IP Operations Survey

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AGENDA

• Introductions
• Survey Responses
• Managing IP Operations Teams & Processes
• Managing IP Backlogs & Risks
• Managing IP Budgets
• Questions / Discussion / Ideas for Additional Studies
OVER 150 RESPONSES

Corporate / Research

Law Firm / Service Provider

R&D Engineer
Senior Management
Attorney / Agent
Secretary / Paralegal
Docketing / Admin
Database Admin / IT

Number of Employees

Small
Medium
Large / Enterprise

Financials

Consumer Goods and Services

Agri-Chem
Legal
Energy / Industrials
Tech / Telecom
Basic Science
Healthcare

Clarivate Analytics
PATENT FILING RATES INCREASING IN MOST INDUSTRIES

How has the organization's patent filing activity changed over the last 3 years?

- Energy / Industrials: Moderate Decrease, Moderate Increase, Rapid Increase
- Consumer Goods and Services: About the Same
- Agri-Chem: About the Same
- Legal: About the Same
- Financials: About the Same
- Tech / Telecom: Moderate Decrease, Moderate Increase, Rapid Increase
- Healthcare: Rapid Decrease, Moderate Decrease, Moderate Increase, Rapid Increase
- Basic Science: About the Same
MANY ORGANIZATIONS MANAGING IP ACROSS MULTIPLE LOCATIONS

How many physical locations participate in IP Management?

- Law Firm / Service Provider
- Corporate / Research

- 10+
- 7-9
- 4-6
- 2-3
- 1
PRESSURE FOR SMALLER TEAMS TO MANAGE IP PORTFOLIOS

Average Staffing vs Total Portfolio Size

- Attorneys
- Docket / Admin
- Paralegals
- Dedicated IT Support

100 - 1,000
1,000 - 10,000
10,000 - 100,000
100,000 & Up
LACK OF CLEAR PROCESSES A TOP CONCERN

Top Risks / Concerns by Role

- Lack of standardization
- Underutilized technology or inefficient use of technology
- Lack of documented processes
- Missing or nearly missing critical deadlines
- Lack of secondary docket or quality assurance processes

<table>
<thead>
<tr>
<th>Role</th>
<th>Lack of Standardization</th>
<th>Underutilized Technology</th>
<th>Lack of Documented Processes</th>
<th>Missing Deadlines</th>
<th>Lack of Secondary Docket</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attorney / Agent</td>
<td>30%</td>
<td>20%</td>
<td>35%</td>
<td>20%</td>
<td>5%</td>
</tr>
<tr>
<td>Secretary / Paralegal</td>
<td>35%</td>
<td>30%</td>
<td>25%</td>
<td>30%</td>
<td>15%</td>
</tr>
<tr>
<td>Database Admin / IT</td>
<td>30%</td>
<td>25%</td>
<td>35%</td>
<td>20%</td>
<td>5%</td>
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<tr>
<td>Senior Management</td>
<td>35%</td>
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<td>10%</td>
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<tr>
<td>Docketing / Admin</td>
<td>30%</td>
<td>25%</td>
<td>30%</td>
<td>20%</td>
<td>10%</td>
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<tr>
<td>R&amp;D Engineer</td>
<td>35%</td>
<td>20%</td>
<td>30%</td>
<td>25%</td>
<td>10%</td>
</tr>
</tbody>
</table>
### Administrative Backlogs

<table>
<thead>
<tr>
<th>Category</th>
<th>Consistently Up-to-Date</th>
<th>Occasional Backlog</th>
<th>Consistent Backlog</th>
<th>Significant Backlog</th>
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</thead>
<tbody>
<tr>
<td>Ownership / Assignments</td>
<td></td>
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<td></td>
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<tr>
<td>Filing Formalities</td>
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<tr>
<td>IDS / Prior Art References</td>
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<tr>
<td>Proofreading</td>
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<tr>
<td>Docketing</td>
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<tr>
<td>Validation of Patent Term Adjustments</td>
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<tr>
<td>EP Validations Including Translations</td>
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ABOUT HALF OF RESPONDENTS DON’T BELIEVE IP PROCESSES ARE BEING CONSISTENTLY FOLLOWED

How Consistintely are Established IP Department Processes Followed?

<table>
<thead>
<tr>
<th>Law Firm / Service Provider</th>
<th>Corporate / Research</th>
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</thead>
<tbody>
<tr>
<td>We Don't Have Established Processes</td>
<td></td>
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<tr>
<td>Not Consistent</td>
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<tr>
<td>Somewhat Consistent</td>
<td></td>
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<tr>
<td>Very Consistent</td>
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</table>
MISSED DATES AND “CLOSE CALLS” REMAIN A SERIOUS CHALLENGE

**How Many Times Has a Statutory Deadline Been Missed (Last 2 Years)?**

- Law Firm / Service Provider:
  - 1
  - 2 - 5
  - 6 - 10

- Corporate / Research:
  - 1
  - 2 - 5
  - 6 - 10

**How Many Times Last Year did Your Org. Face a "Close Call" Docket Issue?**

- Law Firm / Service Provider:
  - 1 - 10
  - 11 - 25
  - 26 - 50

- Corporate / Research:
  - 1 - 10
  - 11 - 25
  - 26 - 50
SIGNIFICANT RELIANCE ON INDIVIDUAL DILIGENCE TO AVOID ISSUES

Safety Mechanisms that Avoid Missed Dates

- Backup Docket
- Individual diligence
- Law firm / Agent / service provider notice
- Automated system (Rules / workflow)
SECONDARY PROCESSES NOT USED CONSISTENTLY

Secondary Docket Processes

- Law Firm / Service Provider
  - 2nd Review Within Primary System
  - 2nd Review in Secondary System
  - Outsourced to a 3rd Party
  - No Secondary System

- Corporate / Research
  - 2nd Review Within Primary System
  - 2nd Review in Secondary System
  - Outsourced to a 3rd Party
  - No Secondary System
BUDGET OWNERSHIP VARIES BY INDUSTRY

Who Determines Your IP Budget?

- Finance / CFO
- Legal Team / Chief Counsel
- R&D / CTO

<table>
<thead>
<tr>
<th>Industry</th>
<th>Finance / CFO</th>
<th>Legal Team / Chief Counsel</th>
<th>R&amp;D / CTO</th>
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<tbody>
<tr>
<td>Basic Science</td>
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<tr>
<td>Energy / Industrials</td>
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<tr>
<td>Tech / Telecom</td>
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<td>Healthcare</td>
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<td>Financials</td>
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<tr>
<td>Consumer Goods and Services</td>
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<tr>
<td>Agri-Chem</td>
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</tbody>
</table>

Average Ratio of IP Budget to R&D Budget

- Tech / Telecom
- Energy / Industrials
- Financials
- Consumer Goods and Services
- Healthcare
- Basic Science
KEY TAKEAWAYS

Managing IP Operations Teams

• Need for clearer definition and broad communication of IP processes

• When “doing more with less,” there is a need to transition to more automation- and service-driven safeguards for IP processes

Managing Backlogs & Risk

• Mixed success in managing backlogs: Opportunities to learn from teams that are managing backlogs well

• Many safeguards still rely on people whose workloads are increasing

Managing IP Budgets

• IP teams need to measure and report their contribution to the business based on the priorities of the group providing funding and resources
IP OPERATIONS SURVEY

- Questions
- Discussion
- Ideas for future studies?