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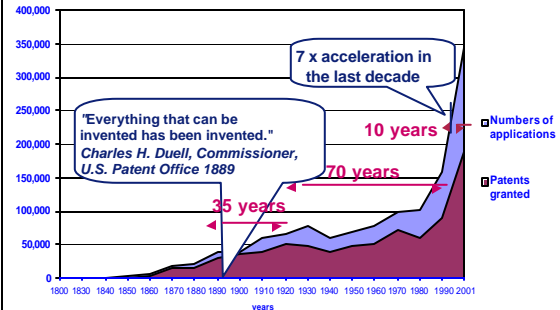
Understanding the Patent Strategies of Companies

WIPO Conference on Statistics
September 17, 2003

Ruud Peters

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U.S. Patents 1802-2002



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Patent Boom

What is the reason for this explosion in patents?

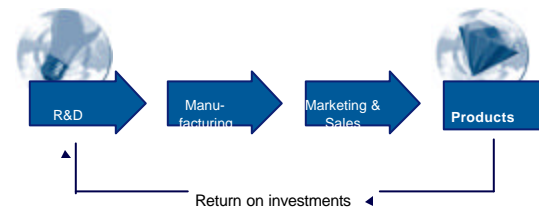
- More innovation?
- Changes in patent laws?
- Convergence of technologies?
⇒ Patents have become a strategic weapon in competition

Intellectual Property & Standards

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Before 1985



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Global changes in the last 20 years

- Globalization in marketing and manufacturing:
 - More companies
 - More competition, lower margins
 - Shorter product life cycles
 - Increased price erosion
 - Cost of R&D increases
- Return on your R&D investment more difficult

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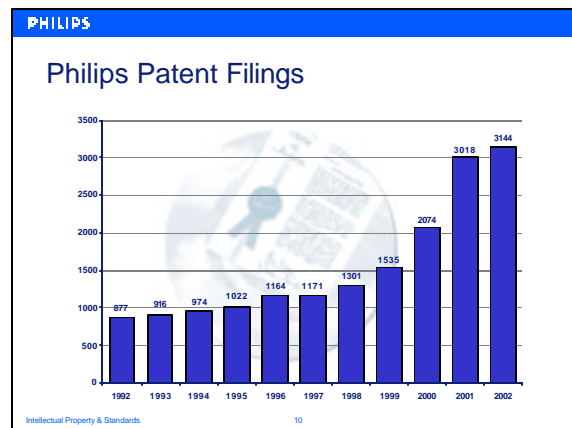
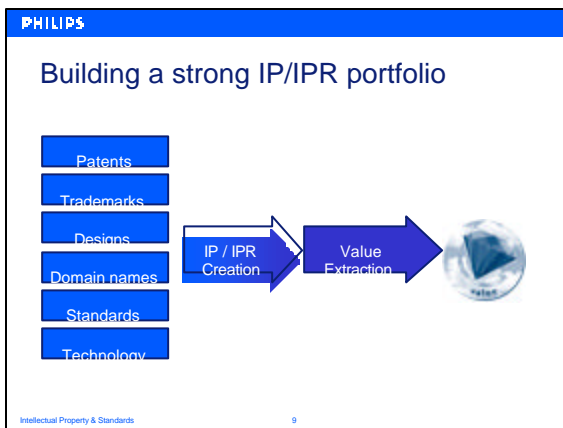
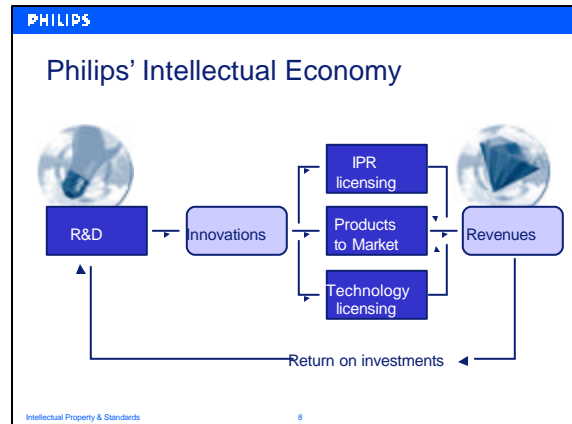
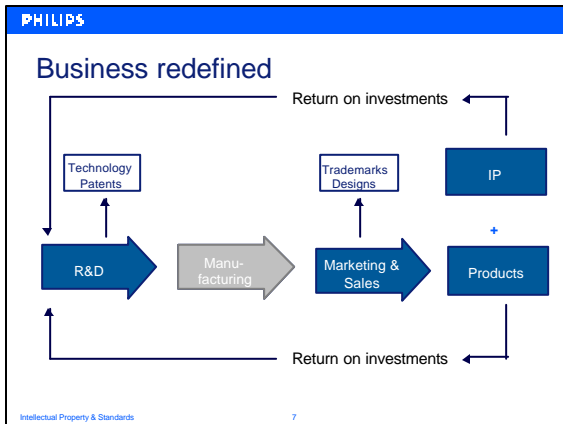
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Global changes in the last 20 years

- Originally manufacturing created competitive edge
 - mass production
 - miniaturization
- Now manufacturing has become a commodity
 - outsourcing
 - low wage countries
- Competitive edge of companies shifts from production-based to knowledge-based

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Current IPR portfolio

- 95.000 patents
- based on 20.000 inventions
- approx.3.000 new filings per year
- 22.000 trademarks
- 6.000 designs
- 2.000 domain names

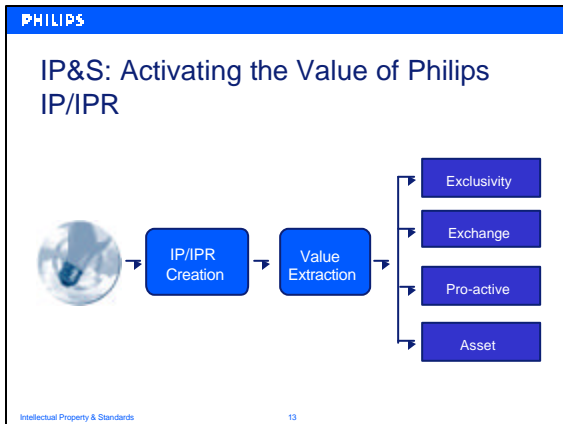
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Invented by Philips

- Rotating dry shaving (Philishave)
- QL induction lighting, metal halide car lamps
- Audio Compact Cassette
- Compact Disc system
- DVD+RW
- 3D Heart Imager
- One-chip TV
- Portable defibrillator

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Exclusivity

IPR is a means to create an exclusive position for unique products in the market place

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Exchange

- IPR is used to get access to third party technology
- Cross licensing
- Creating freedom of action for Philips

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Pro-active

- IP/IPR is used as a product
- Direct licensing
- Consumers get faster access to new products

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Examples Licensing Programs

Optical Recording Technology

- CD-Audio
- CD-ROM
- CD-Video
- MiniDisc
- CD-R/RW
- DVD-Video/ROM
- DVD+R/RW
- SACD

Digital Video/Audio Technology

- Digital cameras
- MP3 players
- Set top boxes
- Car navigation systems
- Digital audio broadcasting

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Examples Licensing Programs

Interconnectivity

GSM / UMTS/PDC/PHS

Displays

Xenon Car Lamps

UHP Lamps

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Asset

- IPR is regarded as capital
- Creating advantage
- Partnerships



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IP&S activates the value
of Philips' intellectual property

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