



BUILDING BLOCKS FOR SUCCESS

IP Offshoring – *An Insight*

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WHY OFFSHORE: *The Solution for Growing Demand*

1997-2001

- ▣ The USPTO grants almost 0.5 million patents
- ▣ Over 700 organizations are granted more than 100 patents each

2004

- ▣ More than 353,000 utility, plant and reissue applications are filed
- ▣ Of these, more than 159,000 are from foreign applicants

2010

- ▣ Evaluesserve estimates that as many as 500,000 patent applications will be filed with the USPTO

Present Scenario

Preparing, filing and prosecution of patent applications is done by approximately 30,000 USPTO-registered attorneys and agents

Outlook

To meet the rising demand, the need for attorneys and agents will exceed to 38,000 by 2010

OFFSHORING: A *Cost-effective Solution*

Current cost of a patent application: US\$12-15K

– *Expected to increase substantially by 2010*

Outlook

The demand for IP services is likely to escalate during the next few years

Impediment

The corresponding budgets for IP creation and maintenance is likely to grow at the rate of inflation only

Solution

Companies and law-firms are beginning to look for cost savings without jeopardizing quality

Cost Benefits from Offshore Operations

Low-cost offshoring models: 300 Indian IP professionals are providing offshore IP services at a rate much below US/European rates

The number of IP professionals providing IP services is expected to grow to **1,800-2,000 by 2010**

Result:

- ▣ SMEs and large companies are reducing their cost by up to **60%** by taking advantage of this trend
- ▣ Offshore professionals offer these services at **US\$6.5K per application**, compared to US\$15K in the home market

Attractive Offshore Models

Captive Centers Formed by US Law Firms and Subsidiaries

- ▣ Currently, Indian law does not allow foreign law-firms in the country
- ▣ Some US law firms are setting up subsidiaries only to provide IP services for export
- ▣ Some Indian law firms are also involved in the export of IP services

Joint Ventures by US Law Firms

- ▣ Rather than opening captive centers, a few US law firms have started JVs with their Indian counterparts
- ▣ *Caution:* As many JVs have failed, one needs to be careful while treading this path

Attractive Offshore Models

Third-party Vendors Providing Services to Law Firms

- ▣ An example is Evalueserve, which currently has over 90 professionals, including engineers trained in USPTO, PCT and WIPO rules and regulations

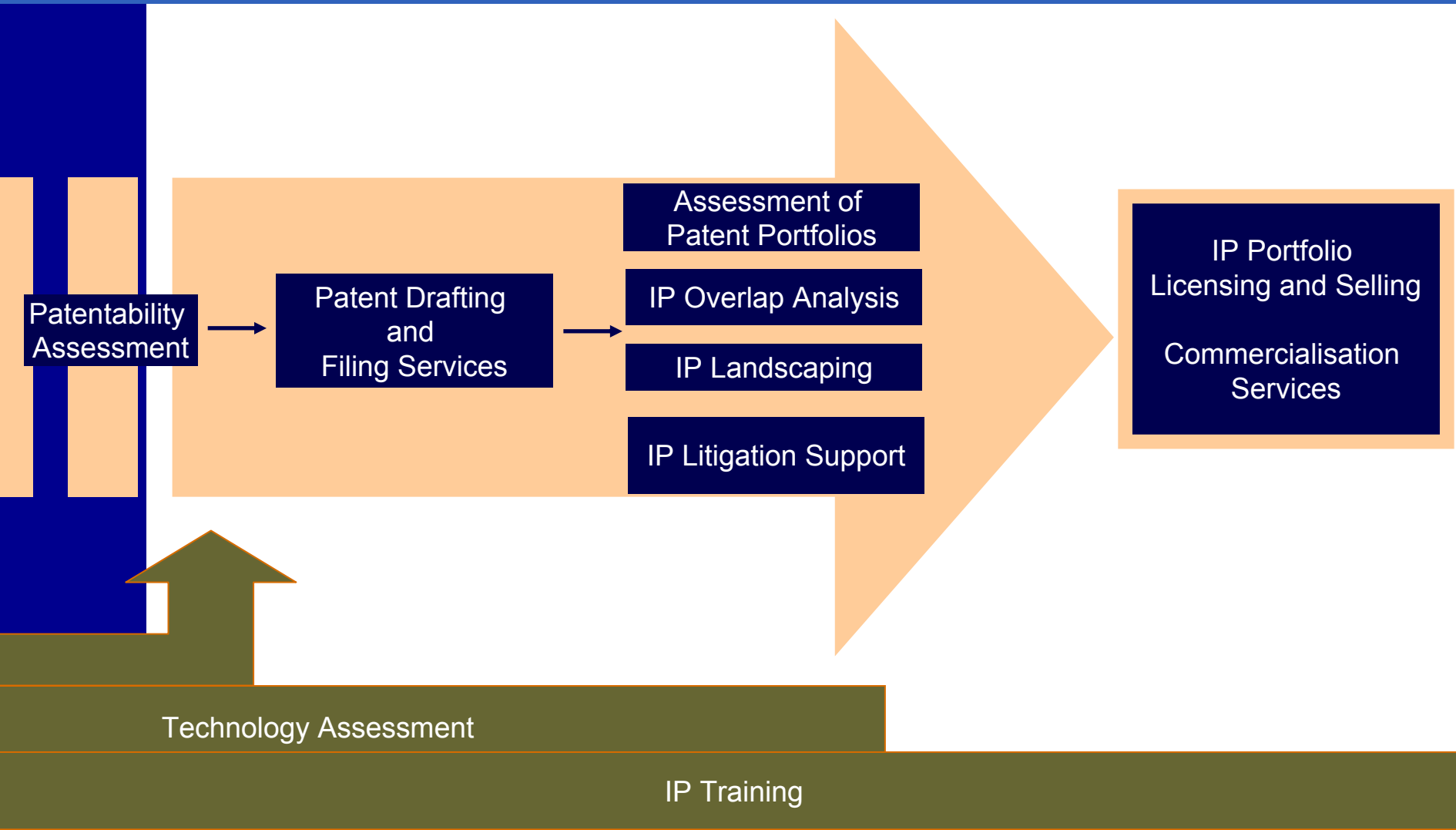
Third-party Vendors Providing Services to In-house IP Attorneys

- ▣ Organizations providing such services are usually vendors or joint ventures formed by US law-firms

Captive Centers

- ▣ Although a few large companies are adopting this model, its success will be limited unless they have at least 50 professionals. Otherwise, such centers will not provide good career opportunities, thereby increasing attrition

Overview of IP Services at Evalueserve



Patentability Assessment

Service Description:

- ▣ Studying and analyzing an invention disclosure, in light of Prior Art, to assess how exactly it can be patented

Scope:

- ▣ Understanding the invention disclosures
- ▣ Prior art search

→ Patents

- Patent Databases: containing patents filed or granted in different patent offices across the world

→ Non-patent Literature

- Literature Databases and Journals: STN, ACM and IEEE
- Product Information

→ Memorandum on Patentability Assessment

- Understanding of invention disclosure
- Prior Art search results (including keywords used)
- Recommendation on patentability of the invention disclosure

Patent Drafting and Filing Services

Service Description

- ▣ Drafting a complete patent application for an invention according to USPTO/EPO/PCT guidelines
- ▣ Filing of the patent with USPTO/EPO/PCT and others

Scope

- ▣ Understanding the invention disclosure
- ▣ Complete patent drafting involves
 - Specifications
 - Drawings
 - Claims
- ▣ 2-3 iterations of the patent application with the inventor(s)
- ▣ Review, modification and filing of a patent application
- ▣ Evaluate serve partners with patent attorney in the US, Europe and other regions to provide legal services

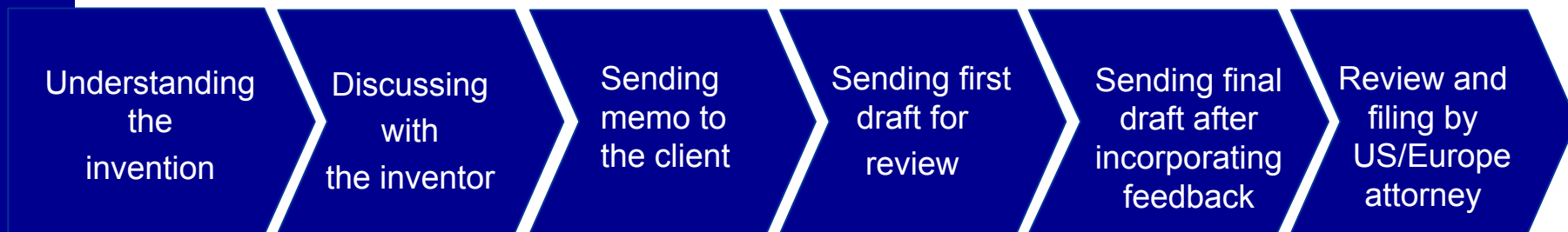
Patent Drafting and Filing Services

Evalueserve and its legal partners have written and filed over **420 patent applications** in the areas of wireless communication, semi-conductors, electronics, opto-electronics, telecommunications, software, business methods, medical devices, etc.

Examples:

- ▣ Patents on digital rights management solution for mobile devices
- ▣ Patents on clock and carrier recovery in wireless communication
- ▣ Patents on service creation for a telecommunication operator network
- ▣ Patents on network security solution
- ▣ Patents on encryption method and software

The Process:



IP Overlap and IP Landscaping Services

Service Description

- ▣ Evaluation of a patent portfolio to identify overlap with competitor's product portfolio, or of a product portfolio with competitor's patent portfolio
- ▣ Analysis of the IP landscape of the technology, the key players and the IP trends

Objective

- ▣ To analyse the position of a competitor relative to a company by:
 - identifying the likelihood of overlap between the competitor's products and the company's patents; and
 - identifying the likelihood of overlap between the companies products and the competitor's patents.
- ▣ Also used to determine potential out/in/cross-licensing and investment opportunities

Scope of IP Overlap and IP Landscaping

Scope of IP Overlap

- ▣ Mapping the patents of the client with the product portfolio of the competitor, or the products of the client with the patents of the competitor
- ▣ Mapping on the basis of a categorization of patent portfolio (which is carried out as a prior step)
- ▣ Assessing the overlaps in each category
- ▣ Determining overlap of features (claims) of the patents with that of the products

Scope of IP Landscaping

- ▣ Analysing the IP landscape covered by technology features
- ▣ Determining the key players, in terms of IP owners
- ▣ Determining IP trends
- ▣ Gap Analysis – determining the ‘gaps’ in the IP landscape

Commercialisation Services

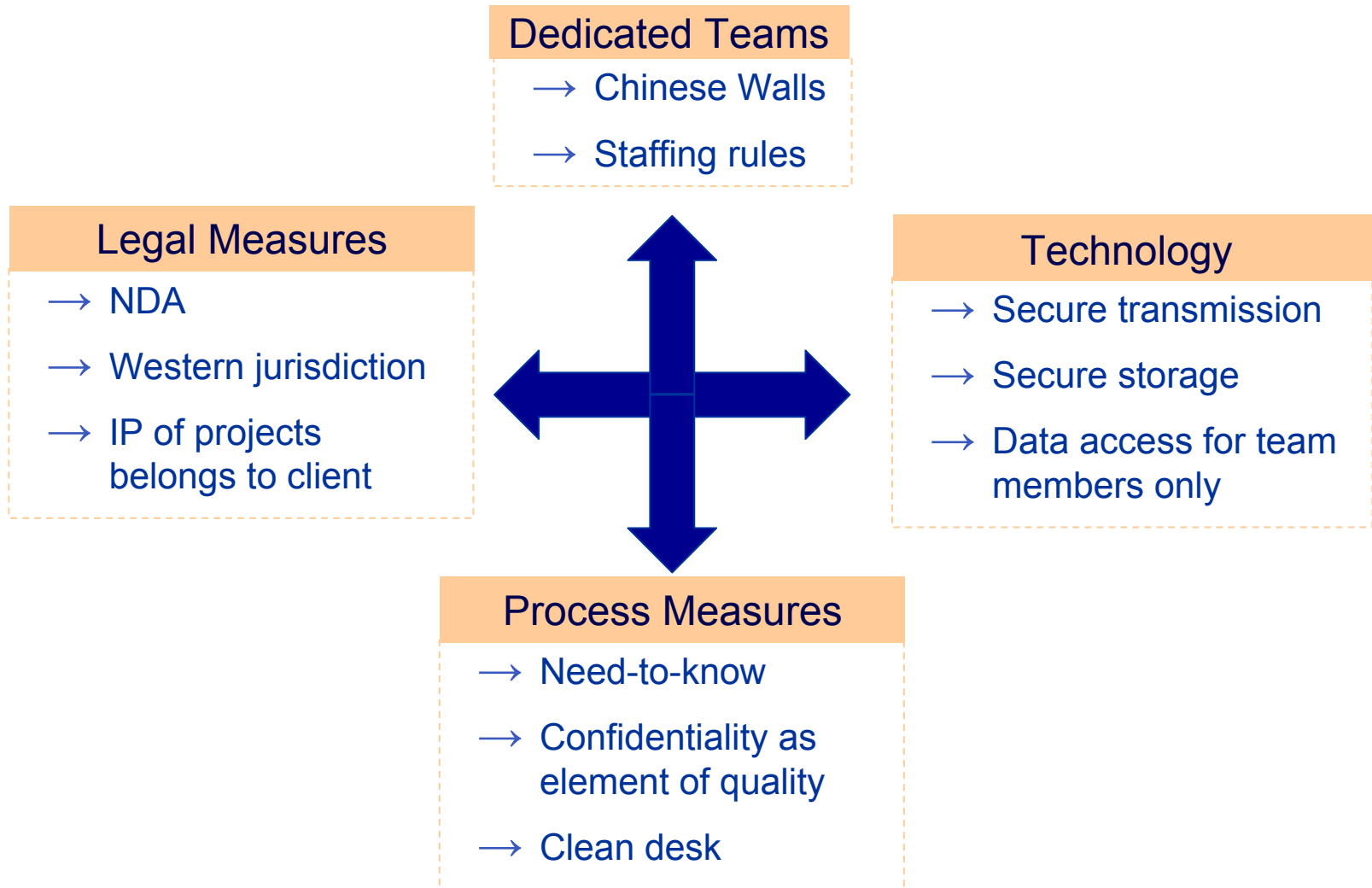
Service Description

- ▣ Involves versatile teams of IP and business research analysts
- ▣ The basis for commercialisation lies in the need to conduct business analysis in highly technical environments

Scope

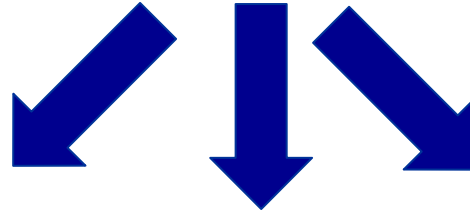
- ▣ Landscape analysis regarding a patent or a patent portfolio with respect to technology and market players
- ▣ Assessment of revenue generated through a particular technology
- ▣ Assessment of market demand and trends for particular technologies
- ▣ Determination of the 'big fish' in a particular technological area
- ▣ Assessment of technology-based market segments or of entire markets based on specific technologies

IP Services Require – Strong Confidentiality Management Systems



IP Services Require – Conflict of Interest Management Systems

Conflict of Interest Management Systems



Conflict Check Database

- Information on all IP clients
- Type of projects already carried out
- Details of team members who worked on the projects
- Keywords

IP Conflict Check Team

- Independent members in the team
- Analysis of all client matter
- Management of potential conflict to safeguard the interests of the clients

Confidentiality

- Knowledge on each client confined to a particular unit
- Strict confidentiality of client information maintained