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BENCHMARKING PATENT ANNUITIES MANAGEMENT AND OFFICE WORKFLOWS: BASED ON FINDINGS FROM THE IPRIS ANNUAL CLIENT SURVEY

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IP PRAGMATICS

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Flexible, intuitive IP renewals solution.
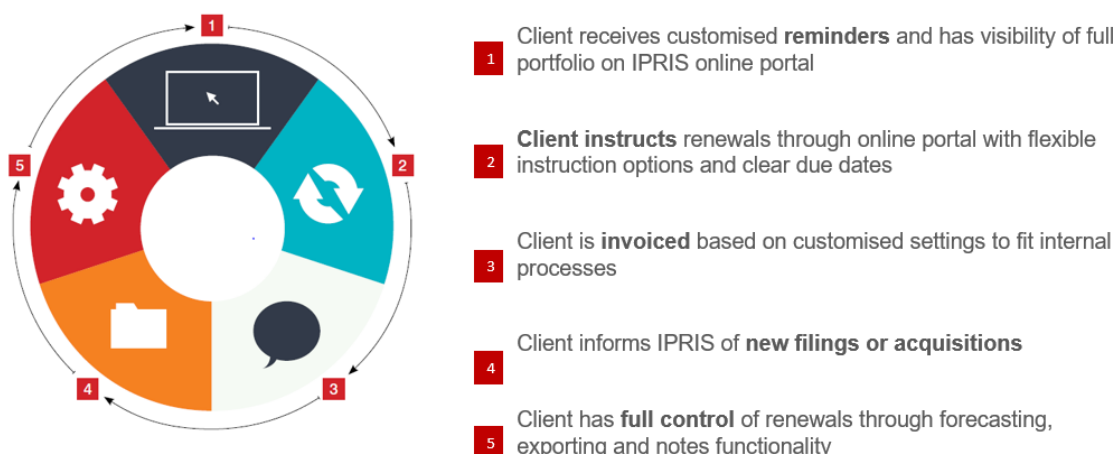Hands-on customer service.

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Empowering universities and SMEs to intuitively manage
their patent and trademark renewals since 2004

Introduction

As a tech transfer practitioner supporting innovation ecosystems for over 20 years, IP Pragmatics explores how it can continually enhance its support to clients' workflows for IP management and commercialisation activities. With the COVID-19 pandemic in mind, we are keen to confirm that our consultancy and patent renewals solutions continue to fit in and/or optimise these workflows irrespective of size, team and needs.

As part of the IP Pragmatics annual customer survey, run on behalf of our strategic partner IPRIS AG - a market leading IP Renewals and Annuities solution provider; we looked to learn how Tech Transfer Offices (TTOs), spin outs and SMEs manage their patent annuities. We are pleased to share these insights with the IP management community.
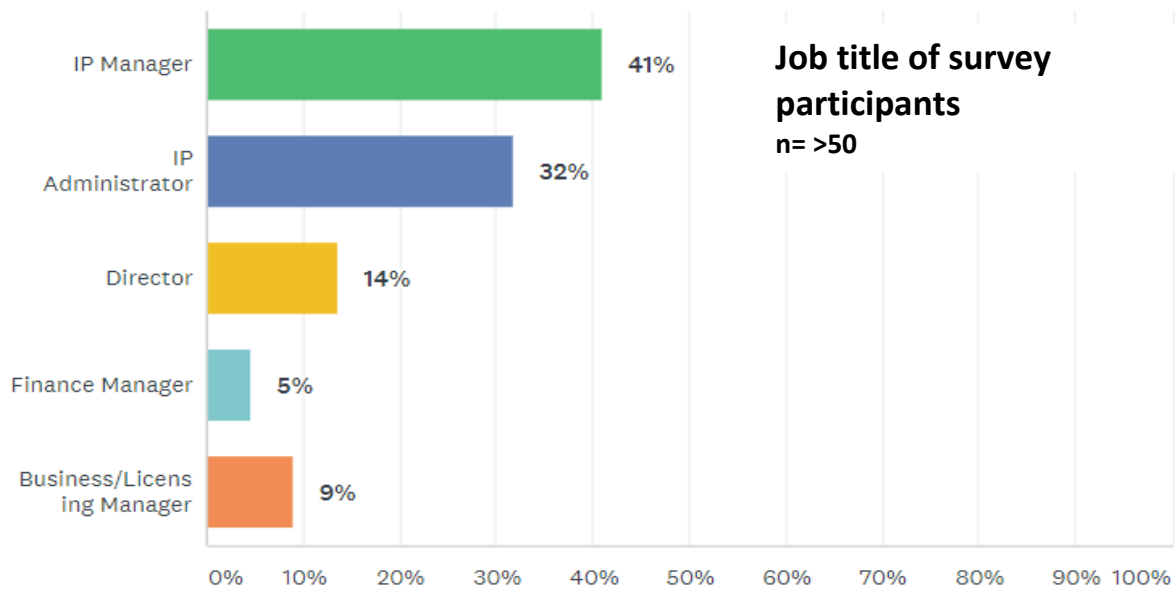
Whatever the process, be it through a centralised renewals provider like IPRIS or via multiple Patent & Trademark Attorney Firms, the workflow for managing patent annuities and IP renewals is generally the same in terms reviewing upcoming deadlines, decision making, instructing renewals, processing invoices, reporting and ensuring all IP data is correct as set out in the following diagram:

1   Client receives customised **reminders** and has visibility of full portfolio on IPRIS online portal

2   **Client instructs** renewals through online portal with flexible instruction options and clear due dates

3   Client is **invoiced** based on customised settings to fit internal processes

4   Client informs IPRIS of **new filings or acquisitions**

5   Client has **full control** of renewals through forecasting, exporting and notes functionality

Source: IPRIS website, How It works section
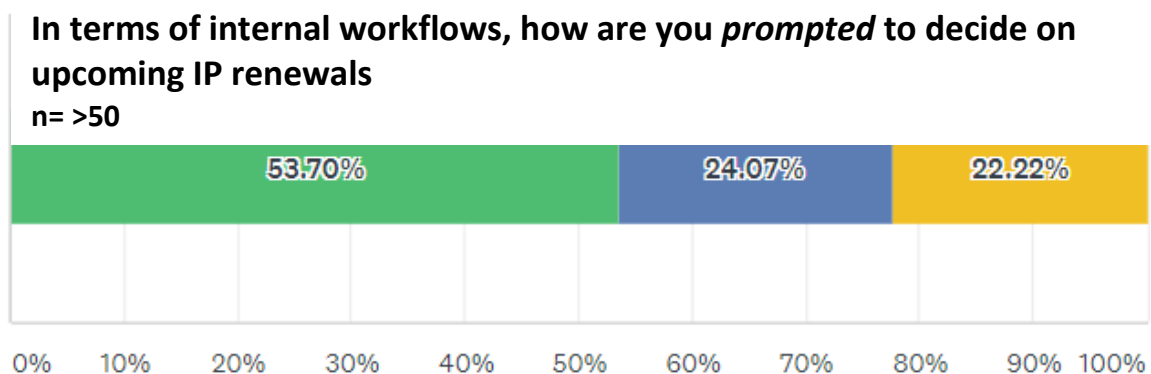
IP Renewals Survey: Respondent Profiles

The survey conducted in December 2020, included over 50 respondents across North America, UK, Australasia and Europe, with varying roles and responsibilities related to patent annuity management workflows:

Job title of survey participants
n= >50

IP Manager — 41%
IP Administrator — 32%
Director — 14%
Finance Manager — 5%
Business/Licensing Manager — 9%

In this paper, we can glean and share great insights from TTOs, spinouts, SMEs and corporate teams. We hope these findings will allow the Innovation Ecosystem community to benchmark and compare the workflows with respect to renewal prompts, instruction decision-making and management of IP renewals in the context of licensing.

IP renewal reminders: Prompts

First, we asked our clients to detail what routine system or processes their offices use to prompt them to renew or abandon their IP renewals.

In terms of internal workflows, how are you *prompted* to decide on upcoming IP renewals
n= >50

53.70% | 24.07% | 22.22%

Over 50 respondents replied to this question and interestingly, the majority at close to 54% (green bar) used **email reminder prompts** for the team to review technologies and decide whether to renew the patent, designs or trademarks due at the respective Patent & Trademark Offices (PTOs) around the world.

The remaining aggregate of 46% proactively run reports either from their IPRIS renewals portal or within their own IP Management software or docketing system, like Wellspring tech transfer solutions. The breakdown from our survey was as follows:

- **Routine IPRIS export reports and meetings:** 24% of respondents (blue bar) utilized the free online IPRIS portal to view upcoming deadlines and costs as part of their daily activities, which allowed for greater control of budgets and the ability to discuss complex arrangements or licence agreements in good time.

- **Other IP Management software (IPMS) systems:** Of the remaining 22% respondents (yellow bar), over 50% utilized custom reports using combined IP data from within their Wellspring IPMS and annuities data automatically synchronizing daily via the IPRIS-Sophia integration API.

Although some may view email reminder as a more reactive approach to being prompted to review upcoming renewals, there are other considerations being weighed up by large and small office teams globally. Namely, does the ability to run custom reports from the IPMS involve manual double docketing of IP data between the IPMS and the renewals service rather than both systems being integrated? Furthermore, do reminders, online renewals portals display renewal deadlines to these offices beyond a one month or quarterly snapshot, or does the office need to prompt their Attorney for the information, these resource, time and risk factors will most definitely influence how the workflows are run on a routine basis by the office and IP Manager.

o Whilst the above shows that tech transfer and IP management teams have multiple different processes in place, less surprisingly is that 95% of respondents rely on their chosen renewals and annuities provider, IPRIS, to prompt their review with reminders and an array of reporting options to decide on upcoming deadlines.

IP renewal instructions: Decision making

So now we have established that most respondents across the globe rely on IPRIS to ensure no renewal deadlines were missed, the following question was posed:

How do you *decide* internally what IP needs renewing and what needs to be abandoned?

IP Pragmatics understand that office teams review and take decisions on whether to renew, delay or abandon a patent maintenance fee using various workflows and mechanisms. This is dependent on the office size, whether decisions are made collectively or decentralized.

For example, a centralised workflow would be where IP renewal decisions are agreed in a set monthly committee meeting, whereas a decentralised approach is commonly where a team member, responsible for the patent family (e.g. a Licensing Manager), provides their thoughts or 'pre-instruct' via an IP Management software like Wellspring or over emails.

We understand that in a more decentralised approach pre-instructions are aggregated via IPMS query builder reports or lists and then IP renewal instructions are executed by a responsible IP Administrator/Manager on a weekly or monthly basis.

Office workflows for *deciding* on upcoming IP renewal instructions

n= >50
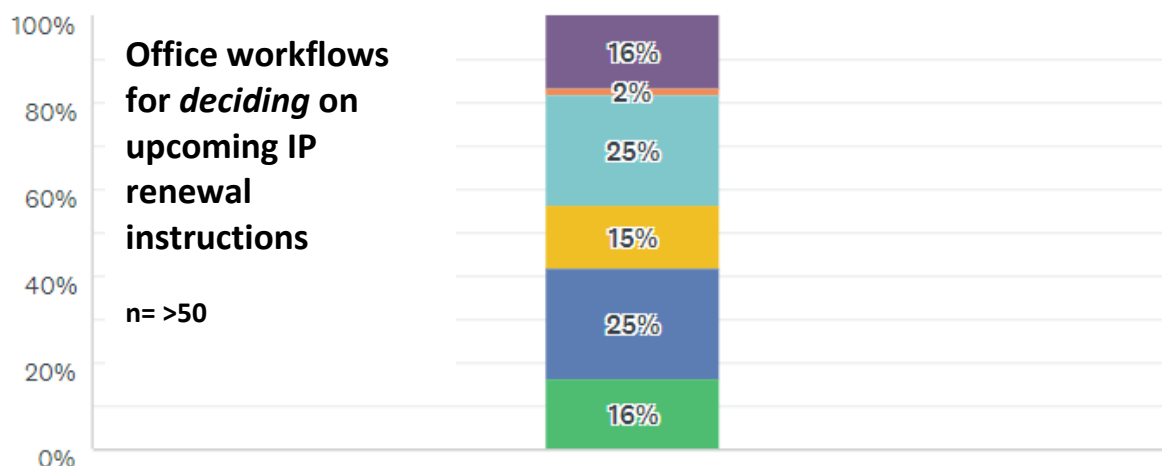
The findings from over 50 respondents here for university, research institute and government research agency TTOs was that 40% (25%+15%) centralise their review and take a collective decision of renewals on a routine basis:

	A collective decision is made at a routine Committee meeting 25%
	A collective decision is made at a routine meeting between the IP Manager and Business Manager 15%

The decentralised approach in aggregate is 43% of the respondents but the majority of this approach (25%) is a more manual workflow between Business/Licensing Manager and IP Manager interacting, rather than leveraging the renewals portal or IPMS software available to their office:

	The Business Manager approves the decision to renew a case to the IP manager who then instructs via the portal. 25%
	An individual IP Manager or Business manager logs in and instructs renewal via the IPRIS portal, directly 16%
	Decisions are made using an in-house Tech Transfer software tool or system 2%

Other notable processes from **spinout, SME and corporate** offices included:

- Mainly decision of CEO, after briefing and review with stakeholders.
- IP Administrator notifies IP/Business Manager who may consult with IP scientist then IP Admin instructs via portal

# Annuities for licensed IP: Spinouts or licensees

A big objective of many commercialisation offices is to find interested and suitable licensees or form spin out companies underpinned by intellectual property. But what happens to the IP, and the maintenance of the IP renewals throughout these licensing and spin-out activities, where the IP in many instances underpins the technology of that spin-out or a key license deal?

For TTOs there are two schools of thought led by the objective to pass on responsibility of patent renewal decisions, instructions, payments and budgets to a partner or licensee. Some TTOs choose to monitor, pay and instruct renewals and *pass-through* the related costs to their licensee whilst controlling the renewals management process, whereas others leave the responsibility to the licensee (incl. Spin-outs) to monitor and pay for their IP renewals on time. To this latter point, many larger university TTOs choose to keep the related licensed IP data within their IPMS and renewals portal to give an additional mechanism to check that nothing is missed. When the renewal deadline is due these offices, check in with their licensee and then verify that the renewal was instructed via Other Channels. This is a good strategy to reduce the risk of missing renewals, particularly for smaller, busy spinouts that may have less resource and experience of tracking and administering IP renewals.

How do you manage IP that has been licensed to a licensee or spin-out?

To this area of management, the respondents confirmed that the majority take the approach to handle the renewals and pass-through the renewal costs to the licensee or spin-out:

**Office management processes for
IP renewals that are licensed-out**

21%
(10)

29%
(14)

50%
(24)
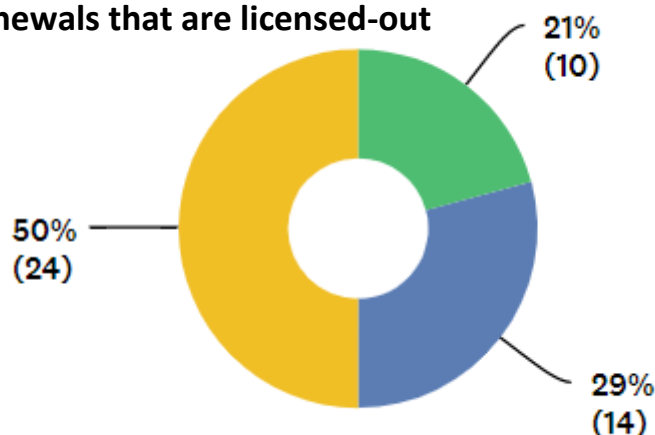
	50% handle the renewals via IPRIS and then pass on the costs to the licensee or spin-out
	29% pass all responsibility over to the licensee or spin out for the renewals
	21% passes all responsibility over to the licensee or spin out, but keep the case on their record so they can be sure to follow up and guarantee the renewals have been met

Conclusion

With the above data and explanations in mind, perhaps it is too easy to say that no two tech-transfer offices are the same. As explained, in many instances, tech transfer offices share a lot of the same processes around maintaining and renewing their IP.

We were both delighted and thankful for all of our respondents who provided us with such insightful feedback and also that IPRIS, the top-tier IP Renewals and Annuities Solution, continues to play such a key part in supporting Tech Transfer Offices and other organisations in the innovation ecosystem to make timely decisions and to proactively manage their IP across the world.

About IP Pragmatics Limited

IP Pragmatics helps our clients to create, progress and realise value from their intellectual property assets through the provision of integrated commercialisation and intellectual property management services. We are a specialist IP and technology management consultancy which combines intellectual property, technical and commercial expertise with a practical and pragmatic approach.

Working in technology transfer for over 20 years, IP Pragmatics is a trusted, independent partner to universities, research institutes and public sector organisations in over 20 countries. Our team of experienced ex-industry, university TT and IP specialists has active global industry networks and contacts. We use this collective expertise alongside extensive market, IP and scientific information resources, to provide analytical rigour and practical insights.

IP Pragmatics is an official partner of IPRIS AG and Wellspring Worldwide Inc

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