



Max Headroom – Twelve Suggestions To Save IP costs

In many industry sectors profit margins are under pressure in the economic downturn. When considering savings many applicants assume that the patent process is a linear path from which they cannot deviate. However, possibilities exist to take advantage of patent systems and legislation in order to reduce expenditure by making careful strategic decisions in relation to the processing of applications by patent offices. Whilst operational aspects of a business are usually the first to be targeted to achieve savings, there are aspects of intellectual property protection that are desirable but not essential, and so why should intellectual property be sacred when it comes to looking for ways to save money?

In this short article we look at 12 top tips to help companies that actively apply for intellectual property protection, particularly patents. However, some of the suggestions can be extended to other areas, e.g. trade marks.

In essence, from 50,000 feet up, you can make savings in one or both of two ways. The first is simply to cut costs. The second way is to defer costs. The effectiveness of each of these depends on the size of the business and the number of patents and patent applications being handled. Firstly, cost cutting...

1. If you have lots of patents and applications, it may pay to bring the administrative side of things in-house, for example the deadline tracking and correspondence handling. However, not everybody has the necessary volume of applications to make this economically viable,

because a skilled administrator needs to be hired (at a cost).

2. Like most types of patent applications, an official search needs to be carried out for international patent applications. One way of reducing costs when filing the applications is to use a different official body to carry out that search. For example, if you have a US subsidiary or parent, advantage can be taken of the way the legislation is written in order to make a substantial cost saving simply by using the Korean Patent Office to search your inventions. An additional benefit of using the Korean Patent Office is that it is more

adept at studying documents written in Japanese and Chinese.



3. Additionally, if you generally have your international patent applications examined, think about not doing it. It isn't mandatory and skipping this stage could lead to considerable savings.

4. Consider revising your filing strategy. Do you really need to file in all those countries? Whilst it is nice to have a portfolio covering certain countries, you may want to consider only filing in the countries of your main competitors and/or perhaps where they manufacture.

5. Similarly, where applications have already been filed, review the countries where you are currently applying for patent protection. Where necessary, think about abandoning the applications as they reach the point where they are about to incur costs.

6. If you file international patent applications, consider not using the international system at all, but filing directly at the various national offices. The flip side to this is, however, that more substantial costs are brought forward, but overall costs are reduced. Whether you do this may depend upon whether your commercial objectives are short or long term.

7. If you have a policy of filing your first patent applications directly at the European Patent Office (EPO) or through the International system, then consider the alternative of using the UK Intellectual Property Office (formally known as the Patent Office). While the EPO provides a very high standard of service on the whole, the cost associated with this route is substantial. Filing your initial patent applications through the UK IPO is much more economic because the official search fee is heavily subsidised by the UK Government and so you can get your invention searched very cheaply (compare £130 in the UK with over €1000 for the EPO). You can always file in Europe or Internationally within 12 months of your initial UK patent application.



8. If you outsource your patent preparation abroad, take a look at it and see if you really are getting a cost saving. A number of large corporations have found that although the initial cost saving in the form of a low drafting charge is attractive, the saving is completely wiped out by the need to spend over 10 hours revising a poorly drafted document. Ultimately, when it comes to

patent writing, the rule of thumb is that you get what you pay for.

9. Strange as this next one will sound coming from a patent attorney, negotiate with your current provider or shop around if costs are excessive. Is an open-ended taxi meter style of billing really what you want? Many of us dislike meeting with a service provider to discuss costs, only to be told after a certain amount of teeth sucking that it may cost so much, but then there are no promises. Maybe a fixed fee solution is better. While typically a little higher, the fixed fee model does provide budgetary certainty. We certainly favour this because both parties know where they stand. However, while the fixed fee model is favoured by some, some companies take an opposite view, feeling that the use of fixed-fees obscures the actual amount of work that is done in some cases.

10. Be ruthless with your choice of what to protect. Yes, a new product may have many features that you would like to protect, but identifying and protecting the main one or few will avoid the temptation to patent anything that moves. If you are not worried about getting protection for something yourself, but you are nevertheless concerned that a competitor may try to protect the same concept if you do not (and therefore try to stop you later), publish enough of the details of the idea. It is then in the public domain and a competitor cannot protect it subsequently with a patent.

11. Review your current portfolio of granted patents. Do you really need all those patents? Cull your portfolio and you could make substantial savings. There are ways of doing this, whilst maintaining maximum effect of your portfolio.

Of course, while cost savings are usually welcome, some of the sacrifices to your portfolio that could be made may be unacceptable. In such cases, can you defer any costs, perhaps into the next quarter when the company's finances may be a little more flush?



12. One easy way to defer costs is to request extensions of time to deadlines set by patent offices. In some cases, requests for extensions of time may attract an official fee and a service charge from your representative. Depending upon how sympathetic your representatives are to your cause, you may be able to negotiate some temporary movement on the cost of preparing a simple letter and some admin time.

In some cases, where there is very little budget available at the time for handling a

case, a deferral for a relatively modest charge will result in the patent application being saved as opposed to abandoned. An initial 2-month extension is usually easily obtained.

However, securing extensions beyond this initial period requires skill, some might say guile! Nevertheless, the two months may be all that is needed.

As can be seen, there are many measures that can be used to reduce and/or defer costs in order to protect profits during challenging times whilst ensuring your technology is protected as much as possible.

If you would like to find out more about what can be done to make cost savings in respect of your patent portfolio, Ross Kay can be reached at ross.kay@laudens.com or on 0207 830 9619.

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