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IP: 7 benefits of an intellectual property committee

IP committees help companies to think strategically and minimize costs

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Innovators and patent owners should think strategically about how to maximize the patent budget, while intelligently and efficiently protecting and defending innovation. Companies also need to understand the resources available to monitor the intellectual property of competitors and potential acquisitions.

As mentioned in earlier articles on information disclosure systems and subject matter conflicts of interest, an intellectual property committee is key to thinking strategically, moving quickly and minimizing costs when reviewing company intellectual property (IP).

Here are seven ways that an IP committee can help your company:

- 1. The basics:** A fully functional IP committee should meet regularly (monthly, quarterly), should review and discuss all of the IP and issues that have developed since the last meeting, and should comprise someone from management (budget), R&D, sales and marketing and legal.
- 2. Think broadly:** Your patent budget—whether large or small—can no longer fund every new discovery by your research and development teams. The demand for research or patent managers to efficiently utilize the budget is high. Therefore, it's important to thoughtfully review the inventions, tie them together where available and determine early in the process where you want that patent to fit within your portfolio in the long-term (more than five years).

Effective IP committees discuss and document how new inventions are tied to prior research and patent families, how innovations can be logically grouped together in patent applications, and what additional information is needed from R&D teams to get a complete patent or trademark application on file.

- 3. Monitor developments at USPTO:** It is expected that the U.S. Patent and Trademark Office (USPTO) will push more responsibility for examination support back on the applicants and, therefore, an active IP committee is useful to discuss developments, review company resources and put procedures into place to deal with these developments consistently throughout the company. For example, the USPTO is rapidly moving toward requiring prior art searches and related applications be fully disclosed to the USPTO, including search logic, databases used, related inventors, related technologies, etc.

- 4. Create patent savvy R&D teams:** Companies that base their bottom line on innovation lose money every year by not educating research and sales teams on patent basics, including inventorship, documentation and the implications of public disclosures of inventions. An IP committee can track trademark use on company products and services and ensure it corresponds to the registered goods and services. An active IP committee also can develop and disseminate information to technology managers that is targeted at the specific needs of the company, as opposed to general information, along with developing meaningful training programs.

5. Develop an intelligent foreign filing strategy: The Patent Cooperation Treaty process and foreign filing of applications have changed considerably over the last five years. It may be desirable to file in every major country, but can your company defend and enforce those patents? Also, consider the average cost of patent protection in each country is roughly \$10,000 per patent application per country. In Europe, the costs increase to \$15,000 to \$20,000 per application.

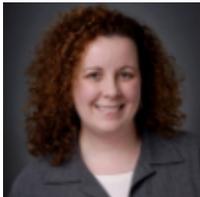
Your IP committee should consider a number of variables when reviewing whether to file in other countries: Does your patent budget provide for the added expenses? Can you defend and enforce your patent in those countries? Do you need protection in each of those countries or is there a more strategic approach to foreign filing?

6. Review deals for sales/transfer of patents/patent applications: The USPTO provides several benefits to small entities (small businesses) when filing patent applications, such as 50 percent off of filing fees, reduced compliance requirements under the new rules, etc. When “small entity status patents” are transferred or sold to large entities, they lose their small entity status. The increase in costs and procedures associated with the new large entity status should be part of any due diligence examination by the IP committee and should be evaluated prior to finalization of the transfer.

7. Use public USPTO PAIR database to track competitors and potential acquisitions: The USPTO provides a public database of the status and submitted documents for all published U.S. patents and patent applications. Under proposed USPTO rules, applicants must provide more information to the examiners as to why their inventions are patentable.

In the past, patent prosecutors tried to keep the files as “clean and clear” as possible of these statements, but that goal may no longer be an option. Therefore, companies should be able to review the behind-the-scenes details of patents/applications of their competitors or potential acquisitions to gain valuable insight as to the true meaning and value of those inventions. The IP committee can assign, for example, a competitor or group of competitors to each committee member to review each month.

About the Author



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