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2021

STRENGTHENING THE PRACTICE OF THE INDEPENDENT IP ATTORNEY



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FICPI WEBINAR SERIES

BRACE: Best Reaction About Competing E-services

2021



Moderator



Karl Rackette

RACKETTE Patentanwälte PartG mbB, Germany



Speakers



Lisa Moyles
Moyles IP, USA



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S.S. Rana, India

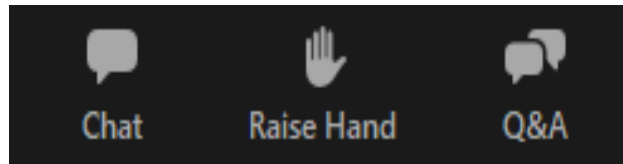


Dr. Malte Köllner
Köllner & Partner, Germany



Questions / Comments?

*Ask using the 'Chat' function
at the bottom of your screen*





Technical Evolutions Cause Challenges

- Starting with the steam engine **hard labour** has been taken over **by machines** and exempted humans from e.g. repetitive or dangerous work.
- **Division** of labour enables to focus and **increases** productivity.
- Since the advent of powerful ITC technology **administrative work** historically entrusted to firms of independent attorneys, such as work done by
 - paralegals
 - accountants
 - (translators) etc.,can be done to a large degree reliably with less costs **by a network of computers.**



Technological Innovation

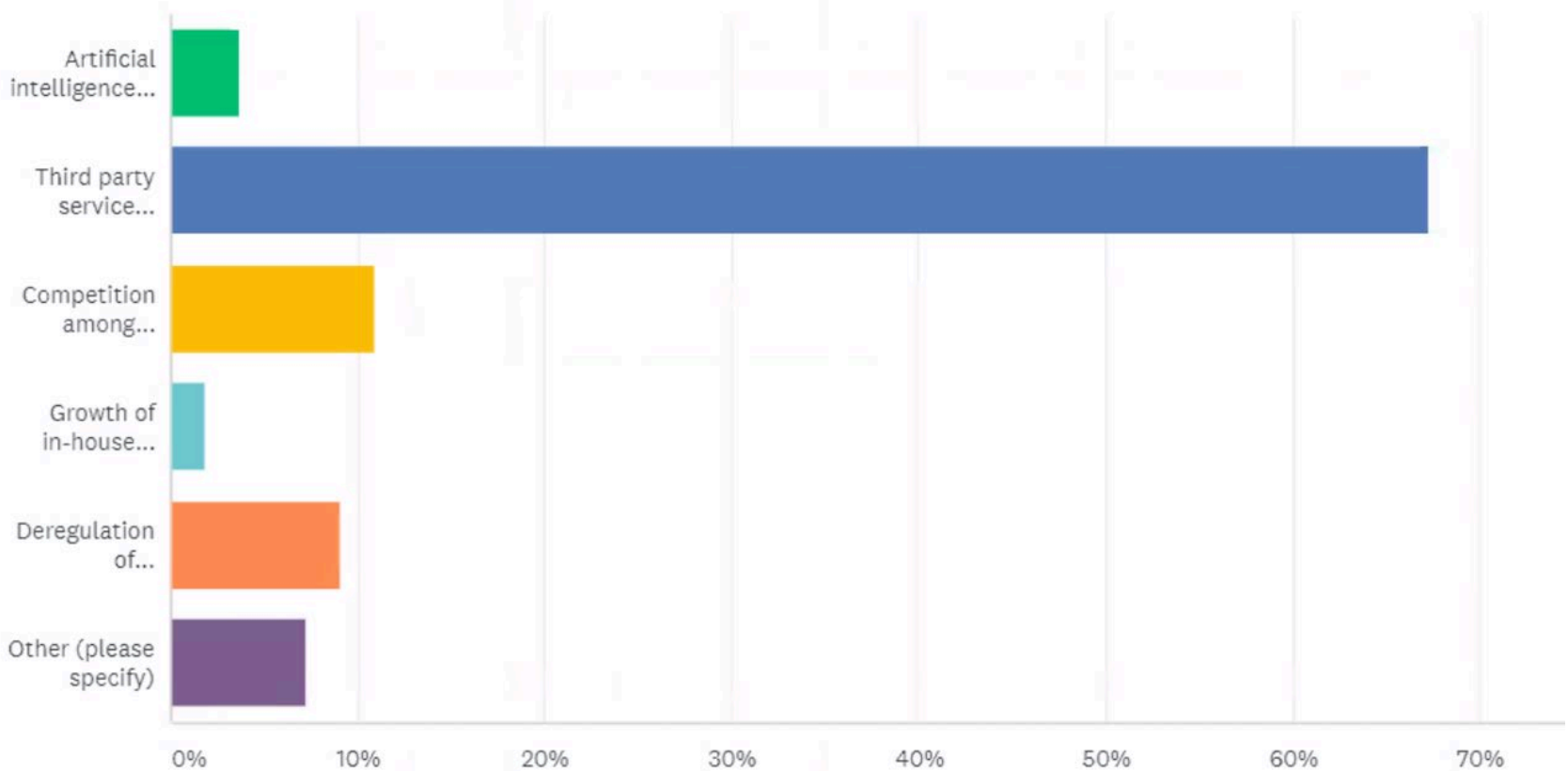
- If there is no support for technological innovations, they are doomed to failure.
- Technological innovation is impossible without social innovation.
- Patent Attorneys believe deeply in the power of technology to change lives.



Our Greatest Challenge

In your opinion, was is the greatest challenge ahead for the IP professional in private practice?

Answered: 55 Skipped: 0





Best Reaction About Competing E-services

What should be our position in view of the *challenges and opportunities* provided by the latest developments in information technology used by **third party service providers?**





So What is the Best Reaction?

- BRACE and **wait to see** what happens?
- There are three types of people:
 - those who **make** things happen,
 - those who **watch** things happen and
 - those who **wonder** what happened.
- If you can't beat them, join them.
- Together we are strong (coordinated approach).



Response to a Challenge

A **fight or flight response** is an automatic physiological reaction to an event that is perceived as stressful or frightening.

These responses are evolutionary adaptations to increase chances of survival in threatening situations.



Alternatives?

- **Fight** response
 - Make **efforts to keep** third party service providers away from having direct contacts with our clients:
 - Lower our fees to approach their level
 - Advertise our superior / broader professional qualities
 - Find ways to stay in closer touch with clients
 - Clients like ONE STOP law firms / service providers
 - Invest in a competitive IT infrastructure
 - Take political and/or legal action
 - ...
- **Flight** (brace) response
 - **Give up** a (small?) portion of our business
 - Keep in mind the **core business** of an independent IP attorney and concentrate on this.



PEC Working Group

A Canadian BRACE workgroup member:

- Service providers are indeed taking some business away from us, but in my opinion, it is ultimately *business that falls outside of our professions.*
- We have, for example, no specific qualifications or training as resellers of translation services. This has happened once or twice before in the long history of our business: *although we rely as a profession on technological change, we also suffer, as it has forced us periodically to re-engineer the manner in which we generate revenue.*



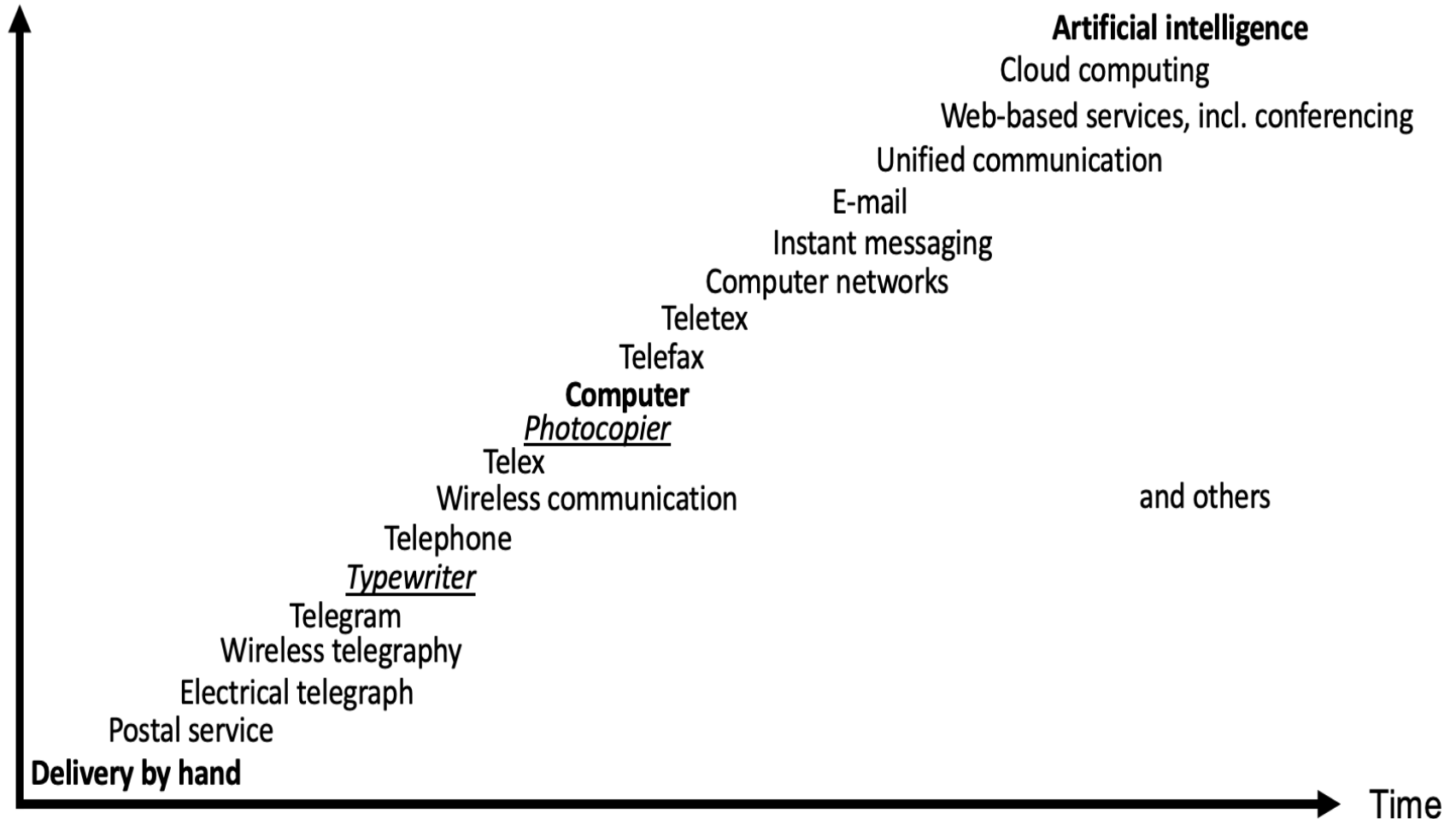
Core Business of Patent Attorneys?

- Advise on intellectual property rights
- Assessment of criteria required for protection
- Prepare patent specifications
- *Prepare and file (direct or via foreign associate) the documents necessary for applications for patents, trademarks, designs...*
- Prosecuting and attacking IPRs
- Advise on infringement and litigation
- Help in technology transfer *including recordals*
- *Assist clients to administer their IP portfolios (annuities)*
- *Advise on IPRs held by others (incl. searching)*
- *Italics = in competition with third party services*



Choice of tools involved in IP Services over time

Technical progress leading to new opportunities

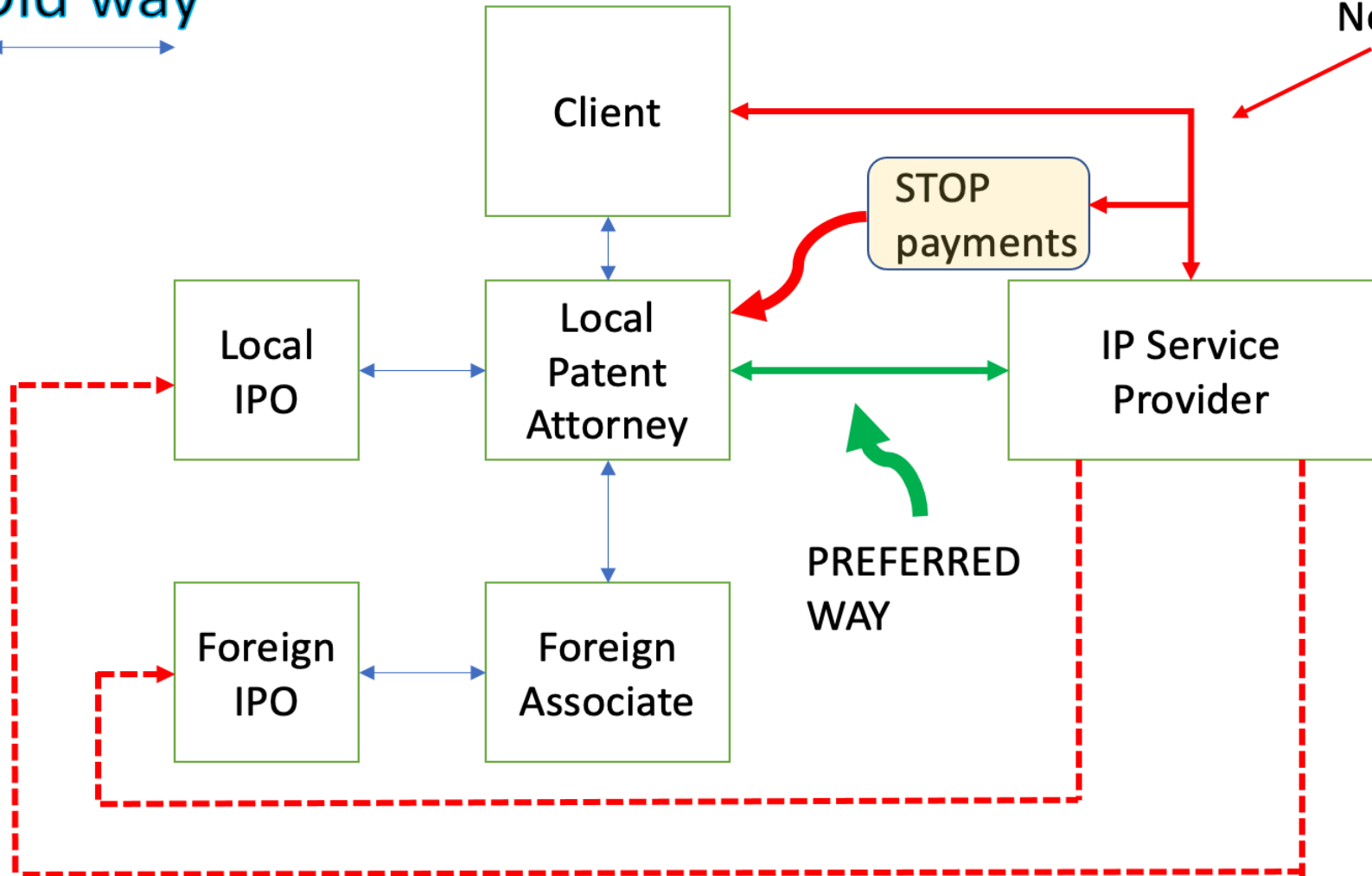




Annuity Payments

Old way
↔

New way





3 Ways

- From client to Patent Attorney and from there to IPO directly or via foreign associate
 - From client to Patent Attorney and from there to Service Provider to all IPOs
 - From client to Service Provider to all IPOs
 - and either the client (preferably)
 - or the Service Provider
- informs** the Patent Attorney registered as representative when payments are stopped.



Are you Sitting on Many Files!

- **During prosecution** IP Attorneys have regular contacts with clients and can send out invoices
- **After prosecution** when IP Service Providers have taken over the renewal payments IP Attorneys as address for service must keep updated contact details concerning the client. This could be a billable service of about US\$ 35 per year per case with discounts up to 100% for larger numbers of dormant or inactive files.



Small US Firm Perspective



By: Lisa J. Moyles, Esq.
Moyles IP, LLC
Shelton, Connecticut
USA





About Us

- 5 full-time US-Qualified Patent Attorneys
- 4 FTE staff
- 2 as-needed consulting attorneys
- Full-service IP Boutique (non-litigation)





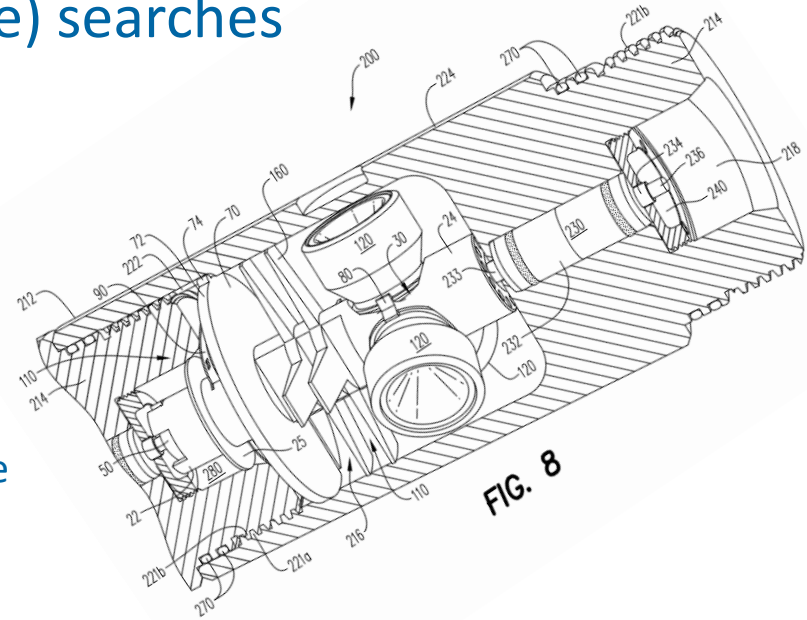
Premises

- Keep high satisfaction, mentally challenging work within firm
- Create relationships with service providers to ensure high quality, fairly priced, and reliable services for clients
- Continuously explore new ways to improve efficiency and improve working conditions (enjoyable work) for my Attorneys



Services Contracted

- Patent Illustrator
- Patentability, invalidity and FTO prior art and rarely Trademark (comprehensive) searches
- Software Utilized:
 - a) Timekeeping/Invoicing
 - b) Docketing
 - c) IT support
 - d) Current trial for Patent Drafting Software
 - e) Cloud-based document storage





Services Contracted (continued)

- Maintenance fees (low cost, high liability)
- Non-US based PCT filing-EP counsel
- Overflow legal work: Consulting Attorneys v. Service Provider (competition keeps cost reasonable)
- Translations: International Associates v. Service Provider
- Patent Assertion: Partner with litigation firms from the US and abroad



Keep In-Firm

(balance against burn-out)

- Patent and Trademark preparation and prosecution
- Docketing: control, quality, accessibility
- Transactional Work
- Manage/Partner on litigation/PTAB work
- Manage International Portfolio
- US based PCT filing
- Trademark knock-out searches
- FTO/clearance work



Recent “Poaching” Activities

PATENT

Alert - I have found patent invalidating art for the case PerfX Wireline Services v. Dyna Energetics US

Dear _____

I am _____ I am a [registered patent practitioner](#) with the USPTO. I specialize in helping law firms fight patent infringement cases.

I understand that you are representing Dyna Energetics US in the case -*PerfX Wireline Services v. Dyna Energetics US*. I have found prior art that invalidates at least some of the claims of the asserted patent **US10844697**. This prior art can be highly valuable in defending yourself in litigation or in negotiating a settlement with the plaintiff.

In fact, I guarantee that the prior art undoubtedly invalidates the central claim of the asserted patent. You will receive a comprehensive prior art search report including claim charts that demonstrate the invalidity of the claims. I will charge \$5,000 for this service. However, if you do not agree with the conclusions of my prior art search report, then you PAY NOTHING.

If you engage me, I will work exclusively with you.

I have an impressive success rate in this space. So, please feel free to revert/call, if any clarification is required to take this forward. You may schedule a call with me here

If required, I can also share references of patent attorneys who we have assisted in the past.

Looking forward to your response!

Best regards,

Litigation matters - 3rd parties reached out to my client with direct solicitation:

- Firm offered “invalidity services” against our own patent(oops)
- Self-described “white shoe” law firm offered Defense Counsel Services
- Firm that we have used before for prior art search reached out directly to my client offering services



Speaker

Best Reaction About Competing E-Services

BRACE Working Group

Vikrant Rana

Managing Partner, S.S. Rana & Co.



Alternative Legal Service Providers (ALSPs)

ALSPs to encompass activities performed by non-traditional legal service providers (including independent affiliates of law firms), that are directly related to the provision of legal services.

*David Curle Director, Technology and Innovation Platform,
Thomson Reuters Legal Executive Institute*



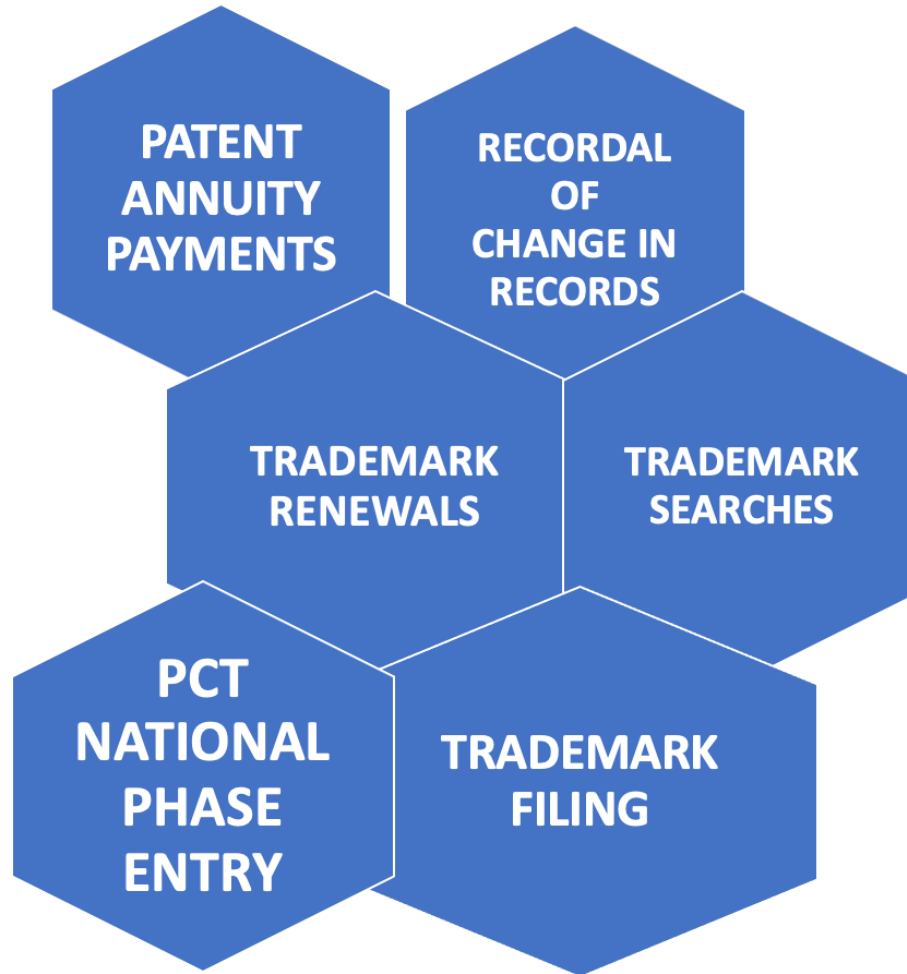


In general, ALSPs around the world perform following types of functions:





Common IP services performed by ALSPs





ALSPs and Migration to changing Legal Landscape- Causes

TECHNOLOGICAL ADVANCEMENT

BUDGETING AND COST CONTROL

**INCREASED ACCESS TO LEGAL
INFORMATION**

**GROWTH OF IN-HOUSE LEGAL
DEPARTMENTS**

**INNOVATIVE WAYS OF DELIVERING LEGAL
SERVICES**

**GLOBAL REACH AND EXTENDED
NETWORK**



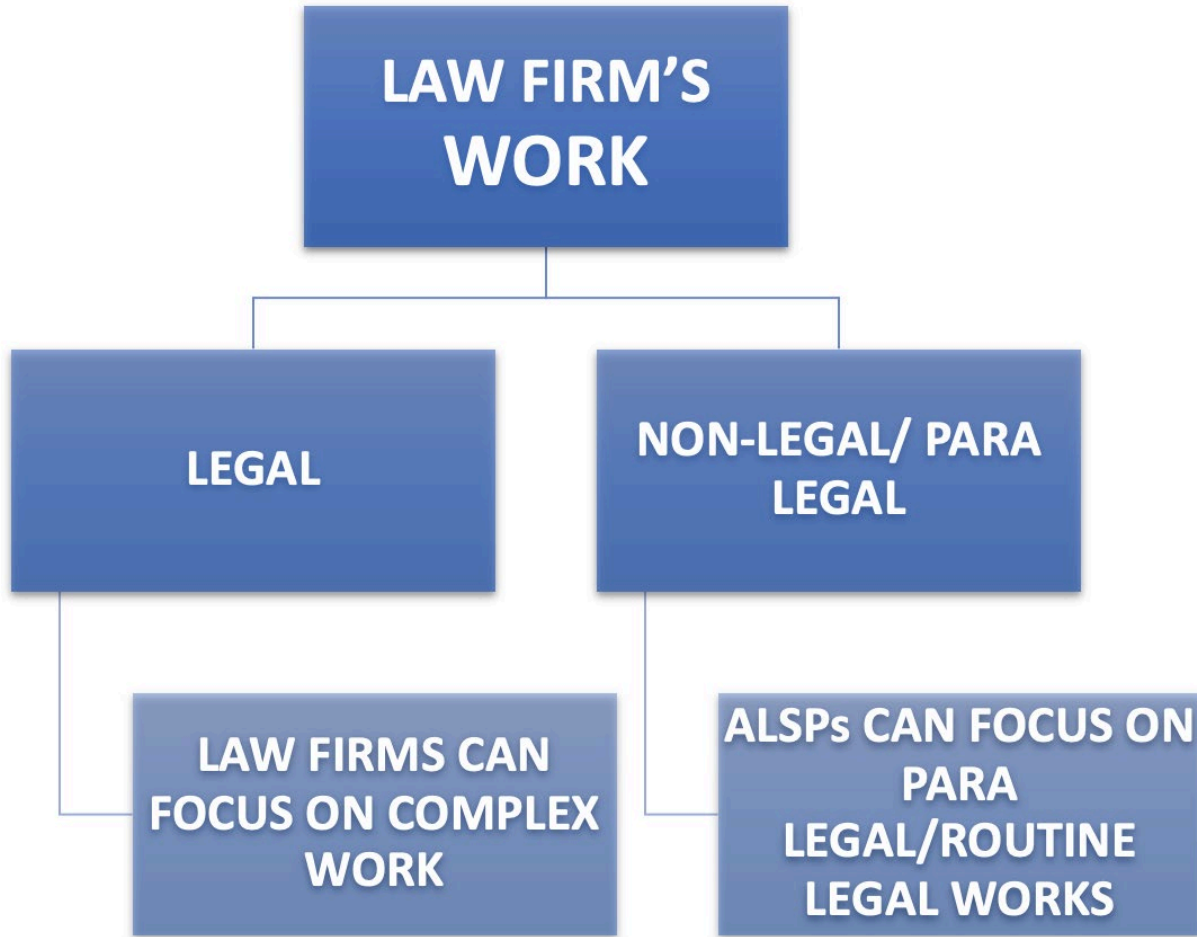
Are ALSPs likely to affect the practice of traditional law firms?

- A study by Thomson Reuters reports that in the US half of large **law firms are now using ALSPs for legal research**
- Traditional law firms are **recognizing the potential of ALSPs** and some law firms have established their own internal/ in-house ALSPs.
- Large law firms are the most **likely to work with multiple ALSPs** to better provide an umbrella of legal solutions to clients.
- The potential of ALSPs lies in their **specialized expertise**. Many big Law firms are acknowledging their support in litigation, IP Annuities, Search and investigation matters.





Work





Overview

- Conflict
- Liabilities
- Human Touch



Speaker



Dr. Malte Köllner

Köllner & Partner, Germany



My history

2000 - 2013	Köllner & Partner
2013 - 2020	Dennemeyer (IP Service Provider)
2020 - ...	Köllner & Partner



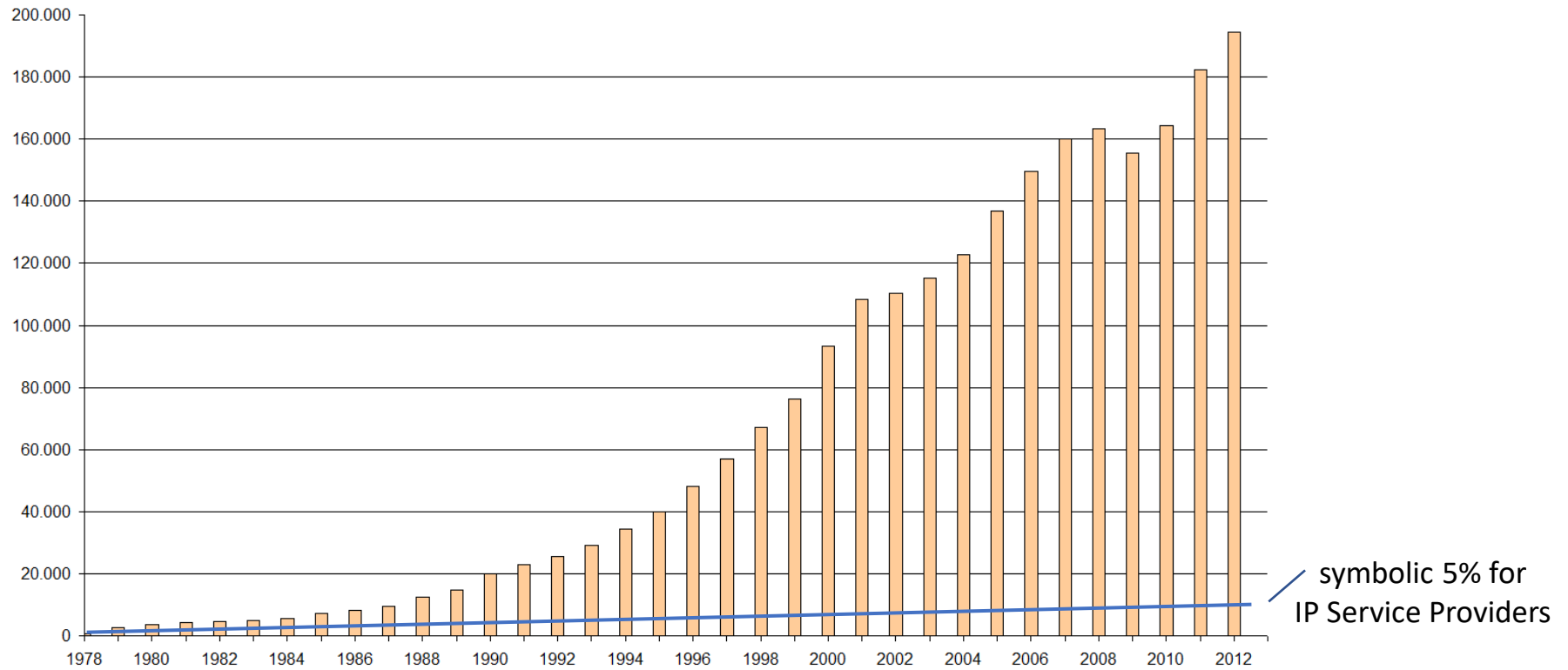
History of IP Service Providers

- John Dennemeyer invented computer patent annuities in 1965
- about 50 years ago
- over the last fifty years:
 - the number of IP service providers grew
 - the amount of their business grew
- but: the number of patent attorneys grew at the same time



PCT Filings

Number of PCT Filings per year





Market share of IP service providers

Total turnover of all private practice patent attorneys in Germany

- 3 000 attorneys in DE
 - 400 000 € service fee (excluding official fees, etc.) p.a.
- ≈ 1 200 000 000 € p.a.
= 1.2 bio. € p.a.

Total turnover of all IP service providers in Germany

- service fee
 - excluding official fees, etc.
 - patent annuities is the main business
 - 8 000 000 patents worldwide * 40 € annuity per year * 10 % Germany / world
- ≈ 32 000 000 € p.a.
x 2 for all other services
≈ 60 Mio. € p.a.

≈ 5 % of patent attorneys service fees



Market share

net revenue of IP service providers

≈ 5 % of patent attorneys service fees



Did the appearance of IP Service Providers affect the pricing or the services offered by law firms?

Service	Pricing affected?	Service offering affected?
patent annuities	yes	yes, at least in the US
trademark renewals	?	?
EP validations	no, even better now	a little bit
translations	?	?
searches (prior art, infringement, ...)	no	no
recordals	yes	?
administration software	-	-
design renewals	no	no
docketing	no	no
data analytics, monitoring	no	no
litigation finance, patent assertion	-	-
monetization, licence programmes, ...	-	-



Results

- The major business of IP service providers is to help industry to outsource certain tasks.
- The overall impact of IP Service Providers on IP law firms is small.



Who are they?

Attitudes of Patent Attorneys towards IP Services

	using IP services	working for IP services	founding IP services
total refuser	no	no	no
user	yes	no	no
cooperator	yes	yes	no
founder	probably	probably	yes



Do they have data power?

- There are tons of data publicly available.
- see e.g. Patent-Pilot.com



Future Webinars

- **28 April**

Proof in the digital era: using online and digital evidence

<https://ficpi.org/events/webinar/proof-digital-era-using-online-and-digital-evidence>

- **12 May**

Simulations and Virtual Reality - what constitutes patent-eligible subject matter?

<https://ficpi.org/events/webinar/simulations-and-virtual-reality-what-constitutes-patent-eligible-subject-matter>



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FICPI Webinar Series

Thank you for attending

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