



Cognition IP

Cost-Effective Patent Prosecution & Portfolio Management

Today's General Counsel

INTRODUCTION

Whether a result of financial performance, a cyclical market downturn or a global crisis such as the COVID-19 pandemic, at some point, every IP decision maker will have to plan for cost reductions.

When it comes to an IP portfolio that takes time to build and time to generate an ROI, however, it can be difficult to navigate cost reductions as a short-term measure without negatively impacting a longer-term outlook.

Over-reactive measures may inadvertently harm competitiveness, increase risk exposure, limit recovery time frame, or limit future innovative advantages. Under-reactive measures may fail to meet the budgetary guidelines required to keep organization finances on track.

In this abbreviated playbook, Cognition IP patent attorneys provide proven strategies to reduce intellectual property costs, maximize the value of your IP portfolio and maintain an innovative edge.

PATENT COUNSEL

Before evaluating the intellectual property itself, the most immediate opportunity for cost savings may be to review your current relationship with counsel.

Re-evaluate premiums. While larger firms can have a great reputation, they can be more expensive. Boutique firms can be an excellent source for discovering attorneys who have gained expertise with larger firms earlier in their careers, at a more reasonable cost.

Consider ‘on-demand.’ Fractional IP attorneys offer on-demand services,

integrating with your team and scaling with the volume of work needed, so you're not overpaying for longer commitments or the potential of work expected, typically, only services rendered.

Negotiate. Negotiating with your current counsel may be an effective means of reducing costs without compromising your intellectual property portfolio. Ask about alternative fee arrangements (AFA) such as flat fees or fixed fees, portfolio fees, blended rates, handicaps or the arrangement that best suits your needs. Be prepared with the firm's statistics and competitor statistics which illustrate performance and the eventual costs of being a client, such as USPTO allowance rate, average number of office actions, success with examiners and continued examination.

Embrace tech. Legal tech can improve productivity, modernizing each step from budgeting to filing and reporting. What processes can you automate and save on costs? How is your IP counsel using legal tech in a meaningful way that affects your bottom line?

PATENT PORTFOLIO MANAGEMENT

When evaluating IP investments, a little bit of planning can go a long way.

Catalog & Score Inventions. We recommend using a weighted scale to decide what to cut, what to invest in and perhaps what to license or sell. The focus is always on quality rather than quantity. Use a higher score for inventions central to the business, critical to product, and

significant for technological leaps. Use a higher score for inventions that are of high interest to competitors, easier to detect if infringed upon, broad in claim scope, and of course, inventions that are more likely to be patentable.

PATENT SEARCH

In any strategy, accurate data is key. IP searches can surface valuable preemptive insights on where and where not to spend.

Clear the path. A general patentability search may be an obvious yet worthwhile exercise in determining whether or not to pursue a particular patent. By surfacing prior art that potentially blocks your filing, you'll have a sense for your chances of allowance and issuance. The cost of a patentability search is a fraction of the patent, so it can be a cost savings if you decide not to file.

Leverage competitive intelligence. Landscape searches include portfolio insights of your top competitors. By understanding what they've filed, perhaps what they haven't filed and what has been patented, you can better evaluate your IP investments. This competitive intelligence can also help in defending the IP budget with executives by illustrating where commercial opportunities may exist, where you may be exposed to risk, and where the longer-term investment of IP should maintain priority even during cost reduction periods.

PATENT PROSECUTION

After reviewing your current patent counsel and choosing the critical IP to protect, these strategies will help you get the most value out of the patent prosecution process.

Start narrow. Although the end game is typically to capture broad protection, start narrow and build your strategy with continuation applications. It may lead to quicker initial momentum with an examiner, with fewer adversarial costs. Continuation applications can later widen the scope with broader claims once you know what finds favor with the examiner.

Every IP portfolio takes time to build and time to generate a ROI.

Layer protection. When starting with a parent application, a layered approach leaves the door open for unique continuation applications to follow. By layering claims, in effect, you can add protection which costs a fraction of the parent.

Address the competition. As you go to market, you may develop a keen sense of competitor offerings. You can then craft continuation claims that laser-focus on addressing their particular solutions and distinguish your features, emphasizing that your idea was filed first.

Leverage the Patent Cooperation Treaty application (PCT) and International Search Report (ISR). If you're considering international filings, the International Search Report can help with an early indication of prior art and the possibility of patenting in other countries.

Get to allowance faster. Obtaining an allowance faster can reduce the overall costs of prosecution. Even though it comes with an additional fee, using USPTO Track One or

Prioritized Patent Examination to expedite the completion of the prosecution within one year can have its benefits. Track One can also provide an early indication of whether you want to file internationally. In some cases, it might be even better than filing a PCT application, because you have a full prosecution history of a parent application completed within a year.

Approach international protection thoughtfully. Filing internationally can carry significant costs, so the reasoning should be sound. Consider location of manufacturing, potential customer base, where stronger legal enforcement systems exist, where competitors are and where infringement is most likely.

CONCLUSION

When financial challenges are imminent, it can be difficult to maintain perspective, especially with longer term investments. Having a plan and sticking to it are often the most effective preemptive measures which keep an organization on track. Consider the above strategies and prepare your own IP playbook or work with an intellectual property attorney to support the level of detail you need. By focusing on what matters most, you can reduce costs, 'do more with less' and preserve your innovative edge.

Remember that the timelines of planning IP do not always align with budgeting timelines, so be sure to communicate the importance of your IP investments, as it may not be obvious to other decision makers. When possible, learn from past financial challenges and understand where your enterprise

or competitors managed IP wisely, with favorable outcomes.



Cognition IP is a San Francisco based intellectual property law firm supporting General Counsel and in-house intellectual property teams with on-demand, fixed-fee IP counsel and the results expected from a top tier firm.

This abbreviated playbook was originally delivered as a Today's General Counsel webinar and can be viewed [here](#).



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