

Case study | Western Digital Corporation

# Embracing digital transformation to scale and empower a lean IP team

## 01

### Challenge

As one of the world's leading providers of data infrastructure, digital transformation is both a powerful force that's driving demand for Western Digital's products, and also a guiding principal as it continues to strengthen its business following a series of successful mergers and acquisitions.

The patent team's digital transformation journey began in earnest in 2016 when the decision was made to combine what were, as a result of the company's M&A activities, different patent teams with three sets of tools and processes. Faced with the challenge of forming one cohesive, high-performing patent team, David Dutcher, Western Digital's Chief Patent Counsel, initiated an in-depth review of the tools, processes, and data sources used by each of the teams, with the following goals in mind:



Increase the quality and speed of decisions by empowering the team's IP experts with the right data from various internal and external sources



Increase efficiency through process optimization and automation, reducing duplication, connecting workflows, and allowing data to move smoothly across systems

**"We selected Clarivate™ because of several factors, including the reliability of the products, the integration between the products, and the high-quality service we have received."**

**David Dutcher,  
Chief Patent Counsel, Western Digital Corporation.**

After completing an evaluation of the various providers, the Western Digital team selected Clarivate as its primary IP solutions provider, beginning a long-term partnership to achieve the goals Dutcher had established.



# 02

## Solution

By consolidating IP Management Systems (IPMS) and renewals providers, the patent team captured many immediate operational efficiencies.

### Operational efficiencies from a single IP management software and service provider

"One of the IPMS products in place before we moved all assets into FoundationIP required 1.5 full time IT support heads to maintain the tool and restore data that was lost when the system went down. We were able to eliminate that expense because of the reliability of FoundationIP," says Dutcher.

Additionally, by reducing the number of patent renewal service providers from seven to one, Western Digital's patent professionals were able to spend less time moving data between systems and providers, and more time providing counsel to their technology, licensing and business stakeholders.

"One problem I have seen with other IP service and software providers is that they do not offer tools that work together. This results in a lot of manual steps and effort to transfer data between systems," states Dutcher.

"FoundationIP works seamlessly with Renewals Service from Clarivate. If you have FoundationIP, I don't know why you would select another annuity provider."

### Client profile

#### Industry

Semiconductor and storage technology

#### Global portfolio

14,000

#### Challenge

Enable electronic management of the entire IP process from one single web based system

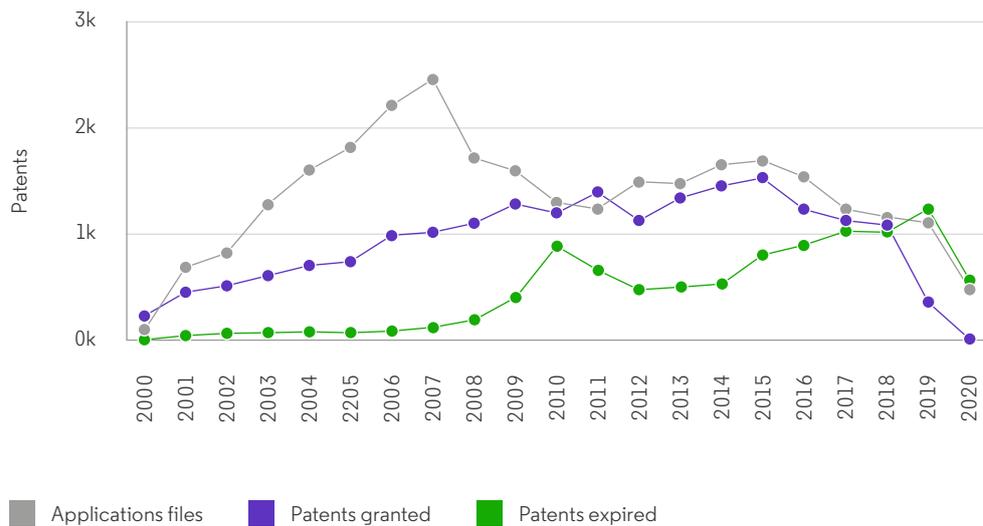
# 14K

patents maintained across 16 jurisdictions.

## The patent team at Western Digital

- Responsible for the protection, management, and monetization of Western Digital's complete portfolio of over 14,000 patents maintained across 16 jurisdictions
- Today Western Digital's business generates more than \$16 billion in annual revenue, with leadership positions in capacity enterprise hard drives and 3D flash technology.<sup>1</sup>
- Consists of 22 IP professionals led by David Dutcher, Chief Patent Counsel
- Both Western Digital's business and patent portfolio have grown significantly in recent years through major acquisitions, including a \$16 billion deal to acquire SanDisk in 2016<sup>2</sup>, and a \$4 billion acquisition of Hitachi's storage unit business (HGST) in 2012<sup>3</sup>

**Figure 1: Western Digital's applications, grants and expiration activity by year<sup>4</sup>.**



Source: Innography IP Intelligence Software, Western Digital Company Profile

<sup>1</sup> Western Digital Corporation. (2019). Form 10-K 2019. Retrieved from <https://investor.wdc.com/node/21631/html>

<sup>2</sup> Duckett, Chris. "Western Digital completes San Disk purchase." 13 May 2016. ZDNet. <https://www.zdnet.com/article/western-digital-completes-sandisk-purchase/>

<sup>3</sup> Kerner, Sean Michael. "Western Digital Acquires Hitachi GST for \$4.3 billion." 7 Mar 2011. Enterprise Storage Forum. <https://www.enterprisestorageforum.com/industrynews/article.php/3927276/Western-Digital-Acquires-Hitachi-GST-for-43-Billion.htm>

<sup>4</sup> Figure retrieved from Innography IP Intelligence Software, Western Digital Company Profile. Data as of 12 May 2020. <https://app.innography.com/>

## Combining expertise with information to power decisions

When considering how his team approached portfolio management, Dutcher saw an opportunity to improve the way his team used data to inform renewals decisions. To address this challenge, Dutcher turned to Clarivate to help with a solution.

Due to Western Digital's involvement in the open source community and with standards bodies, as well as other factors, some of the patent assets have encumbrances, and encumbrances are one factor that the team considers in making a decision whether to renew a particular asset. To check this, team members had to previously go between multiple different systems, which was time consuming and would sometimes result in information being overlooked.

The patent team is now able to connect internal data on patent encumbrances in FoundationIP to its IP intelligence software, Innography, using the PortfoliolQ

feature within Innography. In addition to encumbrances, many other data fields maintained in FoundationIP were carefully selected to be visible in Innography through PortfoliolQ. As a result, the team members responsible for IP strategy and renewals decisions are now able to view and analyze all relevant internal and public patent data from a variety of different sources using a single tool, Innography. This has helped make the portfolio management process more efficient and ensure that decisions are made using all applicable internal and external data, without requiring this information to be pulled separately from FoundationIP.

In addition, each attorney is now able to use the specific technology designations from FoundationIP to filter Western Digital's portfolio in Innography to a relevant subset. This makes it easier to focus on certain technologies when performing technology landscapes or competitive comparisons.

**Figure 2: Example of how information from FoundationIP is presented in Innography with PortfoliolQ\*.**

The screenshot displays the Innography PortfoliolQ interface for patent US8560673 B2. The main content area is divided into several sections:

- PortfolioIQ Table:**

Asset Type	Published
Technology	advertising computer vision ecommerce
Inception	AT&T
Money Spent	33254
Remaining Costs	801
Rating	5
Matter Number	111896
Matter URL	cmd.do? cmdType=1&orgId=3342&clier
- Abstract:** Methods, systems, and products are disclosed for receiving, a message log is queried for the
- Drawings:** Includes a diagram showing a network of devices and servers.
- Project Info:** Not found in any active project.
- Extended References:** Not associated with any additional content.
- Patent Overview:**

Status	Active
Estimated Expiration Date	2021-09-28
Reason	Expiration date of application US10/997305 due to terminal disclaimer
Note:	This patent is subject to a terminal disclaimer.
- Also Published As:** US20090100027 A1 > US8560673 B2
- Claims:**

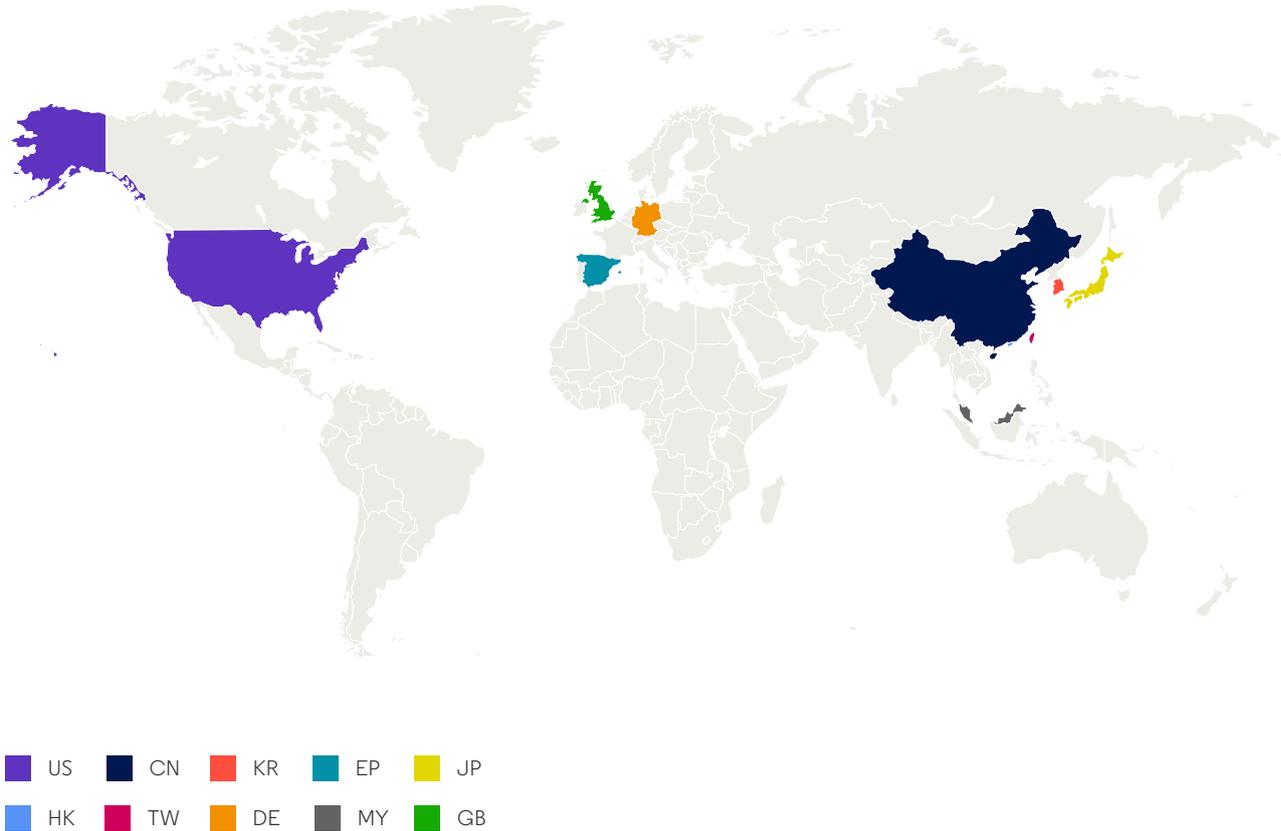
Claim #	Text
1	Claim #1
2	
3	
4	A method for managing communications of a user, comprising:
5	presenting a message log that tracks all electronic communications sent and received by the user, the message log
6	representing the electronic communications as entries in the message log, with each entry having data fields comprising a
7	"from" field describing an origin of a communication, a "subject" field describing informational content associated with the
8	communication, and a "date" field describing a date associated with the communication;
9	logging chat entries in the message log associated with a conversation in a chat room;

\* Actual client information not shown

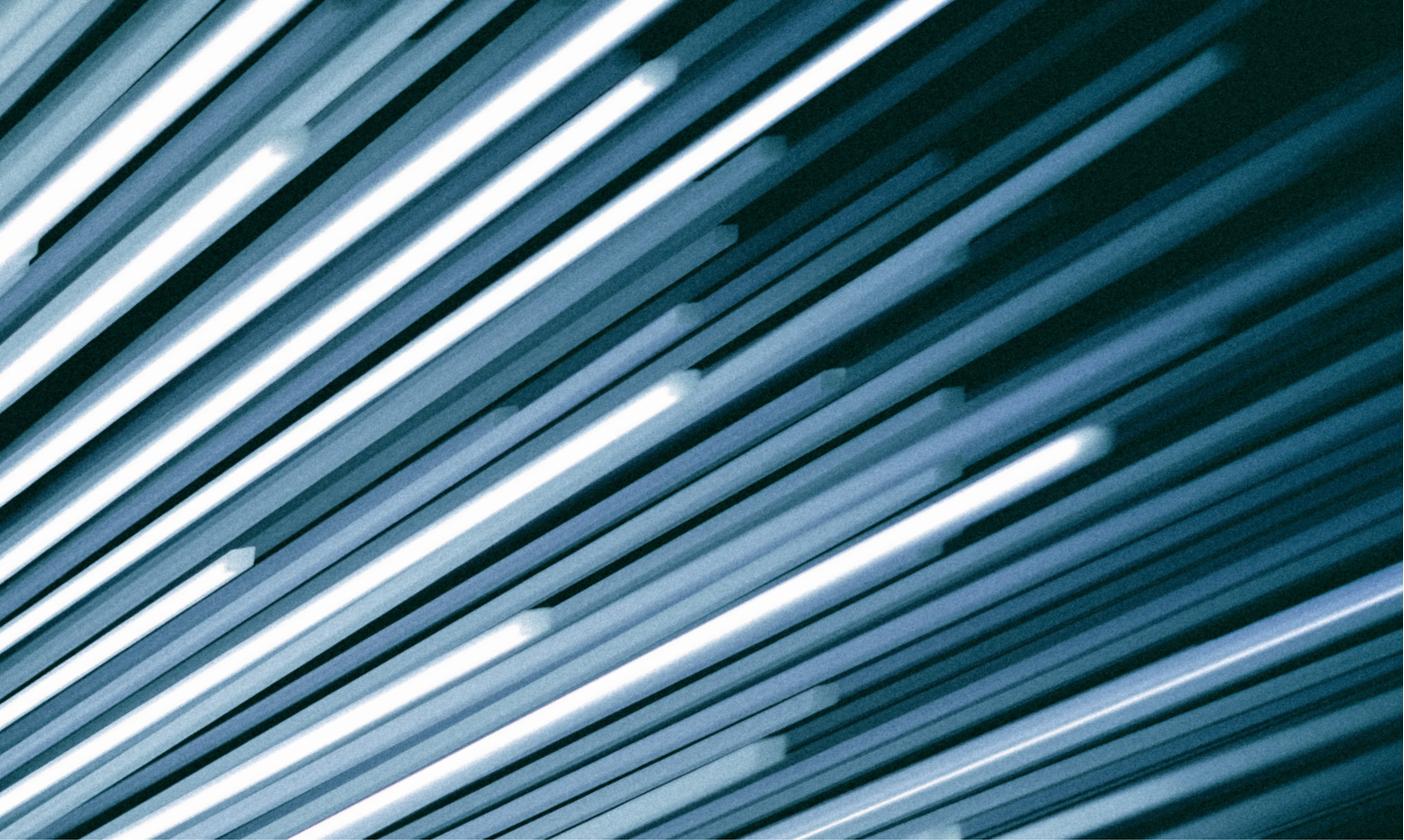
**"By empowering our world-class patent team with relevant and high-quality data, we are able to make even better decisions in less time."**

David Dutcher,  
Chief Patent Counsel, Western Digital Corporation.

Figure 3: Western Digital’s Source Jurisdictions for Active Patents<sup>5</sup>.



<sup>5</sup> Figure retrieved from Innography IP Intelligence Software, Western Digital Company Profile. Data as of 12 May 2020. <https://app.innography.com/>



## 03

### Outcome

#### Digital transformation: an ongoing pursuit

Today, the ability of the patent team to effectively capture and build IP plays a direct role in sustaining Western Digital's competitive advantage in this fast-moving industry. Dutcher sums it up this way, "Innovation is occurring rapidly in the semiconductor and storage industries. To ensure we are moving at the pace necessary to maintain our leadership position, we continuously assess our processes and tools to implement improvements that increase our efficiency and enhance our ability to make better decisions."

With nearly 1,000 patent applications filed in 2018, Western Digital's patent portfolio continues to expand quickly.

As Dutcher looks ahead to the next stage of his team's digital transformation journey, his focus remains on advancing data-driven decisions across the team by bringing together more sources of information.

As Dutcher puts it, "In the past, attorneys made decisions based on their own experience and expertise and, not traditionally, relied on a lot of data. Our digital transformation effort is changing that for our team, enabling more informed, data-driven decisions."

Dutcher knows he can expect Clarivate to deliver new solutions and innovations to support his team's evolving needs and help Western Digital stay ahead.

**"The relationship is important to us,  
and we recognize and appreciate the  
value Clarivate brings to our team."**

**David Dutcher, Chief Patent Counsel,  
Western Digital Corporation.**

Western Digital and Clarivate both share a vision for the future where the patent professional is connected to and empowered by the right information to deliver the best decision as efficiently as possible—whatever their role, whether a patent attorney, business advisor, or portfolio manager; whatever decision they face, whether patentability, pruning, or enforcement; or whatever the source of the data, whether it comes from the company's ERP system, contract management system, technical document repository or otherwise.

"I do not want us to ever feel like we are done," says Dutcher. "We always need to be open to change and open to further optimizing our operations and striving to make more effective and better-informed decisions."

The Clarivate team couldn't agree more.

### **Key results**

- Amount of patent team's time spent on value added activities has increased; spending more time providing counsel to innovation, licensing and business leaders and less time gathering and processing data.
- Confidence and speed of decision making has increased as a result of solutions that connect subject matter experts to relevant internal and highquality external patent data.
- Increased efficiency from automated systems that provide direction to internal personnel, outside counsel and service providers allows the patent team to manage a growing portfolio without additional administrative resources.

## **Clarivate solutions:**

**FoundationIP™** IP management software

**Innography®** IP intelligence software

**Forecast** IP financial modeling

**Patent Annuities Management**

**EP Validations Management**

**Patent Search Services**

Contact our experts today:

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**Contact us**

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