

IP Risk and IP Risk Management

How can IP risks be visualized?

Introduction

Hello and welcome to the Academy by PatSnap course on IP Risk. For this series, we're delighted to welcome our partners and experts in this field, Chawton Innovation Services, who will be guiding us through the complex environment of risk and how that relates to intellectual property. Donal O'Connell, Managing Director of Chawton Innovation Services, will be our host for this session in which we are going to explore the idea of the IP Risk Management Visualization. So, let's start with IP value and the risks attached:

Donal O'Connell:

Any business professor will tell you that the value of companies has been shifting markedly from tangible assets, "bricks and mortar", to intangible assets like intellectual property in recent years.

By its very nature, there are both rewards and risks associated with IP. For anyone involved in IP, then IP related risks are part of working life.

Any company faces a variety of IP related risks, some foreseen others unforeseen. I have yet to meet a company who does not have one or more IP related risks to consider.

Not all IP related risks are the same and they may be broken down into a variety of different categories, such as the form of IP involved (e.g. patents, trademarks, copyright, trade secrets, etc.); the impact and probability of the risk; the source or origin of the IP related risk; the date when the risk is likely to materialise; the IP activity impacted; the geographical nature of the IP risk; whether they are generic or specific in nature; the group or sub-group most impacted by this risk in the organisation; etc.

IP litigation is a threat to all businesses, large and small but it is by far not the only form of IP related risk. There are indeed many different types of IP related risks that a company may face. IP risk management is the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, assessing, treating, monitoring and communicating.

And, of course, data visualization very much slots into that communication category.

Data visualisation is viewed by many disciplines as a modern equivalent of visual communication. It involves the creation and study of the visual representation of data, meaning information that has been abstracted in some schematic form, including attributes or variables for the units of information. A primary goal of data visualisation is to communicate information

clearly and efficiently via statistical graphics, plots and information graphics. Numerical data may be encoded using dots, lines, or bars, to visually communicate a quantitative message. Effective data visualisation helps users analyse and reason about data and evidence. It makes complex data more accessible, understandable and usable. Data visualisation is seen as both an art and a science.

Now let's focus on IP Risk Visualisation:

Without IP risk visualisation, IP risk registers will more often than not fail to accomplish the objectives of IP risk management and support better decision making.

IP risk visualisation is the display of a rich array of information, including but not limited to IP risk category (the types of IP involved); IP risk source (the origin of the IP related risks); IP risk proximity date (how quickly IP related risks are likely to materialise); IP risk impact (the actual impacts measured in financial terms); IP risk geographical scope (details of where the IP risks are happening); IP risk mitigation effectiveness (the effectiveness of IP risk mitigating actions); and IP risk trajectory (IP risk exposure over time).

IP risk visualisation can be extremely useful in getting a message across to key stake holders such as C Suite Executives, enabling them to prioritise and highlight appropriate IP related risks for immediate attention.

Ok, next the IP risk heatmap:

An IP risk heat map is used to present the results of a risk assessment process visually and in a meaningful and concise way. It is a simple yet extremely powerful visualisation. Heat maps are a way of representing the resulting qualitative and quantitative evaluations of the probability of risk occurrence and the impact on the organisation in the event that a particular risk is experienced.

The development of an effective heat map has several critical elements – a common understanding of the risk appetite of the company, the level of impact that would be material to the company, and a common language for assigning probabilities and potential impacts. An IP risk heat map diagram provides an illustration of how organizations can map probability ranges to common qualitative characterizations of IP risk event likelihood, and a ranking scheme for potential impacts. They can also rank impacts on the basis of what is material in financial terms, or in relation to the achievement of strategic objectives.

IP risk heat maps provide a number of benefits:

- A visual, big picture, holistic view to share while making strategic decisions
- Improved management of IP risks and governance of the IP risk management process
- Increased focus on the IP risk appetite and IP risk tolerance of the company
- More precision in the IP risk assessment process
- Identification of gaps in the IP risk management and control process
- Greater integration of IP risk management across the organization and embedding of risk management in operations.

So, in summary then, some final thoughts:

IP risk management involves understanding, analysing and addressing IP related risks to make sure organizations achieve their objectives. Proper IP risk management is an integrated and joined up approach to managing IP related risks across an organization and its extended networks.

IP risk management is about ensuring that the business really understands its IP related risks, and then mitigates pro-actively.

The focus should be on IP risk mitigation and not just on IP risk evaluation. IP risk mitigation covers efforts taken to reduce either the probability or consequences of a threat.

A primary goal of IP risk data visualization is to communicate information clearly and efficiently via statistical graphics, plots and information graphics. Effective IP risk data visualization helps users analyse and reason about IP risk related data and evidence. It makes complex data more accessible, understandable and usable.

Conclusion

So, thanks there to Donal O'Connell for this insight into the IP Risk Visualization. In our next session, we will join Donal for our final segment in this module, in which we turn our attention to the psychology of IP Risk Management. In the meantime, thanks for watching and see you on the next module.