

THE GREEN PATENT INDICATOR

Critical IP analysis in a sustainability-focused world

SHAPING A GREENER FUTURE

*Groundbreaking
inventions at the forefront
of sustainable innovation*

MARKETING BOOST

*The GPI has the
potential to benefit
branding efforts*



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THE CARBON REVOLUTION

In 2023, countless businesses in nearly all sectors, including many companies listed on the various indices of the world's largest corporations, plan on reducing their carbon emissions, pursuing global Sustainable Development Goals (SDGs) or both.

The global **need for a proportional response** to climate change and its resultant sustainability priorities have spurred a flurry of technological innovation. At Dennemeyer, we monitored this trend carefully and quickly realized it would require a correspondent response from the Intellectual Property (IP) field. We also knew our global presence decisively positioned us to make a meaningful difference by helping our many clients protect their green IP.

Dennemeyer's Green Patent Indicator (GPI) represents the culmination of our efforts to deliver a widely applicable and easily implemented solution for companies of all sizes. By identifying the green assets in client portfolios and patent databases worldwide, our GPI empowers users to focus on, promote and protect existing and in-progress inventions that have sustainability aspects. The GPI takes various forms depending on the Dennemeyer product or service into which it is integrated, but in all cases, the goal is to support environmentally beneficial innovation. This tool offers our clients concrete benefits and exemplifies Dennemeyer's position as an organization at the vanguard of the IP services industry.



WHAT IS THE GREEN PATENT INDICATOR?



Ensuring a healthy planet requires technologies that are environmentally responsive as well as environmentally responsible. The right knowledge unlocks both.

More than a tagging system for sustainable inventions, the Green Patent Indicator helps business owners, IP managers and product developers to craft their innovation strategies and then direct their energies in an intelligent, efficient way.



The GPI functions as a monitoring system, flagging patents in specific settings for their potential positive impact on sustainability efforts. This potential is defined by the Organisation for Economic Co-operation and Development (OECD) and the **Green Inventory** listing from the International Patent Classification (IPC) system, meaning if a patent is associated with at least one of the 35 IPC classes marked as sustainable, the GPI recognizes it and indicates this to the client.

Let us see how this works in practice, starting with our **DIAMS IP management software**. In addition to the usual dashboard visualization options, users can select to display the percentage of patents within their IP catalog that can be considered "green." They can also arrange this information as a simple list, bringing patents with added sustainability function and, possibly, added value to the fore.

Meanwhile, all clients receive access to our complimentary Portfolio Management App, offering this GPI list view. Finally, **Octimine** will now include the GPI as a way to filter search and analysis results for sustainability-focused and other environmentally beneficial patents. This capability enhances the resolution of user insight into rapidly expanding and, consequently, highly competitive technology areas. With the integration of the GPI into Octimine, the result of an IP survey is less a patent landscape than a patent ecosystem.

While we offer the GPI as a new feature within our existing apps and software, allowing companies to assess green patents and gain valuable data regarding the sustainability of their R&D, Dennemeyer's solutions are not limited to this. We offer 360-degree IP service, including bespoke IP strategies developed by consulting experts and legal IP advice from our law firm. Dennemeyer remains committed to being businesses' first choice in IP, covering all facets of portfolio creation and management, and evolving our toolset to stay ahead of the innovation curve is a crucial part of that. By factoring sustainability into our services, we further support customers with their strategic decision-making.



VALUE ACROSS BUSINESS TYPES AND INDUSTRIES

The GPI has the potential to benefit businesses of all sizes in every industry. For instance, a startup in the renewable energy sector with more intangible assets than cash flow could use the GPI to identify its green patents. These certifications could then be presented to venture-capital firms looking for **environmental, social and governance (ESG) investment opportunities** or to potential licensees, such as tech companies seeking to bolster their R&D. At the other end of the spectrum, a multinational corporation concerned about its sustainability reporting could use Dennemeyer solutions featuring the GPI to develop an optimized strategy for illustrating its bona fides and aid compliance with regulations.

Virtually all industries have a carbon footprint; only some have a much larger effect than others. As a result, businesses and research institutions of different stripes have vastly diverging targets and priorities. An industrial machinery supplier, for example, may wish to reduce its emissions but need help knowing where to begin.

By analyzing its patent portfolio with the GPI, the business might discover it held green patents for key sustainability processes like waste reduction and circularity.

Even if no such options are available, this knowledge still allows the manufacturer to shift resources toward green technology development and improve multiple SDG metrics.



The search for green solutions starts within your own portfolio. From there, a widening scope reveals licensing opportunities and business partnerships.

When it comes to patents, the absence of suitable technology for a given challenge is not a dead end. Identifying a gap in the body of knowledge can provide R&D efforts with clear purpose and promise a healthy return on investment.

TRADITIONS KEPT AND TRADITIONS BROKEN

Dennemeyer has always sought more efficient approaches to IP prosecution and management. Our continuing focus on improving operational and customer-facing processes has spearheaded the digitalization of IP administration. Hence, the oceans of paperwork customarily required to maintain a portfolio no longer have to be. From the rollout of our DIAMS IP management software to our various mobile apps and the game-changing, AI-driven Octimine patent search and analysis solution, clients are fully equipped to streamline their own IP function and drive sustainability gains.

Unlike the GPI, however, these tools were not developed with sustainability as their primary purpose. Nevertheless, the Dennemeyer heritage of delivering services and solutions that promote the best possible customer experience is dyed into their fabric. Today, that implies making it easier to be greener. With IP offices around the world moving toward operations that are as paperless as possible — offering filing-fee reductions for online submissions, etc. — we strive not to keep pace with IP regulators' ongoing digital transformation but to preempt it.



A COMPLIANCE NECESSITY



For many companies, the obligation to report on sustainability criteria is a new frontier. The first steps taken down this path can be tentative or, with the right guide, confident.

Having suitable tools and know-how at your disposal can be all the difference in complying with green targets. The GPI makes it easier than ever to put your ecological IP front and center, demonstrating your achievements, projects and progress to regulators and stakeholders.



As such, anticipated regulatory changes were among the primary motivators that put Dennemeyer on the path to creating the GPI.

- Directive 2014/95/EU, better known as the **Non-Financial Reporting Directive (NFRD)**, established the EU's first major ESG reporting requirements, applying to almost 12,000 businesses: specifically, "public-interest" companies with over 500 employees.
- Under the NFRD, companies are required to report on environmental protection efforts, social responsibility, employee treatment, respect for human rights, board-level diversity and anti-corruption and -bribery initiatives.
- In 2022, the team of EU regulators, previously known as the European Financial Reporting Advisory Group (EFRAG), published the first draft of a revised set of standards that cover many more businesses.
- This resulted in the **Corporate Sustainability Reporting Directive (CSRD)**. Any large EU company must comply, that is, any company fulfilling at least two of these criteria: more than 250 employees, over €40 million in annual turnover or over €20 million in total assets. It will also eventually extend to smaller publicly listed companies – except "micro-enterprises," having fewer than 10 employees, under €700,000 in annual turnover or less than €350,000 in assets.
- The CSRD requires information regarding the same subjects as NFRD but in more detail. For example, it mandates that organizations establish future objectives with specific targets instead of merely chronicling a given year's ESG results. It also necessitates reporting how sustainability factors affect the company's actions in addition to the environmental impact of those actions (the "double materiality" concept). Last but not least, companies must explain how their IP and intangible assets address sustainability goals.
- The CSRD took effect on January 5, 2023, and will be applied for the first time during the 2024 fiscal year, with reports due in 2025.



ENABLING IP DECISIONS

The GPI allows organizations to factor the issue of sustainability into their renewal considerations. For example, if a company has a patent on a device that is expensive to manufacture and does not sell as well as expected, it might ordinarily be a candidate for intentional abandonment. On the other hand, if the invention helps to reduce carbon dioxide or carbon dioxide-equivalent emissions, the GPI will accordingly identify it as green, which changes the conversation.

According to the International Monetary Fund, developing and implementing green technologies can have **lower long-term costs for entire industries** than expected because it can galvanize further innovation. In the same vein, the GPI's identification of the aforementioned patent as green could inspire a positive readjustment in IP strategy. Perhaps the organization could license the technology to another party that would make better direct use of it. In doing so, patent renewal costs remaining with the owner could be offset with licensing fees, while production overhead would be shouldered by the manufacturer.

Alternatively, the GPI might help the company identify a costly patent that meets enough

benchmarks to be considered green but not enough to justify renewal. The business could then let this IP right lapse and refocus its resources on R&D for new, more cost-efficient green products.



Renewal decisions are some of the most complex judgment calls for an IP manager to make, balancing market success with industrial potential.

Budgeting concerns should be combined with a thorough analysis of the immediate technology landscape in determining which patents should be maintained and which allowed to lapse. Another company may be willing to pay for a patent you intend to divest.

MARKETING POTENTIAL

IP is not limited to only patent rights, so the GPI also has the potential to benefit branding efforts, not least because customers care about sustainability a great deal. This market reality has been **proved** and **proved again** in various studies. One could reasonably argue that strong citizen interest contributed to the development of government sustainability regulations.

By this rationale, the GPI could offer the unbiased perspective needed to aid the development of a company's imaging and rebranding campaigns. The green IP in a company's portfolio, placed front and center in advertising and marketing collateral, could help considerably widen the brand's demographic reach while cementing its appeal to existing customers. New trademarks could also be generated to indicate these technologies and services to consumers, simultaneously building and protecting a vibrant business reputation.

In theory, such a move could even form the backbone of a public relations management campaign for a recently unpopular brand — though this would be no "magic wand" since a variety of measures would be necessary as part of a strategic marketing push.

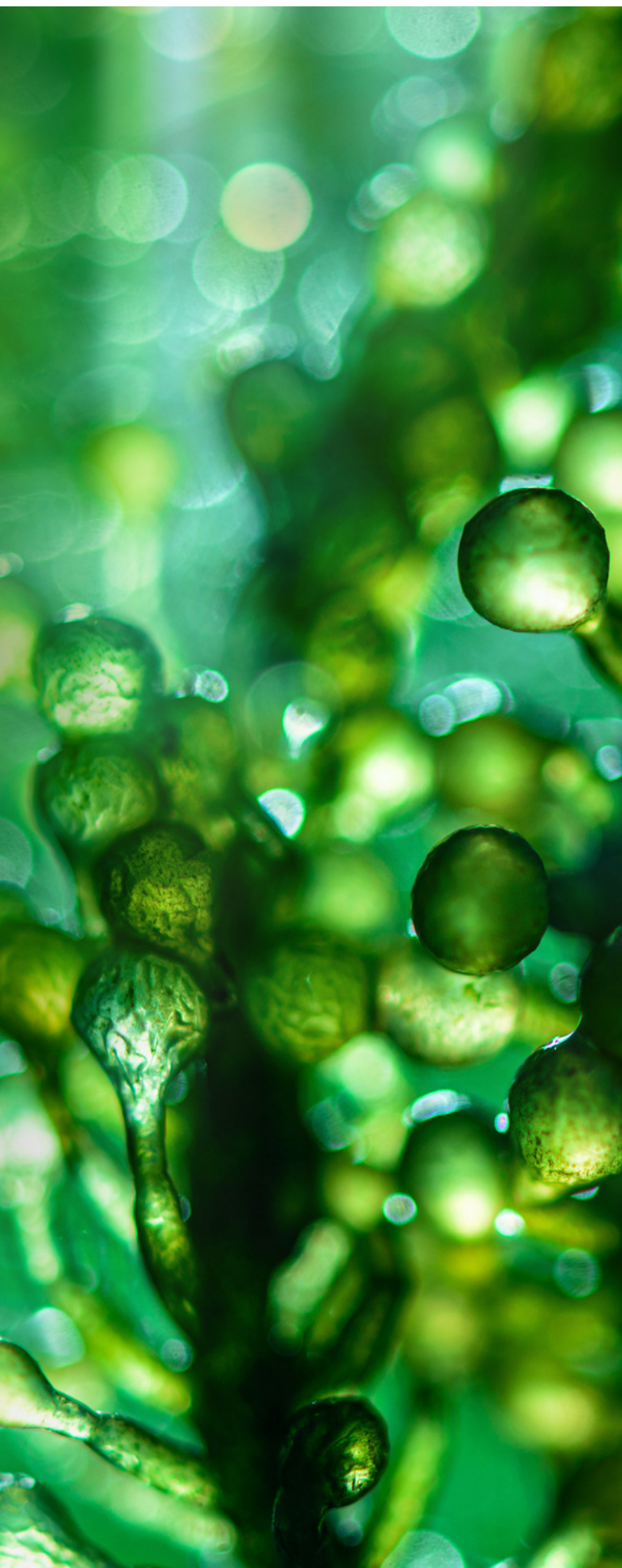


SHAPING A GREENER FUTURE



**Bringing the loftiest goals
within grasp.**

Protecting tomorrow's world means
protecting today's eco-technologies.



Sustainability-focused inventions lie at the heart of innovation activities carried out by **forward-thinking young entrepreneurs** and **established companies** in industries and countries around the world. Now more than ever, these directed efforts are needed, and by rolling out the GPI, Dennemeyer aims to support the invention and protection of such green technologies. The GPI showcases, together with our full suite of solutions, that we expect nothing less of ourselves than to lead the way to the future of the IP services sector.

With such an expansive scope, many of Dennemeyer's clients will need to comply with the CSRD — or will be impacted by it through partnerships with organizations that do. Moreover, it is entirely possible that other jurisdictions could institute regulations similar to the CSRD in the future.

For affected organizations in the EU, the GPI will be of great help: Simplifying the identification of green patents and making their sustainable R&D and innovation efforts — which can otherwise be difficult to represent — more tangible. The objective, quantitative analyses of IP portfolios provided by the GPI can be used by clients for reporting, monitoring and capital-generating purposes.



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