



Getting The Most from Your IP Budget: Strategies for IP Portfolio Management And Litigation Avoidance

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Panelists:

- **Clint Webb**, Vice President, General Counsel, Genelabs Technologies
- **Gerald Suh**, Ph.D., Chief Patent Counsel, Metabolex, Inc.
- **Tom Moran**, former Foley Of Counsel, and former Director of Patent Law, Syntex Corporation
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IP Strategies

- Minimizing Cost without Compromising IP Position or Product Value
- Business goals
- IP Buckets: Patent Portfolio, Trade Secrets, Licensed Patents
Scope of International Filings: Countries (Multi-tiers approach)
Patent Application
- Deferring Prosecution Costs: Patent Filing Strategies
- Monetizing Existing IP
- Delaying Litigation Costs



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I. Minimizing Cost without Compromising IP Position or Product Value

General guidelines:

- IP goals should support corporate business goals
- IP goals should be consistent with R&D goals



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II. Business Goals:

- Securing exclusivity
- Market dominance
- Licensing revenues
- Defensive Strategy (Cross license)
- Complement exit strategies



III. IP Buckets:

- Patent Portfolio
- Trade Secrets
- Licensed Patents

Patent Portfolio Management

Perform Regular IP audit:

- Identify core and non-core technologies
- Determine strengths and weaknesses
- Identify scope of coverage and potential gaps
- Develop in house or in-license to cover gaps
- Divest or out-license non-core technologies



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IV. Scope of International Filings

- Population
- GDP per capita
- Enforcement Issues
- Type of Products
- Marketing and Sales
- Product Manufacture
- Location of Company and Competitors
- Valuation out to 5 - 10 years from filing
- Costs: Filing fees, translation fees, prosecution fees, annuities & grant fees



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Countries: 3-Tiers

- **First Tier Countries:** US, Australia, Canada, China, Japan, EP (Switzerland, France, Germany and UK)
- **Second Tier Countries:** 1st Tier Plus: EP (Austria, Belgium, Italy, Ireland, Spain, Sweden) Brazil, India, Israel, Korea, Mexico and New Zealand
- **Third Tier Countries:** 2nd Tier Plus: Hong Kong, Hungary, Malaysia, Norway, Philippines, Russia, Singapore and South Africa



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Countries: 3-Tiers

Tier 1 Countries	Costs ¹	Comments
US	---	
Australia	\$13 K	
Canada	\$11 K	
China	\$18 K	
Japan	\$40 K	
EP (34 countries; including Germany, France, Great Britain, Italy, Ireland, Belgium and Spain, etc ...)	\$20 K ² \$103 K ³	* The 7 major countries cover about 80% of the EP market. * Exclude extension EP countries
TOTAL FEES	\$205 K	



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Countries: 3-Tiers

Tier 2: Tier 1 Countries, plus ...	Costs	Comments
Brazil	\$25 K	* Translation fees
India	\$10 K	* Translation fees
Israel	\$10 K	
South Korea	\$25 K	* Translation fees
Mexico	\$15 K	* Translation fees
New Zealand	\$5K	
TOTAL FEES	\$90 K	



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Countries: 3-Tiers

Tier 3: Tier 2 Countries, plus ...	Costs	Comments
Hong Kong	\$8 K	* May register in HK from China or EP application
Malaysia	\$6 K	
New Zealand	\$5 K	
Norway	\$30 K	* Significant translation fees
Philippines	\$8 K	
Russia	\$22 K	* Significant translation fees
Singapore	\$11 K	* Formal examination
South Africa	\$5 K	* Formal examination
TOTAL FEES	\$95 K	



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V. Patent Application:

- **Limit size of application: Fonts, Figures and Elimination of Redundancies**
- **Limit Number of claims:**
- **USPTO Fees:**
 - >20 Claims at \$52 per claim
 - >100 pages at \$270 per 50 pages



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V. Patent Application:

EPO Fees (April 1, 2009):

- **Excess Claims Fee: EUR 200 per claim 16th to 50th; EUR 500 per claim 51 and beyond**
- **Specification >35 pages: EUR 12 per page**
- **Multiple claim dependencies are permissible**



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VI. Deferring Prosecution Costs

Patent Filing Strategies:

- PCT filing to designate 139 contracting States:
Defer Cost
- File US National from PCT
- Use of International Searching Authorities:
 - US: \$2,080
 - EPO: \$2,410
 - KIPO: \$609 (fast, effective)



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Patent Filing Strategies:

London Agreement: Reduction in translation fees for
14 Contracting States

Patent Prosecution Highway (PPH):

- Full Implementation: JPO (Japan), CIPO (Canada), KIPO (Korea)
- Trial Period: UKIPO (UK), IPAU (Australia), EPO,
- DKPTO (Danish), IPOS (Singapore)



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Monetizing Existing IP:

- Support patent families covering active research programs and commercial products
- Prune back patent families covering non-core technologies
- License patents outside of company's commercial activities
- Sell future revenues from existing royalty stream and/or milestone payments



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Delaying Litigation Costs:

- Forum Selection: Avoid rocket docket jurisdictions due to up front costs
- Filing of complaint and withhold service allows time to negotiate settlement
- Consider Re-examination of patent to stay litigation



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**Getting The Most from Your IP
Budget: Strategies for IP Portfolio
Management And Litigation
Avoidance**

Thank You!

