

MindMatters Technologies Helps Johnson Controls Achieve Global Collaboration and Coordination

About Johnson Controls

Johnson Controls, Inc. (“JCI”) is a global leader in automotive interior, automotive batteries and building control systems. Incorporated in 1885, the company has achieved over \$22.6 billion in annual revenue, with 118,000 employees and more than 500 worldwide locations. Johnson Controls has attained 57 consecutive years of increased sales, 13 years of increased income, and 28 years of increased dividends.

The company is the world’s largest manufacturer of automotive interiors and electronics, with manufacturing facilities on 5 continents. Automakers including BMW, DaimlerChrysler, Ford, GM, Honda, Nissan and Toyota, and many others outsource their interior system requirements to Johnson Controls, which designs, engineers and manufactures them.

The Opportunity

Since its initial patent for the first electric room thermostat, Johnson Controls has prided itself on innovation. The company developed the first mini-computer dedicated to building control, and later pioneered open communication protocols allowing control devices from various manufacturers to share data directly. “Our dedication to innovation is reflected in our company’s vision,” remarks Tom VandenBerge, Director of Intellectual Property at Johnson Controls. “It is one of our five corporate values we focus on globally.”

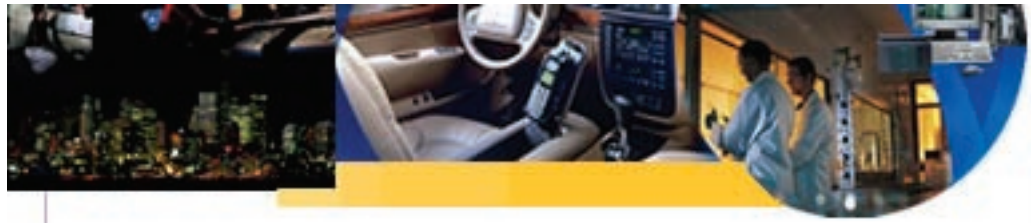
Frank Kilsdonk, Director, Legal Business Systems, adds, “We pride ourselves on being progressive.” That progressive thinking is mirrored in Johnson Controls’ legal group, which was highlighted by the American Business Association in its August 2004 Journal. Abandoning the classic model of primarily lawyers managing the patent portfolio, Johnson Controls integrated its outside law firms with its business side managers. The

patent process is managed by Regional Portfolio Managers, with technical backgrounds, which provides continuity between business, legal, and technical issues and creates a multi-disciplinary decision-making process.



Over the years, Johnson Controls has accumulated a vast array of intellectual property assets, and managing the portfolio throughout the numerous global locations had become quite cumbersome. Most of the company’s IP assets were not utilized, providing no direct benefit to the company, either through new innovative products or technology licensing. John C. “Jack” Cooper, partner with Johnson Controls’ lead patent law firm Foley & Lardner LLP, stated that, “Johnson Controls was spending significant dollars applying for and keeping current patents on products that weren’t significantly distinguishable from those sold by competitors. We were spending an awful lot of money on patents that weren’t adding value.”

“JCI was spending significant dollars applying for and keeping current patents on products that weren’t significantly distinguishable from those sold by competitors. We were spending an awful lot of money on patents that weren’t adding value.”



JCI Profile

- Founded in 1885
- \$22.6B company with facilities on 5 continents
- 57 consecutive years of increased sales

Innovator Benefits for JCI

- Global portal to JCI's entire patent portfolio
- 25% increase in process efficiency
- Supports business unit, language, and cultural collaboration, while harmonizing global legal requirements

"It came down to four things for us: partnership fit, knowledge of IP and the patent process, depth of the application, and overall value. It was not just simply great software."

The root cause of the problem was the autonomous nature of Johnson Controls' numerous worldwide locations. Each business unit had its own separate intellectual property processes, with minimal coordination. Insufficient tools such as basic spreadsheet programs and paper filing systems were used to keep track of existing IP. Having locations on five different continents, and facing multiple language barriers, the company's global coordination, measurement, and collaboration capabilities were insufficient to meet their progressive portfolio management objectives.

In 2002, Johnson Controls began looking for a way to unify and support all these different systems to achieve greater efficiencies. Tom VandenBerge stated, "A patent is more than just a risk management tool. It pertains to the identity of the organization and adds value, or at least it should. We need to focus on patents that mean something; on quality over quantity. We needed to have a better sense of what is, and what is not, important to our company."

MindMatters Solution

Johnson Controls began searching for a web based software management tool in mid-2002, seeking a solution that did not require a complex installation and could help them focus on business, not technical issues. After an evaluation of several proposed solutions, Johnson Controls selected the MindMatters' team as its technical partner and the Innovator software system for a phased roll-out to Johnson Controls'

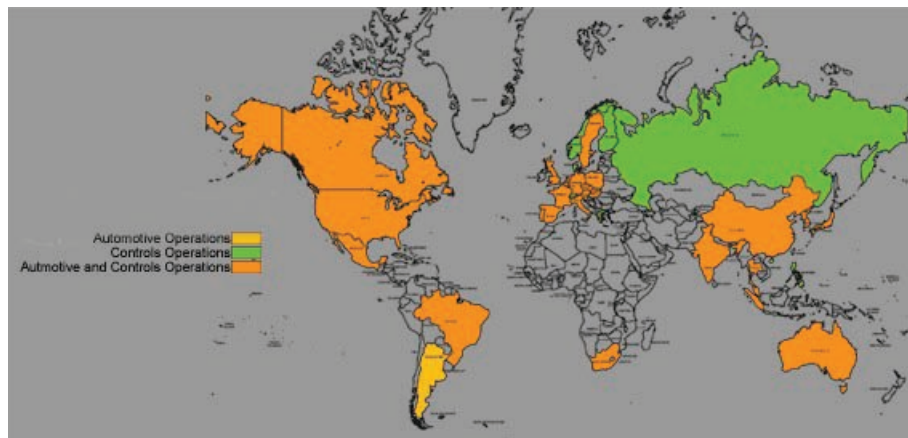
entire worldwide community. Explained VandenBerge, "It came down to four things for us: partnership fit, knowledge of IP and the patent process, depth of the application, and overall value. It

was not just simply great software. MindMatters had a thorough knowledge of intellectual property processes. We needed Innovator to help drive the process, building in discipline, facilitating collaboration and automating decision-making."

Phase I of the deployment began with a group of 40 Johnson Controls employees. MindMatters' remote hosting jumpstarted the process by removing many typical IT hassles, such as purchasing additional hardware and operating software, and establishing an IT support infrastructure for the application. Beth Anderson, Regional Portfolio Manager, stated that "a key value was that we could move so quickly."

"The power of Innovator as a unifying and analysis tool was seen immediately. It opened doors to collaboration and global coordination never before possible," stated Frank Kilsdonk. "The deployment of Innovator has standardized and streamlined innovation and IP processes worldwide at Johnson Controls," says VandenBerge. "Innovator has allowed us to implement a more business-strategic IP strategy."

Innovator now manages invention disclosures from their initial inception throughout the patent process, and acts as a portal to Johnson Controls' entire patent portfolio. The software supports business unit, language, and cultural collaboration, while coordinating global legal requirements. Innovator further provides an executive window to the portfolio, providing instant reports, metrics, and an overall snapshot of the intellectual property pipeline.



Results

“There was a lot of hype with other companies that we looked at, but MindMatters really backed it up and walked the talk,” says Kilsdonk. “They worked through all of our issues, and got us to where we needed to be.”

The result was a web-based collaboration tool that is accessible around the world. “We can now act more like a global company,” explains Ms. Anderson. “Innovators can view their ideas; a new feedback loop now exists. We can see everything that is going on, including how and why decisions are made. For the first time we can analyze our decision making.”

The use of Innovator has expanded globally and is currently used by over 2,200 employees. Within the first year of use, Johnson Controls estimates that its process efficiency has increased by greater than 25%. The immediate financial benefits are productivity cost savings, but long term gains, which will be measured in millions of dollars, include producing a well-tuned IP portfolio and supporting top-line revenue growth, while keeping an eye towards exploitation and risk management. “We are making better decisions faster and saving real money”, says VandenBerge.

John Gabrick, CEO of MindMatters Technologies remarks that, “Johnson Controls serves as a model for true strategic IP management. They now have a single, unifying process in place. They can analyze, monitor and collaborate worldwide, in multiple languages, while supporting a myriad of legal systems. Through our partnership, Johnson Controls can now more readily focus and invest in intellectual property that has real business value.”

“Innovator is truly a unifying solution”, adds VandenBerge. “It is not a stand-alone tool. Innovator is able to pass information to our docketing system, making it a truly integrated solution, and bringing together the entire IP management process.”

“In the big picture”, explains John Kennedy, Senior Vice President, Secretary, and General Counsel, “our focus on patent quality through this initiative is helping move our industry forward. We can capitalize and collaborate on both new and existing IP to bring new innovative products to the marketplace, ultimately benefiting our customers.” Vice President, Assistant Secretary, and Deputy General Counsel Jerry Okarma

agrees, stating, “It is easy to project the value of Innovator to our customers. They are constantly looking to us for new innovations and increased cost savings.”

Johnson Controls and MindMatters continue to have an active and ongoing relationship. Both companies are working to refine the data transfer between Johnson Controls’ various IT systems and to complete a translation module which allows speakers of 4 different languages to share information and collaborate around new ideas. “The reason this works is the relationship,” says VandenBerge. “We have an ongoing partnership and that is what has allowed us to take the next step.”

About MindMatters

MindMatters Technologies Inc. helps organizations stimulate, capture, validate, protect and profit from innovative product ideas and emerging intellectual property created by employees, customers, suppliers, and business partners. Placed at the front end of your product lifecycle management (PLM) process, MindMatters’ patent-pending software, Innovator, is the only enterprise system that helps business and legal managers effectively determine which innovations are most likely to turn into profitable products. Companies like 3M, Dana, PPG, Sony, and Johnson Controls rely upon Innovator to support their product innovation and intellectual property initiatives.

To learn more, visit us at www.us-mindmatters.com.



“We can now act more like a global company.”

“The immediate financial benefits are productivity cost savings, but long term gains, which will be measured in millions of dollars, include producing a well-tuned IP portfolio and supporting top-line revenue growth, while keeping an eye towards exploitation and risk management.”

“It is easy to project the value of Innovator to our customers. They are constantly looking to us for new innovations and increased cost savings.”

MindMatters Technologies, Inc.
308 East Main Street
Carnegie, PA 15106

412.489.5900
www.us-mindmatters.com
info@mindmatters.com

