

IP Opportunity Scan: Uncovering Hidden Value through Simultaneous Growth, Whitespace and Disruption Opportunities

Client: Fortune 500 leader in packaging solutions.

Challenge: The client was recognized innovator in the flexible packaging arena. One particular part of their business involved carefully protected technology. The client had an opportunity to extend their IP protection through the acquisition of a related patent portfolio, but was uncertain of the potential value to be gained. Would the expanded portfolio unlock hidden opportunities, or simple add to the patent maintenance cost of an already well protected arena?

Diagnosis: The client possessed a good understanding of their core market, but was not well versed in related and emerging adjacencies. The additional IP portfolio under consideration appeared to provide reach across market boundaries into new areas, but the client had no way of knowing if there were valuable Opportunities to be addressed in these new markets, and if these Opportunities would be of interest to the client, or were out-licensing opportunities.

Methodology: Product Genesis applied our IP Opportunity Scan framework to the three major questions raised by the client:

- 1) Did the additional IP under consideration add value to Opportunities within their core market?
- 2) Did the additional IP create near-adjacent Opportunities that the client could address?
- 3) Did the additional IP create out-licensing Opportunities where the cost of the acquisition could be recovered with a minimum effort?

The IP Opportunity Scan framework provided a complete environment within which to simultaneously and cost effectively address all three of these questions.

Work began with understanding the breadth and strength of both the client's and the target IP portfolios. Primary claims and disclosure analysis provided background on the extension potential of the key patents. Citation mapping (analyzing both direct and "cousins" citations) began the identification of parallel applications where the IP might be valued. IP clustering identified the primary technical functions enabled by the two portfolios.

After filtering the initial application areas based on patent age, and claims strength and breadth, further application identification was accomplished through confidential "application expansion" thought leader brainstorming sessions, along with cloaked primary and secondary industry research.

Resulting application areas were then sorted and down-selected using a set of filtering criteria jointly selected with the client. An interesting aspect of this filtering was that the client team could not converge on a single weighting for the criteria, marketing wanted one weighting and the technical group wanted a different weighting. Regardless, using either weighting for the criteria, the same ten (10) Opportunities rose to the top of the selection list (just in slightly different orders), demonstrating the robustness of the approach.

Results: The IP Opportunity Genesis approach identified hidden value in the proposed IP acquisition, value that the client used to more than pay for the cost of the IP acquisition. A total of 43 potential Opportunities were evaluated and ten (10) were selected as worthy of detailed consideration.

Four (4) Opportunities were uncovered that expanded the client's reach within their core markets. These Opportunities could only be addressed through a combination of the client and acquisition IP.

Three (3) Opportunities were uncovered in unexpected near-adjacencies. These were market areas that the client had never considered near-adjacent, but the application and IP overlap help convince them of the value potential and synergies of these areas.

Three (3) Opportunities were uncovered in unrelated, heavily regulated markets (medical technology). While outside the client's comfort zone, these were clear candidates for out-licensing. Potential partners were identified to start the licensing conversation.

The client subsequently executed upon Opportunities in all three areas, core, near-adjacent and out-licensing. These Opportunities have returned significant multiples on the IP acquisition cost.

