

CHIEF IP COUNSEL IN A BOX

A practical guide with actionable
steps for managing your IP
Department

Produced by IPO's Corporate IP Management & Operations Committee. IPO thanks Arvie Anderson, Joel Myer, Jason Camp, Jim Thomas, Greg Brown, Elizabeth Lester, Thomas Clare, and Brian Hubbard; with special thanks to Richard Lucas, Harry Gwinnell, and David Kappos.

USING THIS TOOLKIT

Marie is a very experienced IP attorney, but this is her first time in the role of Chief IP Counsel. She wants to get off to a strong start, but frankly, she's not sure where to prioritize her efforts, nor even a reasonable timeline to follow.

IPO presents a brief plan covering eight key areas which must be mastered by incoming top IP personnel. The “Chief IP Counsel in A Box” program includes a series of tools including a 30-60-90 day analysis framework that will help attorneys like Marie step into the role focusing their time on strategic objectives. Even better, awareness of these methodologies will be instructive for IP counsels at any level.

Regardless of industry, an incoming Chief IP Counsel must ascertain the answer to certain questions:

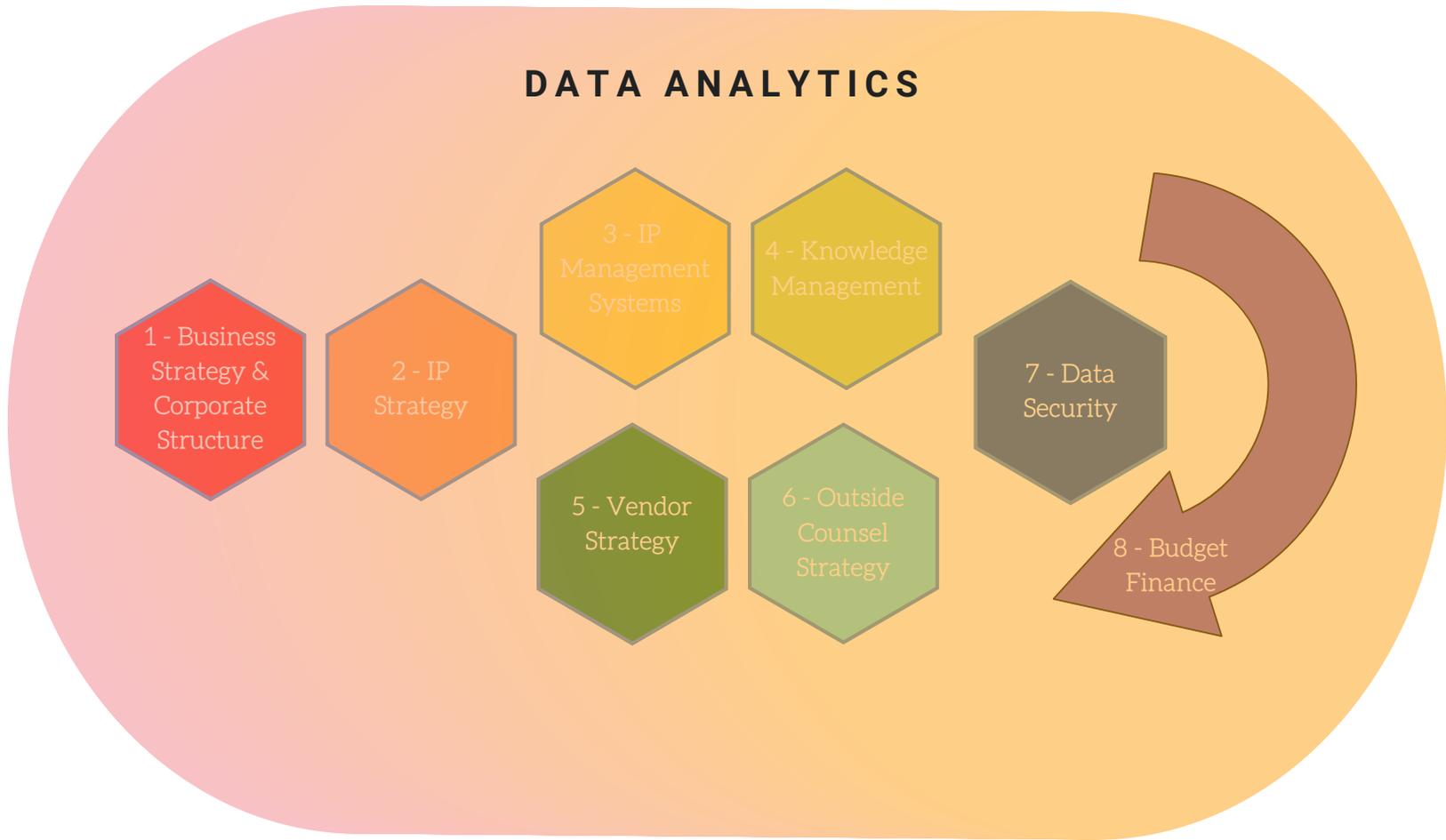
- Where does IP fit in my company?
- What's our IP Strategy and how can it improve?
- Do we have a good handle on our IP management, knowledge management, and data security?
- How are we getting things done, and what is our strategy for vendors and/or outside counsel?
- Lastly, but possibly most important, what's our budget?

The following slides provide actionable steps with a reasonable timeline for Marie to identify the current state to answer these questions. Moreover, suggestions are provided for identifying solutions and eventually implementing them. Data analytics can be used to really provide insight into her department and help drive data-driven decision-making.

CIPO IN A BOX - ANALYSIS MODEL



CIPO IN A BOX - ANALYSIS MODEL



CIPO IN A BOX TOOL - INTERFACE TO CORP STRUCTURE

30 DAYS	60 DAYS	90 DAYS
<p align="center">"Current State" Identification of Problems</p>	<p align="center">"Future State" Identify Solutions</p>	<p align="center">"Solutions" Implement Solutions</p>
<ul style="list-style-type: none"> • Assess visibility of IP with Board of Directors (BOD) • Identify IP "Sponsors" in business units, BOD and legal • Determine IP influence on R&D strategy • IP a push or pull? (i.e. does business fully appreciate value of IP?) • Assessment of IP awareness • Is reporting line through legal or R&D? • Is IP considered a shared service? • Obtain initial reflections on IP department performance from outside of IP department • Define division of role and responsibilities of IP department with cooperative departments: data security, HR, contract management, trademarks and procurement 	<ul style="list-style-type: none"> • Cultivate strategic relationships with other executives and functions within company • If necessary open new lines of communication between the IP department and other areas within the company to address gaps • Gain deeper understanding of any perceived gaps by customers • Assess gap on IP training • Compliance with data security • Compliance with HR policies • Compliance with procurement policies 	<ul style="list-style-type: none"> • Develop communications plan for IP value including IP success stories • Leverage relationships to benefit of IP strategy and department performance • Define IP training awareness

CIPO IN A BOX TOOL - IP STRATEGY

30 DAYS	60 DAYS	90 DAYS
<p align="center">"Current State" Identification of Problems</p>	<p align="center">"Future State" Identify Solutions</p>	<p align="center">"Solutions" Implement Solutions</p>
<ul style="list-style-type: none"> • Characterize IP portfolio rights and assets (patents, trademarks, copyrights, designs, trade secrets, unregistered rights etc.) • Assess trends (prosecution/litigation) • Identify filing scope and pathway (via PCT, directly into patent and TM office, etc.) • Assess key metrics (prosecution/litigation) • Identify IP "clients" / business units • Understand business strategy and goals • Review IP strategy, including FTO and clearance policies • Assess IP strategy for each business unit • Obtain initial reflections on IP department performance from within IP department • Characterize IP Dept. Workforce, roles & responsibilities • Where are internal/external experts? • Assess value of IP and IP visibility to shareholders 	<ul style="list-style-type: none"> • Check for congruence between business strategy & goals and the IP strategy • Identify gaps in: Portfolio rights; IP strategy; filing strategy • Triage any highly problematic trends or roles/responsibilities issues • Identify future requirements • Identify possible solutions with advantages and disadvantages of each 	<ul style="list-style-type: none"> • Begin execution of any revisions to IP strategy which address identified gaps in performance (quickly if a "turnaround" and otherwise in due course) • Execute any plans for workforce changes to address expert or personnel gaps • If a "turnaround" is needed in any area and then begin put in place changes to address • Initiate any plans for elevation of IP to the clients or other parts of the business • Execute any changes to IP strategy which benefit specific business units

CIPO IN A BOX TOOL - IP MANAGEMENT SOFTWARE

30 DAYS	60 DAYS	90 DAYS
<p align="center">"Current State" Identification of Problems</p>	<p align="center">"Future State" Identify Solutions</p>	<p align="center">"Solutions" Implement Solutions</p>
<ul style="list-style-type: none"> • Assess IPM software • Version used and last upgrade • Degree of automation • Assess processes and procedures • Ability to meet future needs 	<ul style="list-style-type: none"> • Identify future requirements • Benchmark against best-practice • Using the identified key metrics, assess whether IP Mgt System can provide output suitable for necessary analytics 	<ul style="list-style-type: none"> • Execute on any plans to further leverage IP Mgt system to answer key questions • Centralize and clean IP data • If necessary, sponsor project to upgrade or replace IP Mgt system

CIPO IN A BOX TOOL - KNOWLEDGE MANAGEMENT

30 DAYS	60 DAYS	90 DAYS
"Current State" Identification of Problems	"Future State" Identify Solutions	"Solutions" Implement Solutions
<ul style="list-style-type: none">• Identify e-files, IT systems and management process• Identify paper files and file plans	<ul style="list-style-type: none">• Assess utility of filing systems in terms of effectiveness and compliance• Identify future requirements• Identify any gaps	<ul style="list-style-type: none">• Execute on any plans to deliver knowledge management for future

CIPO IN A BOX TOOL - VENDOR STRATEGY

30 DAYS	60 DAYS	90 DAYS
<p align="center">"Current State" Identification of Problems</p>	<p align="center">"Future State" Identify Solutions</p>	<p align="center">"Solutions" Implement Solutions</p>
<ul style="list-style-type: none"> • Identify where you have license to file; % split of patent work between in-house; and, outside counsel / specialist firms • Identify vendors and procurement strategy for: <ul style="list-style-type: none"> -Renewals -Foreign Agents -Searching -Invalidity searches -Translations -Portfolio management -Litigation -IP data providers -IP journals -Subscriptions to professional bodies • Assess costs and performance of vendors 	<ul style="list-style-type: none"> • Identify future requirements • Benchmark costs and performance of vendors • Consider options including determining/establishing periodic reviews for each vendor • Check compliance with procurement policies, document retention, privacy and security 	<ul style="list-style-type: none"> • Establish any clarified expectations relative to vendor performance • Contract with any necessary new vendors in order to address performance issues

CIPO IN A BOX TOOL - OUTSIDE COUNSEL (OC) IDENTIFICATION AND STRATEGY

30 DAYS	60 DAYS	90 DAYS
<p align="center">"Current State" Identification of Problems</p>	<p align="center">"Future State" Identify Solutions</p>	<p align="center">"Solutions" Implement Solutions</p>
<ul style="list-style-type: none"> • Identify outside counsel, usage and conflicts, compliance with current policies • Assess performance of outside counsel • Determine frequency and method of performance assessments • Identification and selection process 	<ul style="list-style-type: none"> • Identify any OC gaps in terms of either performance or whether new counsel is needed • Identify any outside counsel not compliant with conflicts and current procurement policies and confidentiality 	<ul style="list-style-type: none"> • Gain compliance with current policies, confidentiality and conflicts or select new outside counsel • Hire additional outside counsel as necessary

CIPO IN A BOX TOOL - DATA SECURITY

30 DAYS	60 DAYS	90 DAYS
"Current State" Identification of Problems	"Future State" Identify Solutions	"Solutions" Implement Solutions
<ul style="list-style-type: none">• Review against privacy policies• Review retention policy (electronic files, records, paper and backups)• Review plan for eDiscovery in case of litigation	<ul style="list-style-type: none">• Identify future requirements• Identify any gaps	<ul style="list-style-type: none">• Execute on any plans to deliver data security for future

CIPO IN A BOX TOOL - BUDGET/FINANCE

30 DAYS	60 DAYS	90 DAYS
<p align="center">"Current State" Identification of Problems</p>	<p align="center">"Future State" Identify Solutions</p>	<p align="center">"Solutions" Implement Solutions</p>
<ul style="list-style-type: none"> • Investigate source of costs (hard dollar) within IP dept control e.g. extensions taken • Assess invoice mgt for outside counsel • Assess invoice approval methods • Cost projections capability and methods • Assess internal resource usage (soft dollar) 	<ul style="list-style-type: none"> • Gain understanding of how IP budget is determined • Identify key handles for cost control (for example, where are largest expenditures made) • Benchmark outside counsel costs 	<ul style="list-style-type: none"> • Forecast IP budget projections for year and execute periodic check-ins with finance on progress • Maintain vigilance particularly on largest cost centers • Prune any unnecessary costs

CIPO IN A BOX TOOL - DATA AND ANALYTICS

30 DAYS	60 DAYS	90 DAYS
<p align="center">"Current State" Identification of Problems</p>	<p align="center">"Future State" Identify Solutions</p>	<p align="center">"Solutions" Implement Solutions</p>
<ul style="list-style-type: none"> • Locate key sources of data inside and outside of IP department (particularly those tied to key metrics) • Determine level of investment and identify prevalent analytical tools within IP Department • Assess competence and cultural readiness of people towards use of data and analytics to make decisions 	<ul style="list-style-type: none"> • Where appropriate, establish or strengthen connections between source data and IP department • Broaden scope of analysis for analytical tools outside of the IP Department • Sketch out draft planning for roles, responsibilities and training/skill development for IP department employees 	<ul style="list-style-type: none"> • Incorporate the goal of strengthening data and analytics capabilities into IP department goals • Ensure external benchmarking insights are adequately incorporated into strategic planning particularly in areas of deficiency • Plan for investment into the people, process and procedures necessary to improve the use of data and analytics with the IP department

CIPO IN A BOX - COMMUNICATION

Marie realizes that becoming a great leader is more than being a great planner. The “Chief IP Counsel in A Box” program closes with some mentorship from two icons in the IP industry regarding their advice for a first-time chief IP counsel:

Harry Gwinnell

Harry is the former Vice President of Intellectual Property at Cargill and is known as a builder of IP departments. His advice is to focus on personal interactions, embrace the budget, and consider that the next generation of chief IP counsel will need to be even more entrepreneurial about value extraction.

First, Harry noted that while most leaders come to the position by being good lawyers, he suggests that soft skills are important too: invest some time communicating your IP group’s goals and needs with the general counsel; restructure the team to match your leadership style; know yourself and challenge yourself with growth opportunities. Second, Harry noted that one of the most important skills is learning to effectively manage a budget. He was able to take this traditionally contentious interaction and turn it into an opportunity to evaluate the business' desire for certain tasks to be completed (i.e., not directly discussing costs). This led to meaningful budgets that reflected the business' priorities. Finally, Harry recalled certain peers who were ahead of their time when it came to value extraction. While he himself was able to implement several lucrative value extraction strategies, he feels that there is increasing pressure now on many chief IP counsel to be entrepreneurial, in addition to doing an outstanding job managing IP.

David Kappos

David has had a long and fruitful career in IP, including being a Director of the USPTO from 2009-2013. Before that, he was the chief intellectual property lawyer for IBM. David's advice stresses three major concerns - personnel, information-gathering, and communication. Regarding personnel, David emphasized the importance of getting the right team in place (especially your direct reports). He noted that it is important to find the people that will be able to facilitate your vision, as well as those who might be unhealthily opposed to change. David believes in a "retail" approach to information gathering, in that he talks to everyone and wants to receive information with as little filtering as possible. As such, David sought out multiple channels to hear people's opinions and concerns, for example, brown bag lunches, informally eating at the cafeteria and meeting one-on-one with everyone in the IP department. Equally important, he made a point to implement actionable/readily apparent changes based on their concerns. Finally, David advised that you must decide what your messages are and be “relentless and boring” about communicating them repeatedly. Repeating messages time and again reinforces them to others and is a critical part of engaging others regarding organizational goals.