

CLIENT SPOTLIGHT

Helping adidas Earn Its Innovation Stripes

*The sportswear industry is one of the most intensely competitive in the world. For **Christof Wolpert**, leading the global innovation team at **adidas** - the world's second largest sports equipment manufacturer – it is an intensely challenging role. Even more so, says Christof, the company's Vice President Global Legal Innovation, when the patent team reports directly into the General Counsel and is involved in many of the major decisions impacting legal as well as broader business matters. It's critical, he says, for his team of attorneys, patent lawyers, and patent engineers do not work in silos, but to have a much more business-focused mindset.*

Based at the adidas headquarters in Herzogenaurach, Germany, Christof has been with the company for over 20 years. Indeed, he set-up its first patent department. They also cover a whole range of activity relating to adidas's innovation, market competitiveness, and litigation. With such wide-ranging responsibilities, it is important for Christof and his team to have transparency and clarity. This is where technology and, in particular, Anaqua's AQX® IP platform is key to supporting adidas in the efficient management of its IP and innovation.

What role does IP play in helping adidas stay innovative and maintain its position as a market leader in your industry?

CW: Our patent portfolio is obviously fundamental to this – and for us portfolio quality over quantity is what is most important. Rather than focusing on whether you have X thousand patent rights, you need to have enforceable rights. It doesn't help if you have an invalid patent, or you can't enforce it because you can't show it on a competitive product.

Enforceability and desirability are what matter. You want desirable IP, you want something that gives you that advantage, something that your competition wants and desires to have. If you're sitting on an invention or technology in an area where your competition isn't interested in going and you're piling up patents on that, it's not helpful to the business, it's just cost. Protect your space but save the multi-levels of protection for something that's desirable for others. This way, in case of litigation, you can defend yourself or make a claim – or, where you really need a deal, you have something to trade with that's of interest to the other party.

For adidas, how effectively we use our patent portfolio and manage it for the benefit of the business is our primary concern. The business application is far more relevant than just having a patent for the sake of having it.



How do you educate your peers in the business about IP, the value of IP, and the work your team is doing?

CW: The key is demonstrating how IP helps create a competitive advantage. It's important to raise awareness of that and reinforce it through training and regular interaction. However, sometimes, there are things happening within the business that bring the message home even more powerfully.

For example, we recently concluded a very important patent litigation case. Hundreds of people were involved on the business side. They were all very much aware of the implications and potential consequences – and the importance of having the right IP in place. After all, we're a very competitive industry. We're not an industry that's about cross-licensing or doing nothing. We're an industry that fights

because our consumer products live by their exclusivity and their unique selling features – and that relies on us enforcing our rights and stopping others using our ideas and inventions. Explaining that and the competitive advantage you create with IP helps everyone better understand IP's importance to the business.

How do you align your IP team and objectives to the adidas business strategy? And how do you measure the impact of IP on the business?

CW: Well, unlike in many other large corporations, the patent team at adidas does not operate as part of the R&D department. We report directly to the General Counsel, which means we get involved with a lot of the major decisions regarding legal matters as well as broader business issues. IP comes to the table as a business partner, not just a service provider. It's not a case of the business saying, "Hey, we've developed a strategy and you will support it." It's more like, "We are developing a strategy, and we want to hear your input as well."

Obviously that positioning hasn't happened overnight. We've been planting seeds over many years, demonstrating the importance of IP to the business as well as the team's more business-focused mindset. That's what has enabled us to get to this level of the decision making when a strategy is being formulated. IP can genuinely influence the strategy rather than just having to follow a strategy in which we had no say.

As for measuring the impact of IP on the business, there are numerous KPIs that can be used and debated. Generally, I favour quality rather than quantity-related measurements. At the end of the day, the big questions we have to ask are, "Do we have a healthy innovation pipeline?" And then: "Is it healthy because it's revolutionary and a big step forward or is it a not so healthy because all the inventions are incrementally building on each other?"

When it comes to the disruptive rather than incremental innovations, is that something you actually strategically guide or does it tend to happen by itself?

CW: We're involved in the innovation work. We're not just receiving an IDF and converting it into a patent application. We're on hand even before an IDF gets submitted to provide guidance and support. This naturally leads into discussions of new technology features, and questions about whether or

not certain aspects have been covered, and if other areas and avenues have been explored.

We have a review system where, once an IDF has been checked and evaluated, we get back together with the business in a committee review to decide if we simply file an application, or if we consider the innovation very important and valuable for the future. If it's the latter, we would spend a couple of days with the patent team, inventors and probably even more people on the R&D and marketing side to brainstorm collectively and ask, "How can we broaden the range for this invention and cover more applications and usage." That way, if we get into a new area, a new space, we are able to protect as much of it as possible.

It sounds like you involve people from across the organization to get as many ideas as possible to support the innovation. Is that the case?

CW: Absolutely. In my experience, it's good to have the patent people who do the patent work collaborate with the inventors who originally came up with the idea. I also always recommend to the business to bring in people who may not have been directly involved with the project because they add a different perspective. If you have someone who always worked with foamed materials, bring that person into a discussion about a thermoplastic-injected or 3D-printed part. They may approach things from an entirely different angle that helps encourage more out-of-the-box thinking.

You need to have people who don't think in silos but say, "OK, I have a different role or I'm from a different part of the business, but we're on the same team, we have the same mission."

We also have to look at things from our competitors' perspectives and ask ourselves: "What would we do with this invention if we were our competitor?" That enables us to focus on where our competitors would take such a technology, which, in turn, can help generate more ideas for us to consider and areas and usage that we might want to protect.

It's important too for us to be able to see the bigger IP picture in terms of our market sector and competitor activity, which we can access through the dynamic analytics dashboards in AQX.

How important is your IP management technology in terms of better supporting the business and your IP processes?

CW: Very important. The Anaqua AQX platform is the backbone that enables us to work more effectively as a team. For us to function at our best, we need well-defined, efficient processes, clarity, and transparency amongst all stakeholders regarding responsibilities, tasks, and terminology.

AQX provides us with a high degree of automation and relieves us of much of the time-consuming repetitive work; and the ability to capture various input, including status updates and the rationale behind decisions.

Whereas, in the past, we might have had to rely on different people's recollections and what had been written down in notebooks why certain decisions were made, AQX enables us to capture all the information we need centrally and make it accessible to all stakeholders.

It's also helpful to be able to have all our patents, designs, trademarks, and all the related agreements in one centralized IP management platform. I know of many companies where they have the IP rights in one tool and the agreements elsewhere.

What other areas do you see AQX being able to help you with in the future?

CW: We have a number of ideas about how we could enrich the process. Continuing to bring systems together and merge data even more, so you can say, "Okay, this is where I have my IDFs and the process to filing, but maybe we've done analytics that tell us more about the patent landscape or we've done a freedom to operate or patentability study." The great thing about Anaqua is that the Anaqua team listens to what we need and is working closely with us to help meet those needs.

You've been actively involved on the Anaqua Client Steering Committee. How would you describe your experience of that?

CW: Extremely positive.

With Anaqua, it's not just about their technology, I've also always been impressed by their client engagement and how they work with the client community to shape the tool for the future. That's unique and very special.

In Anaqua's Client Steering Committee, there are a lot of like-minded people coming together, who say "this is already a great IP management platform, but let's talk about how we can enhance it and where we could go next". I know there are a ton of ideas, and they need to be prioritized. I find it super stimulating to work with people from different industries who bring the same mindset and want to develop the tool and propel it forward with a technology partner who is very receptive to their clients' feedback.

How do you see the role of IP changing in the future?

CW: I believe the business capability; the business understanding is going to play an even more important role. I mentioned it earlier in relation to how the patent team at adidas works with the wider business, but there is much work to be done for IP to attain that sort of positioning in the industry. A lot of people are not there yet. It's all about developing a more business-focused mindset amongst patent attorneys and others in the IP field.

People often perceive legal as a blocker, something hindering them in their work. It's up to IP professionals to show that IP is there to add value to the work that other business colleagues do. I think in the future that recognition will come and that we will see a stronger and more energetic collaboration between business and legal.

082023