

Key Findings



Cipher Patent Risk Survey

The survey was conducted in collaboration with IAM

October 2021

This is the first global survey on patent risk management and was conducted in association with IAM between August and September 2021.

Patent experts understand patent risk. Over 80% believe that it is more than likely that they will have an issue in the short term. Over half of patent owners, however, do not report on patent risk until there is a significant issue. There are many reasons given for this including the absence of reliable data and the lack of an understanding of patents at board level.

Overall, this suggests hidden danger. Whilst there is no shortage of patent expertise within organisations, it's only when disaster strikes that the patent news travels fast and upwards. This paints a misleading picture of patent risk as Black Swans – of events that are rare, unpredictable and unquantifiable. Nothing could be further from the truth.

A more detailed analysis of these findings will be published in IAM shortly and the full Cipher Report on Patent Risk will be published in November.

82%

of patent owners will face patent risk in the next 2 years

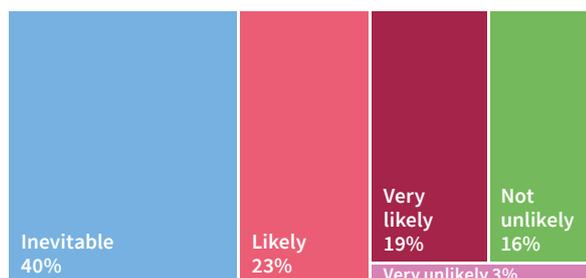
56%

report on patent risk only when there is a significant issue

1 Patent risk is unavoidable for most patent owners, inevitable for many and generally not reported

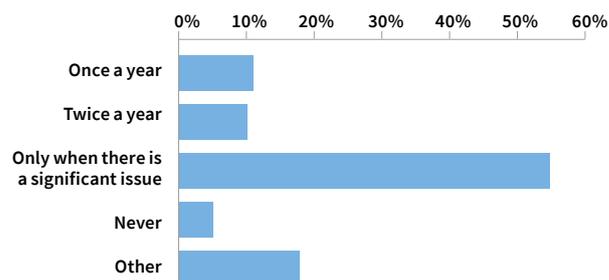
Over 82% of patent owners think that it is likely that they will have to deal with patent risk in the next 2 years, with 40% reporting that patent risk is inevitable. When asked how often patent risk is reported, the majority response was only when there is a significant issue (56%) with an additional 5% saying that they never report on patent risk.

How likely do you think it is that you will have to deal with a patent risk in the next 2 years?



Source: Cipher Patent Risk Survey, 2021

How often do you report on patent risk?

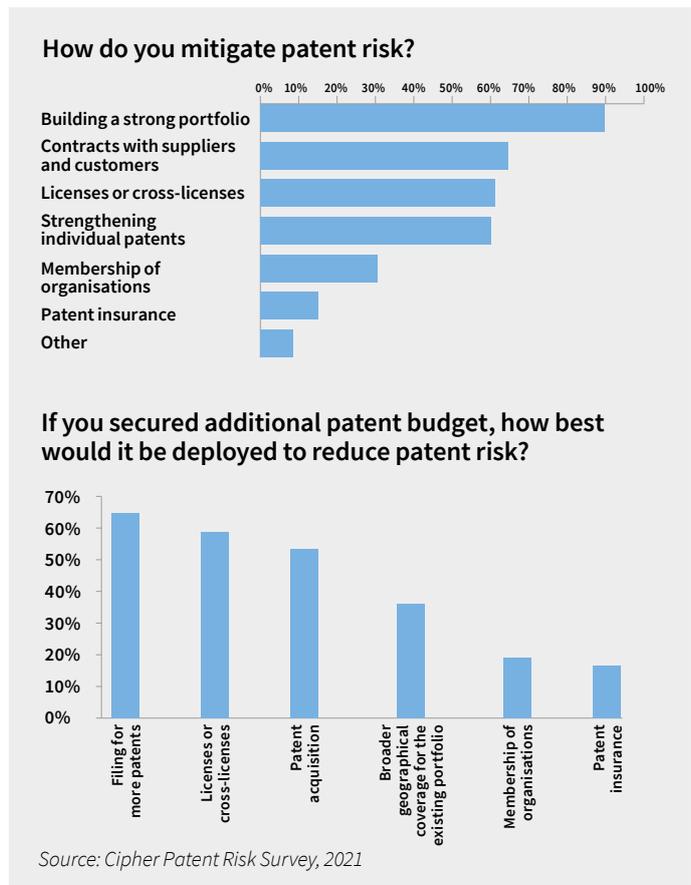


Source: Cipher Patent Risk Survey, 2021

② Building a strong patent portfolio is the primary approach to patent risk mitigation, but only as part of a holistic risk strategy

Over 90% of survey respondents identified the building of a strong portfolio as the best way to mitigate patent risk. Other strategies include contracts with suppliers and customers (65%) and licences and cross-licences (61%).

There were no shortage of contenders when asked how patent owners would deploy additional patent budget to reduce patent risk. While both organic growth of their own portfolio and licensing are the top responses, there is widespread recognition of the importance of patent acquisition on the secondary market (53%).

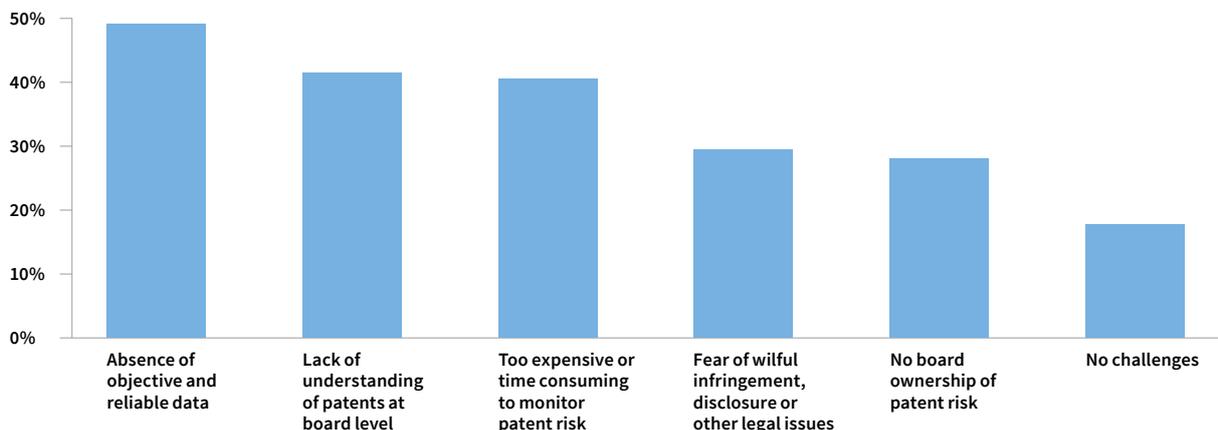


③ The main challenges when communicating patent risk include the absence of objective and reliable data and the lack of understanding of patents at board level

Almost 50% of survey respondents highlight the absence of reliable data as the main challenge when communicating patent risk. Previous CIPHER Reports have identified the same issue in other areas of patent strategy (*see Dispelling the benchmarking myth, March 2021*).

The other top responses are the expense and time involved in monitoring patent risk (40%) and the lack of understanding of patents at board level (41%).

What are the challenges you face in communicating patent risk?



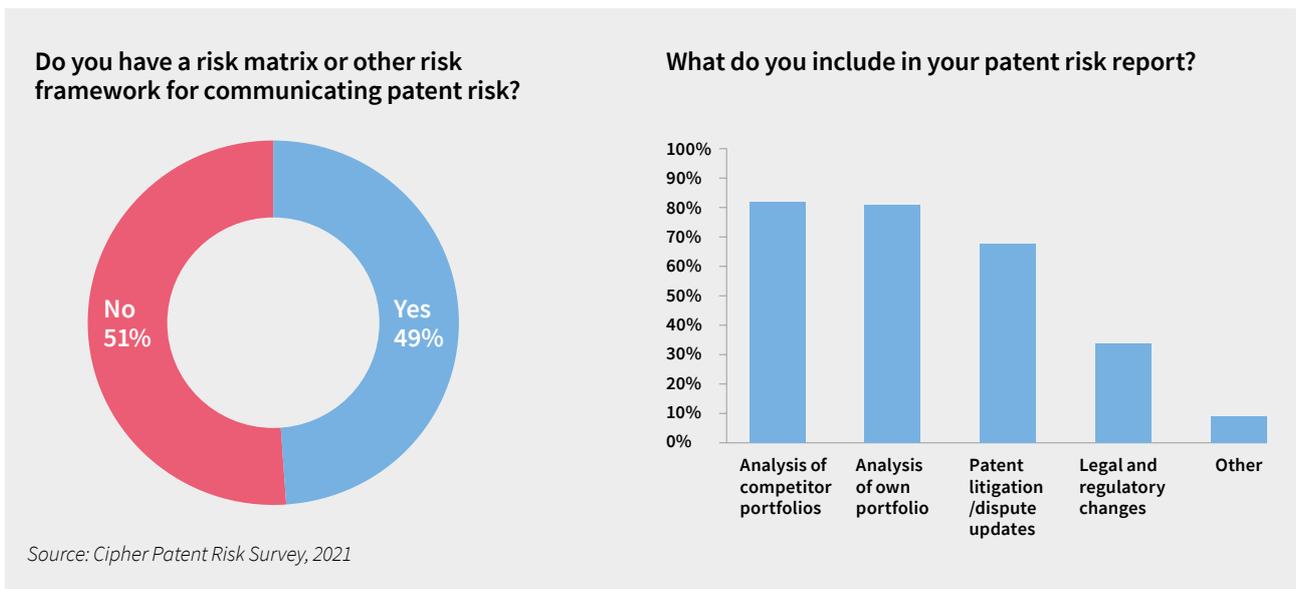
Source: CIPHER Patent Risk Survey, 2021

4 Half of patent owners have a risk matrix or framework but only use it when there is a significant issue

49%

of patent owners report that they have a risk matrix or framework for communicating patent risk

49% of patent owners report that they have a risk matrix or framework for communicating patent risk. A patent risk report will most commonly include assessment of competitors and your own portfolio. Patent risk reports primarily focus on own and competitor portfolios, with patent disputes and litigation often included.



60%

About the survey

of respondents have 16+ years IP experience

All data is from the Cipher Patent Risk survey, conducted in association with IAM in August and September 2021, with 122 respondents. 60% of respondents have 16+ years IP experience, over 50% of respondents were Head of Patents, Head of Intellectual Property or General Counsel. Respondents were from a range of industries with both large and small patent portfolios. Respondents mainly came from Europe and North America.

Find out more on Risk Mitigation here



Cipher

For more information, go to www.cipher.ai or email info@cipher.ai



IAM

For more information visit www.iam-media.com

