



**Dr. Alok Aggarwal**  
Chairman, Evalueserve Inc.  
Tel: 914 944 0216  
[alok.aggarwal@evalueserve.com](mailto:alok.aggarwal@evalueserve.com)

**Hedda Pahlson-Moller**  
Benelux Client Executive, Evalueserve Inc.  
Tel: +352 021 515 745  
[hedda.pm@evalueserve.com](mailto:hedda.pm@evalueserve.com)

## Offshoring Patent Drafting and Prosecution Services

### 1.1 Background

Around 175,000 patent applications are filed with the European Patent Office (EPO) every year. Of these patent application filings, a significant number – almost 44 percent per year – are made by non-European states. This clearly indicates that a great deal of patenting activity is taking place in various organisations across the world, with the accelerated rate of R&D taking place in emerging countries such as India and China. Evalueserve estimates that as many as 223,000 patent applications will be filed in Europe in the year 2010.

Within Europe, approximately 8,000 attorneys and agents are registered with the EPO, to prepare, file and prosecute patent applications. They are also engaged in other intellectual property work, e.g., preparing, filing and prosecuting trademark applications and copyrights, IP litigation and IP asset management. In order to meet the rising demand for intellectual property (IP) work, Evalueserve predicts that more than 2,000 additional attorneys and agents will be required in Europe by 2010, to avoid a sharp rise in costs incurred by applicants.

Currently, many large organisations have in-house IP divisions with agents, associates, lawyers and business development professionals who handle all kinds of IP work. However, most small and medium-sized enterprises do not have separate IP divisions; and due to reasons such as cost, quality and efficiency, many large firms often outsource some – or all – of their IP work to external firms.

Since both the price and demand for IP services is likely to escalate during the next few years, and as corresponding budgets (for IP creation and maintenance) are likely to grow only at the rate of inflation, more and more companies and law firms are becoming worried about jeopardising the quality of their intellectual property. Furthermore, as significant Research and Development (R&D) will be carried out in emerging countries such as India and China, many companies are beginning to explore the potential of offshoring their IP services to third parties, particularly those located in low-wage countries such as India. There are around 600 patent agents registered with the Indian Patent Office in India as well as approximately 300 IP professionals who are not. Evalueserve estimates that about one-third of these 900 professionals currently provide the following kinds of patent-related services to European and American end clients, and predicts that this number is likely to double to 1,800-2,000 by 2010.

- Literature Searches and Prior Art Searches
- Technology and Patentability Assessment
- Patent Application Drafting
- Patent Application Prosecution
- Patent Claim Mapping
- Landscaping
- Patent Portfolio Management
- Translation of Patents

## 1.2 Different Offshoring Models for Patent-related Services

The following three models seem to be emerging with respect to offshoring of patent-related work:

a) Third-party Vendors Providing Services to Law Firms: Such companies generally hire engineers and train them to become proficient in EPO, USPTO, and WIPO rules and regulations, so that they can provide the full range of services mentioned above.

b) Third-party Vendors Providing Services to In-house IP Attorneys: Vendors providing such services are usually third-party vendors (as given in the first model) or joint ventures formed by European law firms.

c) Captive Centres: A good example of a captive vendor is General Electric (GE) that has more than 60 IP professionals (in its GE Research and Development Centre in Bangalore, India), who are involved in most of the services listed above. Although some other large companies are also trying this model, historical evidence shows that they are unlikely to succeed unless the offshore centre has at least 50 professionals. This is because a centre with fewer professionals will suffer from higher than average attrition because of its inability to provide good career opportunities, due to the lack of requisite critical mass. Apart from GE, a couple of European companies, including Royal Philips Electronics of the Netherlands (commonly known as Philips), are also experimenting with such captive centres.

## 1.3 Offshoring Patent-drafting Services

A patent-drafting process typically comprises the following activities: (a) prior art searching, (b) drafting the background, (c) drafting specifications, (d) drafting claims, (e) drafting the summary, (f) preparing drawings, and finally, (g) reviewing, modifying and filing. Although the last activity has to be performed by an EPO-registered attorney or agent, who usually also becomes the attorney of record, other activities can either be carried out by IP professionals in a remote location or by an IP professional located in Europe. Since there are at least three different offshoring-models (Cf. Section 2), there are several ways of “slicing and dicing” the patent-drafting process.

The following is a sample of potential service models that are already being practised:

- Drafting a complete patent application in an offshore location: In this service model, the invention disclosure is sent directly to an offshore IP services company. This company assigns one or more IP professionals, who work in close coordination with the inventor(s), to draft the complete specifications and claims and prepare the drawings appropriately. The final draft of the patent application is then reviewed, modified and filed by the client’s European patent attorney or by a European patent attorney contracted by the Indian IP services company. In this model, the European attorney typically spends three to four hours on each application.
- Drafting one or more sections of the patent applications in an offshore location: Although there are many working models, the one that is most common requires that the European patent attorney drafts the claims; whereas the offshore IP services company drafts the background, provides the supporting specifications, drafts the summary and abstract, and prepares the figures. Again, the final draft of the patent application is reviewed, modified and filed by a European patent attorney or agent, who usually spends about four to five hours on each application.
- Continuous involvement of European patent attorney during the entire drafting process: In this service model, the European patent attorney usually interviews the inventors, ensures that the invention disclosure is complete, drafts one or more claims, and then sends it to the Indian IP services company, which drafts the rest of the application. In some cases, the European attorney even reviews interim drafts of a patent application. Of course, as in the other service

models, the European attorney also reviews, modifies and files the final draft of the patent application. The total time spent by the European agent depends on his/her level of involvement throughout the process.

#### **1.4 Helping European Attorneys with Patent Prosecution**

Apart from helping European patent attorneys to draft patent applications, many Indian IP services companies also provide a technical assessment of the prior art cited by the patent examiner during the prosecution process. Furthermore, depending on the requirements of European patent attorneys, these companies are providing a wide range of services, from the basic material for drafting the response to office actions to drafting the complete response to the examiner's objections. These are reviewed, modified and filed by the European patent attorney. However, since the "unit" of this work is small, cost savings are not as significant as in the patent-drafting process. Nevertheless, even in these situations, such offshore IP services companies can do the "heavy lifting" by studying the prior art cited by the patent examiner, usually saving substantial time for the European patent attorney, who can use it to do higher-end work such as IP litigation.

#### **1.5 Offshoring Patent Translation Services**

Patents granted by the EPO need to be validated in the designated states. Most of these designated states require the translated text of the granted patents to be filed. Many companies target this requirement by providing translation and filing services in and outside Europe. Such services help applicants save costs they would incur in hiring attorneys in each designated state, for translation and filing. Companies based in countries such as India and China add to the cost advantage. Some translation services firms also undertake filing of translated patents, resulting in substantial cost savings for the applicants.

#### **1.6 Offshoring IP Asset Management (IPAM) Services**

Managing an IP asset is as important as generating it. IPAM services help companies to maximise the value derived from their IP. They cover a range of services such as IP portfolio analysis of a company to identify gaps in the IP portfolio; portfolio analysis of a competitor to identify its areas of IP strengths and weaknesses; the patent-filing trends of a company; support for infringement analysis; licensing support, etc. In addition to these, IPAM services also cover business aspects, such as analysing the market share and the IP strengths and weaknesses of major players in a domain. Companies providing IP as well as business research services are best suited for IPAM services covering business aspects. For example, Evalueserve has more than 700 professionals, which include a team of over 90 professionals dedicated to providing Intellectual Property services. The company uses its expertise in both these areas to provide IPAM services covering the business aspect.

#### **1.7 About Evalueserve – and a Disclaimer**

Evalueserve ([www.evalueserve.com](http://www.evalueserve.com)) is a global professional services firm with over 750 employees, providing research services to its clients in North America, Europe, the Asia Pacific, Australia, Middle East and South America.

The information contained in this article has been obtained from sources believed to be reliable. Evalueserve disclaims all warranties as to the accuracy, completeness or adequacy of such information. Evalueserve shall have no liability for errors, omissions or inadequacies in the information contained herein or for interpretations thereof.

\*\*\*\*\*