

IPO Corporate IP Management Practices Project

Organization – Summary

Outside of the legal department, what other people/departments are involved in IP management activities?

Structure & Roles

Most companies interviewed use executive boards and traditional legal departments as their IP management function. These structures typically include a traditional reporting chain that includes paralegal, IP attorney, chief IP counsel, and general counsel roles. Some companies embed IP attorneys in business units while others keep IP attorneys in a separate legal department.

A minority of companies operate a separate IP management group whose structure can include:

- A.) Attorneys and R&D liaisons that report to the Chief Technology Officer. These groups work closely with business management and R&D management;
- B.) Portfolio management attorneys and a risk management team to focus on processes, IP strategy, education, agreements without other “homes”, and IP support for M&A work;
- C.) Intellectual Capital managers, technologists, attorneys, agents, and paralegals that focus on viewing Intellectual Capital from a business angle;
- D.) An IP management group to harmonize processes and tools, and share IP management best practices to improve the quality of IP management results and decrease costs;
- E.) A licensing/transactions group and an IP strategy group;
- F.) An operations group, preparation & prosecution group, and due diligence groups for acquisitions and litigation support;
- G.) An IP management group that includes legal specialists, prosecution support, analytics team, transactions team, policy team, and portfolio development team.

Executive Boards, Patent Review Committees, and Budgets

Most companies have an executive committee that determines overall IP strategy, priorities, and budgets. This group typically includes a patent review committee made up of IP attorneys, executives, business unit managers, and R&D managers. These committees use invention disclosure forms to make decisions on patentable inventions or trade secrets.

A majority of those companies interviewed set budgets once per year. These budgets are normally prioritized based on technology outlook and overall company budgets. Some companies’ budget litigation and IPR work separately from IP management and prosecution work to account for unpredictability in litigation costs.

Outside Specialists

The majority of companies used outside specialists for patent prosecution, IP valuation, and tech transfer activities. Outside counsel prosecution work accounted for between 50% and 90% of company prosecution activities.

IPO Corporate IP Management Practices Project

Organization – Detailed Key Takeaways

Outside of the legal department, what other people/departments are involved in IP management activities (e.g., a dedicated IP management group, R&D, business unit management, etc.) including development of strategy, patent prosecution, licensing activities, and developing and tracking analytics/metrics?

- 1) Fortune 500 Energy Company
 - a. Technology development is primarily confined to one company that plays the biggest role in managing IP portfolios
 - b. Four main groups:
 - i. Top: IP governance board (people who review the IP activities, portfolio, budgets and provide high level strategic direction) – This is enterprise-wide
 - ii. Lower level (Tactical): IP management team that is part of business side (not legal), who are front-line IP contacts for specific business groups – Also an enterprise-wide group (has representatives embedded across the enterprise)
 - iii. R&D function – Includes a “commercial” group that helps R&D make commercial decisions with respect to licensing technology
 - iv. No enterprise licensing organization, but there is a licensing business that is confined to specific technologies
 - c. Legal department:
 - i. Handled most of prosecution in-house (75-80%+) four years ago plus
 - ii. In the past 3-4 years, use of outside counsel has increased, but still doing 55-60% of the prosecution work in-house
- 2) Fortune 500 Chemical Company
 - a. IP Department Structure: 6 attorneys, several paralegals, R&D liaisons
 - b. IP Department Role: IP department has primary role for IP management. IP Department takes the lead for setting IP strategy, but R&D is heavily involved.
 - c. Two main clients of Chief Patent Counsel (CPC):
 - i. Chief Technology Officer (Heads up R&D, Business Development)
 1. CTO reports to Executive VP. Executive VP also has other technical functions reporting to her (Global Ops, Engineering) [EVP is second main client with other technical functions reporting to her]
 - ii. R&D Liaison Group (assist in IP coordination in management through R&D – no formal chain of command). [R&D Liaison Group is not client]
 - d. Meetings:
 - i. Conduct regular meetings with lower level managers in the organization (R&D Director and Engineering Director) - Team works most closely with R&D director level and Engineering director level, for strategic issues – To discuss day-to-day

IPO Corporate IP Management Practices Project

- ii. Less often periodic meetings with higher levels in organization (CTO and Executive VP)
 - e. Bottom line: IP Department works closely with business management and R&D management.
 - f. Budgets: Set goals and budgets through strategy meetings. Budgets are set annually with some flexibility to modify budgets. Budget are reviewed through legal department and financial department. Budget is charged back to functional operations within company (R&D, Engineering). CPC oversees the budget. Non-budgeted issues, such as IPR and litigation, are budgeted as they come up
 - g. Corporate culture and practical industry issues often dictate how IP is organized and managed
 - i. Industry Example: In chemical industry, freedom-to-practice plays a larger role than in some other industries
 - ii. Culture Example: Started implementing strategy at a high level with organization, but it was more practical to discuss at a lower level within organization
 - h. Attorneys in group are given a lot of discretion to make decisions
- 3) Global Chemicals and Materials Company
 - a. Centralized legal department. One IP attorney reporting to Chief IP Counsel, plus assistant and paralegal
 - b. All work is performed for parent company – portfolio ownership company
 - c. All IP owned by the individual businesses
 - d. Chief IP Counsel and other IP attorney divide work. They each have one business, and they split in half a larger business.
 - e. Chief IP Counsel also in charge of management. Other IP attorney in charge of trademark function
 - f. No litigation dept. – Chief IP Counsel would handle if there were an IP litigation
 - g. All IP decisions are made in conjunction with the business. Chief IP Counsel and the other IP attorney do not make decisions on their own. They simply advise, and then implement when the decision is made
 - h. All businesses are set up differently
 - i. Company 1
 - i. Made up of many different companies (legal entities)
 - ii. SVP – Responsible for growth and innovation
 - iii. R&D, supply chain, growth
 - iv. Technology director for each of 4 BUs (technology groups)
 - 1. The various companies are spread over these
 - 2. Each of these groups has a “growth” team
 - a. Operations leader
 - b. Marketing leader
 - c. VP
 - d. EH&S person
 - e. This growth team makes decisions on IP strategy, prosecution, and licensing
 - f. Technology leader for each growth team

IPO Corporate IP Management Practices Project

- i. Also, an IP guardian for sub-areas – a scientist within each business unit to watch over IP in technology area (similar to patent coordinator)
 - ii. IP guardian does not make IP management decisions. Responsible for keeping track of other companies. (similar to IP strategist)
 - g. Quarterly meetings on patent stuff. Many members of the team join. They are pretty well in the know on patent strategy
 - j. Company 2
 - i. 3 different BUs
 - ii. Each BU has a technology manager
 - iii. In smaller two units, the manager, IP attorney, and the director of BU make the decisions
 - iv. In the third, a team of people make decisions on IP management activities (disclosure review, patent prosecution, licensing, etc.)
 - k. Company 3
 - i. A single technology manager
 - l. Budget
 - i. Once a year Chief IP Counsel creates a budget. Pretty detailed
 - ii. Looks at number of cases filed. How many national phase decisions are coming up? Historically, how many apps will we likely file?
 - iii. Look at how many national phase filings are 2-3 years old. Estimate number of OAs to respond to, etc., and come up with estimate
 - 1. The estimate is usually pretty close to previous year
 - iv. Then sit down with team and get their buy-in, and then submit for official approval
 - m. Charge codes
 - i. Expense for two smaller companies
 - ii. For third company, they have a general ledger account from which they pay all charges from
 - 1. All charges held until patent issues. Upon issuance, moved to another account and they are amortized for 15 years.
 - a. They capitalize the costs
 - b. Treat patent as depreciating asset upon issuance (application itself is not considered an asset)
 - 2. Ownership of patents is generally determined by where the research occurred (i.e., which sub-company). The sub company then pays the costs.
 - 3. Upon abandonment of applications, the asset is completely expensed.
 - a. If let go a family, all apps are expensed. This needs to be reflected in budget (which makes budgeting challenging)
 - n. They do strategically allow certain patents to lapse to save on maintenance fees. They handle this at quarterly meeting.
- 4) World-Wide Fortune 100 Industrial Company

IPO Corporate IP Management Practices Project

- a. R&D focal point / ICM – same thing
 - i. Used to have a group called “Intellectual Capital Management”, but they did away with it
 - ii. IC manager
 - 1. typically fall under an R&D cost center, but sometimes under a business or commercial cost center
 - 2. Lots of them
 - iii. IC technologist
 - iv. IP attorney or IP agent
 - v. Other business and research representatives
 - vi. Why intellectual capital, not just IP?
 - 1. It’s looking at it from a business angle, which makes the involvement of non-attorneys so important
 - b. Bring in outside consultant on IP valuation, tech transfer, etc.
 - c. Company IP Law
 - i. 70 attorneys
 - 1. Lots in North America
 - 2. Some in Europe
 - 3. Pretty significant presence in Asia (China, Korea, Japan)
 - ii. 140-150 people total (including attorneys, agents, paralegals, office professionals)
 - d. Significant amount of work done in-house, both prep and pros
 - e. Non-US portfolio management
 - i. He would never give a US law firm the control and authority to manage non-US cases
 - ii. Company IP attorneys interface with all the firms
- 5) Water and Wastewater Treatment Products/Systems Company
- a. The Company has a centralized team of two IP attorneys and one patent agent (one attorney and one agent in the US, one attorney in Australia) that help establish and manage worldwide IP processes across business units. The IP attorneys work closely with executive leadership (collectively the Strategic IP Committee) to determine what technology to invest in and a high-level asset strategy. The Company gives business and finance management at each business unit (Operating Patent Committees) decision-making powers regarding patent decisions, maintenance fees, etc.
 - b. The Company relies on technology specialists, paralegals, and similar individuals in each business unit to identify and rank inventions and provide such information to the local Operating Patent Committee.
- 6) World-Wide Fortune 100 Industrial Company
- a. Company has a Chief Patent Counsel (CPC) with 4 direct reports
 - b. All of the direct reports and CPC are members of the legal department
 - c. US patent related resources
 - i. CPC with 4 direct reports (2 of the 4 direct reports are located outside the US)
 - ii. 26 portfolio management patent attorneys

IPO Corporate IP Management Practices Project

- iii. 1-2 team members embedded with BUs (4 teams are embedded with BUs in the US)
- iv. 8 on risk management team
 - 1. 5 risk management plus 3 support staff
- d. The IP management process relies heavily on Patent Review Boards (PRB)
 - i. Most Business Units have PRBs
 - 1. Exceptions are BU's with insufficient patenting volume and BUs (which includes most of the BUs operating outside of the United States).
- e. The goal of the PRBs are to evaluate the potential value associated with an invention and to solicit actionable BU input
- f. The PRBs are comprised of senior BU personnel but do not typically include inventors and line engineers (who have already provided reviewable input to the PRB).
- g. Legal, a corporate function and not the BUs, pay for nearly all of the IP related processes and activities
 - i. Nearly all costs are funded from legal services IP budget
 - 1. However there are some chargebacks to separate legal entities for tax reasons (tax planning)
 - 2. Patent legal (IP Legal) currently views itself as paying for all IP management related charges
- h. Formerly IP related fees were paid by the BU but the Company wanted a more independent legal function. Legal, in general, and patenting activities, in particular, were made independent of direct BU funding. (in approximately 2005)
 - i. Legal budgets are reviewed and approved by the Executive Office and funded through the Executive Office.
 - ii. PRBs remain cost conscious despite not "paying the bill" for IP generation, monitoring and monetization
 - iii. All attorneys report to the General Counsel (not BUs) on a world-wide basis
- i. No dedicated IP management group exists outside of legal but, as appropriate, others within the Corporation may be asked to assist with IP management related issues, for instance
 - i. There are business people that work on helping to structure legal agreements e.g. legal structures and agreements
- j. There are annual meeting with BU leaders regarding IP issues and other meetings as necessary.
 - i. IP legal take a "Top down and bottom up approach" in working with the BUs
 - 1. VP and senior management are directly worked with but legal also works with inventors and other relevant individuals
- k. Patent protection—where to file
 - i. The patent attorney assigned to a BU is primary responsible for the patent application filing decision
 - ii. Technical questions go back to inventor/research staff/technical experts
 - iii. Patent prosecution is led by patent attorney—typically from the BU

IPO Corporate IP Management Practices Project

- iv. Maintenance decisions are made by PRB or BU in conjunction with in-house patent attorney
 - v. Secondary filing strategy—PRB sometimes makes the determination but sometimes patent attorney takes the lead
 - 1. Many (A few) of the attorneys/agents are very experienced and may make more decisions and ask fewer questions of legal or BUs
 - vi. PRB
 - 1. Typically not led from the BU but rather by patent counsel
 - 2. Often, paralegals put together materials and patent attorneys lead the meetings
 - vii. New product introduction process (NPI)
 - 1. Early step is to assign an IP Coordinator for new product development
 - 2. Patent attorneys work with IP Coordinators
 - 1. Risk management team functions
 - i. Center of excellence for agreements and processes
 - 1. Own processes in IP department
 - 2. Consistent IP strategy around enterprise
 - 3. Work with patent attorneys on particular issues/patents
 - 4. Perform education
 - 5. Assist with overflow levels of work
 - 6. Take over responsibility for agreements without other “homes” in the organization
 - 7. Take lead on IP support for M&A work
 - m. Company does about 10% of patent drafting in-house
 - i. Mostly the responsibility for new people coming on board
 - ii. Part of training for new people
 - n. Once drafting is mastered then in-house patent attorneys typically don't have to draft patents on an ongoing basis
- 7) Large Company in the Automotive Industry that is a Wholly Owned Subsidiary of an International Parent Company
- a. Legal department for the American subsidiary consists of 65 to 70 attorneys. The IP Department in the US consists of six attorneys that handle all IP matters for US R&D. Work primarily involves patent and trademark preparation, prosecution, and maintenance. One attorney is the Chief IP Counsel and reports to the General Counsel of the US subsidiary. One attorney supervises and works mostly on trademark branding issues. Four patent attorneys do primarily patent work, such as working with engineers to obtain invention disclosures and managing outside counsel in preparation and prosecution of patent applications for US and Foreign filings.
 - b. The IP department primarily interacts with business technology group directors and R&D teams. Attorneys are located near business and R&D teams. Majority of R&D in one corporate location where five of the IP attorneys sit, but there is a separate facility for R&D with one attorney sitting at that separate location. The IP attorneys request disclosures, but technology group directors do most of the grunt work. The Chief IP Counsel incentivizes inventors and technology group

IPO Corporate IP Management Practices Project

directors through his motivating words. Inventors receive monetary awards for submitting invention disclosures for patents, when applications are filed, disclosures are designated as trade secrets, when patents issue, and when idea is commercialized. The company also holds an annual dinner that recognizes inventors from previous year who had patents granted and/or trade secrets identified.

- c. Outside counsel typically handles preparation and prosecution of patents. In-house attorneys perform portfolio management and work to obtain invention disclosures. Sixty to eighty percent of original filings are then filed in foreign countries including Europe, Japan, and China depending on technology.
 - d. IP litigation is run through IP department with litigation attorneys providing guidance and supporting roles.
 - e. The parent company and foreign subsidiaries each have separate IP and Legal Departments that manage foreign filings and IP matters in their respective company. A parent company liaison, who is not an attorney, is based in US to help with reporting and integration between the US company and the parent company. The IP department is working to increase interactions outside the US IP group.
- 8) **Subsidiary of a Multi-National Industrial Conglomerate**
- a. The Company has an IP management group within one of its many subsidiaries that coordinates IP management activities amongst the many other subsidiaries within the parent company. The centralized group is making efforts to harmonize processes and tools, and share IP management best practices, across the company's various subsidiaries to improve the quality of IP management results and decrease costs.
 - b. For those subsidiaries that do not have many or any IP-focused employees (legal counsel, IP liaison's, etc.) the centralized group provides more hands-on services. For those subsidiaries that have a substantial number of IP-focused employees, the centralized group is not as involved on a day-to-day basis. The subsidiaries themselves typically have decision-making powers regarding patenting decisions, budgets, maintenance fee decisions, etc.
 - c. The Company has a hybrid centralized/decentralized organizational structure with centralized coordination but decentralized decision-making. Within most subsidiaries, an "IP liaison" found in the R&D group who typically has a technical background and subsidiary-focused IP lawyers work together to guide IP management processes and decision-making while working with business personnel. These subsidiary-specific IP management personnel report to supervisors within their subsidiary but keep the centralized group aware of activity and may ask the centralized group for counsel on certain issues. Many subsidiaries have a dedicated business attorney or IP attorneys that keep the centralized group appraised of what they are doing so that the centralized group can facilitate cooperation and teaming across subsidiaries.
 - d. The Company does not have an IP holding company where IP ownership is centralized; instead, each subsidiary owns its own IP. One subsidiary has an IP holding company structure for it and its affiliates.

IPO Corporate IP Management Practices Project

- 9) International Transaction Processing and Payment-Related Products and Services Company
 - a. The Company has 15 people in its centralized IP legal group made up of attorneys and paralegals some of which are in the U.S., Germany/Austria, Ireland, and Singapore. The group will expand to India in the near future. The patent team comprises seven attorneys, three paralegals and one other IP professional. Two of the attorneys focus part of their time on the R&D business unit and certain of the attorneys focus on product development groups within the business units but each business unit does not necessarily have an IP attorney embedded within it (although this is something to aspire to in the future). The attorneys sit on patent review committees within the business units that evaluate invention disclosures. Outside of the legal department, the type and number of resources that assist with IP management varies depending upon the business unit.
- 10) Fortune 500 Semiconductor Company
 - a. Legal department is based in the U.S. with about 50-55 people, includes IP attorneys, patent engineers and staff. IP group manages patents and trademarks.
 - b. A different group manages litigation and licensing.
 - c. Patent group in foreign country includes another 20-25 people.
 - d. Legal group manages all IP (with input from CEO, CTO, and committees as discussed below)
- 11) Fortune 500 Energy Company
 - a. Different business units manage different business areas
 - i. Each business unit has an intellectual property (IP) management team assigned to it
 - ii. IP management team provides advice with regard to IP-related decisions for business unit
 1. IP management team focused on IP related matter and using expertise in IP to assist business
 - iii. Decision to pursue IP left to business unit
- 12) Communications Equipment Company
 - a. Includes: Operations group; Preparation & Prosecution group; and another group that handles due diligence on potential acquisitions and litigation support
 - i. Employ engineers for due diligence relying on their expertise at various times during the patent lifecycle (e.g., before international filing, determine relative importance of technology in view of current state of art)
- 13) High Tech Company
 - a. Includes Licensing/Transaction group and IP strategy group
 - i. Licensing/Transaction group – determines direction of IP to follow
 - ii. IP strategy group – performs market analysis to provide information to Licensing/Transaction group
 - iii. Clear, transparent, and open communication between business units to build trust and confidence
- 14) World-Wide Fortune 500 Drug Company
 - a. IP Function is part of legal department
 - i. Chief IP Counsel runs IP Dept. and reports to GC
 - ii. No IP management within R&D or BUs

IPO Corporate IP Management Practices Project

- b. Company has relatively few products, but each one is hugely important
 - i. An IP attorney is assigned to each development program. They interface with R&D.
 - ii. An inter-disciplinary program team is responsible for the development, and an IP attorney sits on that team. A corporate attorney also sits on that team.
 - iii. Product development is multi-disciplinary. Company doesn't really have BUs
 - c. IP Strategy
 - i. Chief IP Counsel is ultimately in charge of IP strategy
 - ii. While they don't have BUs, they do have "therapeutic areas" (e.g., targeting different diseases)
 - iii. Each area has a managing IP counsel
 - iv. Example: Multiple sclerosis
 - 1. 3 IP attorneys – they each sit on different program teams for different developments in that area
 - d. Who else sits on the program teams?
 - i. Scientists, physicians, manufacturing, marketing, finance, OGC, corporate compliance, regulatory affairs
 - e. Licensing
 - i. Company views licensing as business development. This is done through the BU, not OGC
 - f. OGC
 - i. IP budget is part of total legal budget
 - ii. Chief IP Counsel comes up with the budget
 - g. IP Dept. composition
 - h. Chief IP Counsel, 12 other attorneys, 1 paralegal (mostly docketing stuff, interfacing with OC), 2 admins
- 15) Aerospace and Defense Company
- a. Company is a global company.
 - b. IP Groups sit in US, UK and Germany. The US is the smallest of these teams. Global Head of IP sits in the UK.
 - c. The US group includes Chief Intellectual Property Counsel, three IP attorneys and a Data Manager.
 - d. Chief Intellectual Property Counsel interfaces with Legal but reports to Engineering, e.g. dotted line to Legal. The IP budget comes out of the larger Research & Technology budget.
 - e. IP group is counted as Research & Technology (engineering) head count.
 - f. The IP group interfaces with Engineering and the business side via a Patent Engineer who works with Capability Heads and technical people to explain patents, the patenting process, etc.
- 16) International Industrial Conglomerate
- a. Company is a global company. Some business units are established and led from the US; others are established and led from outside of the US. Because Company in the US has grown primarily through acquisition, it struggles with unique issues

IPO Corporate IP Management Practices Project

presented by incorporating smaller, diverse businesses. “Smaller companies are more difficult to integrate.”

- b. IP Groups sit in US and Germany. 41 US IP attorneys sit in eight different locations around the country in order to be co-located with clients. The biggest US office includes five attorneys; most offices have 2-3 attorneys. The US attorneys meet together twice each year; however, the logistics of having so many attorneys spread across the country present challenges. The benefit of this arrangement is that these attorneys are very embedded in the businesses they represent and are well-positioned to implement strategy.
 - i. Dan reports to the US General Counsel and the Chief IP Counsel who offices in Germany.
 - c. The US group includes Chief Intellectual Property Counsel, reports through the Legal Department, and provides not just IP service but full service:
 - i. IP prosecution (50% of workload),
 - ii. Sales,
 - iii. Contracts,
 - iv. Agreements,
 - v. Prosecution.
 - d. German group is IP only, e.g. patent prosecution (90% of workload), and reports through the Corporate Technology group, not Legal.
 - e. General lawyers outside of the IP group are specifically dedicated to IP licensing.
 - f. 35-36 law firms are engaged to support patent drafting and prosecution. These firms are co-located with inventors.
 - g. All licensing, maintenance fee payment decisions/payment, and searching are executed in house. This is primarily done through a large group in Germany that is very effective and efficient at searching.
 - h. About 35% of applications drafted in house.
 - i. IP department budget rests with business groups as overhead.
 - j. Company has 2 committees that support development and management of the company’s patent portfolio:
 - i. Strategic Patent Committee (made up of high-level managers, CTO, CEO, CFO, IP group)
 - 1. Meets once/year to develop a plan and budget.
 - ii. Operating Patent Committee – this is the group that discusses and decides, “here’s what’s important and here’s where we’re going to spend our money.”
 - 1. Directed by the patent attorneys to implement strategy developed by the SPC. Attorneys, with the support of the OPC, make the decisions re: US filing, foreign filing, maintenance fees etc.
 - iii. IP group directs the OPC.
- 17) Multinational Manufacturing Company
- a. The U.S. IP Group for global company with headquarters based outside of North America
 - b. This group is in charge of all IP in North America.
 - i. This group is one part of a global company’s IP apparatus and works with other IP groups outside of the United States.

IPO Corporate IP Management Practices Project

- ii. The respective IP groups within a given jurisdiction each are in charge of their domestic IP work.
 - iii. The U.S. IP group takes input from all around the world.
 - c. It has about thirty (30) employees in the IP group. Of those thirty, about half are IP attorneys
 - d. In terms of IP management, Company employs an advisory committee/executive committee that over sees all global IP endeavors, including the U.S.
 - i. This committee is comprised of executives, including executives from the U.S. business unit, executives from R&D groups within the business units, among others.
 - ii. This committee decides the high-level IP directions in terms of IP strategy in view of business direction, and they set the budgets. This group does not deal with very specific, nitty-gritty patent or trademark issues. It is all at a very high, strategic level.
 - e. The U.S. IP group focuses on:
 - i. acquisition and protection of IP, primarily on organic patent and trademark prosecution
 - ii. A small contingent (2-3 lawyers) work on litigation. Litigation (offensive or defensive) is not a major focus. However, the litigation team is mainly deployed for defensive purposes (PAEs, etc.)
 - iii. some contractual matters, mostly IP-focused, are also handled in the group as well.
 - f. The patent prosecution process flow originates from the inventors with submission of an invention disclosure. The US IP group reviews and approves proceeding with the filings in view of the advisory committee's directives and budget.
 - g. The US IP group coordinates with the equivalent IP groups in other jurisdictions for the Company.
 - i. Attorneys in the group are given wide discretion to make decisions once the advisory committee provides comments
- 18) Large IT Services Company
- a. The Company has approximately 50,000 employees worldwide.
 - b. The VP-level IP counsel report to the Chief IP counsel. The Chief IP counsel reports to the GC of the Company.
 - c. The Company's IP group has about 10-15 patent attorneys. There are 3-5 VP-level IP counsel. The IP group has about eight or nine paralegals. Outside of the IP group, the Company has many other in-house lawyers that do not get involved in day-to-day IP management matters.
 - d. The three VP-level IP counsel manage the Company's business segments of the IP group. The segments of the IP group are divided by business units. The IP group divides into the business units to ensure stable maintenance of the institutional knowledge in a given business/technology space.
 - e. Patenting decisions are driven by the Company's Patent Committees. These Patent Committees are made up of senior engineers and developers, as well as the VP-level IP counsel responsible for that business unit. The IP Group interacts

IPO Corporate IP Management Practices Project

with the Committee on a regular basis. The Committee sets direction. The VP-level counsel provides legal advice.

- f. Upper-level executive management sets the overall budget for the IP Group. The IP Group operates within that overall budget. The VP-level counsel and Chief IP counsel determine allocations for each IP business segment. This allocation, in turn, affects the respective business segment's Patent Committee decisions for fiscal year. The allocations are made in view of the Company's typical historical filing record.
 - g. The VP-level counsel are responsible for managing these budgets with consultation with the Chief IP counsel. The budget is not fluid, e.g., month-to-month. It is pretty fixed throughout a fiscal year. The budget allocations are prioritized based on important technologies and overall numbers. The actual volumes that fit the budget are worked out at a high level in advance by the Chief IP counsel and VP-level IP counsel. The budget is also driven by the Company's desire to be competitive in numbers of filings by competitors. There are regular budget pressures as in any business.
 - h. Flat fee arrangements tend to hold the budgetary issue in check. Litigation and IPR work is budgeted separately because it is unpredictable.
- 19) Large Internet Software and Services Company
- a. The Company has a centralized Global Patent Team that is broken up into four different sub-groups, namely Patent Operations and Analytics team, Transactions team, Policy team, and Portfolio Development team. The Patent Operations and Analytics team is made up of three sub-teams: Legal Specialists, Prosecution Support, and an Analytics Team. The Legal Specialists are made up of patent paralegals, project managers, and personnel specializing in operations. The Legal Specialist make sure that patent-related systems and processes work correctly. The Prosecution Support team assists with PTO office actions, prior art searching, defensive publications, and other related activities and is housed in India. The Analytics Team is made up of data analysts and attempts to anticipate patent-related threats and risk and provides the Global Patent Team and the Company with data to assist with patent-related decision-making. The Portfolio Development team is made up of patent counsel and patent agents, which are focused on counseling various businesses in the Company on the respective patent portfolio and other IP-related matters.
 - b. Engineers and/or managers within each business unit assist with soliciting and identifying invention disclosures within that business unit and communicating with the dedicated Portfolio Development team member regarding IP matters within the business unit. The dedicated Portfolio Development team member for a business unit has decision-making powers regarding patenting decisions.
- 20) Healthcare Equipment Company
- a. Company is a European-based manufacturer of diagnostic equipment made up of five main business areas: Diabetes Care, Tissue Diagnostics, Molecular Diagnostics, Gene Sequencing Business, and Professional Diagnostics.
 - i. The Diabetes Care business is somewhat different than the other main business areas in that it is a consumer business, e.g. products are available for purchase at a pharmacy by the end user.

IPO Corporate IP Management Practices Project

- b. A Lead Patent Counsel is the head patent counsel responsible for each of the main business areas in the U.S. and reports to the Chief IP Counsel who offices in the U.S. European patent attorneys handle IP-related issues for Rest of World for this global company.
- c. The products they manufacture are very integrated, sophisticated machines that use complicated reagents to examine biological fluids, such as blood and serum. The development of these machines is dependent on many technical disciplines, e.g. chemistry, biochemistry, molecular biology, electrical engineering, chemical engineering, computer science.
- d. To support freedom-to-operate and patentability analyses, Patent Champions and Patent Engineers in the R&D group do most of the necessary technical searching, patent searching and screening. These liaisons are also involved in screening invention disclosures to help determine what is technically relevant. Having a dedicated group is the best way to approach patentability and freedom-to-operate searches because these employees very familiar with what the company is trying to develop.