



OCEAN TOMO

# INTELLECTUAL PROPERTY STRATEGY



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At Ocean Tomo we begin each intellectual property (IP) Strategy Advisory Services engagement with a thorough understanding of relevant industry activity as well as best-in-class IP solutions, tools, and execution partners. With more than thirty years of experience in providing trusted counsel to companies of all size, we bring a leadership view that is uniquely able to help our clients realize their Intellectual Capital Equity® value. Our implementation of world-class IP strategy programs assists stakeholders throughout the organization, not simply within the IP function.

Ocean Tomo's strategic advisory services are centered on **Corporate Planning, Operational Execution, and Risk Management**. Across these three pillars, Ocean Tomo Strategy Advisory Services relies upon experts from each of the firm's practice areas to develop and execute effective strategies promoting innovation driven business initiatives. Our clients benefit from experiences learned through a continually updated best-in-class, multi-disciplinary approach. Ocean Tomo is retained on behalf of large global companies as well as smaller entities. Generally, our mandate is established by:

- Senior management teams of operating companies
- Public and private investors
- Corporate Boards of Directors
- Investment bankers
- Counsel
- Business consultants

The need to measure and communicate stakeholder value from investment in IP has never been greater resulting in enhanced demand for operational efficiency improvements. Whether focused on addressing a unique event or a company's on-going practice, every Strategic Advisory Services assignment begins with an understanding of our client's overall concerns and objectives.

Understanding how IP supports corporate goals is only the first task. Effective communication follows requiring visualization of the company's IP portfolio position vis-à-vis business strategy, products and services, competitors, and industry trends. Ocean Tomo's template as well as custom-built reporting and dashboards aid in IP management decisions and internal consensus building.

The IP market is rapidly changing, requiring IP strategy to be continually monitored and updated to assure optimum results. Ocean Tomo's engagements typically include periodic status calls with a formal or ad-hoc intellectual property committee to discuss in-process initiatives and deliverables as well as to review and challenge overall engagement direction.

## Corporate Planning

### INDUSTRY ANALYSIS

Working with Ocean Tomo's Innovation Management business unit, each Strategic Advisory Services project begins with an analysis of current and expected future sector and macro trends noting the expected role to be played by IP, and patents in particular. This analysis leverages existing Ocean Tomo research as well as third party reports.

Likewise, Ocean Tomo Investments professionals may be tasked to focus on ways IP assets support financial returns and enterprise value within a given sector or industry. Attention is given to revenues and costs most impacted by IP. Key metrics studied in this phase of an integrated IP strategy program include enterprise value, debt (cost and term structure), EBITDA (current and IP-linked potential), interest service, and on-going cash requirements. Information considered spans public financial information and firm relationship intelligence supported by Ocean Tomo in-field analysts and its annually sponsored IP Investments & Markets conference.

#### COMPETITIVE ASSESSMENT

Competitive Assessment extends the industry study above to detailed patent landscape analysis of key players. Such study may include best-of-breed IP analytics of the client's own portfolio as well as analysis of the closest competitors. Often such work will begin with a focus on specific technologies or product sets but may extend to general technology based review.

#### VALUE CONTRIBUTION

With Ocean Tomo's legacy of IP valuation expertise, we naturally bring early attention to understanding how corporate IP assets are contributing value to the organization. In desired, Ocean Tomo's Valuation experts quantify the impact of a single technology area or an entire portfolio. Either way, optimal IP strategy is informed by recognition of value creation catalysts.

#### GUIDING PRINCIPLES

Before an IP driven business plan is written, it is imperative to develop IP "Guiding Principles" detailing salient ways of integrating IP strategy into the business culture and corporate plans. Such principles are often no more than a collection of short objectives or permissions agreed to by relevant executives (e.g. "we seek to out-license all technology more than three years old"). Achieving consensus on such principles can be difficult but critical to deliver on more specific IP based business objectives.

#### BUSINESS PLANNING

Working with the Chief Intellectual Property Officer (CIPO), patent counsel and experienced client team members, Ocean Tomo professionals consider company business plans, looking for both stated IP objectives as well as ways detailed IP plans can support overall business goals. Ocean Tomo's work is directed to ways IP business plans can overlay broad corporate strategies. Preparation of an "Intellectual Property Strategic Plan" containing holistic IP direction that is mutually developed by Ocean Tomo and senior management is often a revealing process in itself. Examples of areas of focus may include monetization of non-core unused assets, strategic acquisition of IP assets to reduce cost of R&D, Venture Collaboration, and reduction of IP related threats.

#### PARADIGM BASED SOLUTIONS

The building blocks above form the basis for a Preliminary Strategy Review identifying client specific plans to realize value, while minimizing risk and any disruption to core business initiatives. Decades of experience suggests that the right strategy varies over time based on industry trends, client financial and market conditions, and operating goals. Ocean Tomo's assessment at this stage is cross functional involving all relevant firm practice areas. After presentation to the client, this preliminary strategy is refined before moving to the next stage of broad based objectives supported by detailed operational execution.

To this end, the output of Ocean Tomo's Strategy Advisory Services is often centered on one or more strategy paradigms or experience driven programmatic mandates including:

- Develop and implement new corporate IP strategy
- Leverage IP to grow equity value in financial markets
- Monetize IP to increase earnings or generate one-time finance events
- M&A transaction advice and education
- Convert an operating business to an IP centric development firm
- Manage risk including litigation and enforcement threats
- Architect balanced portfolio: defense, offense and profit making

# Operational Execution

While the IP function is critical to supporting company strategy, IP managers face time, budget, and data challenges. Ocean Tomo improves the efficiency and effectiveness of our clients' IP functions. We provide process and policy reviews related to innovation and invention capture, patent strategy and decision management processes, confidential information handling and trade secrets reasonable measures, as well as information and decision tools including benchmarking, score cards, and executive dashboards. Our results enable more effective and timely decision making helping to reduce budgetary pressures.

## PORTFOLIO ANALYSIS AND OPTIMIZATION

A key first step in managing to an established IP plan is to map the company's portfolio against management objectives. It is not uncommon to find that certain patents are no longer central to the business direction and that at the same time there are gaps that should be filled immediately and in the near future. Ocean Tomo professionals work with in-house counsel, patent acquisition teams as well as senior technology planners to optimize the portfolio.

As new patents are filed, Ocean Tomo financial experts assist by developing an understanding the financial benefits of a given invention. Information on known and anticipated value of the technology to be claimed including the portion of a given end product which is impacted by the claims anticipated is then incorporated into the background of key patent applications. This information is useful when later valuating the technology for internal assessment, third party licensing, or litigation royalties.

Ocean Tomo's cross-functional teams have extensive backgrounds with assessing patent positions in a wide variety of technologies and industries. Our teams search, review, analyze, and assess patents and portfolios through deep understanding of the markets addressed by the patents, the nuances of current case-law and legislation, and potential financial value of the patents. Our analyses help clients rationalize their portfolios to generate cost savings through abandonment, revenue through sales or licenses and enhancement of the portfolio through further innovation investment, both internally and externally. We analyze patent and technology landscapes to help clients plan and implement new product launches and support other corporate goals. We support clients' defensive strategies by assessing competitors' product lines to identify relevance to our clients' patents or other existing patents that our clients may want to acquire.

## PATENT MARKING

Online patent marking allows for efficient updates of this critical data and integrates the ability to search across patent numbers, licensees, or products. Strategy clients can benefit from Ocean Tomo's PatentMarking notification platform which supports the corporate management of patent marking data by providing companies with a single repository for storing their patent-to-product related information. The PatentMarking platform is the first and only system of its kind, acting as a searchable portal for all patent information related to marketed products.

## INVENTION CAPTURE AND PATENT ACQUISITION

Driven by the company's IP business plan, Ocean Tomo's Strategy team will assess specific patent assets available. We consider patent life and term, patent family groupings, international coverage, competitive landscape, and other measures that inform our team of specific and potential value. Encumbrances are identified and mapped to all assets to understand any likely limits to value realization and to begin to assess an approach to identify and prioritize monetization options and partners.

The results of Ocean Tomo's Strategy team's assessment allow for a focused review of select patent assets by financial and technical experts. This phased approach to executing an invention capture and patent acquisition plan is unique to Ocean Tomo. The firm stands alone in its ability to integrate sector technological evolution with the latest in patent law, recent case rulings, and administrative and legislative changes to achieve portfolio objectives. This ability is critical given the significant and ongoing changes in technology and patent law, suggesting changes in potential monetization value as well as desired execution technique. Ocean Tomo's financial review is accompanied by a technical review of patent specifications and resulting claims. Ocean Tomo's Technical Insights practice brings access to seasoned industry professionals with PhD and other relevant technical expertise as well as years of practical patent claim review.



#### TRADE SECRETS MANAGEMENT

With the rise in global trade secret theft due in part to increased cybercrime, Ocean Tomo recommends proactive measures to safeguard our clients' confidential information to preserve their global economic competitiveness. Ocean Tomo will review, assess, and improve our clients' information protection and handling policies and procedures. Our reviews typically include benchmarking to best practices, assessing information protection culture and practices, and observing firsthand the information exposure at key facilities around the world. We will recommend process, policy and operational improvements, and work with our clients to ensure adoption and implementation. Clients benefit from our experience with implementing court-tested policies and procedures for safeguarding sensitive information and a strong trade secret program.

Additionally Ocean Tomo defines information asset classification schema and creates categorical inventories to support our clients' improved understanding and protection of their confidential and sensitive corporate information.

#### LICENSING POLICY

Once a company's IP Guiding Principles and IP Business Plan have been confirmed, Ocean Tomo Strategy professionals, working with other experts from the firm, will help to draft a Licensing Policy for the client to address the conditions and general terms appropriate for both in-licensing as well as out-licensing of IP. Informed by considerations originating through the well known Georgia-Pacific factors, typical licensing policy will address issues including:

- Lump sum versus running royalties
- RAND obligations
- Royalty stacking and apportionment
- Allocation of value between patents, trade secrets, brand rights and other know how
- Impact of R&D and alternative technology costs
- On-going Reporting and Management Training

Ongoing IP portfolio management, assessment, reporting and information flow is critical to sustained value creation and competitive positioning. We provide analyses and recommendations to improve IP portfolio management actions, processes and activities for enhanced strategic positioning for your organization. These include portfolio and business alignment assessment and improvement; competitive assessment; IP reporting; engagement with executives, investors, and board members; IP go, no-go decision support; and analytics, information management and commercialization options.

Management Training is designed to increase overall awareness by both executives and scientists to utilize IP as a strategic tool. Such training is directed towards expeditious adoption of the chosen IP strategy and is always metrics based.

## Risk Management

IP risk management is both a strategic as well as operational issue. In order to identify and manage risk, Ocean Tomo provides clients with services and products designed to identify and mitigate risk as well as avoid litigation.

#### MITIGATION

IP risk mitigation or risk transfer is a function of many if not all of the items discussed above including a proper industry assessment and understanding of the relevant patent landscape. Such analysis is augmented by a specific understanding of the litigation practice of competitors.

Practical mitigation steps include development a robust patent acquisition and publication practice, implementation of a comprehensive licensing policy tied to the facts of a given business and sector, and use of risk insurance products. Ocean Tomo offers clients traditional insurance policy access as well proprietary Patent Risk Programs.

#### LICENSING AND PRE-TRANSACTIONS, PRE-LITIGATION SUPPORT

Proper diligence must be completed prior to initiating or responding to litigation due to the high cost exposure and risk. As a defendant or as a potentialasserter, clients need the best information possible to plan the response. The risks, strategic and financial value of a licensing program, litigation, and transaction should all be considered. Ocean Tomo's expertise in IP litigation strategy, risk mitigation, damages assessment, and dispute resolution enables us to provide unrivaled support to clients for their licensing programs, transactions, and litigation.

**LITIGATION AVOIDANCE**

Litigation avoidance benefits from active participation in industry groups including Standard Setting Organizations and patent purchase cooperatives. Here again, Ocean Tomo also provides proprietary solutions including those leveraging third party capital accessed through our Investments teams.

<p><b>STRATEGIC DELIVERABLES</b></p> <ul style="list-style-type: none"> <li>• Guiding Principles</li> <li>• Competitive Positioning</li> <li>• Venture Collaboration Plan</li> <li>• Strategic Plan</li> <li>• Monetization Plan</li> <li>• Investor Relations Communication Plan</li> </ul>		<p><b>OPERATIONAL DELIVERABLES</b></p> <ul style="list-style-type: none"> <li>• Patent Landscape Analysis</li> <li>• Valuation Based Prosecution Input</li> <li>• Trade Secrets Reasonable Measures Plan</li> <li>• Licensing Policy</li> <li>• License Compliance Review and Audit</li> <li>• Stakeholder Training</li> <li>• Asset or Portfolio Valuation</li> <li>• Ocean Tomo Analytics</li> </ul>
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## Execution

Execution of Strategy Advisory Services benefits from each of Ocean Tomo’s merchant banking practices and leverages the firm’s expertise in litigation, analytics, investments, innovation and risk management and transactions. Our solutions include proprietary Ocean Tomo products and services as well as third party assistance from industry leaders including those originally incubated and developed at Ocean Tomo. Ocean Tomo offers access to the most complete range of solutions.

Ocean Tomo Strategy Advisor Services are typically a precursor to execution of the recommended strategy by other Ocean Tomo practices. Ocean Tomo Transactions provides private sale, private auction and globally recognized public auction platforms to secure value from a client’s portfolio. For monetization strategies requiring capital, Ocean Tomo Investments can assist in identifying capital sources for debt, equity or joint venture investment.

OCEAN TOMO TAKES A PHASED APPROACH TO BUILDING AN INTEGRATED IP STRATEGY AND MANAGEMENT PROCESS FOR COMPANIES		
<p><b>PHASE I: INTERNAL REVIEW FOCUSED ON:</b></p> <ul style="list-style-type: none"> <li>• Corporate and Business Unit Strategy</li> <li>• IP operations</li> </ul>	<p><b>PHASE II: EXTERNAL BENCHMARKING FOCUSED ON:</b></p> <ul style="list-style-type: none"> <li>• Competitive intelligence and risk assessment</li> <li>• IP operations comparables</li> </ul>	<p><b>PHASE III: INTERNAL INTEGRATION FOCUSED ON:</b></p> <ul style="list-style-type: none"> <li>• Portfolio assessment and landscaping</li> <li>• Portfolio/product integration</li> </ul>



**CONTACT**

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Gregory Campanella is responsible for leading Ocean Tomo’s Management Services Group and is a Managing Director in the Valuation practice. Mr. Campanella’s work has focused on valuations of intangible, intellectual property and tangible assets for acquisitions and divestitures, bankruptcy and restructuring, establishment of monetization strategies including licensing, mergers and joint venture/partnership formations, litigation support, and financial reporting and tax matters.

Mr. Campanella also has experience performing business enterprise, equity and debt valuations. Industries in which he has experience include telecom, computer hardware and software, entertainment, semiconductors, life sciences/pharmaceuticals, wireless and wired communication, e-commerce, among others.



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## About Ocean Tomo

Established in 2003, Ocean Tomo provides Financial Expert, Management Consulting, and Advisory services related to intellectual property (IP) and other intangible assets; corporate accounting investigations; regulatory and reporting obligations; solvency and restructuring; and contractual or competition disputes.

Practice offerings address economic damage calculations and testimony; accounting investigations and financial forensics; technology and intangible asset valuation; strategy and risk management consulting; mergers and acquisitions; debt and equity private placement; and IP brokerage.

Subsidiaries of Ocean Tomo include Ocean Tomo Investments Group, LLC, a registered broker dealer. Ocean Tomo is a part of J.S. Held. With more than 100 offices globally, J.S. Held assists clients – corporations, insurers, law firms, governments, and institutional investors – on complex technical, scientific, and financial matters across all assets and value at risk.

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## About J.S. Held

J.S. Held is a specialized global consulting firm whose professionals serve as trusted, expert advisors to organizations facing high-stakes events that demand urgent attention, exceptional knowledge, staunch integrity, and clear-cut analysis and advice. The firm provides a comprehensive suite of technical, scientific, financial, and technology advisory services that enable clients across the spectrum of industries to navigate complex, contentious, and often catastrophic situations with precise analysis, reliable insights, and confidence.

In 2022, Ocean Tomo joined J.S. Held, continuing the strategic growth of the firm. Leveraging the J.S. Held team of more than 1,500 professionals around the world, our clients will now have access to J.S. Held's suite of specialized services, including:

- Construction Advisory Services
- Corporate Finance
- Economic Damages and Valuation Services
- Environmental, Health, and Safety Services
- Equipment Consulting
- Forensic Accounting
- Forensic Architecture and Engineering
- Global Investigations
- Property and Infrastructure Damage Consulting
- Surety Services

Headquartered in New York, J.S. Held has offices across the United States, Canada, Latin America, Europe, Asia Pacific, and the Middle East.

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