



*Due Diligence*

## Due Diligence Case Study

### Microsoft Announces Acquisition Of Nuance

Deal Date: April 13th, 2021  
Analyzed in the end of April, 2021

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# Microsoft To Buy Speech Recognition Firm Nuance in \$19.7B Deal

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# Why Nuance?

# How Will Microsoft Benefit?

Analysis Scope: IPC=G10(Speech Analysis) + Full text keyword: Health

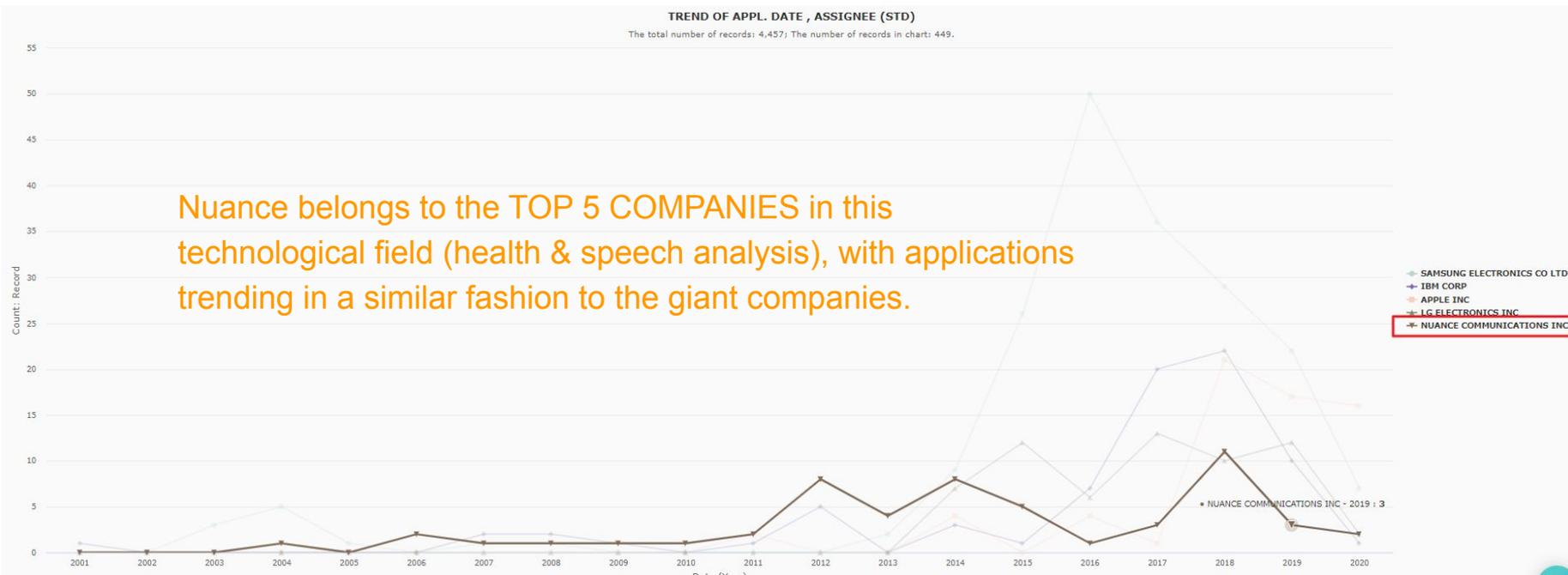
# Winning Facts and Benefits

● Patent Perspective

● Market Perspective

	Winning Facts	Benefit for MS
1	One of the top 5 companies in the Speech Analysis in Health field	Acquirable size
2	Better Quality and Value rankings compared to its peers	Good Value and Quality
3	There are still 36 pending patents to deploy in PCT	Positive future deployment
4	Well-established development of Speech Analysis and Recognition	Technology mastery
5	Large amount of its patents cited by tech giants	Technology pioneer; enforcement opportunities
6	Microsoft is the top 3 company citing Nuance's patents	Risk avoidance
7	Nuance's connection with notable medical organizations.	Good total addressable market(TAM)
8	Expertise and relationships with Electronic Health Records (EHRs) systems providers.	Expertise and relationship
9	Microsoft had already co-worked with Nuance on an important product.	Co-working experience

# Market Comparison



# Market Comparison

## Peer Comparison in the Same Field (US, CN, EP, JP, KR, TW Patents Only)

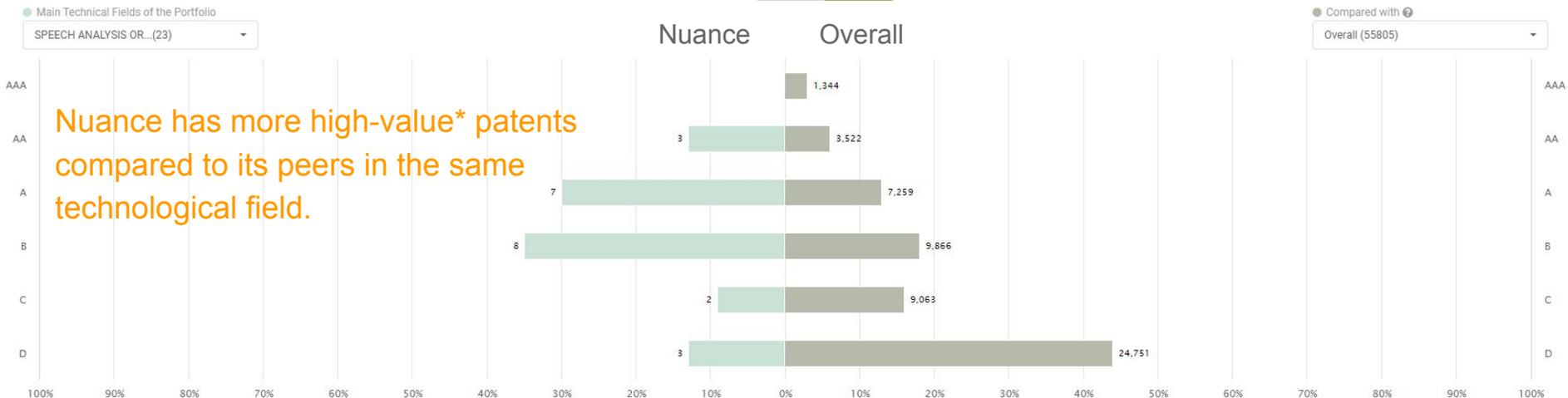
[About This Chart](#)

Competitive position in the relevant technology field.

Legal Status: Active + Pending Country: All Filters Applications

Total # of applications : 43 ; # of applications in the chart : 23

Compared by : Quality Value



Nuance has more high-value\* patents compared to its peers in the same technological field.

\*Monetization potential

# Market Comparison

Y: Value / X: Family size

## High-Value Patent Families (US, CN, EP, JP, KR, TW Patents Only)

An indication of the tendency to be transacted or practiced in regional markets.

① About This Chart

Legal Status:  Country:

Total # of patent families : 31 ; # of patent families in the chart : 31



Nuance's patent families rank higher in value—even those that are widely deployed—compared with all of the other players combined.

## Nuance

## Others

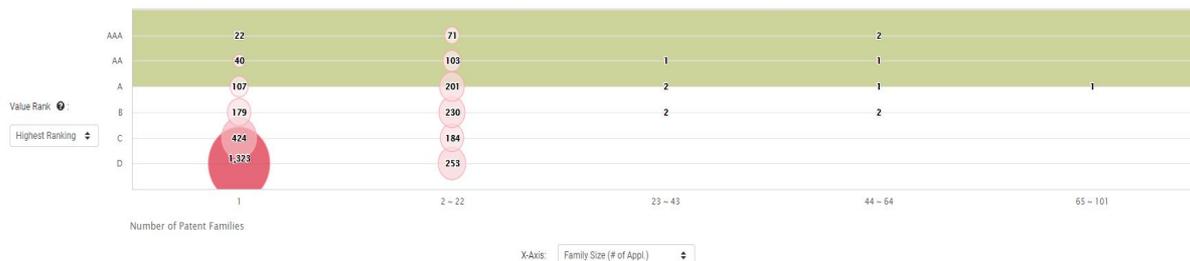
## High-Value Patent Families (US, CN, EP, JP, KR, TW Patents Only)

An indication of the tendency to be transacted or practiced in regional markets.

① About This Chart

Legal Status:  Country:

Total # of patent families : 3,149 ; # of patent families in the chart : 3,149



# The Quality and Value of the Patents

Y: Value / X: Quality

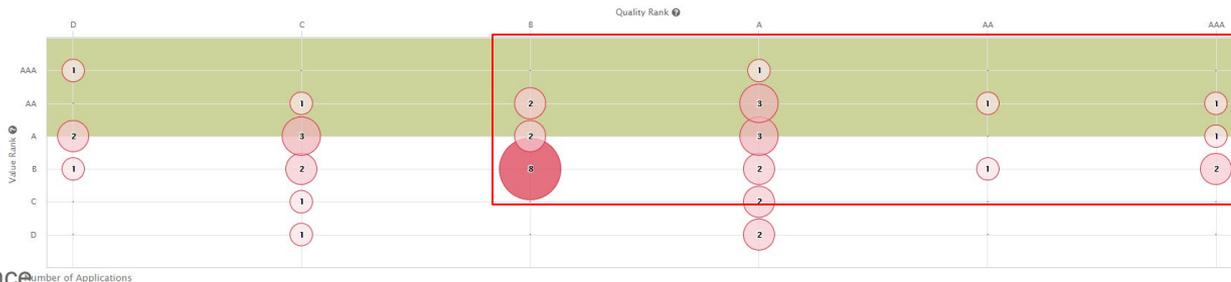
## Quality of High-Value Patents (US, CN, EP, JP, KR, TW Patents Only)

An indication of the tendency to be practiced and how difficult invalidation may be.

About This Chart

Legal Status: Active, Pending Country: All Filters Applications

Total # of applications : 43 ; # of applications in the chart : 43



Looking at both the quality and value\*, Nuance's portfolio occupies a healthier section—where its average ranks are B and above. The rest of the players in this field are in the opposite corner—where the quality and value rankings are below B.

## Nuance Others

## Quality of High-Value Patents (US, CN, EP, JP, KR, TW Patents Only)

An indication of the tendency to be practiced and how difficult invalidation may be.

About This Chart

Legal Status: Active, Pending Country: All Filters Applications

Total # of applications : 3,743 ; # of applications in the chart : 3,743



Whichever enforcement strategy Microsoft is engineering with this new portfolio in hand, the other players in the industry may not fare very well.

\*Quality: Threat of invalidation / Value: Monetization potential

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# Taking a Closer Look at the Nuance Portfolio

# Patent Portfolio Overview

Applications: 3,896  
Family: 1,288

## Active

1,929 (50%)

of them are active and enforceable.

## Pending

649 (17%)

of them are still pending and may acquire patent rights in the future.

## Inactive

1,288 (33%)

Inactive

### Global Coverage

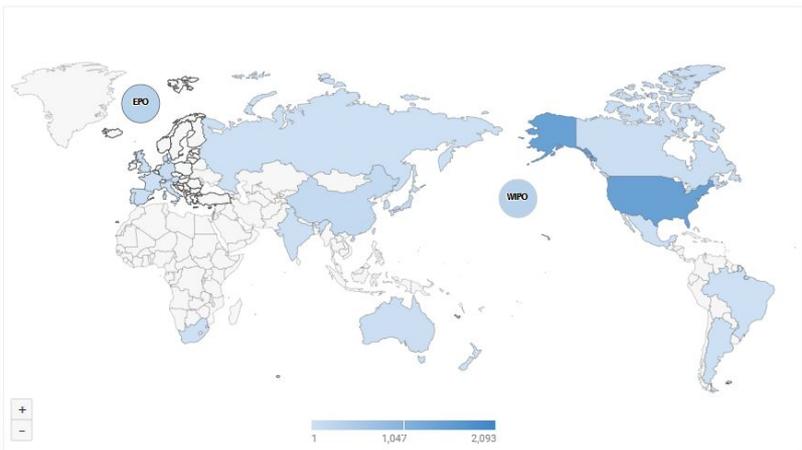
Establish whether the portfolio covers your target regional market.

[About This Chart](#)

Legal Status: Active, Pending, Inactive Filters Applications

Total # of applications : 3,866 ; # of applications in the chart : 3,866

Country : [US\(2,093\)](#) [WO\(457\)](#) [EP\(440\)](#) [CN\(200\)](#) [JP\(177\)](#) [DE\(99\)](#) [KR\(80\)](#) [CA\(72\)](#) [AT\(64\)](#) [AU\(51\)](#) [GB\(46\)](#)  
[IN\(23\)](#) [TW\(21\)](#) [ES\(11\)](#) [MX\(9\)](#) [BR\(9\)](#) [IL\(5\)](#) [RU\(2\)](#) [FR\(2\)](#) [PT\(1\)](#) [ZA\(1\)](#) [AR\(1\)](#)  
[DK\(1\)](#) [NZ\(1\)](#) [IT\(1\)](#) [EA\(1\)](#) [SG\(1\)](#) [HK\(1\)](#)



Country	Patent Appl.	Legal Status	
US	2,093	1,544	423
WO	457	361	96
EP	440	129	231
CN	200	113	59
JP	177	33	142
DE	99	46	50
KR	80	54	
CA	72	62	
AT	64	59	
AU	51	36	

The US has a healthier portion of active patents compared to other jurisdictions.

Active @ Pending @ Inactive

1 2 3

# Patent Portfolio Overview

## Remaining Life (Active Patents Only)

[About This Chart](#)

The remaining life of the active patents in the portfolio.

Legal Status:

Total # of applications : 1,929 ; # of applications in the chart : 1,929



# Patent Portfolio Overview

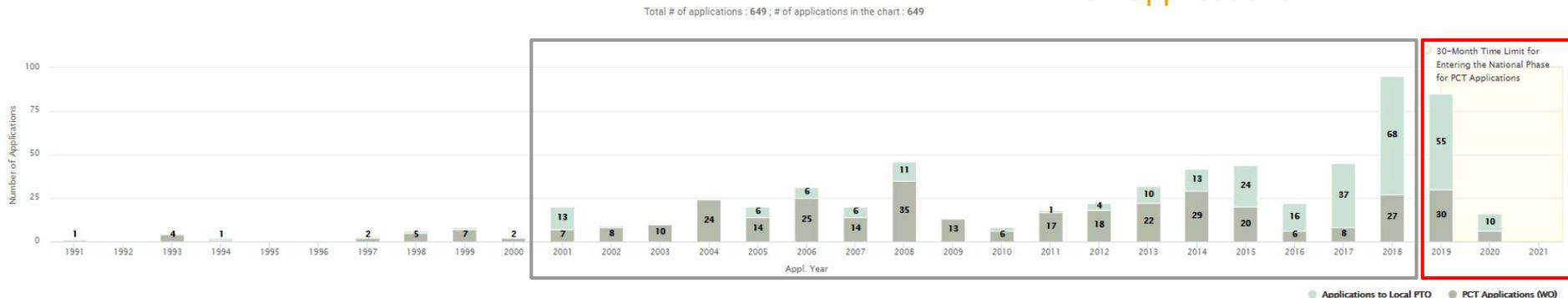
## Pending Patents (Pending Patents Only)

The filing dates of the pending patents.

Legal Status: Pending Filters Applications

There are 36 pending patents still within the time limit for PCT applications

About This Chart



Nuance has left multiple applications pending. Microsoft will have to go through this pending portfolio and consider its options—to keep or abandon.

# Technologies

## Summary:

These 1,331 patent families mainly cover the following technical fields. You can further judge whether these technical fields meet the needs of the company or the market.

### Main technical fields 1

**SPEECH ANALYSIS OR SYNTHESIS; SPEECH RECOGNITION; SPEECH OR VOICE PROCESSING; SPEECH OR AUDIO CODING OR DECODING**

**722** Patent families (54%)

### Main technical fields 2

**ELECTRIC DIGITAL DATA PROCESSING**

**312** Patent families (23%)

### Main technical fields 3

**TELEPHONIC COMMUNICATION**

**109** Patent families (8%)

## Technology Timeline

The chronological distribution of patent fillings in each technical field.

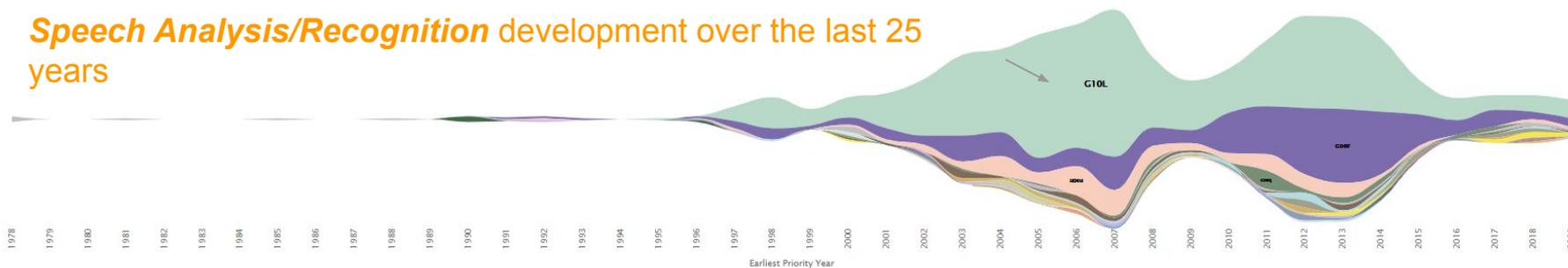
[About This Chart](#)

Legal Status: Active, Pending, Inactive Filters Patent Families

Total # of patent families : 1,326 ; # of patent families in the chart : 1,324

Select Other Technical Fields (Subclass)

## Speech Analysis/Recognition development over the last 25 years



# Top Inventors

5 of its top 10 inventors are regularly applying for patents under Nuance. If Microsoft wants to continue this invention trend, retaining these inventors within the organization will be critical.

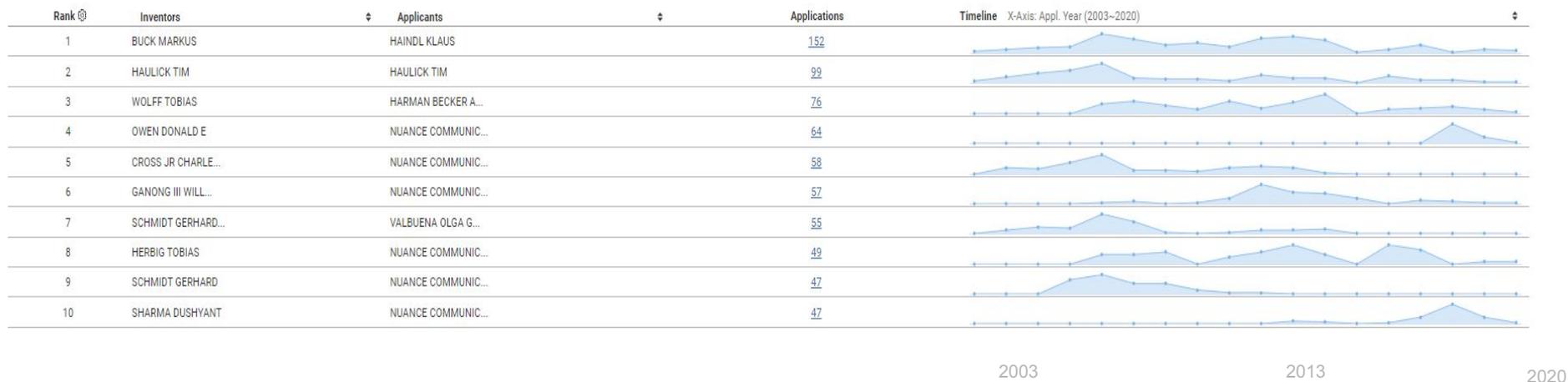
## Assignees and Inventors

Forecast future innovation trends based on past patent filing activities.

[Export](#) [About This Chart](#)

Legal Status: Active, Pending Filters Applications

Total # of applications : 2,583 ; # of applications in the chart : 462



# Potential Targets of the Nuance Portfolio

## Potential Targets of the Portfolio (Forward Citations.)

[Export](#) [About This Chart](#)

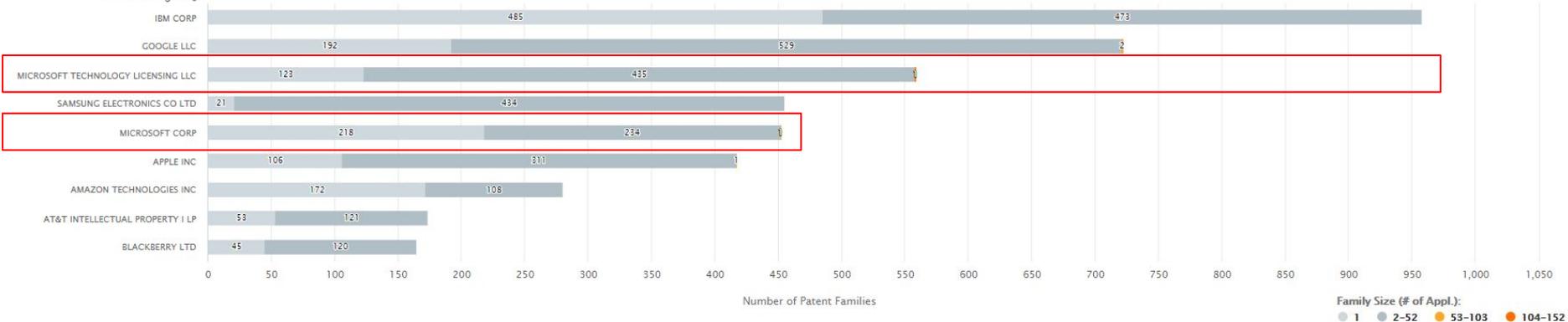
Uncover the followers of relevant patent filings and their likelihood of being potential targets – based on the size of the patent family of the forward citations.

Legal Status:  Forward Citations Legal Status:

Total # of patent families : 15,268 ; # of patent families in the chart : 4,133

Compared by :  Quantity  Percentage

### Potential Targets



Viewing Microsoft's citation volume by family size, it can be said that Microsoft is a key follower of Nuance's "speech analysis + health" portfolio.

# Potential Targets of the Nuance Portfolio

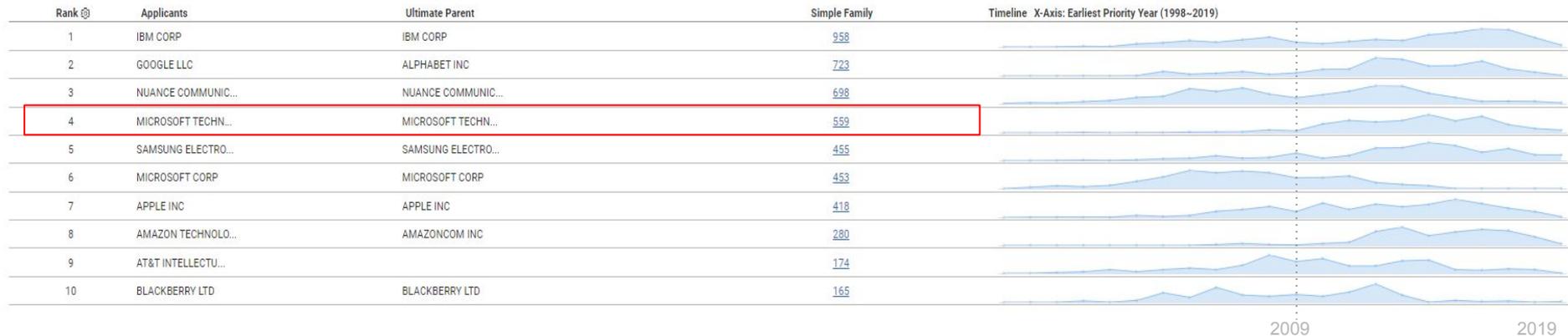
## Filing Dates of Potential Targets in the Relevant Art (Forward Citations.)

[Export](#) [About This Chart](#)

Determine the estimated likelihood of the potential targets practicing the patents — based on the continuity of patent filings in recent years.

Legal Status:  Forward Citations Legal Status:

Total # of patent families : 15,268 ; # of patent families in the chart : 4,790



Judging by the recency of citations, Microsoft—along with tech giants like IBM and Google—are still working to develop this technological field. Nuance may easily be the main first-mover in this field.

# Patents Against the Potential Targets

## Patents Against the Potential Targets (Portfolio and its Forward Citations.)

[Export](#) [About This Chart](#)

The patent families that may be used against the potential targets.

Legal Status:  Forward Citations Legal Status:  [Filters](#) [Patent Families](#)

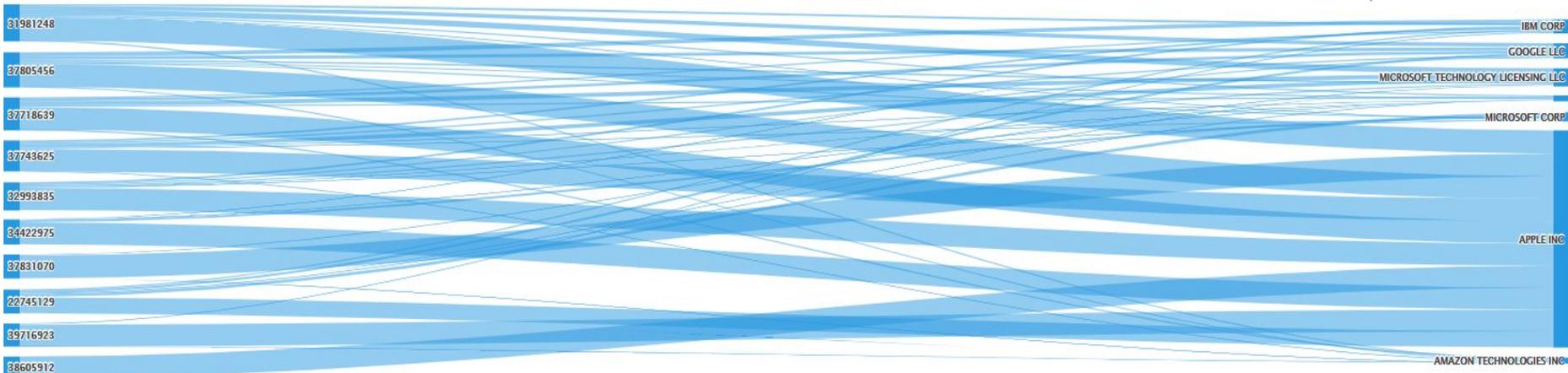
Total # of patent families : 15,268 ; # of patent families in the chart : 3,794

## Who cited this portfolio the most

Family in Portfolio (ID)

Ranked by:  Family ID  Potential Targets

Ranked by: Potential Targets



# Patents Against the Potential Targets

## Patents Against the Potential Targets (Portfolio and its Forward Citations.)

The patent families that may be used against the potential targets.

[Export](#) [About This Chart](#)

Legal Status: Active, Pending Forward Citations Legal Status: Active, Pending, Inactive Filters Patent Families

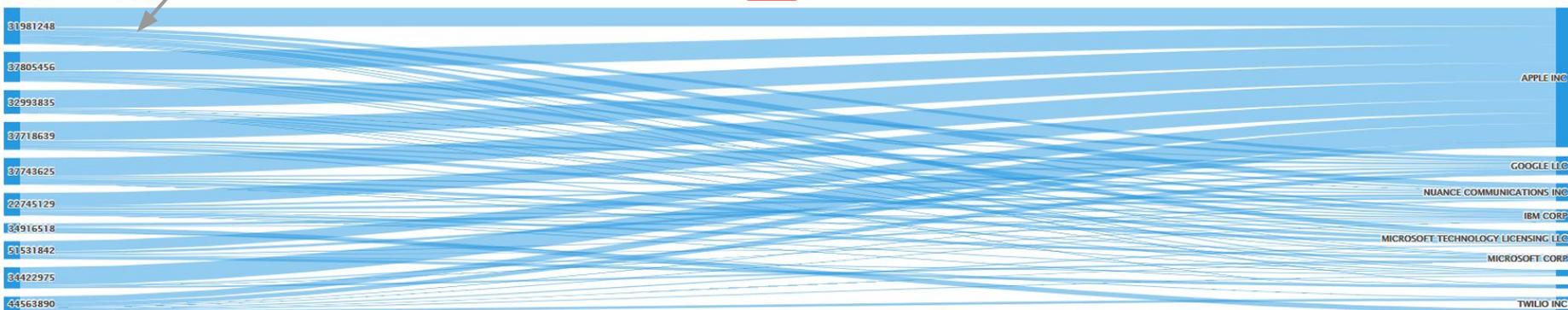
### Heavily cited families in this portfolio

Total # of patent families : 2,323 ; # of patent families in the chart : 935

Ranked by:  
Family in Portfolio (ID)

Ranked by: Family ID Potential Targets

Potential Targets



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# Do more with *Due Diligence*

# Download Report

## 1. Download Report

**Download Report**

Export:  All Dashboards  **Customize**

5 Charts Selected [Clear](#)

Select 25 Items

**Coverage and Status**

- Global Coverage
- Remaining Life
- Pending Patents

**Technologies**

- Technical Fields
- Technology Timeline

**Owner/Inventor/Applicant**

- Co-Ownerships and Co-Applicants

**Assignees and Inventors**

- Assignees
- Inventors

**Confirm**

← Go back to the outline

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Date Modified : 2021-04-14 18:27

**Analysis Scope**

Applications	Families
<u>3,896</u>	1,331

Highlights | Quality and Value | Quality Highlights | **Value Highlights**

# Matrix Analysis in Patent Vault

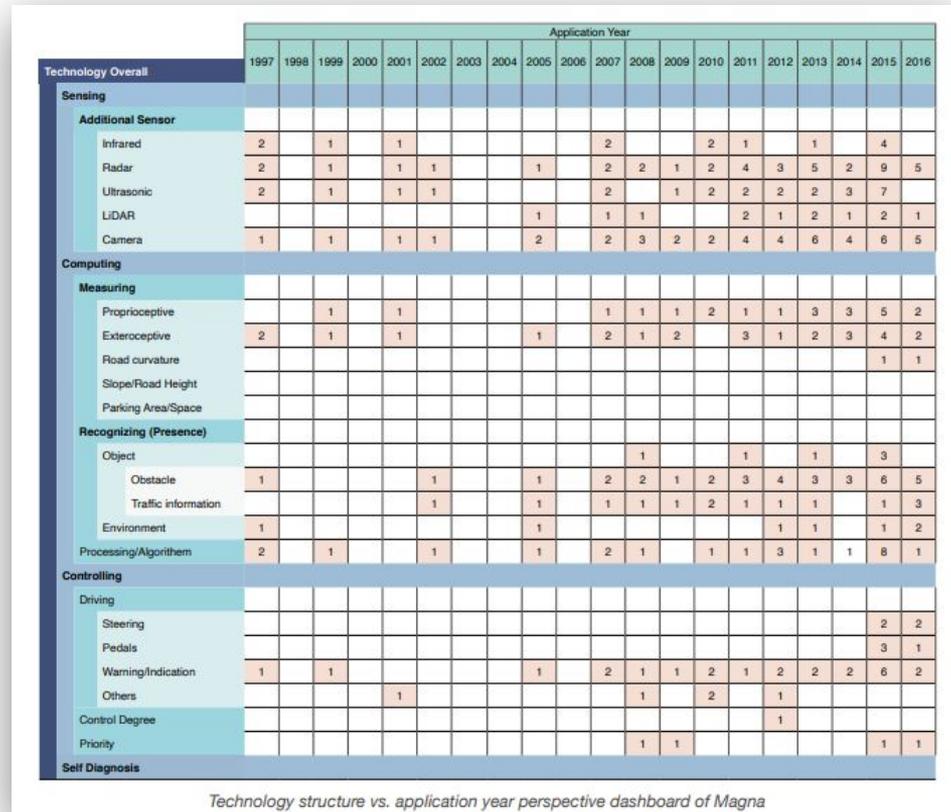
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Technology structure vs. application year perspective dashboard of Magna



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