

IPR *info*


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Industrializing IP Services

The industrialization of the interface between the service providers and their customers will be one of the key puzzle pieces to achieve single and liquid IPR markets in the future.

 As the proliferation of IPR in the knowledge economies rises, increasingly more firms have to look for providers of IP-related services that can assist them in managing robust intellectual asset strategies. While large corporations typically have IP specialists of their own, many SMEs need to outsource IP-related services. However, outsourcing these services can be cumbersome, especially for less-experienced companies.

The underlying decisions for these emerging knowledge process outsourcing (KPO) activities are very demanding for SMEs. Interested SMEs are confronted with a significant lack of structured and elaborated information about the IP services market. Besides that, the interfaces for contracting the available services tend to be fuzzy and have to be individually negotiated on a detailed level. Thus the transaction costs within the IP service market are very high. Summarized, for SMEs with limited expertise in the IPR field, the current barriers to successfully source within the IP services market are hard to overcome.

Over 2.000 companies analysed

But for the successful transformation of IPR into a widely accepted asset class, low transaction costs as well as the access of less-experienced players to the IPR market are essential. Both require industrialization within the IP services market. The effect of this industrialization would appear as significant reductions of the complexity and risks (with respect to time, quality and quantity) in sourcing IP services.

This industrialization has a long way to go. One of the basal steps is a standardized overview of services which are available in the market. Because this overview did not previously exist, in the last two years we have worked on the IP Services Classification (IPSC). This is an exhaustive definition of all IP-related services currently available on the market. We have thoroughly analysed the service portfolio of more than 2.000 IP services companies globally.

Furthermore, we conducted expert interviews with key players in the IP services domain and established an expert group for in-depth discussion. The result is the definition of more than 80 different IP-related

services. These services are clustered into six main categories: Legal Services, IP Consulting, Matchmaking and Trading, IP-related Finance Services, IP and Portfolio Processing, as well as Media and People.

In the following we present a brief overview of the three most important categories. The IPSC provides a full overview about all identified services.

Legal Services

The most established and traditional part of the IP industry is Legal Services which provides legal assistance with respect to IP. It focuses on the filing of patents or renewing current ones as well as legal support for patent acquisition. Firms specializing in IP law conduct patent portfolio analysis and market research, but also due diligence in transaction cases.

They also assist clients in negotiating the terms and conditions of license agreements and negotiate directly with potential licensees. They represent their clients in industrial property offices. When working with a client against whom another patent holder has asserted its patents, they support the clients in establishing strong defence strategies by providing a variety of services including opposing party's patent portfolio analysis, patent infringement analysis, settlement negotiation support, or IP litigation support. Alternatively they provide arbitration solutions, which is a nongovernmental, consent-based dispute resolution process.

IP Consulting

The perception of IP as a strategic asset is mainly diffused into the industry through IP Consultancies. Portfolio analysis is the main starting point for IP strategy development, combined with IP portfolio landscaping or IP valuation. Patent analyses and portfolio landscaping allow patent owners to easily understand what might be necessary for strengthening their patent portfolios by illustrating where the client company is short on patents, what patents the client's competitors hold, who is a potential licensee, and from whom the client might be able to acquire key patents.

By using competitive intelligence tech-

niques, they provide an IP-based market overview of companies, industries and technologies. Crowd-sourcing platforms for prior art search, like BluePatent, emerged recently. These platforms scale prior art searches out to an online crowd of approved experts, which might be able to deliver prior art evidences in a faster, cheaper and more exhaustive way. Another consultancy field is the battle against infringement, counterfeiting and piracy. Today even these tasks are supported by crowd-sourcing platforms in searching for infringements. Additionally, there are other types of infringement intelligence and technical infringement analysis, especially for software and circuits.

Matchmaking and Trading

Creating more liquidity in the IP transaction markets is one of the main drivers for the transformation of IP into an asset class. Besides finding partners for IP needs in onsite matchmaking events, different approaches to online platforms for matching the IPR needs became popular, but not compellingly successful so far.

IP brokerage is a different approach, with a more active position of the intermediaries who are trying to find interested licensees or buyers for patents. IP sourcing is the opposite approach, where patents are actively searched for completing existing patent portfolios.

Additionally there are IP exchanges which intend to establish online marketplaces where patents and ideas can be traded in a continuous way. In the non-continuous IP online auctions, willing patent sellers might list their patents available for sale. Initiatives for free IP sharing like GreenXchange, which intend to facilitate the accessing of patents covering specific technologies by collecting patents and allowing anyone to use them free of charge, are emerging in some technology fields.

Towards the Industrialization of the IP Services Industry

The IPSC is a first step in structuring the vague field of IP related services. It is already applied in the IP Industry Base in order to make IP service providers more findable and comparable. It is a starting point for the industrialization of the IP service market, but far not sufficient

to rationalize the sourcing decisions for IP services.

In the future, additional evidence of each service provider is necessary to *ex ante* evaluate the service quality that can be expected. More data and analytics on realized service contracts, in quantitative as well as qualitative matters, will help to assess the performance level of the service providers in a more objective way. Furthermore, the interfacing between the service providers and the customers has to be standardized.

The IPSC is a first step towards well-defined service descriptions which might be accompanied by industry-wide adopted model service level agreements (SLAs). Naturally this interfacing has to be supported by seamless workflow management systems integrating all stakeholders in the IP service production. For each of the sample services described above, specialised and advanced tools for collaborative service production might boost the productivity in the IP services market.

We believe that the industrialization of the interface between the service providers and their customers will be one of the key puzzle pieces to achieve single and liquid IPR markets in the future. ■

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Available at: <http://ipib.ci.moez.fraunhofer.de/ipsc>*

IP Industry Base: <http://s.fhg.de/ipib>



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