



**Trading Ideas
30-31 July 2009
Singapore**

Kevin Theseira
AP Managing Counsel
Intellectual Property

**Successful
commercialisation
Strategies & Models**

**Session 6:
IT/Engineering Services
Industry**

Agilent at a Glance



\$5.8 billion FY 2008 annual revenue

19,000 employees



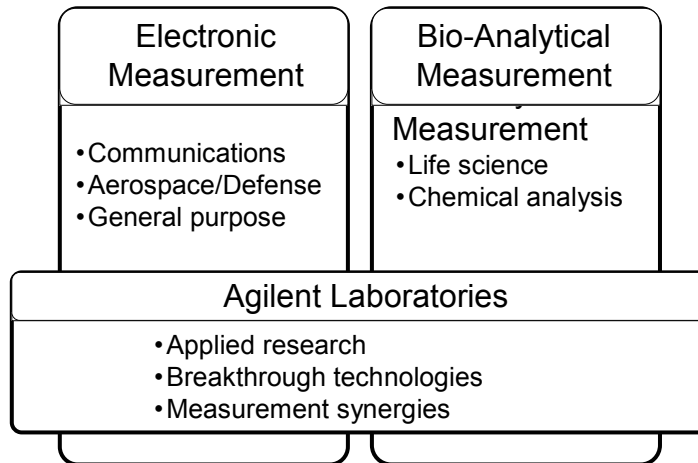
Customers in 110+ countries

70-year heritage of
invention and innovation

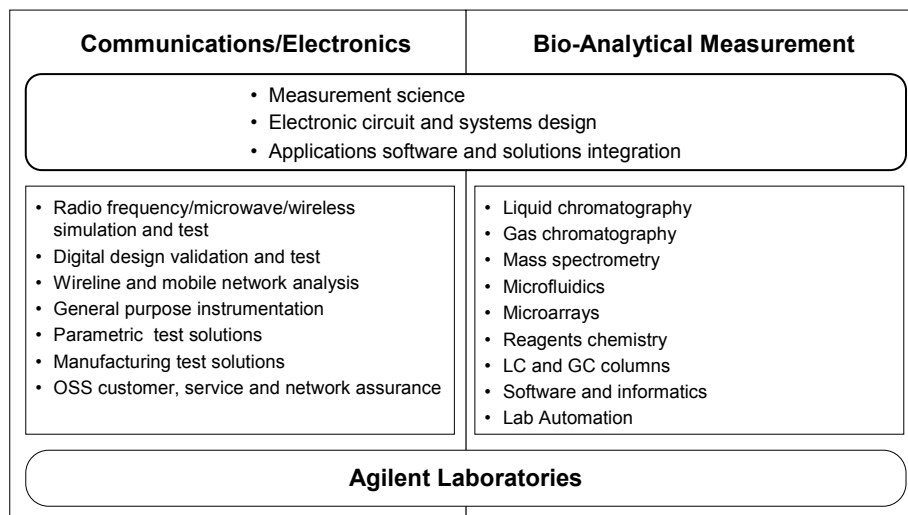


Agilent Market Focus

A \$44 Billion Measurement Market



Agilent's Core Technologies



Competition

Electronic Measurement

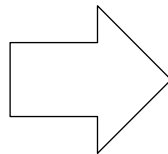
- Large number of players but few large ones
- Technologies relatively mature
- Multiple Standards
- Broad cross licensing practice
- Relatively less litigious

Bio-Analytical Measurement

- ~~Large number of~~ players few significant players
- Core technologies developing
- Few standards
- Narrow licensing practice
- Litigation deemed necessary

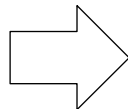
Agilent's Primary IP Assets

- Patents
- Trade Secret
- Copyright



Technology

- In-Licenses
- Cross Licenses



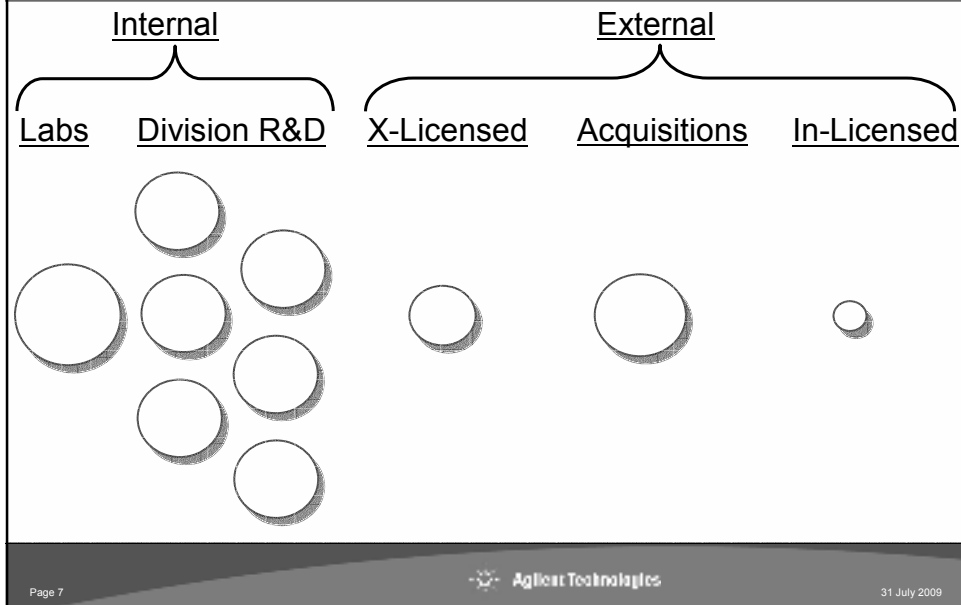
Technology

- Trade marks



Goodwill

Sources of Intellectual Property - 1



Sources of Intellectual Property - 2

SOURCE	TYPE	UTILITY	IP RISK
Labs	Basic/ Platform	Varies	Low
Division R&D	Improvements	High	Low
X-Licensed	Complementary	Medium - Low	Low
Acquisitions	Strategic	High	High
In-licensing	Necessary	High	High

IP Asset Management – What's it about?

**Point 1 : Know what IP you have and
..... know how to use it**



**Point 2 : Know what IP you do not have and
..... develop a plan to get it**



**Point 3 : Know what IP others have
..... to stay out of their sights**



**Point 4 : Know what IP others do not have
..... but will need and
..... develop a plan to get it**



Intellectual Property Asset Management

► *Invention disclosure program – 1*

– Incentivize submission of invention disclosures
(Point 1)

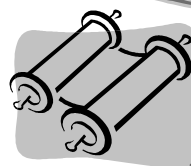
- **Monetary award**

- One time payment
- Multiple payments
- License revenue based payments



- **Recognition**


- Certificates / Plaques
- Awards presented during department meeting
- Annual awards ceremony



Intellectual Property Asset Management

► *Invention disclosure program - 2*


– Promotional activity (To get disclosures you want)

- **Awareness of existing IP in technology space (Point 3)**
 - Avoid re-inventing
 - Potential infringement – BAD, but Licensing opportunity - GOOD!
 - Organization wide patent database access
 - + Free e.g. Patent office databases USPTO, EPO, etc
 - + Paid e.g. Micropatent, Delphion etc
- **Understanding organization's IP strategy (Point 1)**
 - How will IP be used by IP owner
 - Product protection, freedom to operate, Licensing for revenue 
- **Regular counseling between IP practitioners and R&D project groups**
 - Quarterly reviews

Intellectual Property Asset Management

► *Invention disclosure program - 3*

– IP Coordinator/Committee Meetings (Making decisions)

- **Members**
 - Technical, Marketing, IP-Legal members, IP Coordinators
 - Apply IP strategy
- **Decisions**
 - Merit and disposal, formal Q&A
 - Pursue, defensive publication, trade secret (confidentiality), hold, inactivate 
- **Process**
 - Virtual e.g. e-Routing of invention disclosures
 - Live - synergistic advantage - monthly

Intellectual Property Asset Management

► *Focused Inventing (Point 4)*

- **What**
 - Focused inventing workshop
- **Why**
 - Identify a feature or product that will be needed 3 to 5 years in the future
- **Who**
 - Business client – pays expenses and gets the results
 - Identify group of technical specialist across the company, typically 8
- **How**
 - Preparation before the Workshop – typically 3 to 6 months
 - Business presentations – defining the need
 - Research current patented technology – current solutions
 - advantages/disadvantages of current solutions
 - Particular attention on competitor patents
 - related non-competitor patents
 - The focused inventing workshop – typically 3 days
 - Business conducts presentation defining need
 - Present report on patent research
 - Start with breadth – lots of different ideas
 - Continue with depth to flesh out each idea
 - Submit invention disclosures on selected ideas

Intellectual Property Asset Management

► *Intellectual Property Due Diligence (Point 2)*

- Understanding the risks associated with getting IP via service contracts, licensing or acquisition
- Concerns
 - Existing licensees – exclusive licensees; geographical limitations
 - Title – joint owners
 - Minority share holder claims
 - 3rd party IP – potential infringement – additional licensing
 - Inventor(s)
 - Contractor/Temp Employee/Student IP assignment
 - Scope of claims
 - Patent prosecution review
 - Validity - Duty of candor – Relevant art disclosed to the patent office

Take Aways

- Harvest invention disclosures as and when developed
 - the opportunity passes
- Know your technology space
 - the existing IP landscape
- When in-licensing/acquiring IP
 - do your due diligence
- When out-licensing
 - understand potential licensees concerns and address them i.e. risks and advantages

Thank You

IP Strategies



Strategy	Characteristic	Patent Portfolio Status	Cost
Product protection	Offensive	Market Leader	High
Freedom to operate	Defensive	Competitor or New comer	Low
Licensing for revenue	Offensive	Opportunistic	Med - Low

PC Meeting Decisions



Decision	Effect	Action	Cost
Pursue	File a patent application	Inventor/Attorney	High
Defensive publication	Disclose invention to the public	Inventor drafts article	Low
Trade Secret/Confidentiality	Keep invention confidential	Internal administrative process	Low
Hold	Need more data to decide	Inventor prepares response	None
Inactivate	No further action	NA	None

To-Dos in these bad times

- Portfolio pruning – reduce maintenance cost; revenue from sale
- Focused patenting acquisition
- Proprietary standards through licensing
- Acquisition to compliment
- Streamlining administrative IP processes – eDockets
- Improved vendor management – consolidate suppliers; fixed fee; eProcurement
- Partnering to get investment and mitigate risk as cash is short