Who’s hiding around the corner?

Breakout 1: IP Practice Management
**News flash:** the practice of IP as a profession has changed:

- PCT system
- London Agreement for EP
- Push for substantive harmonization
- Third-party service providers
- Technological improvements
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QUALITY NEVER GETS OLD
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Copenhagen
EXPLORATION OF “DOVETAIL” IP SERVICES (ZACCO IP 360) - WITH GEOGRAPHY NOT AS A BARRIER, BUT AS AN OPPORTUNITY
INTERNATIONAL NETWORK

GLOBAL REACH
DOMESTIC FOOTPRINTS

Next generation IP Consultancy

Largest IP consultancy in the Nordics

Local presence from 33 offices in 6 countries

R&D centres in India

+500 IP professionals

+300,000 registered IP rights in portfolio

Customer base of +6,000 clients
Intellectual Property (IP) refers to creations of the mind, such as inventions, literary, artistic work, designs, symbols, names and images used in commerce.

Some forms of IP may be protected by law, for example under patents or claims to copyright. Other forms of IP need a different approach – collectively, we call this: 360° Perspective on Intellectual Property
INTANGIBLE ASSETS
THE EVOLUTION 1975-2015

Components of S&P 500 market value

Source: Ocean Tomo, LLC
THE FUTURE DIGITALIZATION

Megatrends driving Digitalization

Universal connectivity
Growing amount of data
Explore analytics and visualization
Intelligent solutions and services
Globalization of value chains
Faster product life cycles
DIGITALISATION

The world’s largest taxi company **owns no vehicles**

The world’s largest accommodation provider **owns no real estate**

The world’s most valuable retailer **has no inventory**

The world’s most popular media content owner **creates no content**

The world’s largest phone company **owns no telco infrastructure**

The world’s largest software vendors **don’t write their own apps**
All assets that you can’t put your finger on.
ONE-STOP-IP-SHOP

- A THING OF A REMOTE PAST?
Questions

• Historical progression
• Where is the IP business today?
• Who “owns” the various parts of the IP business?
• Where are the links?
• Quality and added value?
NovumIP Group strengthens its position with patent and trademark renewals through the acquisition of IPRIS AG.

NovumIP Group, which was formed through the combination of PAVIS and Novagraaf, has acquired all of the shares in IPRIS AG. Novum thereby further strengthens its global market leading position in IP support services, in particular in the field of patent annuities and trademark renewals.

Since its establishment in 2004, IPRIS has been working with leading universities and research institutes as well as corporates and IP law firms in the efficient administration of their IP portfolios, especially with regard to patent annuity payments. Its worldwide coverage and the ability to react flexibly to client requirements has made IPRIS a trusted IP partner. Today, with more than 200 clients in Europe, USA and Australasia, it is one of the largest service providers in the field of Intellectual property, managing >30,000 Intellectual property rights in 120+ countries and completing >12,000 renewals every year. By joining NovumIP Group, IPRIS benefits from the operational strength of a leading, global IP service provider and the ability to offer its clients additional innovative, technology-enabled and cost efficient IP services.

About NovumIP

Formed through the joint venture of Novagraaf and PAVIS end of 2019, NovumIP is a leading global intellectual property (IP) service provider. At NovumIP 350 IP specialists manage more than 2 million IP rights for 30,000+ customers globally. The group offers a comprehensive portfolio of Legal & Consulting and administrative Support Services thereby actively supporting the customers throughout the full IP lifecycle. NovumIP is focused on delivering innovative, technology-enabled and cost efficient IP services.
### IP Consultancy

**Main services:**
- Legal
- Patents
- Designs
- Trademarks
- Litigation Support

**Locations:**
- Office A
- Office B
- Office C
- Office D

### IP Services

**Main services:**
- Renewals
- Annuities
- Validations
- Translations
- Recordals
- Filings

**Locations:**
- At convenience
When the IP industry changes, so do we
Technology And The Evolving IP Industry

Linda Biel, Vice President
Rowan TELS Overview

Rowan Legal Management Consulting

Rowan Anti-Counterfeit

Rowan Patents
• What AutoCAD does for architects and engineers….

….Rowan Patents does for patent drafters
Worldwide Spending on Technology by Industry

Sources:
- Rowan analysis
- https://www.mordorintelligence.com/industry-reports/accounting-software-market
- https://www.fortunebusinessinsights.com/information-and-technology-industry
- IbisWorld
Is the Accounting Industry a Telling Parallel?

US Accounting Services Spend ($BB)

- '05-'10 Growth Rate: 3.8%
- '10-'15 Growth Rate: 3.7%
- '15-'20 Growth Rate: 1.6%

Sources:
- Rowan analysis
- IbisWorld
Is the Accounting Industry a Telling Parallel?

US Accounting Software Spend ($BB)

Note: Scale of Software chart different than Services

Sources:
- Rowan analysis
- https://www.mordorintelligence.com/industry-reports/accounting-software-market
- https://www.fortunebusinessinsights.com/information-and-technology-industry

'15-'20 Growth Rate: 1.6%
Is the Accounting Industry a Telling Parallel?

US Legal Services Spend ($BB)

- ‘05-'10 Growth Rate: 3.8%
- ‘10-'15 Growth Rate: 3.6%
- ‘15-'20 Growth Rate: 3.0%

Sources:
• Rowan analysis
• IbisWorld
Is the Accounting Industry a Telling Parallel?

US Legal Software Spend ($BB)

Note: Scale of Software chart different than Services

Sources:
- Rowan analysis
- https://catalyst.com/research_item/legal-tech-market-overview/
Is Legal Tech Hot?

LegalTech VC Investment Trends: Finally, An Industry Inflection Point?

Already a record year for legaltech startup investment

Is There A Legaltech VC Bubble?

Is the boom in Legaltech investment an overdue correction or a sign of a looming disaster?
2019 Investments in Legal Tech

Number of Investments:
- Contract Management: 54%
- Law firm management: 20%
- E-discovery: 5%
- Consumer: 22%

Value of Investments ($MM):
- Contract Management: 51%
- Law firm management: 30%
- E-discovery: 8%
- Consumer: 11%

Sources:
- Rowan analysis
What Does Technology Do For You?

You have a new embodiment you want to add into your set of 5 drawings. The most logical place is as drawing 2.

**Traditional Method**
- In your chosen drawing tool, insert the new drawing
- Re-number every element in the original drawings 2, 3, 4 and 5
- In your chosen word processing tool, search the specification for every reference to the elements in drawings 2, 3, 4, and 5
- Update every reference to its corresponding new number

**With Technology**
- In an integrated platform, insert the new drawing
- Move on to something more interesting!
Eliminate the Mundane, Focus on the Interesting

Mundane
• Element numbering/renumbering
• Reordering claims
• Check for antecedent basis errors
• Check for consistency
• Claim specific punctuation
• Create a parts list

Interesting
• Understand the point of novelty
• Claim construction
• Discussions with inventors
• Engaging with your client

Let computers do what they do best, so you can do what you do best!
Patent Prep and Pros as an Example

• Spend of around $30B on prep and pros annually, and growing
• Combined software spend of approximately $50-75M (including patent analytics and not including docketing)
• 1% of services spend, $300M
• What if that led to 10% ROI
  - 10% more filings ($3B worth)
  - 10% ($3B) less spend

IS THE POSSIBILITY OF 10X ROI WORTH IT?
Thank You!

• Questions?
  - Linda Biel
  - lbiel@rowantels.com
  - +1.512.695.2027
19th FICPI Open Forum

Who’s hiding around the corner?
IT and competitive actors coming out of the woodwork

November 4, 15:50 Central European Time

Karl Rackette
Freiburg im Breisgau, Germany
What should be our position within FICPI in view of the challenges and opportunities provided by present and future developments in information technology?
Topics in BRACE Group

- Updating list of members
- Porter’s 5 Forces Model
- Establish a list of competing IP Services
- Identify details about firms providing such services
- Analyzing their business models
- What should FICPI members consider doing?
- “If you can’t beat them, join them”?
- Embrace them?
  - Example: Payment of renewal fees
    Service provider informs registered IP Attorney when the common client has decided to allow lapsing by non-payment.

- Is it possible that with the developments in AI that AI will make the service providers superfluous? (Cf travel agencies – self booking)
Competitive Analysis
Porter’s 5 Forces Model

- Threats of New Entrants
- Bargaining Power of Suppliers
- Competitive Rivalry among Existing Competitors
- Threats of Substitute Products or Services
- Bargaining Power of Customers

Patent Attorneys
Law Firms
Discussion within the FICPI PEC Working Group

“… the title of the working group "Best Reaction Against Competing E-Services" already contains the word AGAINST.

… Not every patent attorney is AGAINST IP Services. I think the attitudes have to be on the table first.

There is a considerable tension and emotion. If these are not put on the table, the discussion may lead to misunderstandings…

So maybe the Working Group Acronym should change to

"Best Reaction About Competing E-Services”
## Attitudes of Patent Attorneys towards IP Services

<table>
<thead>
<tr>
<th></th>
<th>using IP services</th>
<th>working for IP services</th>
<th>founding IP services</th>
</tr>
</thead>
<tbody>
<tr>
<td>total refuser</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>user</td>
<td>yes</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>cooperator</td>
<td>yes</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>founder</td>
<td>probably</td>
<td>probably</td>
<td>yes</td>
</tr>
</tbody>
</table>

Overview prepared by a German workshop member
Discussion within the FICPI PEC Working Group

A Canadian 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.*
Thoughts about a world that keeps changing

• Patent attorneys have contributed to promoting innovation.
• There is now a fear among them to loose business due to a number of technical innovations that led to unexpected business innovations.
• Were we patent attorneys shooting into our own feet?
• Let’s find the best course of action for our clients.
• In the past FICPI members did join IP Service Providers.
• Staff of IP Service Provider joined the profession in private practice.
• Some “Law Firms” expanded their traditional services so as to also become “IP Service Providers”.
• Some “IP Service Providers” extended their range of services to also become a “Law Firm”.
• Should every “Law Firm” invest into IT to also become a “Service Provider”?
Choice of tools involved in IP Services over time

Technical progress leading to new opportunities

Delivery by hand

Postal service

Electrical telegraph

Wireless telegraphy

Telegram

Telephone

Computer

Photocopier

Telex

Teletex

Telex

Teletex

Computer

Artificial intelligence

Cloud computing

Web-based services, incl. conferencing

Unified communication

E-mail

Instant messaging

Computer networks

Telefax

E-mail

Unified communication

Web-based services, incl. conferencing

Cloud computing

Artificial intelligence

and others

Delivery by hand
History of renewal services

• John Dennemeyer invented computer patent annuities in 1965 about 55 years ago

• during that time:
  • the number of IP service providers grew
  • the amount of their business grew

  • but: the number of patent attorneys grew at the same time
Services Offered by IP Service Providers
(alphabetical list collected by BRACE working group)

- Annuity / Renewal services
- Docketing service providers
- Filing Services
- Flat fee prosecution for a simple office action – Simple office actions can also be easily taken over by a service provider at a flat rate using automated tools.
- International billing and paying of bills
- Paralegal service providers
- Patent, Design and Trademark Searches – Software companies with a strong understanding of IP law and practice can automate this function through a software and take a sizable market out of the hands of the attorneys/firms
- PCT Filings – In many instances these days a PCT application in multiple countries are being handled by IP management service providers
- Registration of ownership changes / Recordals
- Response preparation service providers
- Searchers – both patent and trademark
- Validations of granted European Patents
- Working statements – In countries like India, where working statements need to be filed once it is granted, and can be easily tapped into by a service provider
What are the typical services offered by IP service providers?

<table>
<thead>
<tr>
<th>Service</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>patent annuities</td>
<td>big business</td>
</tr>
<tr>
<td>trademark renewals</td>
<td>sizable</td>
</tr>
<tr>
<td>translations</td>
<td>sizable</td>
</tr>
<tr>
<td>EP validations</td>
<td>sizable</td>
</tr>
<tr>
<td>searches (prior art, infringement, …)</td>
<td>sizable</td>
</tr>
<tr>
<td>recordals</td>
<td>sizable</td>
</tr>
<tr>
<td>administration software</td>
<td>medium</td>
</tr>
<tr>
<td>design renewals</td>
<td>small</td>
</tr>
<tr>
<td>docketing</td>
<td>small</td>
</tr>
<tr>
<td>data analytics, monitoring</td>
<td>small</td>
</tr>
<tr>
<td>litigation finance, patent assertion</td>
<td>small</td>
</tr>
<tr>
<td>monetization, licence programms, …</td>
<td>very small</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

Listing as submitted by a German workgroup member
Possible Results
as seen by a workshop member

• 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.
… if you pay peanuts, you get monkeys?

We are highly qualified and experienced group of Patent Drafting and Prosecution experts, *having over 8 years of experience* in providing high quality patent prosecution services. Currently, we are providing a trial offer of **Flat EUR 599** for complete Patent Application Drafting.

**Frequently Used Services of Synoptic IP:**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Service</th>
<th>Regular Price</th>
<th>Discounted Price</th>
<th>Turnaround Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Office Action Response Drafting</td>
<td>EUR 399 – 599</td>
<td>EUR 299</td>
<td>4 – 6 Business Days</td>
</tr>
</tbody>
</table>
• Advise on intellectual property, and help IP owners register and maintain their IP
• Apply for and secure patents, trademarks, designs…in Australia and overseas
• Help transfer technology by licensing and other processes
• Conduct IP audits of organisations and products
• Conduct litigation in Australia and overseas
• Determine whether a development is new and inventive to justify a patent
• Determine the nature and ambit of inventions and prepare patent specifications
• Lodge documents with the PO, and guide applications through the process
• Assist clients manage their IP portfolios, advise on patents and registrations held by others, and advise on whether developments infringe or might infringe rights held by others.
Examples of IP Services provided by IP Offices

• German IPO: DPMAdirektPro, DPMAregister, DPMAkurier, …
• European PO: Web-form filing, Online filing (CMS), Espacenet …
• EUIPO: eSearch plus, eSearch Case Law, TMview, DesignView
• USPTO: PatFT, PAIR, EFS-Web, PDX, TESS, TEAS, …
• WIPO: WIPO IP Portal, Patentscope, ePCT, Global Brand Database …

• and many other national and regional IP offices around the globe …
Help businesses with your IP expertise

This is a powerful opportunity for you to support SMEs during this crisis, significantly contribute to optimising the understanding and use of IP by SMEs and at the same time, help to better understand what the needs of SMEs are.

Like to sign up as a pro bono provider or interested to find out more? Please see the Call for expression of interests, how it works and the application form below.
Please see the list of pro bono providers participating in this initiative and willing to offer pro bono IP services free of charge to SMEs. Like to be in this list? Please see the Call for expression of interests, how it works and the application form.

<table>
<thead>
<tr>
<th>Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABRANTES, RICARDO</td>
</tr>
<tr>
<td>AHREMAA, TEPPPO</td>
</tr>
<tr>
<td>AKRAN INTELLECTUAL PROPERTY</td>
</tr>
</tbody>
</table>
William Shakespeare: “To be, or not to be, that is the question”

To BRACE, or to embrace service providers, that is the question that we are facing as FICPI members in private practice
- depending on your own business model,
- your number of “dormant” files you can live with,
- what set of tools you are prepared to invest in and
- what you (or your clients) want to outsource.

Thank you for your attention …