



IP Recordal Management- Realizing Client Value and Reducing Financial Risk to Your Firm

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LAW FIRMS & RECORDAL WORK

Certain areas of intellectual property portfolio management are administratively burdensome proving difficult to balance law firm profitability while providing excellent value to clients. One of these challenge areas is processing change of ownership against global patent and trademark rights.

As IP ownership changes occur, it is essential that this activity is properly reflected at the relevant PTO offices in a timely manner to ensure clean and correct chain of title. This is especially important should the client's portfolio be transferred to another party at a later date. But this element of portfolio management can be administratively time-consuming and burdensome, leaving the law firm exposed to un-captured or written off billable hours while not delivering good value for the money to its highly coveted IP client base.

More often than not, IP recordal work and updates to official owner information are not optimally managed by law firms or the IP owner. For law firms, verifying chain of title, understanding each country's documentary requirements, processing formal documents, obtaining signatures, fulfilling legalizations, getting cost certainty and managing the correspondence with local counsel, all while managing non-responsive clients are just some of the activities and issues that can create challenges in delivering high value work to clients while diminishing law firm profitability. Further, on average, it takes up to 12 months to complete a recordal project covering multiple jurisdictions. The ongoing requirement to manage the project, guarantee all recordals are made, and ensure confirmations are received is critical to guarantee client satisfaction and manage law firm risk.

As such, more and more commercially savvy law firm IP groups are exploring alternatives to manage risk, control costs and deliver better value to their clients around burdensome areas such as recordal work. The following paper will address considerations in evaluating recordal management as both a value add service offering for law firm clients and a viable business area for the law firm IP practice group.

WHERE DOES THE LAW FIRM WANT TO BE IN THE IP LIFE CYCLE?

In evaluating whether recordal management is a viable service offering for the law firm, consider where the law firm wants to position itself with the client in the IP life cycle. There is a wide range of IP portfolio growth and management driven tasks requiring varying levels of skill and technicality. Recordal work is considered a low profit, low value administrative function versus a high profit, high value function of portfolio management. The latter is more easily justified and associated with high law firm billing rates.

DOES THIS ACTIVITY STRENGTHEN CLIENT RELATIONSHIPS?

As mentioned, recordal projects involving global IP portfolio transfers are often very laborious due to the volume of documents and correspondence exchanging hands between clients, embassies and consulates, and foreign associates.

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The work is classified as low end administrative work, but involves a degree of technical IP expertise and an appreciation of the differing country requirements around recording ownership documents. Accordingly, it can be a challenge to find the appropriate expertise level and blend of skill set for this type of work that is mutually beneficial to the law firm and client. This can result in the law firm having to justify the final costs of a project, leaving the client to question the value of the services provided for the money.

IS THIS ACTIVITY PROFITABLE TO THE LAW FIRM?

At a cursory glance, it would appear that this work is profitable for the law firm, generating plenty of paralegal and attorney billable hours. But law firms should look beyond the billable hour potential to gauge profitability, as there are several areas that can leave the firm financially exposed.

Credit control and invoice management issues often surface when the law firm is having to front fees to foreign associated and PTO's on a global basis. Additionally, this leaves the firm with an increased exposure to bad debt should the clients not settle their bills or are slow to pay. Furthermore, because the work is largely administrative, attorneys may feel compelled to write off a portion of the billable hours should they seem excessive.

In addition, consider the strain this type of work places on the firm's internal resources and non-billable staff. Often it creates an influx of foreign agent invoices and correspondence that must be processed by the firm's accounting and docketing departments.

EXPLORING THE ALTERNATIVES: STRIKING THE RIGHT RESOURCE BALANCE

For the law firm that routinely assist clients with intellectual property transfers or for the occasional project, it is imperative to offer the client a cost-effective solution to support this key aspect of portfolio management. An important first step is to appreciate the complexity, the dangers and the requisite level of expertise required to successfully manage this work in order to bring value to your client while delivering a profit to the firm.

As we have established, this work can be difficult to fulfill as it can be administratively laborious due to the formal document and signature requirements that vary across different jurisdictions and the large amounts of correspondence to and from foreign associates. Good execution also includes a detailed and tightly controlled project management approach to ensure that the work is successfully completed and the various stages of the recordal process are adequately captured.

It begs the question: What is the best approach to manage this challenging and unique area of IP management against the objectives of a law firm?

Today, law firms and IP owners have available alternatives in successfully managing IP recordal work. For the law firm, these specialty solutions allow the law firm to serve their IP clients, while maintaining the client touch point that often leads to other more profitable and high value work protecting the bottom line.

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BENEFITS OF PARTNERING WITH AN IP SERVICE PROVIDER

Both the law firm and the client can benefit from partnering with an IP specialty provider. Some of these benefits include:

COST CERTAINTY FOR THE CLIENT- A service provider should be able to provide a fixed cost or close estimate for the recordal work before the project commences. This benefit is realized immediately as law firms usually need to reach out to foreign agents to obtain cost information on a country basis, incurring costs for the client before the actual recordal work commences.

PROJECT DISBURSEMENTS BILLED DIRECTLY TO CLIENT- If requested, a service provider, such as CPA Global, should be able to invoice the total cost of the project including agent, official PTO and legalization fees directly to the client allowing the law firm not to incur and float these charges on behalf of the client.

BETTER FOREIGN ASSOCIATE RATES FOR CLIENTS- Because of their buying power, IP service providers such as CPA Global usually negotiate more competitive rates with foreign associates worldwide. As such, the overall recordal projects costs will also be lower, bringing real value add and cost savings especially when budget constraints are a consideration.


FLEXIBILITY IN LAW FIRM ENGAGEMENT- Different engagement options allow the law firm to have flexibility in its involvement in each project. For example, the law firm can choose to be actively engaged with the service provider and remain the touch point with the client through the life of the project. Alternatively, the law firm can step aside and the service provider can liaise directly with the client and receive only recordal updates as requested. This allows the law firm to focus time and resources on more high value portfolio and client management needs, while staying close to the status of the project.

CLIENTS MAY REALIZE BETTER PORTFOLIO MANAGEMENT- By offering a more cost effective solution, law firm clients may be more inclined to manage this work proactively versus on an ad hoc basis at the time of renewal or when it is time to transfer the assets again, thus promoting better portfolio management.

LAW FIRM ELEVATED TO TRUSTED ADVISOR STATUS- The perception of the law firm can be elevated with the client as it is bringing innovative alternatives in managing administrative IP work in the interest of the client's IP budget and spend allocation.

SUMMARY

Today, law firms must continue to look for innovative ways to remain competitive while serving the best interests of their client. Before your law firm begins its next recordal project, evaluate how your firm has managed this work in the past. Was it successful and is this where your law firm wants to be in the IP life cycle? Consider what taking on this work will do for your firm and the client, and whether it will strengthen relationships and deliver profits to the firm.



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ABOUT CPA GLOBAL'S IP RECORDAL SOLUTION

CPA Global provides solutions for managing IP recordal work across all jurisdictions around the world...in fact, we are experts. Through our proprietary controlled project management approach, we handle all types of IP recordal projects from short deed preparation to confirmation of recordal and all steps in between.

As the global leader in IP support services, we have the IP expertise, resources and infrastructure to effectively manage these projects in a cost effective manner.

For more information on CPA Global IP Recordal Solutions, contact: Tammi Maguire, Esq. CPA GLOBAL, IP Recordal Specialist, 502-235-7012, us@cpaglobal.com