



Due Diligence Case Study

Microsoft Announces Acquisition Of Nuance

April 13th, 2021

Microsoft Buying Speech Recognition Firm Nuance in \$19.7 B Deal

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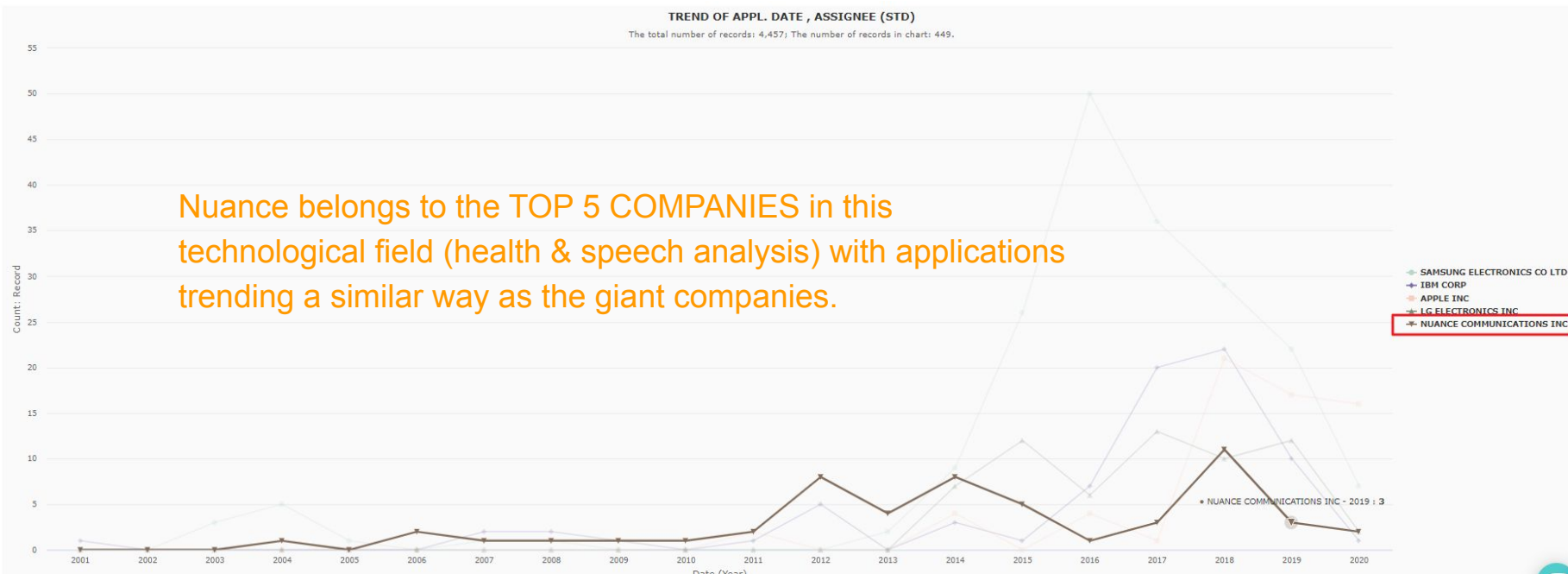
Matrix Analysis in Patent Vault [23](#)

Why Nuance?

How will it help Microsoft?

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

Market Comparison



Market Comparison

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

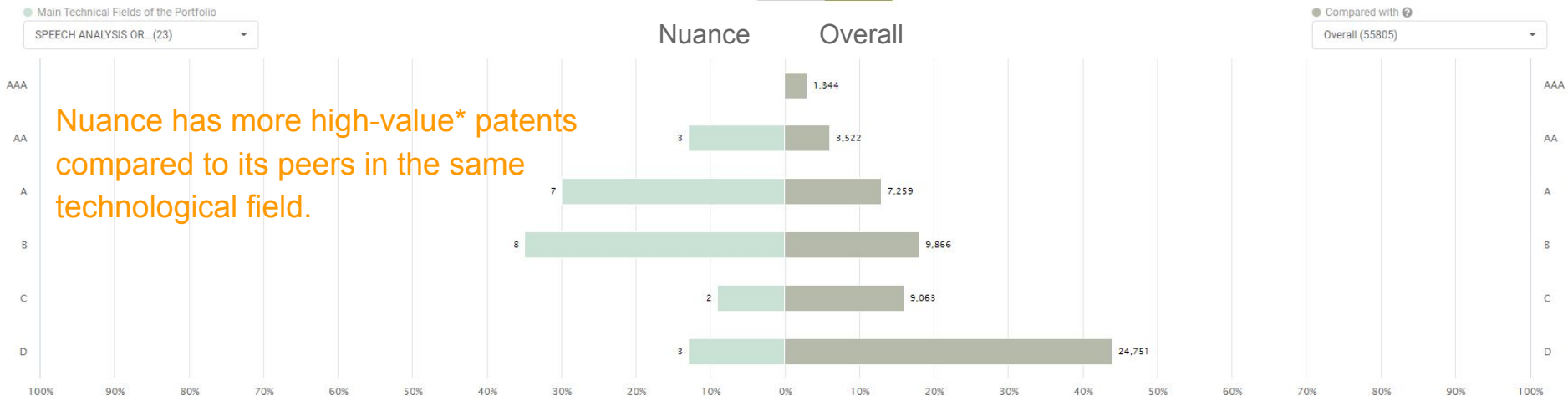
[About This Chart](#)

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

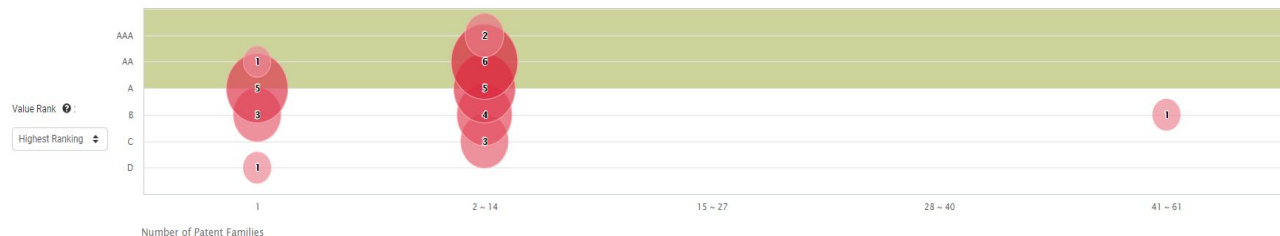
High-Value Patent Families (US, CN, EP, JP, KR, TW Patents Only) ⓘ

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

ⓘ About This Chart

Legal Status: Active, Pending Country: All Filters Patent Families

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



Contrary to other players combined, Nuance's patent families rank high in value - even those that are widely deployed.

Nuance

X-Axis: Family Size (# of Appl.)

Others

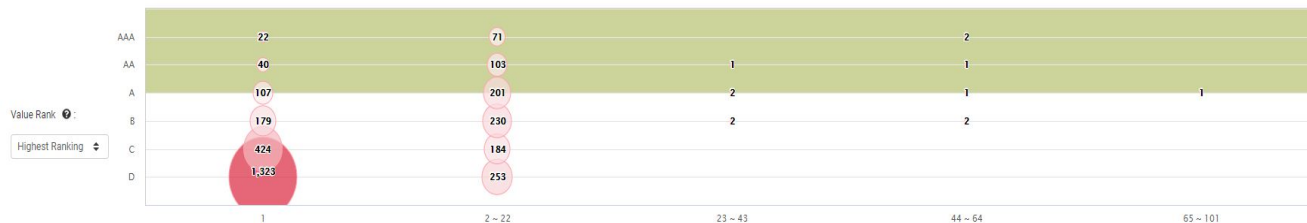
High-Value Patent Families (US, CN, EP, JP, KR, TW Patents Only) ⓘ

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

ⓘ About This Chart

Legal Status: Active, Pending Country: All Filters Patent Families

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



X-Axis: Family Size (# of Appl.)

Quality and High-Value Patent

Y: Value / X: Quality

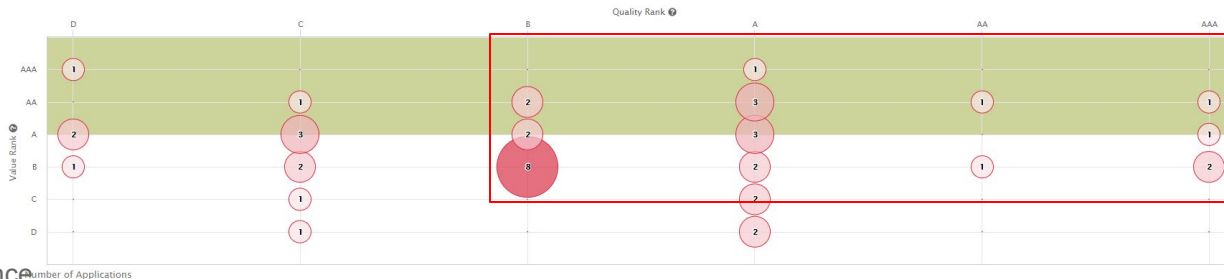
Quality of High-Value Patents (US, CN, EP, JP, KR, TW Patents Only) ⓘ

ⓘ About This Chart

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

Legal Status: Active, Pending Country: All Filters Applications

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



Looking at both quality and value*, Nuanco'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 quality and value rankings are below B.

Nuanco
Others

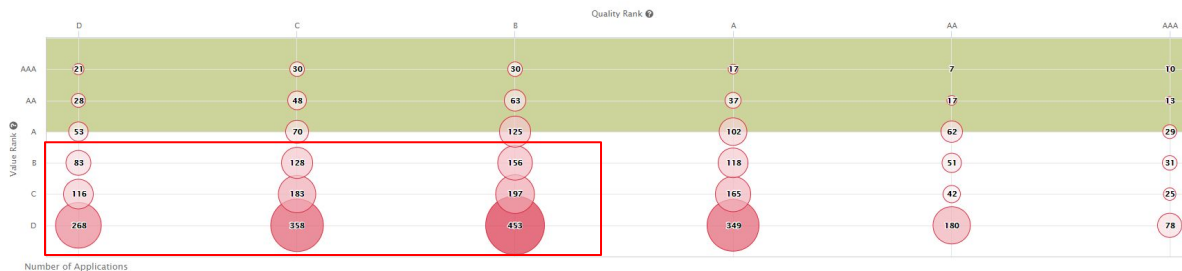
Quality of High-Value Patents (US, CN, EP, JP, KR, TW Patents Only) ⓘ

ⓘ About This Chart

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

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 eyeing on with this new portfolio in hand, the other players in the industry may not fare well.

*Quality: Threat of invalidation / Value: Monetization potential

Take a Closer look at 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

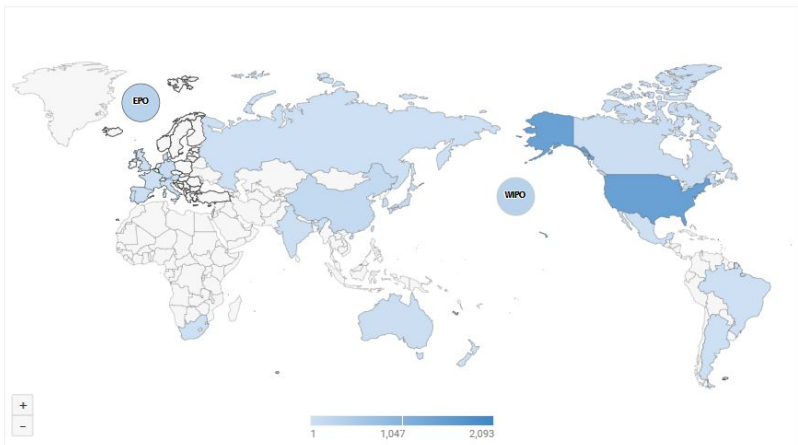
Establish whether the portfolio covers your target regional market.

[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	

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

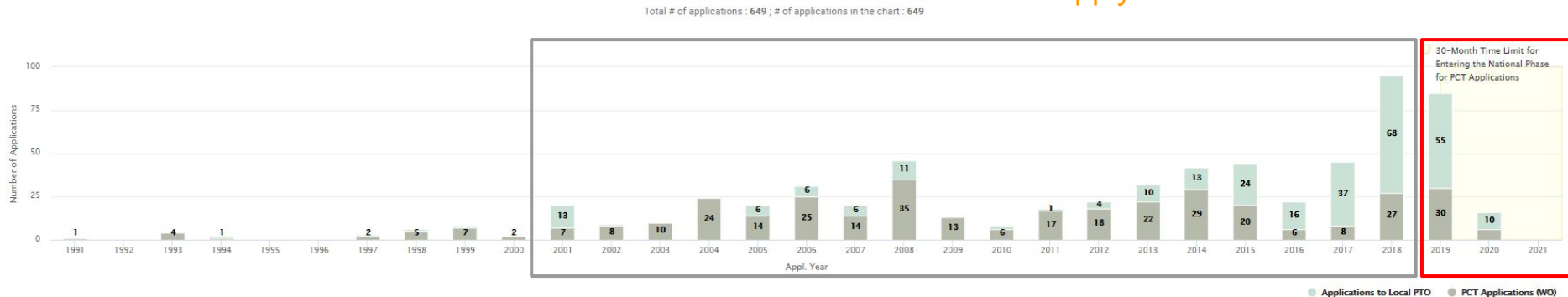
Pending Patents (Pending Patents Only)

The filing dates of the pending patents.

Legal Status:

There are 36 pending patents still within time limitation to apply on PCT.

[About This Chart](#)



Nuance has left multiple applications in pending. Microsoft will have to go through this pending portfolio and consider its options: 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.

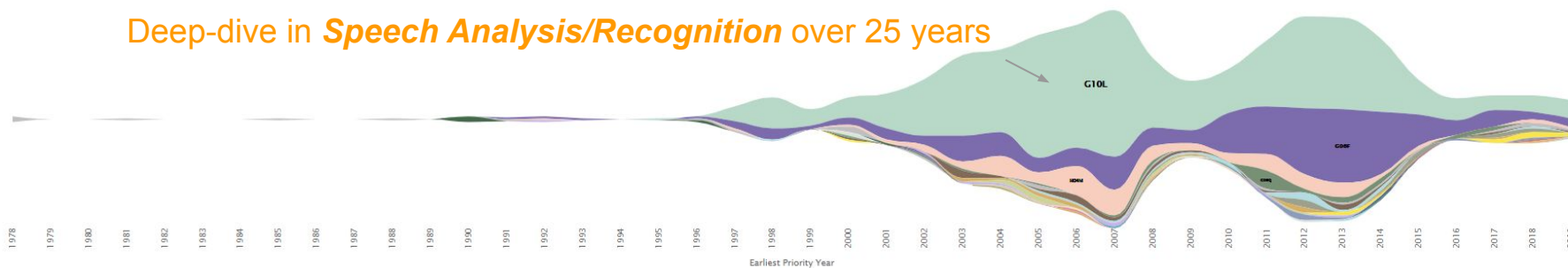
[About This Chart](#)

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)

Deep-dive in *Speech Analysis/Recognition* over 25 years



Inventors

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

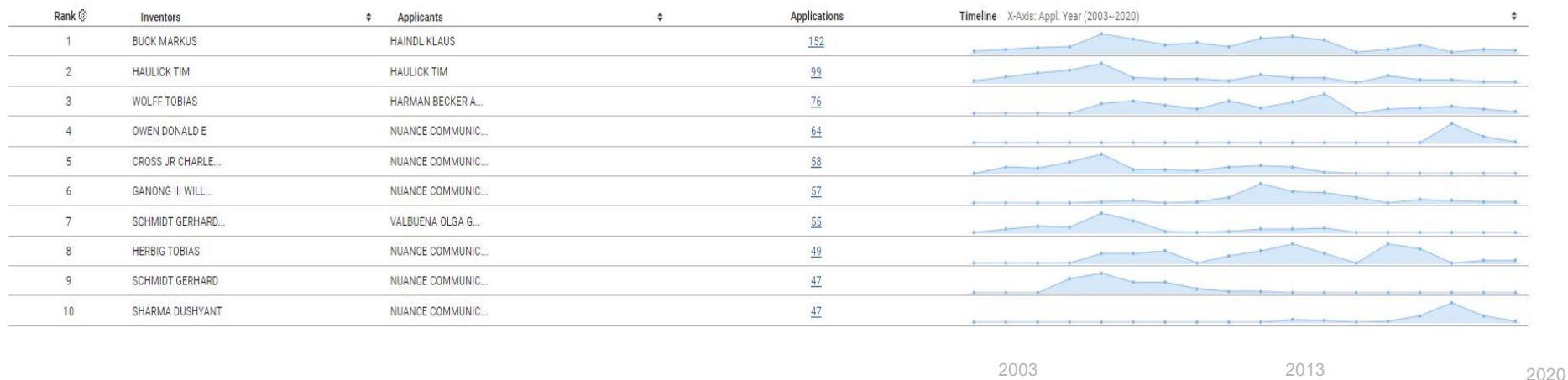
Assignees and Inventors

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.)

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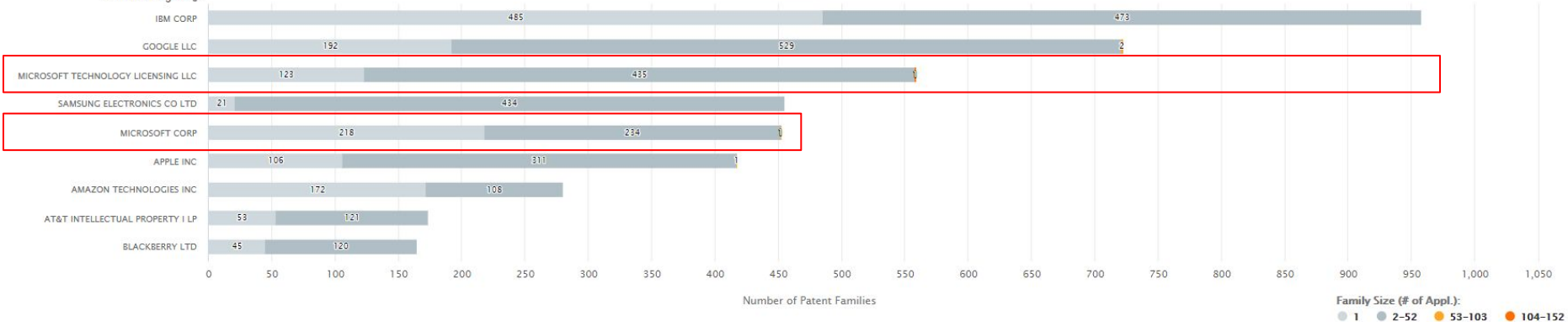
Uncover the followers of relevant patent filings and their likelihood of being potential targets – based on the size of the patent family of the forward citations.

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



Seeing 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

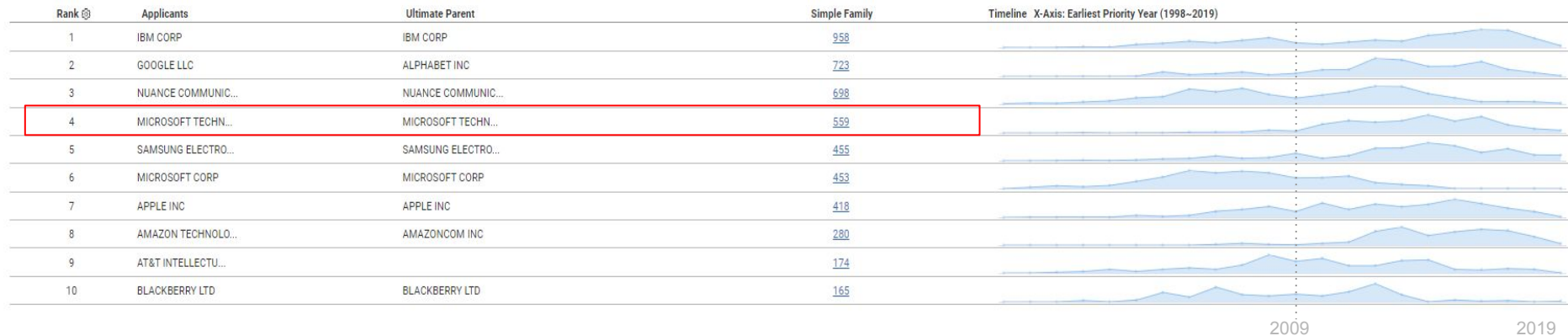
Filing Dates of Potential Targets in the Relevant Art (Forward Citations.)

[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 from 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](#)

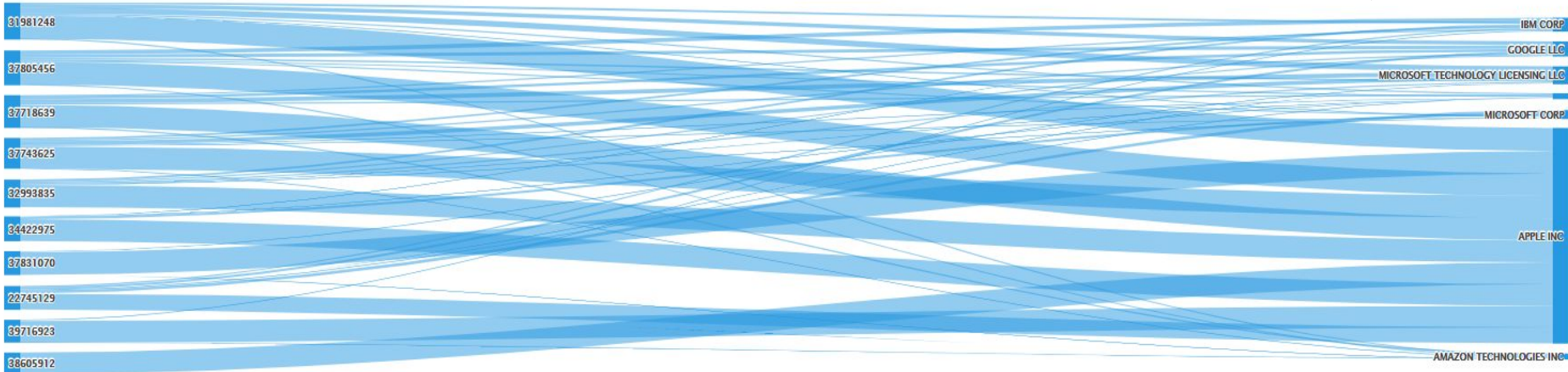
Total # of patent families : 15,268 ; # of patent families in the chart : 3,794

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

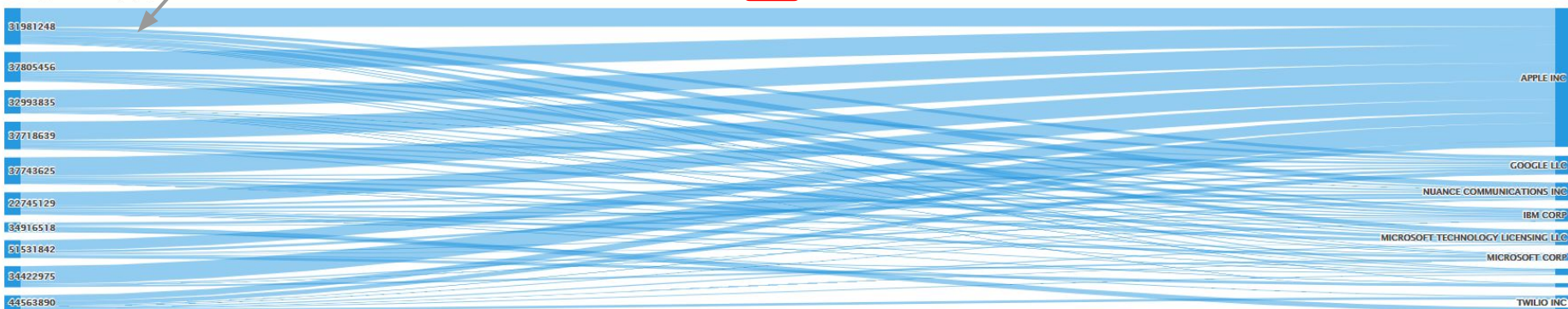
Heavily cited families in this portfolio

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



Why Nuance?

How will it help Microsoft?

Why Nuance?

- Patent Perspective
- Market Perspective

	Winning Facts	Benefit for MS
1	Top 5 companies in Speech Analysis in Health field	Acquirable size
2	Better Quality and Value ranking compared to its peers	Good Value and Quality
3	There are still 36 pending patents to deploy in PCT	Positive future deployment
4	Deep-dive into Speech Analysis and recognition technology field	Technology mastery
5	Large amount of its patents cited by tech giants	Technology pioneer; enforcement opportunities
6	Microsoft is the Top 3 company cited Nuance patents	Risk avoidance
7	Nuance's connection with notable medical organization.	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-worked experience

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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

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Analysis Scope

Applications	Families
3,896	1,331

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

Matrix Analysis

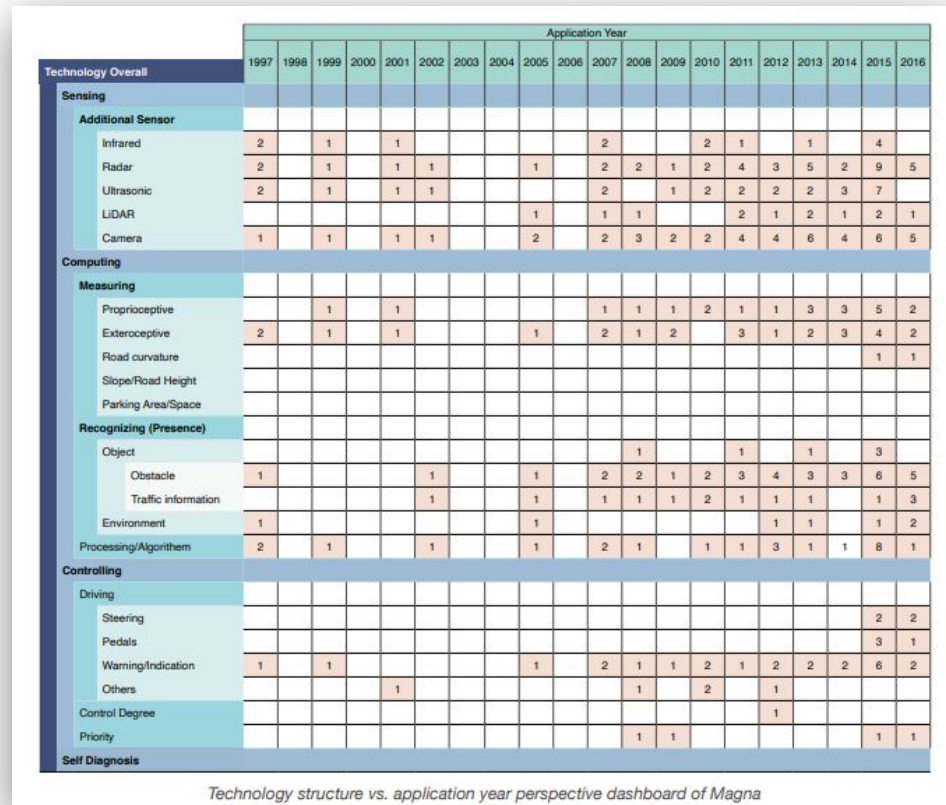
Analysis like an expert

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Technology structure vs. application year perspective dashboard of Magna



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