Competitive Intelligence –
Using Intellectual Property Information

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Outline

- Concept of Competitive Intelligence (CI)
- Importance of CI
- CI and Intellectual Property
- IP Information as a Research Tool for Competitive Intelligence
  - Patent Information
  - Others IP information (Trademark, Design and Domain names)
Concept of Competitive Intelligence (CI) (1)

What is Competitive Intelligence?

“Competitive Intelligence: A systematic and ethical program for gathering, analyzing, and managing external information that can affect your company's plans, decisions, and operations” (SCIP)

“Competitive intelligence is the gathering and analysis of information from human and published sources about market trends and industry developments that allows for advanced identification of risks and opportunities in the competitive arena.” (Ben Gilad, PhD)
Concept of Competitive Intelligence (CI) (2)

- Competitive Intelligence is NOT Competitor Intelligence
- Competitive Intelligence is NOT only for global companies, large companies BUT also for SMEs
- Competitive Intelligence uses open sources, public domain information NOT spying (breaking laws and use of illegal means to gather information)
- Intelligence NOT Information NOT Data
- Intelligence NOT “out of time”
- It has “action-oriented implications” for managers
Concept of Competitive Intelligence (CI) (3)

Competitive Intelligence Versus Market research

- **Market research**
  Conducted when new product is planned or developed. Utilizes: surveys, focus groups, and other research tools to study the market.

- **Competitive Intelligence**: developed on real-time (i.e., dynamic) aspects of competitive events taking place in the business environment. More continuous and structured scanning of all actors in the business environment.
Concept of Competitive Intelligence (CI) (4)

Evolution

- Military intelligence practices
  
  **Sun Tzu** (Chinese military strategist - 500 BC) the Art of War / **Von Clausewitz**, “On War” (Prussian General 1852)

- National Intelligence activity: national security as a policy issue after War II and link to linked to political science.

- More Business oriented around 1980 “Industry and Competitor Analysis” (Porter,)

- Now “Competitive Intelligence for Strategic Decision Making.” (SCIP)
Why is CI Important? (1)

- Know your area; closely monitor the competition; keep up with competitors' announcements, regulatory changes and political and social pressures impacting the industry.

- Some common goals of competitive intelligence:
  - Detecting competitive threats
  - Eliminating or lessening surprises
  - Enhancing competitive advantage by lessening reaction time
  - Finding new opportunities
Why is CI Important? (2)

Knowledge economy, global competition, shorter product life cycle … increase **OPPORTUNITIES** and **RISKS** for enterprises. CI is important because it allows to meet company’s intelligence needs in one of these three functional categories:

- **STRATEGIC DECISIONS AND ACTIONS**, including the development of strategic plans and strategies.
- **EARLY-WARNING TOPICS**, including competitor initiatives, technological surprise, and governmental actions.
- **DESCRIPTIONS OF THE KEY PLAYERS** in the specific marketplace, including competitors, customers, suppliers, regulators, and potential partners.
CI Process and Tools (1)

- Key Intelligent questions
- Publicly available data
- Intellectual Property data
- Industry
- Competitors
- Report
- Action

Ex: Near Field Communication technology
Mobile ticketing in public transport and Mobile payment — the device acts as a debit/credit payment card.
CI Process and Tools (2)

Objective: understand competitive dynamics

- What are the industry drivers?
- Which forces are the dominant in the market?
CI Process and Tools (3)

What strategy should the company adopt?

<table>
<thead>
<tr>
<th></th>
<th>Uniqueness</th>
<th>Low cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry-wide</td>
<td>DIFFERENTIATION</td>
<td>LOW COST</td>
</tr>
<tr>
<td>Niche</td>
<td>FOCUS</td>
<td></td>
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</table>

- Understand strategies adopted by competitors in the market
- Determine strategy to adopt as a reaction and to remain competitive.

What determine a successful product in the market?

Innovation + Brand + Design = SUCCESS
CI Process and Tools (4)

Sources of information:

- public domain information such as
  - newspapers, journals
  - radio, television
  - internet, information databases
  - company publications
  - Trade shows
- official publications by government authorities
  - reports, statistics,...
- Intellectual Property documents
IP Information as a Research Tool for Competitive Intelligence (1)

**Use of Intellectual Property**

- Transform intellectual asset into a business asset
- To protect price and market share by excluding others from a specific marketplace and as a guarantee of channels to market
- As insurance against legal action by competitors
- As a financial asset in the market place (strategic alliances, commercialization, licensing, or held as a blocking strategy).
IP Information as a Research Tool for Competitive Intelligence (2)

- **Innovation**
  - Patents
  - Utility models

- **Brand**
  - Trademarks

- **Design**
  - Industrial Designs

Analysis of Intellectual Property holdings may reveal a great deal about different moves in the industry.
IP Information as a Research Tool for Competitive Intelligence (3)

Patent System

- **Every 30 seconds** a new patent document is added to the vast technical library of patent documents.

- In 2007 around 1.85 million filled in the world.
IP Information as a Research Tool for Competitive Intelligence (4)

Patent system

- Duality of the IP information system: Protection and Information:
  - Protection function
    - Inform the public about the scope of protection limited in time and to a particular territory
  - Disclosure (Information) function
    - Teach the world wide public domain how to use the invention
    - 80% of information found in patents is unique
IP Information as a Research Tool for Competitive Intelligence (5)

Patent information

Example: The international patent application shown below has:
- publication number WO2003/071888
- application number PCT/US2003/03327
- priority numbers 60/358,607 US and 10/245,919 US
- filing date of 05.02.2003
- publication date of 04.09.2003
IP Information as a Research Tool for Competitive Intelligence (6)

**Patent Information**

- Technical information from the description and drawings of the invention
- Legal information from the patent claims defining the scope of the patent and from its legal status;
- Business-relevant information from reference data identifying the inventor, date of filing, country of origin, etc.;
- Public policy-relevant information from an analysis of filing trends to be used by policymakers, e.g., in national industrial policy strategy.
IP Information as a Research Tool for Competitive Intelligence (7)

Patent Information

A glance at the front page of a patent can reveal a great deal about the quality of the document.

Reputable corporate or institutional source as assignee?
- If the patent is held by a private inventor, there is a probability the invention was not the result of a well funded R&D program. If the inventor drafted the patent (indicated by lack of a legal rep.) then there is a strong chance it is not of much worth

Patent Cooperation Treaty Filing?
- If the priority filing was a PCT app., this would indicate considerable funds has been expended for international filings, indicating some confidence in the technology.
Patent Information

Prior art cited? Literature cited?
- Studies indicate that patents issued to universities and research institutions providing generous citations reflect quality research.

Several inventors?
- Many inventors indicates well financed research team.

Continuations in part?
- Indicates ongoing serious research.

Prosecuted by solid law firm?
- Certain patent firms specialize in particular industries and are not cheap. In theory a patent produced by such a firm would be well drafted.
IP Information as a Research Tool for Competitive Intelligence (9)

Patent Information and General Life Cycle of a Product Invention

I. Starting Phase
II. Growing Phase
III. Maturing Phase
IV. Declining Phase

- Patent Search earlier in Starting Phase
- Patent Core Technologies before entering Growing Phase
- Patent Improvements in Growing / Maturing Phases

From Supple et al., "Lifecycle Innovation and Patent Strategies", McMaster World Congress, January 2005
IP Information as a Research Tool for Competitive Intelligence (10)

Questions solved by Competitive Intelligence and Patent information

CI obtains information as to what is occurring in a particular technological area

- what are the subjects where research is being done?
- what are the emerging research lines?
- which are the players in a technical field?
- which are the leading research teams?
- what are the technological trends?
- what are the patenting trends?
- what are the technology portfolios of a company?
- what are the technical strategies of a company?
### IP Information as a Research Tool for Competitive Intelligence (11)

#### Statistical Analysis of Patent Documents Concerning a Particular **Applicant or Proprietor**

<table>
<thead>
<tr>
<th>Analyzing the</th>
<th>allows to find</th>
</tr>
</thead>
<tbody>
<tr>
<td>applicants / proprietors (further)</td>
<td>cooperating companies</td>
</tr>
<tr>
<td>inventors</td>
<td>top inventors in a company</td>
</tr>
<tr>
<td>IPC symbols</td>
<td>fields of expertise, R&amp;D focus</td>
</tr>
<tr>
<td>priority data (dates)</td>
<td>activity chart of a company</td>
</tr>
<tr>
<td>country codes (national patents)</td>
<td>importance of markets</td>
</tr>
<tr>
<td>designated EPC states</td>
<td>(foreign) markets of interest</td>
</tr>
<tr>
<td>designated PCT states</td>
<td>(foreign) markets of interest</td>
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</tbody>
</table>

#### Statistical Analysis of Patent Documents Concerning a Particular **Inventor**

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</tr>
</thead>
<tbody>
<tr>
<td>applicants / proprietors</td>
<td>employers, assignments, C.V.</td>
</tr>
<tr>
<td>inventors (further)</td>
<td>inventor teams, networks</td>
</tr>
<tr>
<td>IPC symbols</td>
<td>fields of expertise of an inventor</td>
</tr>
<tr>
<td>priority data (dates)</td>
<td>creativity chart of an inventor</td>
</tr>
<tr>
<td>country codes (national patent)</td>
<td>local importance of inventions</td>
</tr>
<tr>
<td>designated EPC states</td>
<td>value of his inventions</td>
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</table>
### IP Information as a Research Tool for Competitive Intelligence (12)

#### Statistical Analysis of Patent Documents Concerning a Particular IPC

<table>
<thead>
<tr>
<th>Analyzing the</th>
<th>allows to find</th>
</tr>
</thead>
<tbody>
<tr>
<td>applicants / proprietors</td>
<td>market leaders, competitors</td>
</tr>
<tr>
<td>inventors</td>
<td>experts in a field of technology</td>
</tr>
<tr>
<td>IPC symbols</td>
<td>related technology</td>
</tr>
<tr>
<td>priority data (dates / countries)</td>
<td>evolution/origin of a technology</td>
</tr>
<tr>
<td>country codes (national patents)</td>
<td>importance of foreign markets</td>
</tr>
<tr>
<td>designated EPC states</td>
<td>major regional markets</td>
</tr>
<tr>
<td>designated PCT states</td>
<td>geographic importance</td>
</tr>
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</table>

#### Statistical Analysis of Patent Filings in or from a Particular Country / Region

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</tr>
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<tbody>
<tr>
<td>applicants / proprietors</td>
<td>top players in/from a country</td>
</tr>
<tr>
<td>inventors</td>
<td>important experts</td>
</tr>
<tr>
<td>IPC symbols</td>
<td>important technology, in / from</td>
</tr>
<tr>
<td>priority data (country)</td>
<td>workplace of top players</td>
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<tr>
<td>priority data (date)</td>
<td>changes within a territory</td>
</tr>
<tr>
<td>designated EPC states</td>
<td>countries in competition</td>
</tr>
<tr>
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Where can patent information be found?

**Free databases**
- WIPO’s PATENTSCOPE® search service:
- European Patent Office
- National patent databases
- Google Patents
- Free patents online: http://www.freepatentsonline.com/
- Delphion: http://www.delphion.com

**Commercial databases**
- List of commercial database: http://www.piug.org/vendors.php
- Examples:
  - Delphion
  - Dialog
  - Matheo
- Patents software: http://www.ipmenu.com/ipsoftware.htm
International (Nice) Classification of Goods and Services into 45 Trademark Classes (1 to 34 cover goods, and 35 to 45 services).

Class 32: Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.

Class 35: Advertising; business management; business administration; office functions.

Class 38: Telecommunications.

Class 44: Medical services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture and forestry services.
IP Information as a Research Tool for Competitive Intelligence (15)

Trademark Information

"Read-Only-Memory of Madrid Active Registry Information".

- **WIPO : Romarin and Madrid Express** (Romarin contains a more detailed history of international marks than the Madrid Express Database)
- **Databases from national and regional intellectual property:**
IP Information as a Research Tool for Competitive Intelligence (16)

Trademark Information

- Information about competition
- New marketing trends
- Trademark filings usually predate product launches or web mentions
- Trademarks offer a great way to gauge new trends in the industry.
- Measure commercial activity of a company
IP Information as a Research Tool for Competitive Intelligence (17)

Design information

  - Ex: Class 9 packages and containers for the transport and handling of goods
  - Class 10: clocks and watches and other measuring instrument, checking and signaling instruments
  - Class 6: furnishing

Hague Express Structured Search

WIPO: Hague express search

- National and Regional IP Offices
Design information

How do your competitors customize their products to target a particular customer group?

How do they target a niche market?

How do their strengthen their brand?
IP Information as a Research Tool for Competitive Intelligence (19)

Domain names and Competitive Intelligence

Domain names have become an important part of a company’s brand:

- Use of multiple domain names to represent various products and to serve assorted markets
- Domain give access to product and branding strategies
- Preserve brand integrity and access to information about competitor bad faith, cyber squatting or other offenses
- Track industry actors and determine their market strategy by conducting inventory of domain name assets and compare it to trademark databases

Search domain names. Ex: www.uwhois.com
Conclusion

In the knowledge economy, IP adds value at every stage of the value chain from creative/innovative idea to the market, analyzing IP information of the different actors in the market is a strategic tool to assess potential risks and opportunities.

WHEREEVER MONEY IS EXCHANGE SO IS INFORMATION
What is Competitive Intelligence?

"It is pardonable to be defeated, but never to be surprised. (Frederick the Great)

THANK YOU FOR YOUR ATTENTION!

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