Patent Portfolio Management

Today's Discussion

- IP Strategy
- Where/How to file Global
- Proactive Assessment and Management of a Patent Portfolio Costs
- Questions & Answers

Why do you have a patent portfolio?

- Defensive purposes
- Offensive purposes

PATENT PORTFOLIOS BY THE NUMBERS

Typical characteristic parameters of large patent portfolios:

Current state vs. future state, at time of filing

- 1/3 of patents describe current products and processes
- 2/3 of patents cover likely future products and processes

Predicting which inventions will be most impactful is almost impossible

- Patenting is a statistical, not a deterministic, endeavor
- The patent bubble has made this even more the case

There's strength in numbers when related inventions are protected, because they improve freedom to operate

PATENT PORTFOLIOS BY THE NUMBERS

Typical characteristic parameters of large patent portfolios:

Power Law

- 95% of economic returns come from the top 4% of patents
- 85% of economic returns come from the top 2% of patents

25% of patents are retrospectively deemed “impactful or important” by experts in the field

- ~40% of patents are maintained for ~8 years after filing
- ~20% of patents are maintained for their full 20 year lives

Where to File?
Assessing Foreign Patent Systems

- **Government** policy/practices; taxes
- **Patent office** expertise, speed, cost, predictability, transparency
- **Attorney/Agents** expertise, cost
- **Enforceability**: (judicial and non-judicial) expertise, speed, cost, predictability, impartiality
    - Easy to obtain; hard to enforce
    - Hard to obtain; easy to enforce
    - Easy to obtain and enforce; no remedy
    - Easy to obtain, enforce, and remedy; but too expensive
- **Available Remedies**: Injunction, damages/income, mandated cross-license

Cost Management
The Small Things Do Matter

- **Consider the aggregate impact of actions across a portfolio on the *annual budget***
- While a single action affects the cost of only a single application, that kind of action, when repeated across several applications, impacts the *annual budget*. Put simply, if every application included an additional cost of $400 in a given year, then, in a large portfolio of 100 applications, that relatively small cost requires $40,000 in the annual budget.

Know Your numbers

For many companies, selecting inventions for patent filing, preparing and prosecuting those patent applications worldwide, and maintaining the resulting patent portfolio can cost tens of millions of dollars annually.

Track and Analyze Data

you can’t manage what you can’t measure, you need to have a good system in place for tracking data associated with steps in the patent process.

- Key Metrics
- Cost per issued patent application during a year (including abandon applications cost of that year)
- Office actions per disposal
- Allowance rate
- Average pendency in months

Benchmarking metrics

USPTO dashboard

JPO PPH Portal

AIPLA Report of the Economic Survey

Example filters

Firm	Avg Filing cost	Avg Amend cost	Allowance rate	office actions per disposal	Cost per allowed case
OC 1	11k	2k	85%	2.2	17K
OC 2	9k	1.5K	75%	2.9	19K

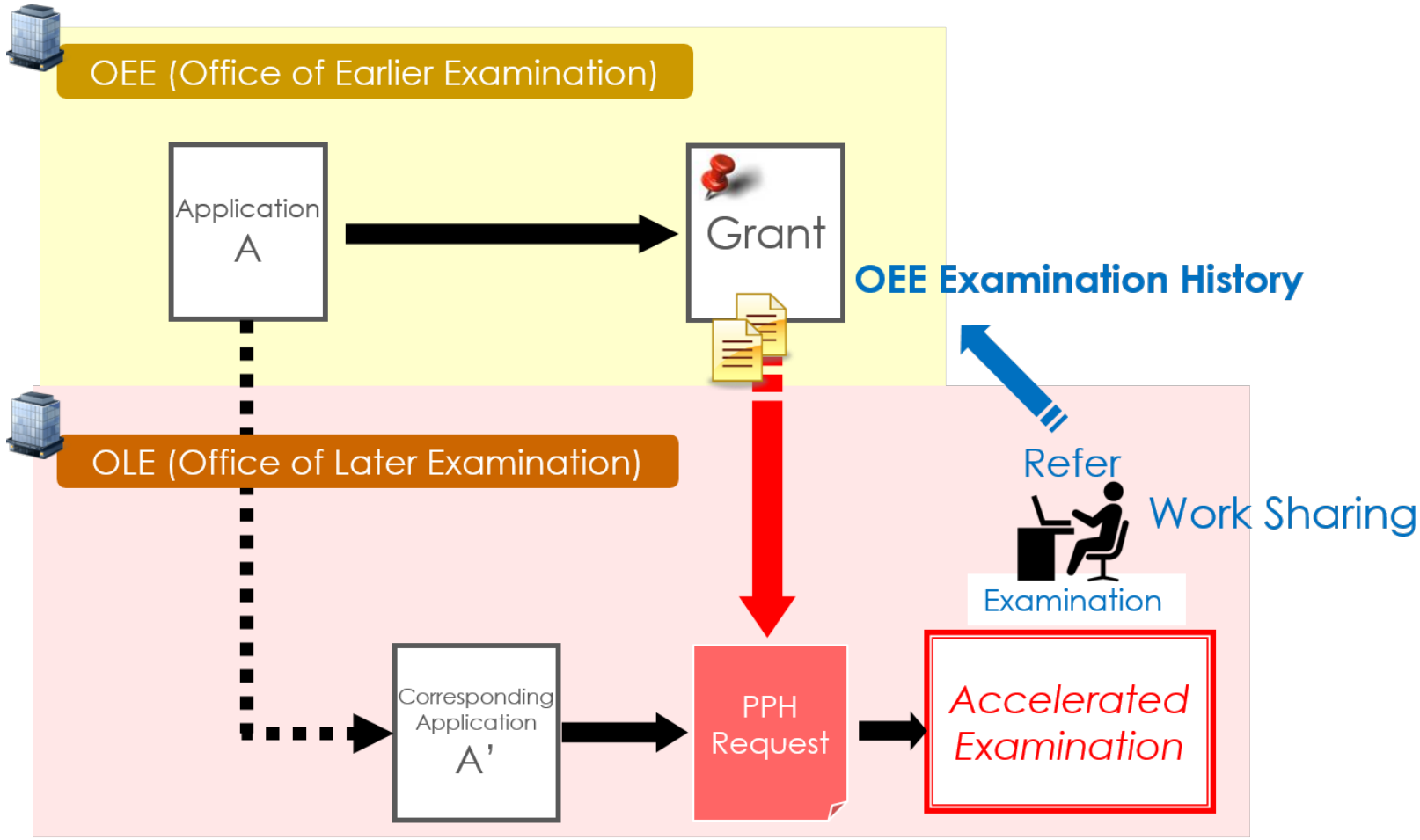
Filters

Technology	Avg Filing cost	Avg Amend cost	Allowance rate	office actions per disposal	Cost per allowed case
Services/ solutions					
Materials					
Hardware					
Electrical					

Foreign Applications

Country	Avg Filing cost	Translation cost	Avg Amend cost	Allowance rate	office actions per disposal	validation	Cost per allowed case
Japan							
Germany							
Korea							

As a cost saving tool
The Patent Prosecution Highway (PPH)

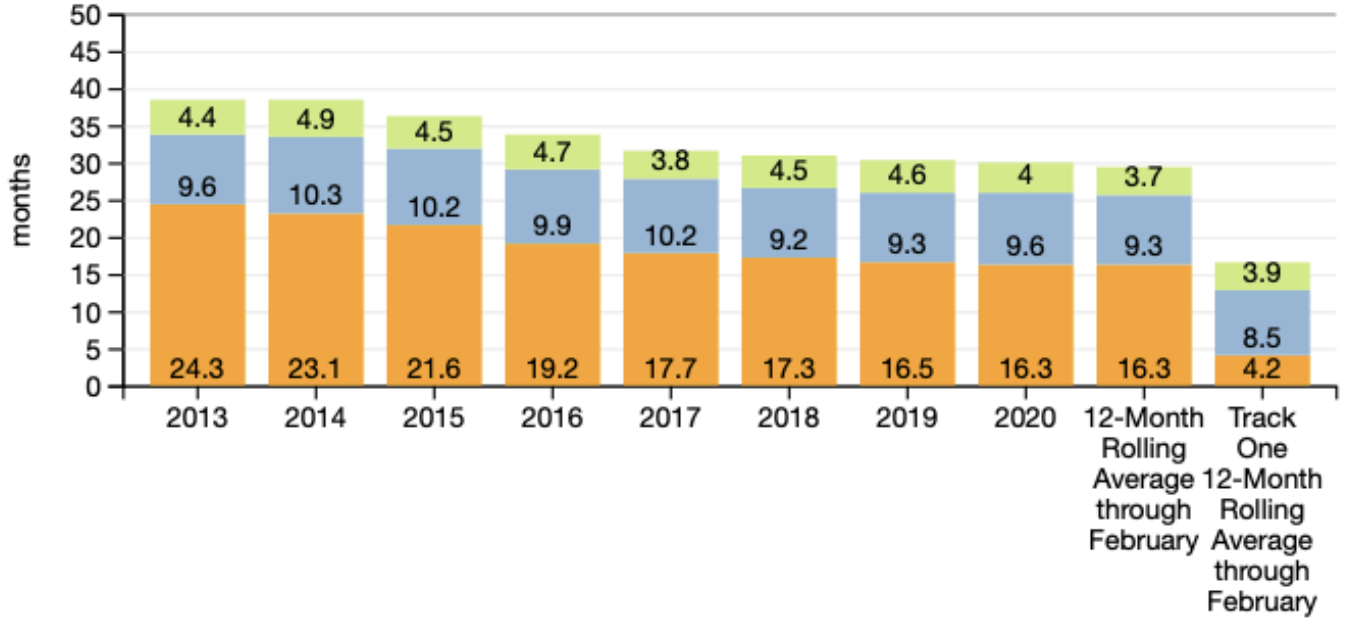


The Patent Prosecution Highway (PPH)

- The Patent Prosecution Highway (PPH) is implemented based on a bilateral agreement between two Offices and allows one Office to accelerate examination, at the applicant's request, if a corresponding application has been found allowable/patentable by the counterpart Office. The PPH has increase grant rates and has reduced prosecution costs.
- A key aspect of PPH is that no prosecution started in second office

UNITED STATES
PATENT AND TRADEMARK OFFICE

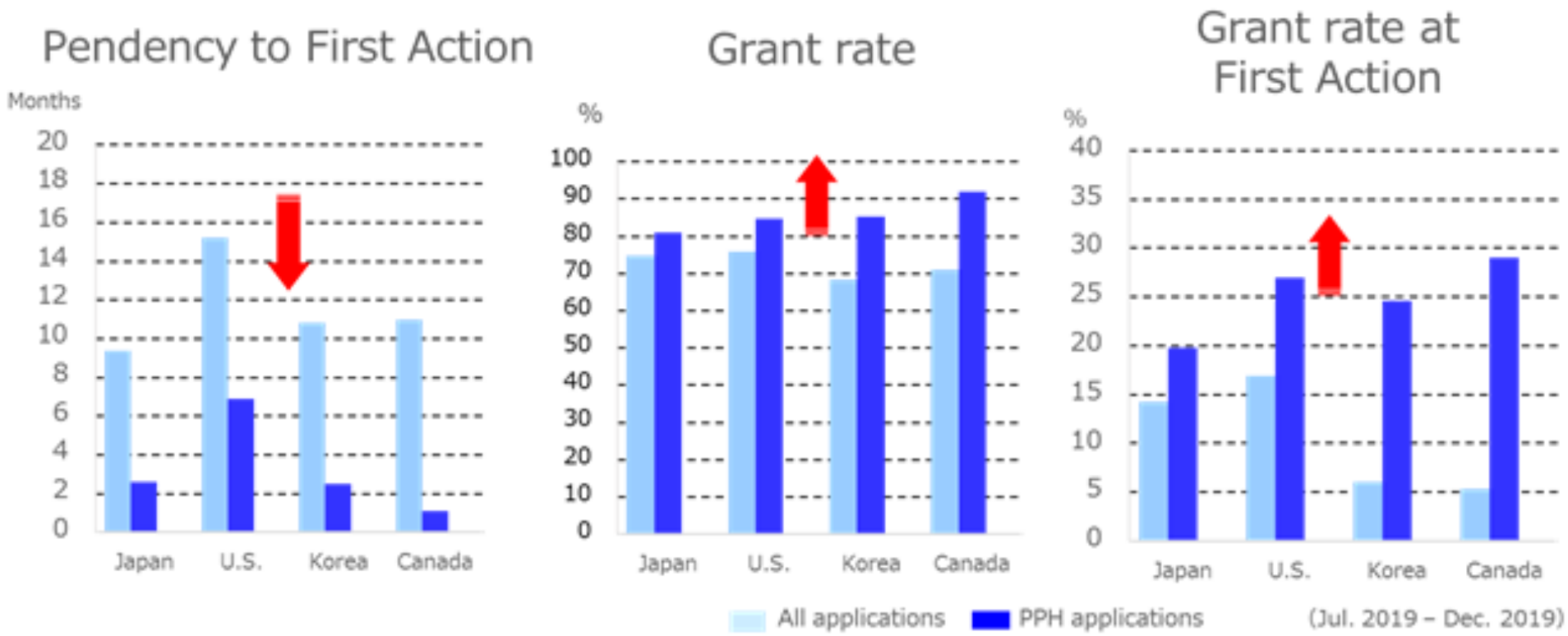
Office Time and Applicant Time - Traditional Total Pendency Including Requests for Continued Examination



Office and applicant time - traditional total pendency including RCEs represents a detailed look at the traditional total pendency including RCEs measure, and the Track One Prioritized Examination Process. The data is cumulative for the year and breaks out time into three categories: prosecution time with the office, time awaiting first action, and prosecution time with the applicant.

- Prosecution Time with Office
- Prosecution Time with Applicant
- Time awaiting First Action

Show/hide chart data


Pendency to First Action
Months
20
18
16
14
12
10
8
6
4
2
0
Japan
U.S.
Korea
Canada
Grant rate
%
100
90
80
70
60
50
40
30
20
10
0
Japan
U.S.
Korea
Canada
Grant rate at First Action
%
40
35
30
25
20
15
10
5
0
Japan
U.S.
Korea
Canada
All applications
PPH applications
(Jul. 2019 – Dec. 2019)

The Patent Prosecution Highway (PPH)

Consider delaying examination in second office: file your PPH petition with your request for exam

Basic Tips

Establish guidelines, processes, and tools to manage costs.

To control a specific cost, everyone whose actions impact that cost must be on the same page. This consistency is best achieved by establishing guidelines for internal staff, inventors, and outside counsel which both set and communicate expectations.

Questions & Answers