

Mars Portfolio Risk Analysis

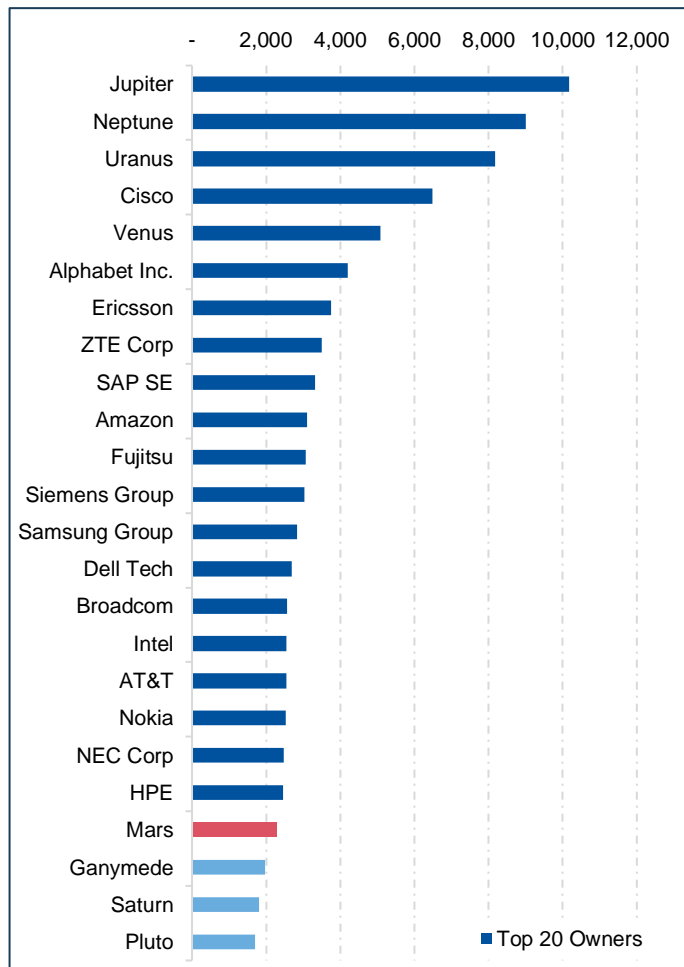
Example analysis using anonymised data

This example uses the CIPHER [Universal Technology Taxonomy](#) and a spoof company, Mars, to demonstrate how you can mitigate operating company risk and estimate the risk mitigated by Mars' portfolio in dollar terms.

Step 1: Scope

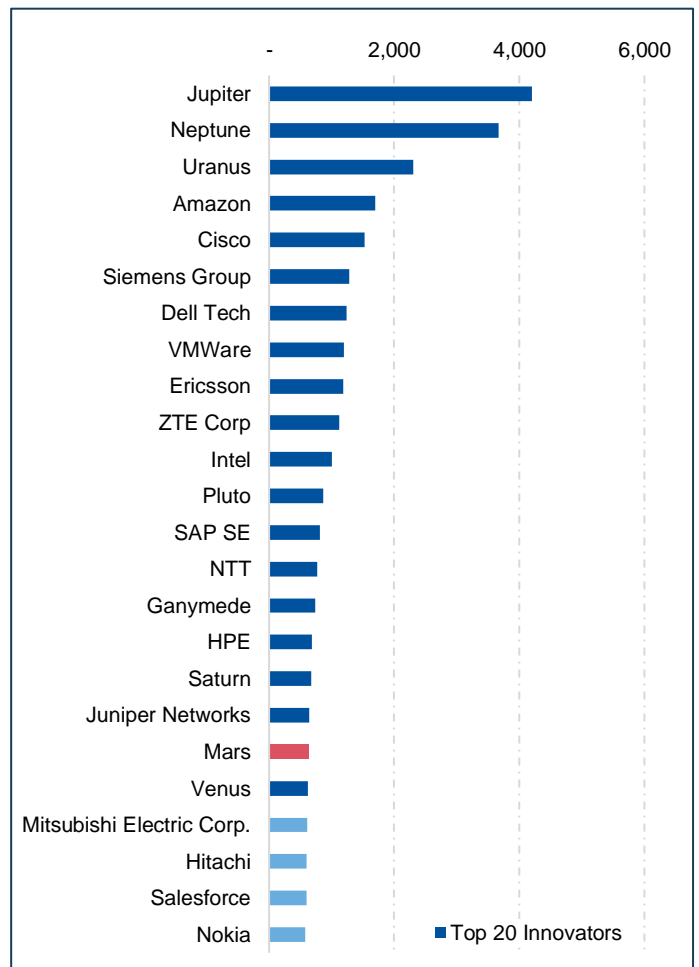
In the scoping phase, you will look at companies operating in your technology areas and identify those who are innovating rapidly in that space. This data will be a good indicator of the companies that should be considered threats.

No. Granted & Pending Patent Families



Cipher, February 2022

Patent Families Published 2018-2021

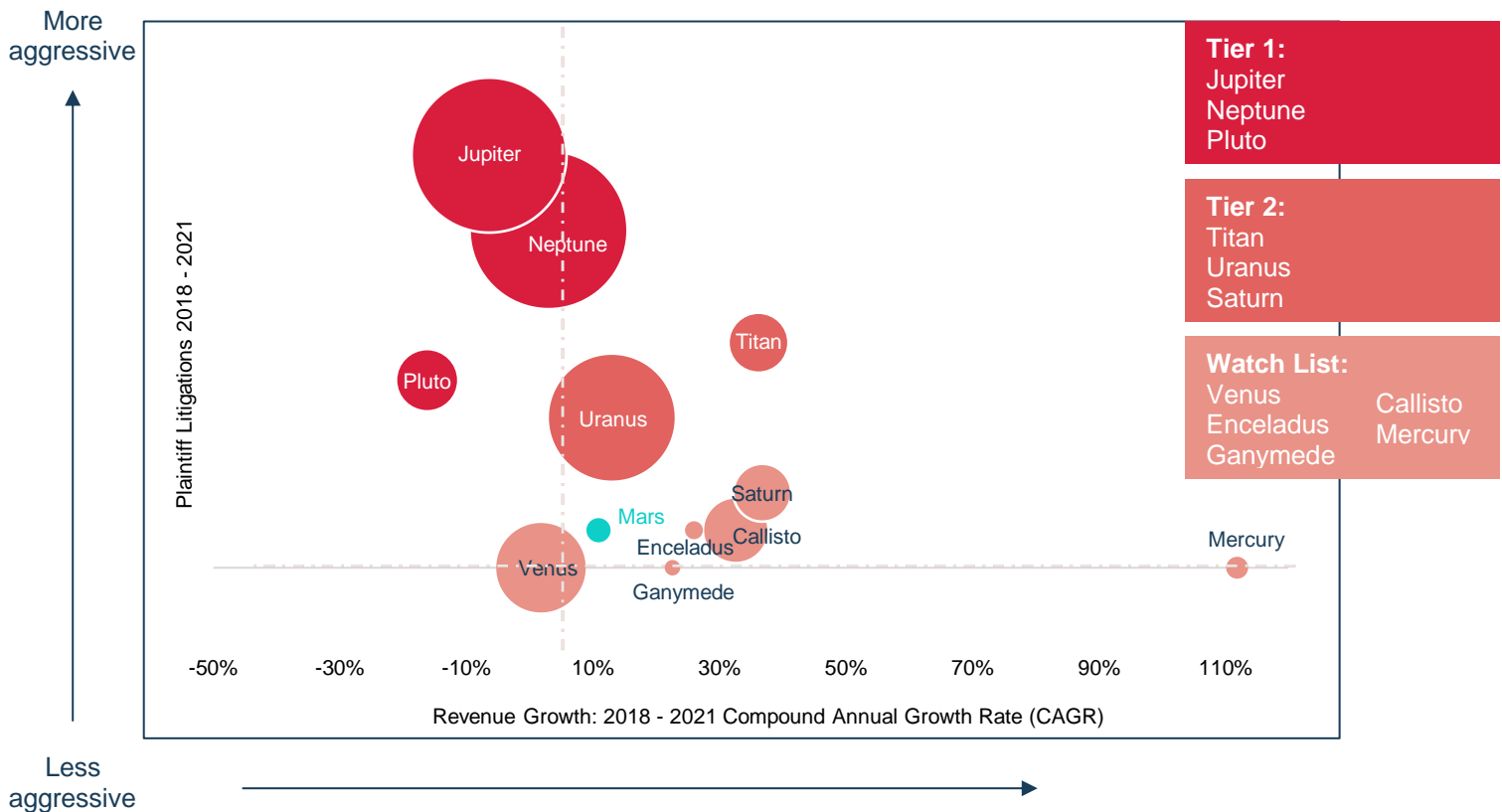


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We have been able to identify companies that should sit on our threat list. We can see which organisations are the top patent owners in the technologies relevant to our business, as well as which are the top innovators in those same areas.

Step 2: Classify

In the classification phase, you will high-grade your threats, assessing their propensity to litigate and identifying the organisations of greatest threat.



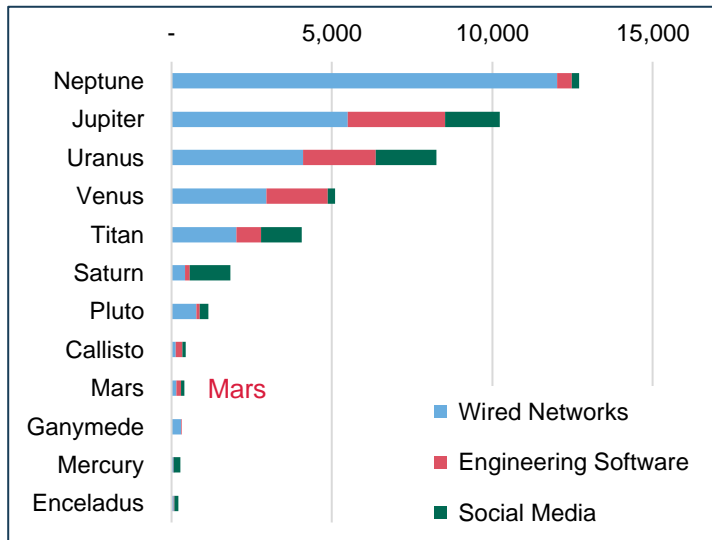
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This is a visualisation of how three indicators of threat/risk can be combined to organise companies into threat tiers. The three indicators are: revenue growth/decline, litigiousness and portfolio size.

Step 3: Quantify

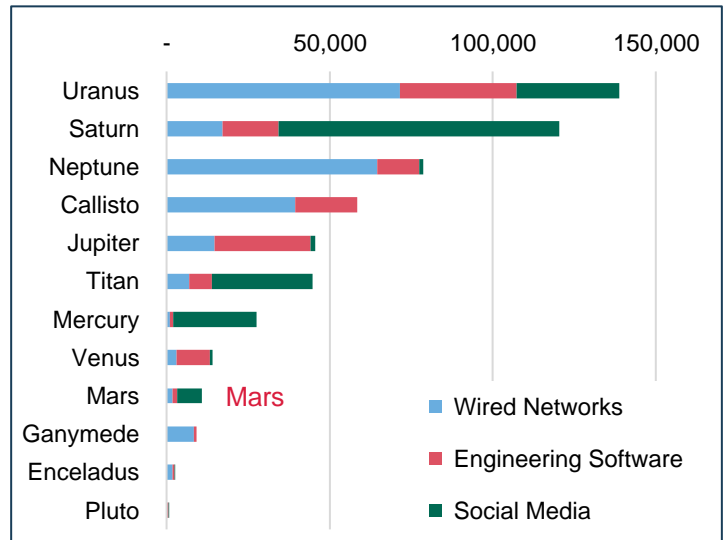
In the quantification phase, you will understand the materiality of those threats in monetary terms. At this stage, the order of your threats might change depending on the dollar magnitude.

No. of Active Patent Families



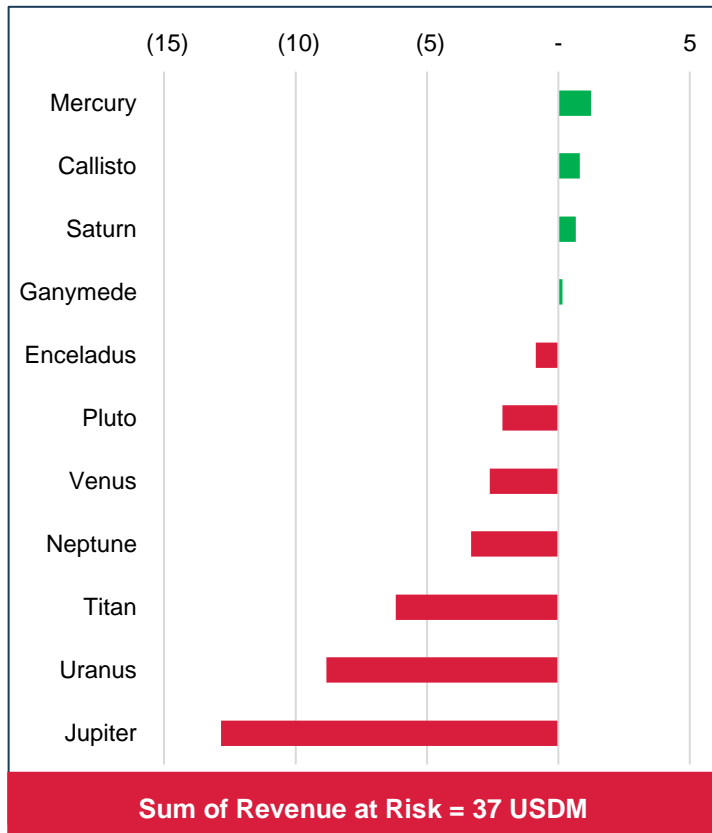
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Mapped 2021 Revenue, USDM



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Risk Materiality – Revenue at risk, USDM

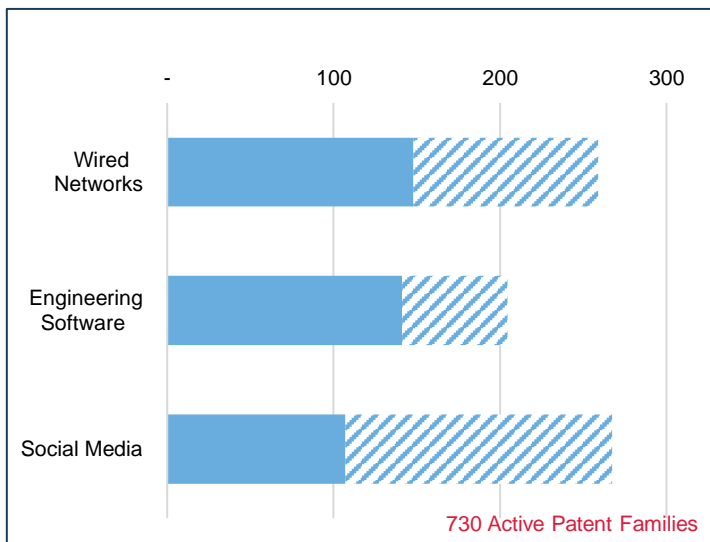


These charts show the inputs and output of the risk materiality calculation, which sits within Cipher's Portfolio Optimisation model. The three inputs are portfolio size by technology, revenue mapped to technology and an assumed royalty rate.

Step 4: Communicate

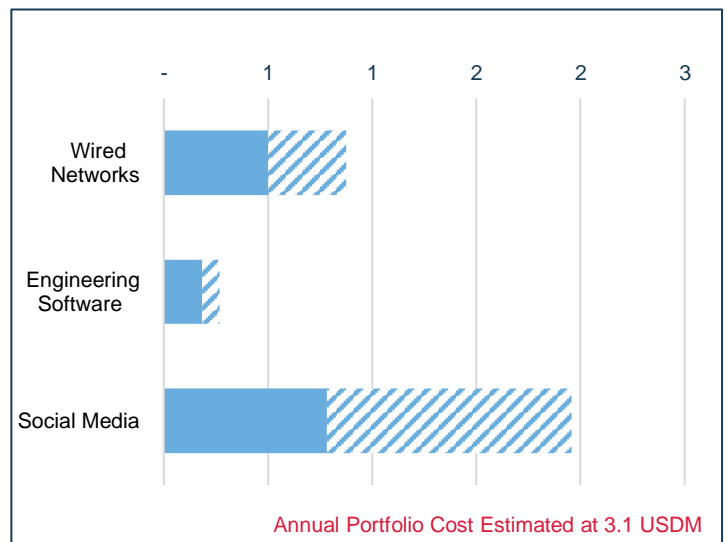
Having high-graded your threats and identified how much revenue is at risk from those threats, you are now in a position to propose and clearly communicate sensible mitigation strategies.

Mars Portfolio Size & Scenario Change



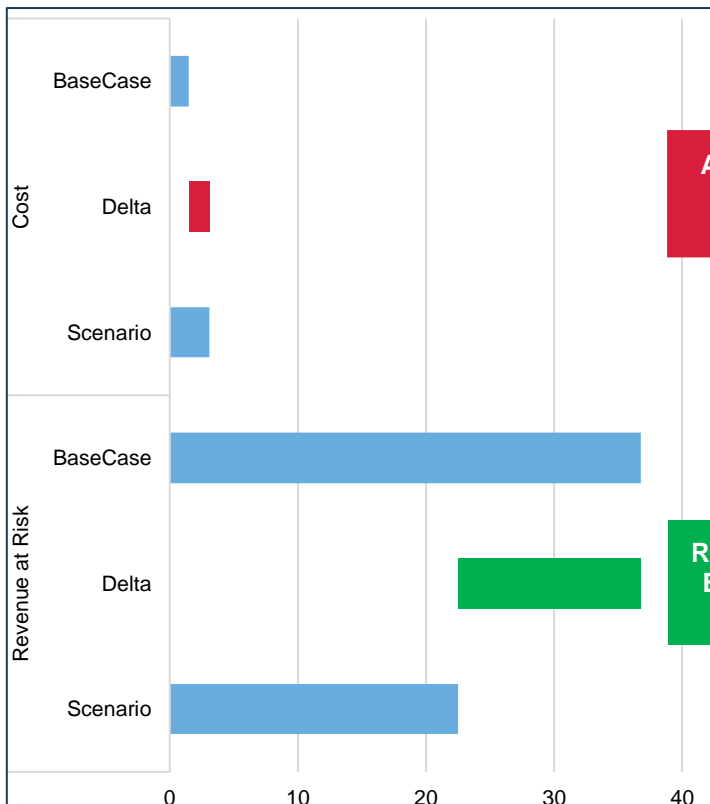
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Mars Portfolio Cost USDM & Scenario Change



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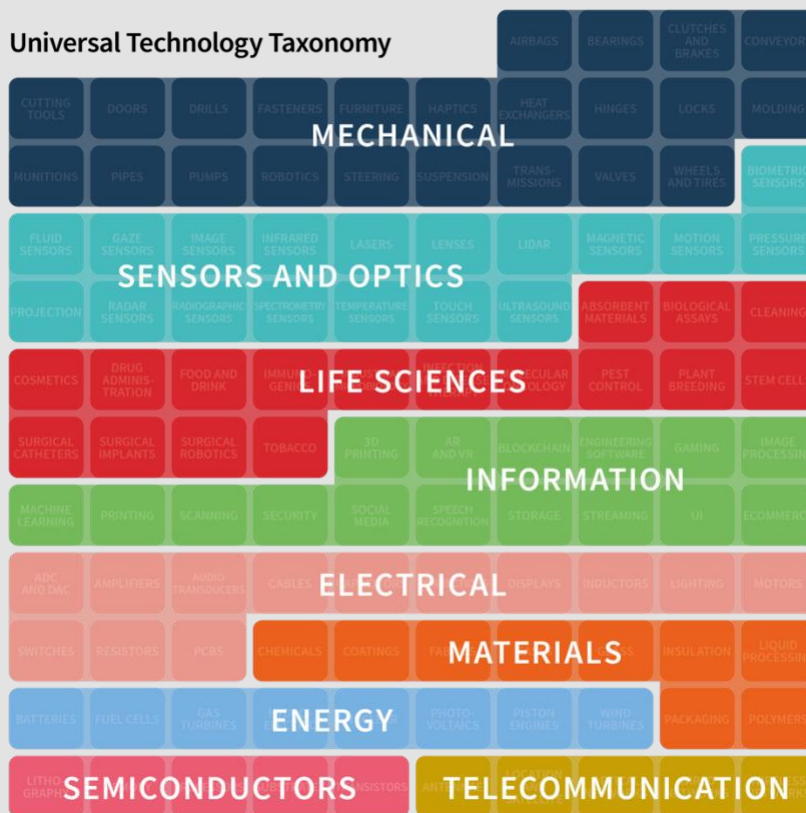
Scenario Analysis: Annual Patent Portfolio Cost vs Annual Revenue Risk Materiality, USDM



These charts show a scenario in which we have modelled an increase in portfolio size across all three of our technology areas, along with the cost to implement this increase. As a result of this targeted 3.1USDM investment to strengthen our portfolio, we see a 14.3USDM reduction in revenue at risk against our threat list.

Want to adopt this proactive approach to patent risk management? [Get in touch](#) with us to find out more.

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