

Patent Information Needs from a Marketing Manager's Point of View[†]

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The importance of patents to the marketing function in an industrial environment is discussed briefly from eight viewpoints.

I. PATENTS IN-HOUSE THAT CAN BE COMMERCIALIZED

It is a truism that many companies have many patents on their shelf that for one reason or another have not been exploited commercially to date. These reasons may encompass a variety of situations such as: (1) the timing may not have been right for the commercialization of the patent, (2) markets did not exist for the products listed in the patents, (3) the company may not have been in a position either from a technology point of view or a manpower point of view to exploit the patent successfully, and (4) the successful exploitation of the patent depends upon other markets for other products coming to fruition at the same time.

In cases such as these it is well worthwhile for the holder of the patents to do two things: (1) determine whether these patents should be offered for license to other companies, or (2) decide whether or not the time is right for a reevaluation of the company's patents in terms of their commercial exploitability.

II. WHAT TO LOOK FOR IN ANOTHER COMPANY'S PATENTS

In order to keep abreast of the competition, the marketing manager needs to know the following in terms of analyzing other companies' patents: (1) the actual nature of the claim and (2) the types of businesses that the patents could be applied to. For certain key competitors the marketing manager would be well advised to analyze the following: (1) distribution of patents by company by U.S. Patent Office Classification, (2) new research activities of the company, (3) patents available for licensing by that company, (4) types of claims made by that company, and (5) date of expiration of the patents.

III. LICENSING VS. SELF-COMMERCIALIZATION

Very often a company will take the approach that if they do not have the immediate knowhow to commercialize a patent then they should license the technology to other companies. Superficially this may appear to be a valid approach, and in a number of cases it is the only feasible approach for companies that are poor in manpower and financial and technological resources. It is especially true for companies that may have stumbled onto the invention in the course of other work. However, it should be remembered that the income derived from licensing is only a small fraction of the income that can be derived from self-commercialization of the patents.

Finally, in many cases companies tend to decide on whether they should or should not license a given product or group of products without consulting the marketing manager. This is very definitely a mistake that should be avoided.

IV. COMPANY ACQUISITIONS

One of the prime things to look for when analyzing a company with a view to possible acquisition of that company is that company's relative patent strength in the fields that it is active in. If the company has a number of patents that are about to expire, then that would naturally be a danger sign. The company's patents should also be analyzed carefully with respect to their depth of coverage and defensibility as compared with other companies in companies in specific market areas.

Also important is an analysis of patents the company may have in other areas besides those of its own immediate interest. Typical questions to ask would be:

1. Would these patents be useful to the acquiring company?
2. Are they complementary to the areas of interest of the acquiring company?
3. Would it be possible to exchange these patents for those of other companies?

In screening studies the patent department can be especially useful. Specific market areas of interest to the investigating company should be defined. A search should then be made for patents in these end-use areas and the companies holding these patents.

V. COMPETITIVE ANALYSIS AND INFORMATION

This area is one of the most important from the marketing manager's point of view. It is possible for a company to keep abreast of what its competitors are doing by a variety of methods.

For instance, let us assume that we are trying to determine just how serious a certain company's intentions are in a certain area. We have also found out that this company has been granted a patent in, say, Germany. The astute marketing manager would then ask his patent department if this same patent has been issued in other countries. If they have, then obviously that company is taking its invention seriously.

Also, since patents issue more quickly in other countries than in the United States (especially Germany, Belgium, and Japan), the marketing manager should ask the patent department if the patents in a certain subject area have issued in foreign countries.

Another aspect of competitive analysis that is often overlooked is what product advantages competitors are claiming or, more importantly, contemplating claiming for new products. A search of patents issuing both in foreign countries and in the U.S. will often reveal these product advantages.

VI. KEEPING ABREAST OF MARKETING TRENDS AND TECHNOLOGICAL TRENDS

This is similar to the examples cited under acquisitions. The marketing manager has a constant need to keep abreast of market and technological trends in the product areas that he is responsible for as well as related product areas. In order

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to do this intelligently he should organize this by both product and by end-use. A search should then be made of all the patents issued in these specific end-use areas and for each product of interest. These should be categorized by company. In this way the marketing manager can determine: (1) what products are the greatest threat to his company's products, and (2) what end-use areas are of the greatest interest to his competitors.

VII. DEVELOPMENT OF NEW BUSINESSES

This is related to the preceding section. The marketing manager will naturally be interested in all the patents that impinge on the new business area under investigation. The new business should be segregated into its various end-use components, and a search made for all the patents relating to these end-uses and also arrayed by companies. The marketing manager naturally will need to know (1) who are the strongest competitors and (2) which uses are covered by the most patents.

This technique also lends itself to specific analysis of a specific competitor over a long time frame.

VIII. FOREIGN MARKETING

This is an area often overlooked by many marketing personnel. If a company decides to start marketing a product or group of products outside the United States, the company should ascertain if its patent coverage is adequate in those countries in which it intends to begin marketing operations. If not, then steps should be taken to ensure that its patent coverage is adequate. The marketing manager will also be interested in the amount of patent coverage its expected competitors have in those countries.

Much more can be said about the patent needs of the marketing manager. This presentation is intended to touch on only the most important aspects of these needs and to make marketing personnel aware of these needs and of the many assets available for their use within the patent department of their company, as well as outside patent reference services.

Studies on the Metallurgical Patent Literature. I. The Coverage of Patents by Abstracts Journals in Metallurgy

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A survey of the patents coverage policies of abstracts services in the field of metallurgy was carried out. In addition, the coverage of *Chemical Abstracts* was compared to that of Derwent's *World Patent Index*. The average time lag for entry into *Chemical Abstracts* was approximately twice that of *World Patent Index*. A further study on the patterns of equivalent filings demonstrated that by covering just British, American, and French or German patents, an abstract journal could retrieve over 95% of the world's patent output in metallurgy at small cost. On the other hand, abstracts journals which restrict their coverage to only one country's patents miss a substantial portion of the world's patent literature.

INTRODUCTION

Approximately 500 000 new patent documents are published throughout the world each year. Even if only one-third of these are first notices of an invention (the remaining two-thirds being equivalent to early applications), it can be seen that a vast amount of scientific and technical information must be contained in patent documents. In general, the information contained in patents is never published in the journal literature,¹ or, even when it is, the patent information appears well before the journal information.² It could be argued that the inventions not described elsewhere are unimportant, but research in Russia quoted by Vcerasny³ indicates that 10–14% of patents in metallurgy and engineering prompt new developments.

With unlimited staff and financial resources, it would be possible for an information unit to monitor all relevant patents. However, in view of the restrictions most units have to work under, it is probable that most will look to the abstracts journals they subscribe to for details of relevant patents. Despite the fact that abstracts journals in metallurgy are widely used for such purposes, the efficiency of their coverage of the patent literature has never been assessed. This study attempts to provide such an assessment. The evaluation of secondary literature services presents a number of metho-

dological problems, which are more difficult to solve when evaluating patent coverage. Two useful measures are the proportion of relevant material included and the time lag between the publication of this material and its inclusion in the journal. "Relevance" of a patent to the interests of an abstracts journal is extremely difficult to measure objectively. For example, *Lead Abstracts*, if it were to be completely comprehensive, should include all patents where lead is a constituent of a material, but subjective decisions must be made on questions such as whether the lead oxide content of glass is really relevant. Coverage can be tested by comparing patents included with a list of those considered to be relevant, but the result would reflect the difference in the subjective judgments of the compilers of the two lists, as well as any gap in coverage. This problem is compounded by the fact that equivalent patents may be published in a number of countries. A full list of all equivalents must, therefore, be compiled in order to allow for variations in country coverage.

METHODOLOGY AND RESULTS

Journal Patents Policy. A personal letter or telephone call to the editorial departments of the English language journals in Tables I and II resulted in 14 replies (marked X on Tables I and II). Journals known to cover patents to some extent were