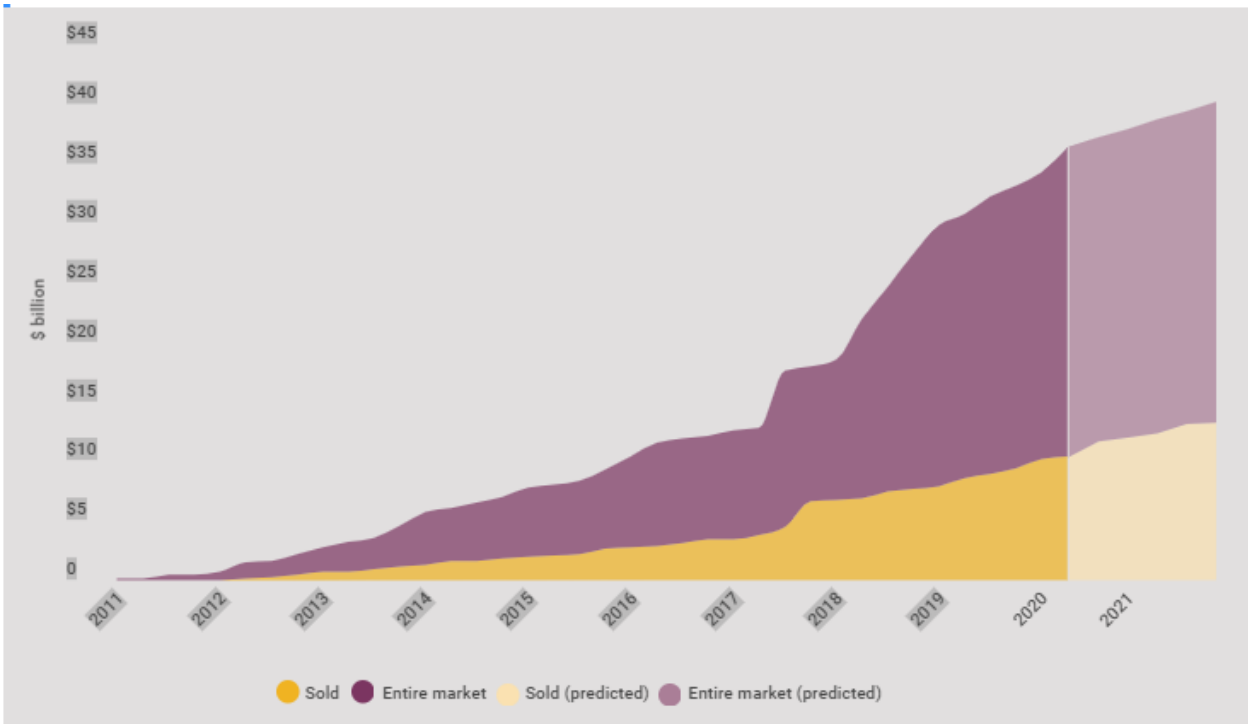
Didier is France Brevets' CEO. Before joining France Brevets in 2016, Didier was Director of Legal Affairs for **EATON Aerospace** Europe and Corporate Chief IP Counsel for the **EATON Group** for Europe and the Middle-East. Prior to joining EATON, Didier was Chief Counsel of the Strategic IP Transactions Team of **HP Enterprise** in Palo Alto, California. Didier was also a senior associate attorney in the International Patent Prosecution and Litigation Practices of **Baker Botts L.L.P** in Houston and London, where he represented large corporations such as Kimberley Clark and Dell in pan-European litigation matters. He has also served as the Chief Patent Counsel for the **SWATCH Group** in Switzerland. Didier is a qualified European Patent Attorney. He was listed in 2018 in the Top 40 World IP Deal Makers by IAM International Asset Management.

Didier holds an M.S. in Materials Science from the Polytech School of Engineering in Angers, France. He graduated in law (LL.M.) from the Centre for International Intellectual Property Studies of the University of Strasbourg with a specialization in IP, Patent Law, Tech Law, Digital Law and Contract Law. He also studied Business Strategy and Innovation Management at the UCD Graduate Business School in Dublin, Ireland and Regulatory and Data Protection Law at the London School of Economics. Didier lectures in the Master in Management and in the Executive MBA of the **ESCP Business School in Paris**, in the Master in Finance and Strategy of the School of Management and Innovation of the **Paris School of Political Science (SciencesPo Paris)**, and in the LLM in Law of Internet Technology of **Bocconi University in Milan**. Didier is regularly invited to speak in conferences and events in France and abroad on strategic management of Intellectual Property, and he is often asked to take position on public policy matters relating to innovation.

<https://www.linkedin.com/in/didierpatry/>

IP Trading

Patents are changing hands in volume



The total amount of patents available for trading in 2020 was about **USD 35 Billion**

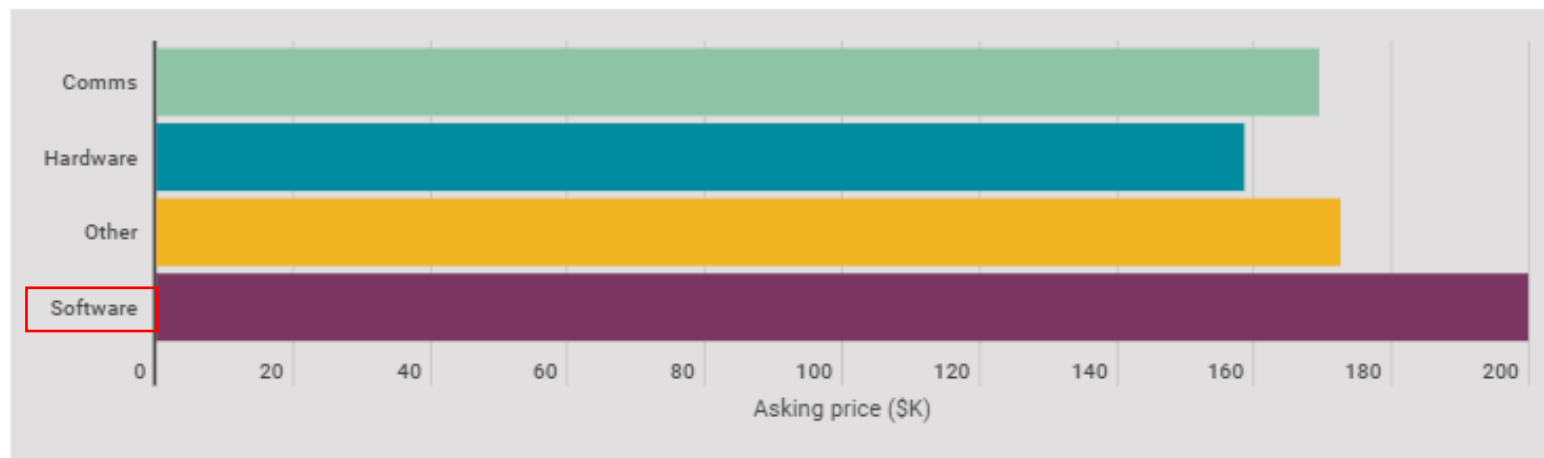
220 000 patents have been sold for a total of USD10,4 Billions

It is up by USD4 Billions

Patents & Trading:

Software patents are highly priced in 2020

Asking price	Per asset	Per US issued	Per family
Average	\$178,000	\$302,000	\$418,000
Median	\$120,000	\$250,000	\$325,000
Minimum	\$25,000	\$33,000	\$75,000
Maximum	\$700,000	\$1,138,000	\$3,500,000
Standard deviation	\$159,000	\$219,000	\$381,000
Numerical data	145	135	133



Sources: 3LP, IP Offering, FB.

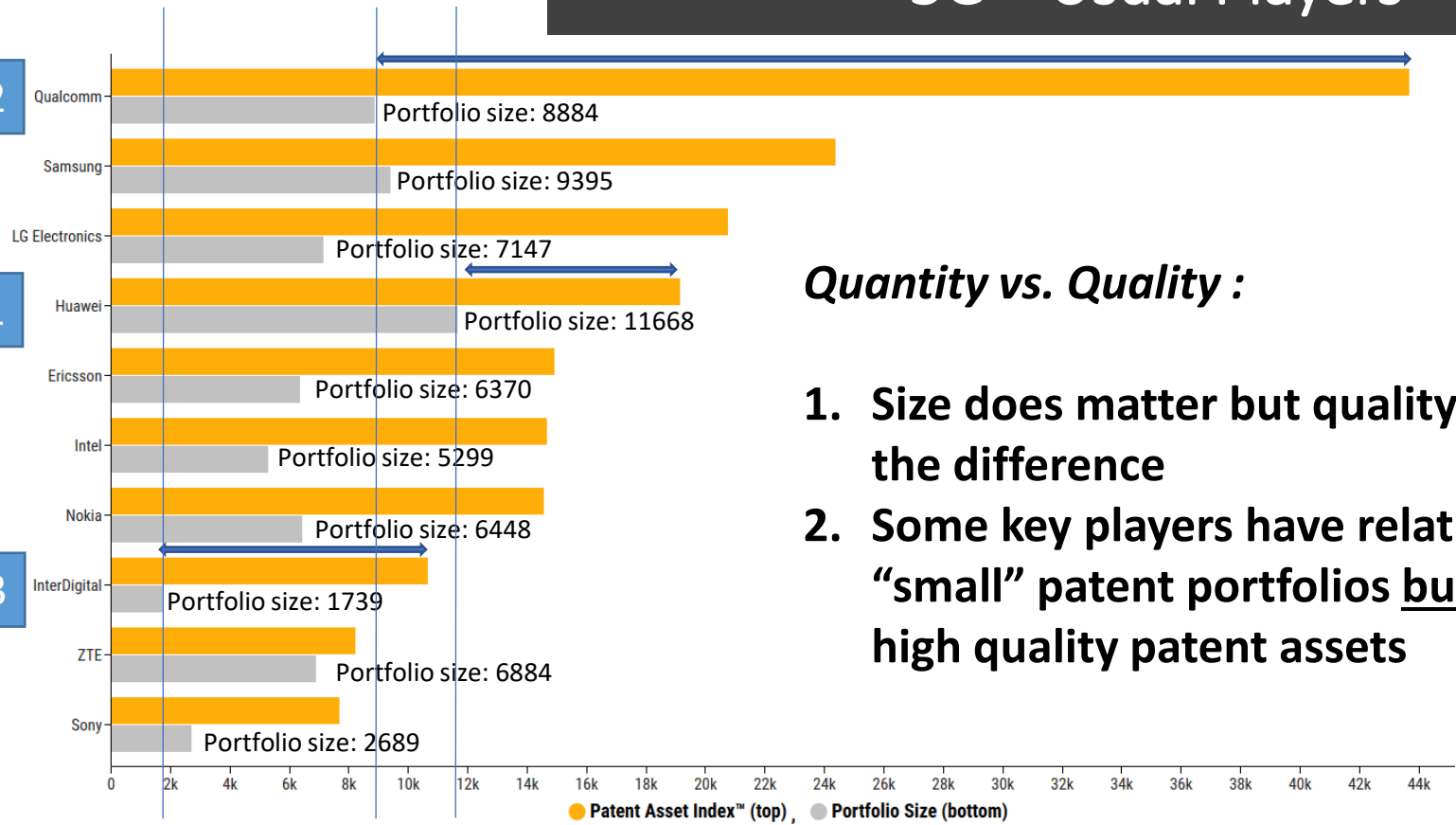
5G – Usual Players

2

1

3

Owner



Quantity vs. Quality :

- 1. Size does matter but quality makes the difference
- 2. Some key players have relatively “small” patent portfolios but with high quality patent assets