



CSU55 The Future of IP Law Firms

Networks of
Interconnected
Professionals

Sun 19 May 2019 2:30 – 3:45 pm



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Panel



Pete Pollard (NL: *Fireball Patents*), moderator

- user of virtual IP networks
- member of a virtual IP firm



Zeev Fisher (UK: *Pekama Ltd*)

- CEO & founder of a startup virtual IP network



Cliff Hyra (US: *Symbus Law Group, LLC*)

- major user of virtual IP networks
- member of a virtual IP firm

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Will things change?

NO - NOTHING	YES - EVERYTHING
<ul style="list-style-type: none"> - Nothing has changed in last 30 years - IP-business is based on long-term relationships - Perception of a highly bespoke business - Most businesses don't have an IP department, so no attention to IP 	<ul style="list-style-type: none"> - All other business-critical processes (accounting, finance, marketing, sales, compliance and general legal) have completely changed in last 5 years - Relationship is with lawyer, not law firm. Individual lawyers take clients with them. - BigLaw is becoming less attractive for economic and lifestyle reasons - Technology is reaching bespoke businesses. Clients expect data-powered decisions in all fields of business.

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Things are already changing

TRADITIONAL APPROACH	NEW APPROACH
<ul style="list-style-type: none"> • Solid brand • Premises and offices • Professional Indemnity (PI) insurance • Compliance with regulations • Complementary expertise (full service) • Training junior attorneys • Maintaining foreign associate network • Capturing part of revenue of new joiners <p>Virtual firms can offer these for a fraction of fees!</p>	<ul style="list-style-type: none"> • Cool brand • User experiences that clients love • Providing clients with data they need to make better decisions • Making direct investment / accelerators / incubators • Access to other professionals • Helping clients through their connections • Offering cost-effective services <p>Firms will compete on these in future, those providing them will win clients</p>

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Things are already changing

- Balance of power will change – clients will get upper hand
- Clients will develop a better idea of what they want:
 - better visibility of processes and better data
 - better way to make decisions and to measure them
- IP Lawyers will realise that traditional firms are a barrier to giving clients what they need:
 - 60% of clients' fees spent on premises, insurance, holiday cover, training fees
- Firms will adapt and many new models will emerge
 - already happening in general legal

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Overhead at bricks-and-mortar firms



- Leasing / renting physical space
 - often in expensive locations
 - *ivory towers, mahogany desks, expensive artwork*
- Salaries of employees not generating revenue
 - IP Attorneys
 - Administrative & Marketing Staff
 - Paralegals
- Managing partners not generating revenue

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Mismatch between IP professionals and workload

- IP professionals are usually specialized, for example in:
 - jurisdiction, language
 - patents, designs, trademarks, copyright
- For patents, they may also be limited to one or more technologies:
 - mechanics, electronics, physics, software
 - chemistry, biochemistry, biotechnology
- Peaks and valleys in workload cannot always be managed by transferring cases between IP professionals
 - with patent attorneys, it is even more difficult
- Hiring a new attorney increases overhead until they have enough work

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Emergence of virtual IP firms [1]



- No bricks-and-mortar office - homes or satellite offices
- Interconnected using cloud technology, highly automated
- Sharing docketing, practice management software, network drives, administration, video meetings
- E.g.: K2 (UK) – “A virtual firm, made real”, Symbus Law Group [US]
- Advantages:
 - less overhead => increased earnings for lawyers, lower charges for clients
 - Can grow quickly because not geographically limited

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Emergence of virtual IP firms [2]

- Flexible structure: more or less hierarchical, more or less centralized
- Flexibility in working hours => better work-life balance
- Flexibility of location => less commuting, rent meeting spaces
- Typically use lawyers with many years experience (can work independently)
- Flexible financial structure - for example:
 - may offer reduced rates to clients (compared to bricks-and-mortar firms)
 - Each lawyer keeps 70 – 80 % of own client revenue (30 – 40% at bricks-and-mortar firm)
 - 20% - 30% goes to running firm & providing IT infrastructure & support
 - docketing system, collaboration apps, document management
 - Each lawyer keeps 30% - 50% for referral to a colleague

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Symbus Law Group – www.symbus.com

SYMBUS
Intellectual Property +

CLIENT LOGIN PASSWORD

HOME LAW FIRM PROFESSIONALS PRACTICE AREAS BLOG CONTACT

Tuesday, May 14, 2019

LAW FIRM

Overview
IP Edge
Testimonials
Disclaimer
Opportunities

IP EDGE

IP EDGE is a proprietary online trademark management system, which allows you to access your trademarks anywhere in the world in one place, and obtain up-to-the-moment status information. When action is taken by Symbus, data is updated on IP EDGE within one business day.

Suppose, for example, you are negotiating a trademark license in Canada. In addition, you can be certain that your trademarks are registered in that country, and you can see up-to-date status information without having to consult with your attorney with the attendant delays and legal fees. IP EDGE does more than organize information; it improves your bottom line.

Below is an illustration of the summary trademark information provided in IP EDGE. In this case, a fictional clothing company called "Urban Cyclone" is shown. By simply clicking on the "View" icon, you can obtain detailed status and docketing information. IP EDGE allows our clients to partner with us in maintaining global portfolios.

View Marks

View Mark	View Details	Priority	Summary Status	Reg. No.	Application #	Registration Date	Registration #
URBAN CYCLONE (Symbus)		United States	Pending	09/16/JAN/12	1234567		
URBAN CYCLONE		Canada	Pending	09/16/Dec/14	5234567		
URBAN CYCLONE		China (Madrid Protocol)	Registered	2014-Nov-01	1234567	2013-Jun-01	
URBAN CYCLONE		European Community (EUIPO)	Registered	2014-Nov-01	1234567	2014-Dec-22	3000000
URBAN CYCLONE		International (Madrid Protocol)	Registered	2013-Nov-01	1234567	2014-Jun-01	1234567
URBAN CYCLONE		United States	Registered	2013-Oct-21	1234567	2014-Jun-20	8891001

You won't be walking into a handsome lobby or be escorted to a stately corner office

- online management system provides clients with convenient, immediate access to data
- optimizing online application services and electronic practices, without sacrificing accessibility and attention to detail.
- we don't squander your resources to increase our own

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Virtual IP firm: Symbus Law Group (US)

Who's Minding Your IP?

- 5 members, 6 of counsel, 3 full-time staff, additional part-time staff
- Client chooses attorneys, no transferring work without their approval
- Nearly all attorneys have big law firm and/or in-house counsel experience
- Client does not pay for on-the-job training
- Much of the work is billed on a fixed fee or a capped fee basis
- At larger firms, attorneys with that level of experience often charge twice as much
- Also welcome alternative billing arrangements

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Why are we using those external professionals?

- Rights are jurisdictional: need local expertise
- Not all expertise in-house: need access to experts

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IP firms need external professionals

- Rights are jurisdictional, professionals may not practice everywhere
 - so foreign expertise (agents) needed
- Not all competences & knowledge may be available internally
 - so external professionals must be used
- External networks must be developed & managed to ensure:
 - provide work of sufficiently high-enough quality
 - provide trusted, reliable, good communication
 - give value for money
 - reciprocity

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Traditionally, reciprocity is a major factor ...

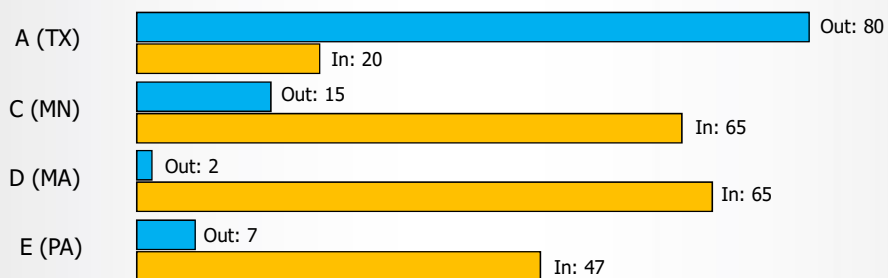
- Intended to stimulate co-operation
- Big firms “forced” to use their own foreign branch offices (no choice)
- Often used because:
 - traditional way of working
 - easy to measure compliance
- But no-one is happy with this system
 - Smaller firms have less outbound work
 - Interest of your client balanced against future business
 - Some jurisdictions have little outbound work (especially patents)

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.. but transparency is killing reciprocity

- Patent & Trademark Offices are making filing data easily accessible
- E.g. Filing Analytics - filinganalytics.io - uses Big Data and Machine Learning to show who is working with who
- Such as this exchange imbalance between DE firm and external partners in US over 3 years

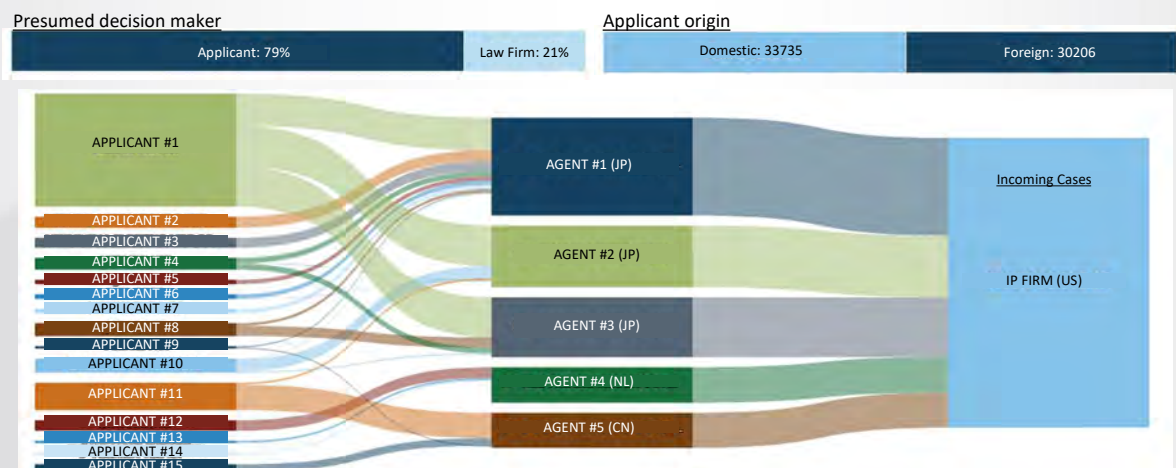


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... and analysis is improving

- E.g. Patent Pilot - www.patent-pilot.com - uses improved filtering & cleaning of data => presumed decision maker, improved applicant/agent views



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Why are you filing with these clowns? - they don't send you anything, and are expensive & terrible

Firm	Juristat Rank	Score	Rank (Applications Filed)	Rank (Allowance Rate)	Rank (Avg. Office Actions to Allowance)	Rank (Avg. Time to Allowance)
Dentons	1	30.3	21	68	16	23
Haynes and Boone	2	34.8	15	16	127	57
Slater Matsil	3	36.7	17	5	198	37
McDonnell Boehnen Hulbert & Berghoff	4	43.3	34	73	39	39
Fenwick & West	5	46.4	35	41	57	75
Scully Scott Murphy & Presser	6	54.6	40	109	60	34
Cantor Colburn	7	55.1	2	139	73	95
Womble Bond Dickinson	8	55.5	14	110	77	94
Heslin Rothenberg Farley & Mesiti	9	58.3	78	35	41	41
Knobbe Martens Olson & Bear	10	60.1	4	150	79	101
Birch Stewart Kolasch & Birch	11	60.3	8	236	33	29
Lee Hong Degerman Kang & Waimey	12	61.3	105	18	14	19
Fish & Richardson	13	61.4	5	75	155	142
Oblon McClelland Maier Neustadt	14	61.6	1	234	53	45
Patterson + Sheridan	15	64.3	16	116	81	125
Muncy Geissler Olds & Lowe	16	67	20	242	22	32

E.g. Juristat -

www.juristat.com

- search and analysis of US applications and file-wrappers

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Virtual IP networks are here

“Uber”-like access to specialists

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Features of a Virtual IP network

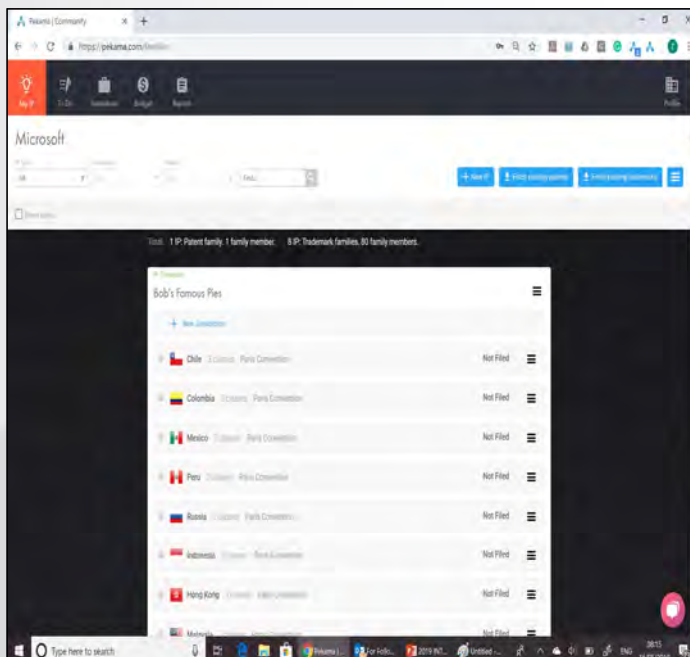


- Registration only required to access network
 - do not need to provide a case
- May also be used by IP owners
- Send work to firms worldwide
 - E.g.: IP Coster (UK), Inovia – RWS
- Send and/or receive work to/from firms of choice
 - E.g.: Pekama (UK)
- Advantages:
 - those providing cases benefit the most
 - quick way to find contact in infrequently used jurisdiction

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Pekama – website platform – pekama.com



- After simple registration, members visible with profiles & community scores
- Community scores based on promptness of replying & nr of cases submitted
- No restrictions or obligations related to reciprocity
- Communication portal, with deadline & time limit tracking
- Also docketing system available

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Virtual IP network: Pekama (UK)

Grow your practice & get more work

- More than 600 IP attorneys, 8 employees, worldwide
- Includes IP firms of all sizes
- Scoring is based on activity, not size
- Non-exclusive (may work for others), reciprocity not enforced or rewarded
- Small entry fee, small markup
- Instant price estimates, streamlined price quotes
- Focus on growing its IP owners userbase by improving experience for IP owners
- Future plans include adding more data tools, such as competitor analysis

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Emergence of IP social media



- Specialized channels to socialize and exchange work
- Very low threshold to join
- Connect contact people from different firms
- Includes IP firms of all sizes, also for IP owners
- E.g. :
 - Telegram: IPConnect (HK), IP Podium
 - Web-based: WeIP
- Advantages / disadvantages:
 - no restrictions, no checks on membership
 - very quick way to find contacts
 - very quick way to handle last minute cases

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IPConnect (HK) www.ipconnect.link/



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IP social media: IPConnect (HK)

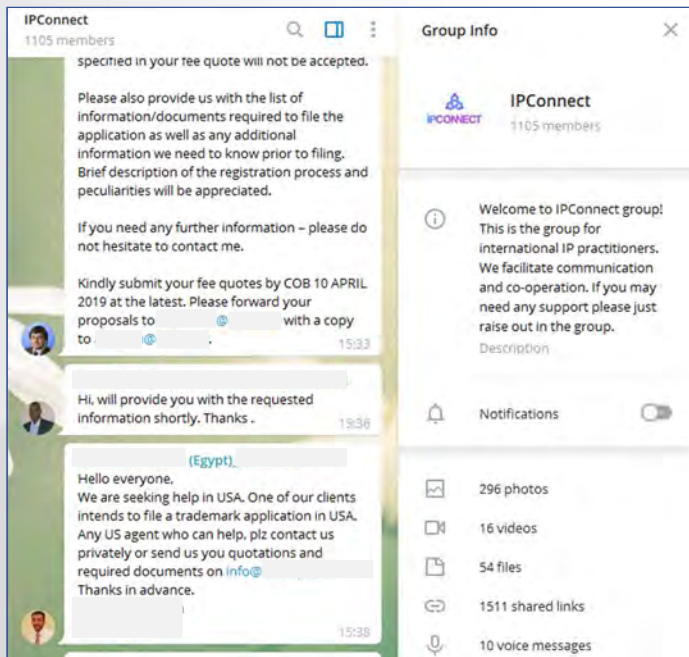
A communication platform for IP practitioners

- Website with law firm profiles, reviews, activities calendar
- About 3000 members, about 5000 firms (worldwide)
- No subscription, no annual fees for basic account
- Main activity seems to be: chat groups on Telegram & QQ

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IPConnect – Telegram chat



- Appr. 20-30 posts per day
- Mainly IP professionals:
 - *Looking for a firm in Uzbekistan and Kazakhstan to file patents long term.. please email me at*
 - *Happy New Year (x 50 !)*
- IP owners also use it:
 - *Can quickly and easily find an agent to help you with IP*
 - *Saves a lot of time & effort*

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IPConnect – Telegram chat

Group for international IP practitioners. We facilitate communication and co-operation.

- Initially free, now 100 USD to join. Simple registration, members visible
- About 1100 members of Telegram chat group, at least 1 moderator
- Members post tips, the services they provide, requests for referrals, offer cases for particular expertise in a particular jurisdiction
- Mix of social posts and business => appr. 20-30 posts per day
- Only initial contact – follow-up discussions in private message or via e-mail
- Searches in chat messages easier than searching among members for jurisdictions

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But, what if ?

Possible problems with a virtual IP network

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Possible relationships & types of work being outsourced

The issues may be better or worse, depending on whether:

- A. IP owner or IP firm directly instructing (foreign) IP professionals
- B. Directly-instructed IP professional gives it to someone else
- C. Directly-instructed IP professional is also receiving instructions from our competitor

- D. Case is a filing / registration
- E. Case is prosecution or maintenance
- F. Case is an Invalidity
- G. Case is an Infringement

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1. Who is responsible if a deadline is missed ?

... and who is liable ?

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2. What if the registration/filing is sub-standard quality ?

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3. How do know who is actually working on the case ?

... and how do you avoid conflicts of interest?

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4. How do you avoid breaches of confidentiality ?

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5. Experienced IP professionals preferred. But, how will juniors be trained?

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6. Will it lead to a race to the bottom ?

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Conclusions

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Any questions?

(see end sheets for our contact details)

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Pete Pollard

TITLE: Founder and European Patent Attorney

LAW FIRM: Fireball Patents, Eindhoven, The Netherlands
fireballpatents.com

EMAIL: pete@fireballpatents.com

IP PRACTICE: Since 2002

EDUCATION/
 ACCREDITATION: European Patent Attorney, Dutch Patent Attorney, European Designs Attorney



Pete is originally from the UK, but has lived in The Netherlands for 30 years. After 5 years as in-house patent counsel, he moved to private practice, dividing his time between patent work and the legal training of trainee European patent attorneys. He built up patent experience over the years in physics, software, optics, image processing and medical systems, and specialized in oppositions and appeals before the European Patent Office. He was a partner for 5 years, and spent the last year building up the Marketing & Sales for the patent work. In 2017, he started his own firm, Fireball Patents, focusing on providing patent services to small businesses and startups. He still teaches patent law to attorneys and formalities officers, specializing in PCT. He also teaches trainee patent attorneys at Maastricht University (NL).

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Zeev Fisher

TITLE: Founder & CEO

COMPANY: Pekama, UK
www.pekama.com

EMAIL: Zeev@pekama.com

IP PRACTICE: Since 2005

EDUCATION/
 ACCREDITATION: Solicitor (UK), Chartered Trademark Attorney (UK), Advocate (Israel)



Zeev started his career in Israel, qualifying as a lawyer at the lucrative military defense general and acting as defense attorney. Following his release, he moved to IP litigation and then to IP strategy, advising clients such as IBM and Samsung, as well as all major Israeli university. Zeev qualified as a solicitor and moved to the UK in 2012, first working as a lawyer with clients such as Cambridge and Oxford university and now Unicorn Revolut and then “crossing the lines” to set up Pekama, a company aimed at disrupting the old-fashioned world of IP. Pekama is now used by hundreds of IP attorneys as well as a growing number of IP owners, including two Fortune 500 companies.

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Cliff Hyra

TITLE: Member, Patent and Trademark Attorney

LAW FIRM: Symbus Law Group
www.symbus.com

EMAIL: chyra@symbus.com

IP PRACTICE: Since 2006

EDUCATION/

ACCREDITATION: Virginia, District of Columbia. Registered Patent Attorney, U.S. Patent and Trademark Office.



Clifford has extensive experience in the field of IP and is the author of the IP law blog Patents101. He has a background in aerospace engineering and graduated magna cum laude from the George Mason University School of Law. Before joining Symbus, Clifford conducted his own boutique IP practice. His patent work is focused in the technical fields of mechanical & electrical devices, aerospace, computer software and hardware, IT & ecommerce, consumer products and medical devices. He also has considerable experience carrying out appeals before the Board of Patent Appeals and Interferences, Trademark Trial and Appeal Board (TTAB), and Federal Circuit, conducting trademark cancellation and opposition proceedings before the TTAB, drafting patent & trademark opinions, filing and responding to UDRP (domain name arbitration) complaints, negotiating the settlement of patent & trademark disputes, and registering copyrights.

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