



Strengthen your Licensing & Litigation Efforts

with Claim Charts

With the tough economic condition making it difficult to license or sell patents, what can patent owners do to showcase the true worth of their patents?

Building and maintaining a patent portfolio entail a significant investment of time and money for individual inventors and corporations alike. Hence, it is natural for them to seek opportunities to unlock the monetary value of their patents and maximize their ‘return on investment’.

Patent owners have multiple means at their disposal by which they can leverage their patents. One of the options is to license their patents to other organizations operating in similar domains. They can also decide to sell their patents through one of the various channels, ranging from specialized ‘manual’ marketplaces operated by patent brokers to various ‘patent auctions’ and even the automated online technology trading exchanges.

Irrespective of the means, the patent owners have to adequately ‘package’ the patents to maximize their chances of realizing the best value for their patents. This is evident from the outcomes of recent patent auctions which show that buyers are demanding detailed patent due diligence packages even before considering any patent for acquisition. Usually, such packages focus on addressing issues related to patent provenance, licensing encumbrances, etc.

Another artefact that can be included in the patent due diligence package is a detailed

infringement claim chart. The claim chart can prove to be critical in boosting licensing efforts and improving the saleability of a patent.

Claim Charts: An Aid to your Licensing Strategy

Claim charts can play a multi-dimensional role in effectively leveraging patents.

If the patents are to be licensed, claim charts can help the patent owners concentrate their licensing efforts by identifying targets whose products are potentially infringing. Moreover, detailed claim charts showcasing compelling evidence of ‘product – patent’ mapping could persuade potential licensees into serious negotiations.

Patent buyers are demanding high quality due diligence packages even before considering buying patents in the open market. Claim charts can be included in such a package to improve the saleability of a patent.

Alternatively, if the patents are to be sold in the marketplace, claim charts could help the patent owners elicit a response from companies whose products are potentially infringing the patent claims. This brings the most pertinent buyers to the negotiating table and further enhances the selling price of the patent by creating an environment naturally conducive to competitive bidding.

Also, while licensing and selling the patents, quality claim charts could be clubbed with relevant market and usage data to get an estimate of the impacted revenues of the potential buyer or licensee. This would help in negotiating the cost of buying or licensing the patent.

Thus, detailed claim charts can be instrumental in obtaining better returns for patent owners by reinforcing the value proposition for buying or licensing the patent.

Claim Charts: Critical in a Patent Litigation Scenario too

Owing to the humungous costs associated with patent litigation, most patent owners prefer to settle the licensing issues through negotiations than through litigation. But if the licensing negotiations fail, the patent owner is left with no option but to file a patent infringement suit.

Sometimes, the very act of sending claim charts to potential infringers could prompt them to file a declaratory judgement action against the patent owner. This would inadvertently drag the patent owner into a full fledged litigation.

Claim charts would prove to be very useful in both such scenarios. Especially in the wake of the *Bell Atlantic Corp. v. Twombly* verdict, claim charts could be included as a part of the original complaint to establish

the plausibility of the plaintiff's entitlement to relief. Also, considering that most parties prefer to go in for a negotiated settlement, a detailed initial complaint showing convincing evidence of infringement would also help in driving the Alternate Dispute Resolution (ADR) negotiations in favor of the patent owner.

Thus, irrespective of whether the patent owners choose to license the patent or litigate in court, an investment in preparing detailed claim charts will surely help them in maximizing the returns on their patents.

What does it take to make Detailed Claim Charts?

Preparing high-quality claim charts involves extensive and sometimes very time-consuming technical analysis. Some of the typical steps involved in preparing such claim charts are:

- Extensive analysis of the patent's claims
- Exhaustive product search to narrow down on a list of potentially infringing products
- Detailed mapping of the patent's claims onto the features of the infringing product on basis of reasonable claim construction
- Extensive research for garnering evidence from varied technical resources such as data sheets, product manuals, technical varticles, etc.

It may also involve source code analysis, product use analysis, product reverse engineering, etc. depending upon factors

such as the patent's technology domain, ease of infringement detectability, etc.

In addition, preparing detailed claim charts also presupposes relevant market knowledge and familiarity with the various aspects of patent law. Thus, an IP-attuned team backed by a sound technology background and proven domain expertise can be entrusted with the job of preparing such infringement claim charts. Especially when faced with stringent court deadlines, the technical team can leverage its domain expertise to prepare high quality claim charts without compromising the depth of the coverage.

Such a team could act as an 'extended technology arm' for the attorneys and perform the time-consuming technical analysis, while freeing up their time to focus on the legal aspects of a licensing negotiation or litigation.

About iRunway

iRunway helps corporations and law firms unlock and protect the value of patents. We combine deep technology expertise with practical business insight to monetize patent portfolios and profoundly improve litigation outcomes. Our in-depth analysis has contributed to significant courtroom victories and favorable settlements for our clients.

- *Fourth-largest patent jury verdict in the U.S. in 2009 - Success Story*
- *A strategic cross-licensing deal with a Fortune 200 technology company*
- *Favorable settlement with a medical systems company in a copyright case*