

The Exponential Speed of Innovation: Is IP Driving Your Business?



The Exponential Speed of Innovation: Is IP Driving Your Business?

2

General Counsel Panel: Extracting Maximum Value From IP Assets In A Rapidly Changing Environment



Panelists

3

- Sharon Barner, Partner, IP Litigation Practice, Foley, Deputy Under Secretary for IP and Deputy Director USPTO 2009-2011
- Kevin Cranman, General Counsel, Ericsson Television, Inc.
- Mark Weiner, General Counsel, Viryd Technologies, Inc.
- Clinton Hallman, Jr., Chief Counsel, Patents, Kraft Foods
- Nancy Dowling, General Counsel, The Dannon Company, Inc.
- Ira Raphaelson, Vice President, General Counsel & Secretary, Scientific Games Corp.

[Assisted by: Jaclyne Wallace, Associate, IP Litigation Practice]

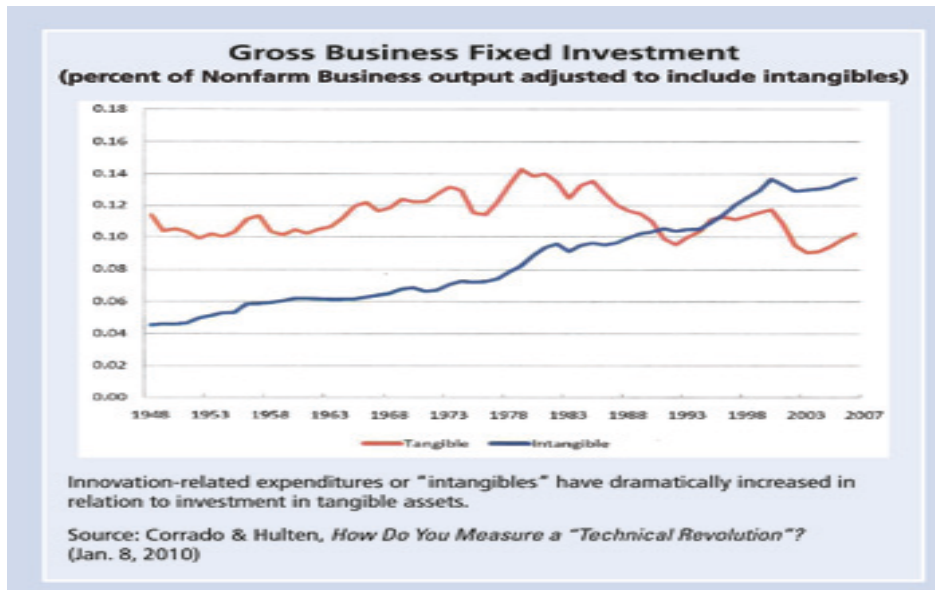
The Rapidly Changing IP Environment

- “As recently as 1980, the majority of corporate value was tangible value – contained in property, plant and equipment. Today, intangible assets account for over 70% of the value of the Fortune 500.” *Firms that build brand value will be recession survivors.* Admap Magazine Issue 505 May 2009

- Fiscal Year Patent Filings:

Calendar Year	Utility Patent Applications (e) (inventions)	Design Patent Applications	Plant Patent Applications	Utility Patents (e) (inventions)
2010	490,226	29,059	992	219,614
2009	456,106	25,806	959	167,349
2008	456,321	27,782	1,209	157,772
2007	456,154	27,752	1,049	157,282
2006	425,967	25,515	1,151	173,772
2005	390,733	25,553	1,222	143,806
2004	356,943	23,975	1,221	164,290
2003	342,441	22,602	1,000	169,023
2002	334,445	20,904	1,144	167,330
2001	326,508	18,280	944	166,034
2000	295,926	18,292	797	157,494

- USPTO website and 2010-2015 Strategic Plan



The Rapidly Changing IP Environment

5

Economic Performance per Employee,
IP-Intensive and Non-IP-Intensive Industries,
2000-2007



During 2000-2007, IP-intensive industries in the United States outperformed non-IP-intensive industries in all economic measures—sales, outputs, exports, wages, and capital expenditure.

Source: Nam D. Pham Consulting, *The Impact of Innovation and the Role of Intellectual Property Rights on U.S. Productivity, Competitiveness, Jobs, Wages, and Exports*, April 2010. Global Intellectual Property Center Report.

- “Since 1990, the average compensation per employee in innovation-intensive sectors increased 50 percent-nearly two and one-half times the national average.”

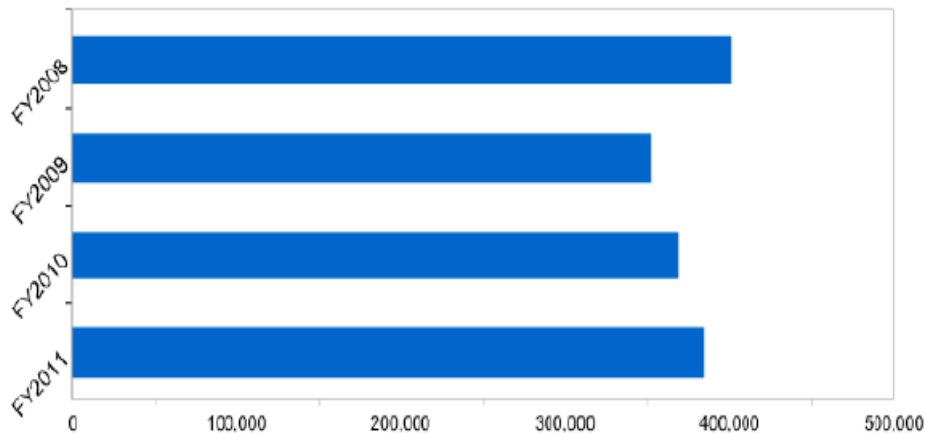
–USPTO 2010-2015 Strategic Plan.

Developing and Protecting IP

- “In a year of global economic turmoil, when every financial indicator plummeted, the value of the top 100 brands increased by 2% to \$2 trillion.”

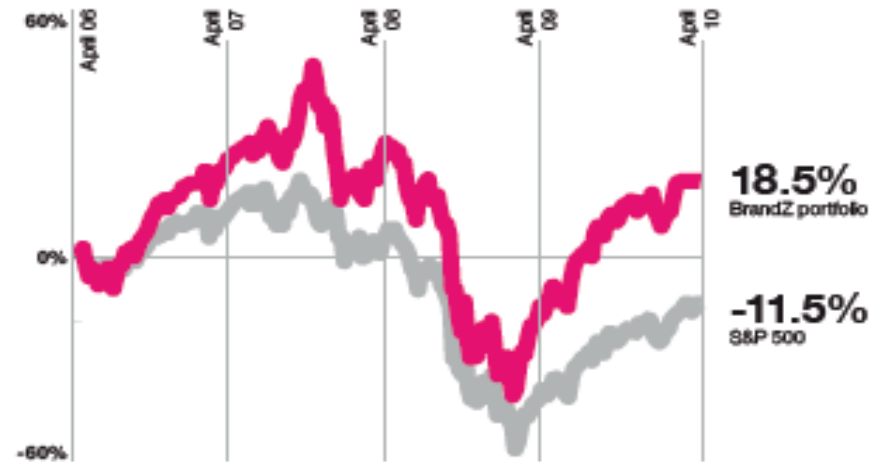
BrandZ Top 100 Most Valuable Brands, 2009, Millward Brown

– Fiscal Year Trademark Filings:



– www.uspto.gov

















FIVE YEAR REVIEW



– BrandZ Top 100 Most Valuable Brands, 2010, Millward Brown

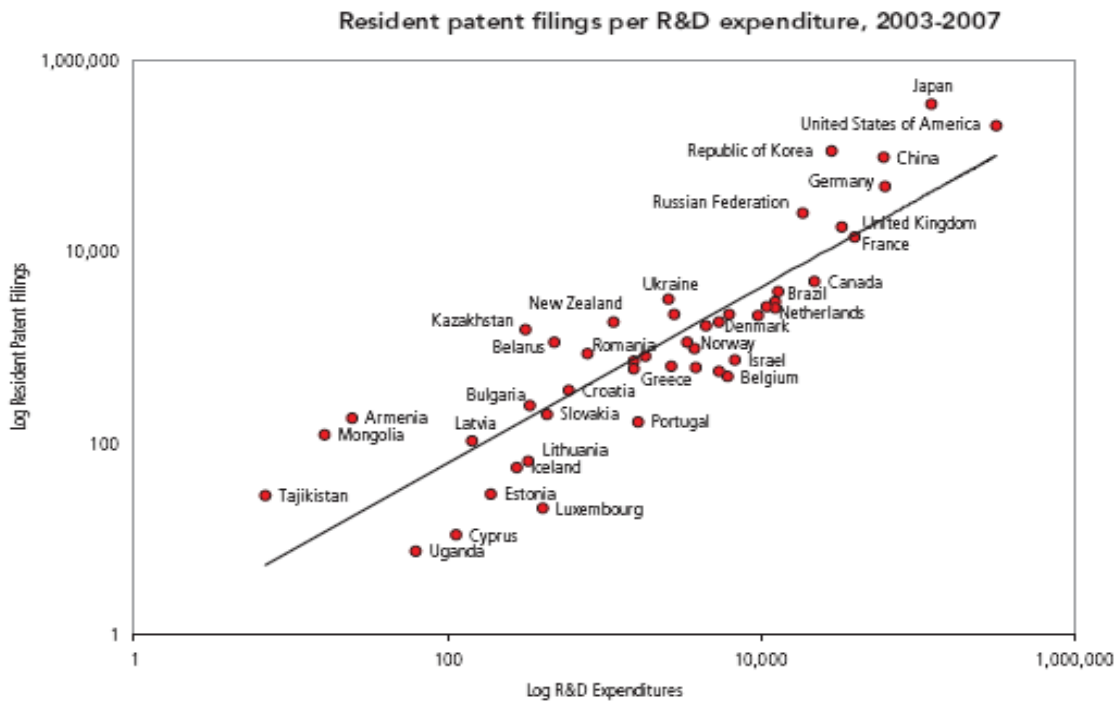
Developing and Protecting IP

Economic Value of Top 10 Brands

#	Brand	Brand Value 2010 (\$M)	% Brand Value Change 2010 vs. 2009	Rank	Previous Rank	Brand	Country of Origin	Sector	Brand Value (\$m)	Change in Brand Value
1		114,260	14%	1	1		United States	Beverages	70,452	2%
2		86,383	30%	2	2		United States	Business Services	64,727	7%
3		83,153	32%	3	3	Microsoft	United States	Computer Software	60,895	7%
4	Microsoft	76,344	0%	4	7		United States	Internet Services	43,557	36%
5		67,983	1%	5	4		United States	Diversified	42,808	-10%
6		66,005	-1%	6	6		United States	Restaurants	33,578	4%
7	Marlboro	57,047	15%	7	9		United States	Electronics	32,015	4%
8		52,616	-14%	8	5	NOKIA	Finland	Electronics	29,495	-15%
9		45,054	-25%	9	10		United States	Media	28,731	1%
10		44,404	-17%	10	11		United States	Electronics	26,867	12%

- BrandZ Top 100 Most Valuable Brands, 2010, Millward Brown

Costs of IP Development and Protection

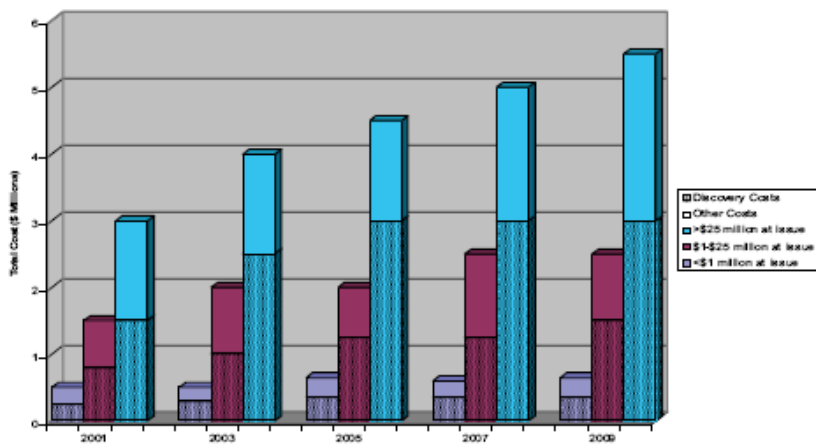


Note: Research and development (R&D) expenditure are in millions of US dollars, based on 2005 purchasing power parities and lagged by one year to derive the resident patent filings to R&D ratio.

Source: WIPO Statistics Database and UNESCO

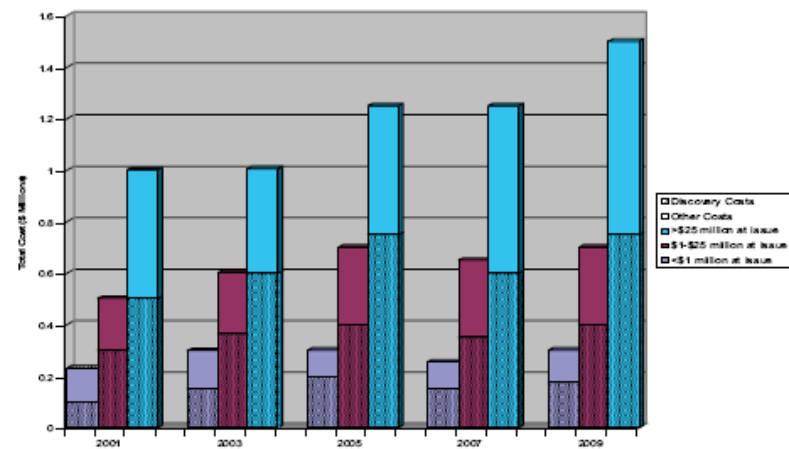
Costs of IP Development and Protection

Median Patent Litigation Costs



*AIPLA Report of the Economic Survey: 2007, 2009

Median Trademark Litigation Costs



*AIPLA Report of the Economic Survey: 2007, 2009

Monetizing IP Rights

Article 1, Section 8, Clause 8 of the United States Constitution empowers Congress “To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”

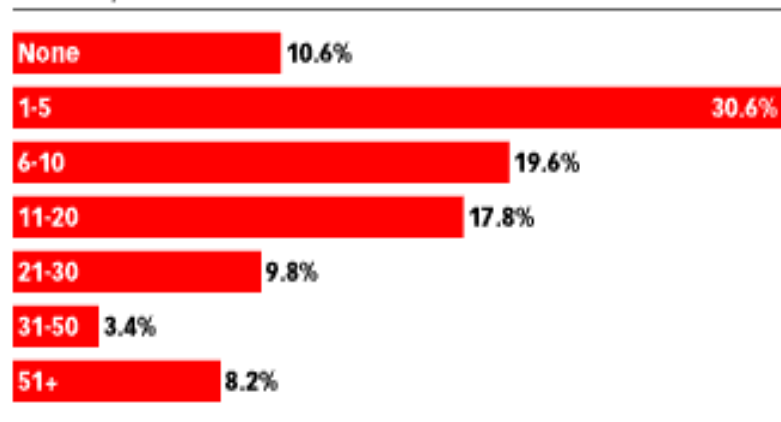


Social Media: Brave New World

■ “If Facebook were a country it would be the world’s 3rd largest and 2x the size of the U.S. population.” www.socialnomics.net

Number of Brands They Follow According to US Twitter Users, Aug 2011

% of respondents



Note: n=500

Source: Lab42 survey as cited in company blog, Aug 20, 2011

131718

www.eMarketer.com

– www.marketresearchworld.net

– 80% of companies use social media for recruitment; 95% of these companies use LinkedIn.
www.socialnomics.net

Social Media: Brave New World

12

- 132.5 million people in the US will use Facebook this year; by 2013 the number will increase to 152.1 million (Source: [eMarketer](#))
- 59% of Internet users use at least one social networking service, compared to 34 percent who did in 2008 (Source: [Pew Internet](#))
- 750,000,000 monthly active users for social networking giant Facebook, up from 500 million active monthly users last year (Source: [TechCrunch](#))

www.banking2020.com

“In 2010 [the BrandZ Top 100 Most Valuable Brands ranking includes] a total of 13 brands from emerging markets. Back in 2006 when the first BrandZ Top 100 ranking was produced, only one of the Top 100 brands was based in the BRIC countries.” BrandZ Top 100 Most Valuable Brands, 2010, Millward Brown

International Growth: Patent Trends

PREDICTION BASED ON AVERAGE ANNUAL GROWTH RATE

FIGURE 8

