

# IP Outsourcing and the Rise of Managed IP Services



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A myriad of challenges are driving Chief IP Counsel and in-house legal teams to rethink their traditional approaches to operations. From new hybrid work arrangements to economic uncertainty, legal departments face increased urgency to improve how they support their business stakeholders across the IP lifecycle.

Legal departments are challenging traditional operating models by adopting new resourcing models and more sophisticated technology. The 2022 Wolters Kluwer Future Ready Lawyer survey report shows “a significant and growing trend across legal departments over the past three years in ‘who’ does the work,” with changes including:

86%

OF LEGAL DEPARTMENTS  
PLANNING MORE INSOURCING  
(UP 15 POINTS SINCE 2020)

85%

ANTICIPATING MORE  
USE OF TECHNOLOGY  
(UP 3 POINTS)

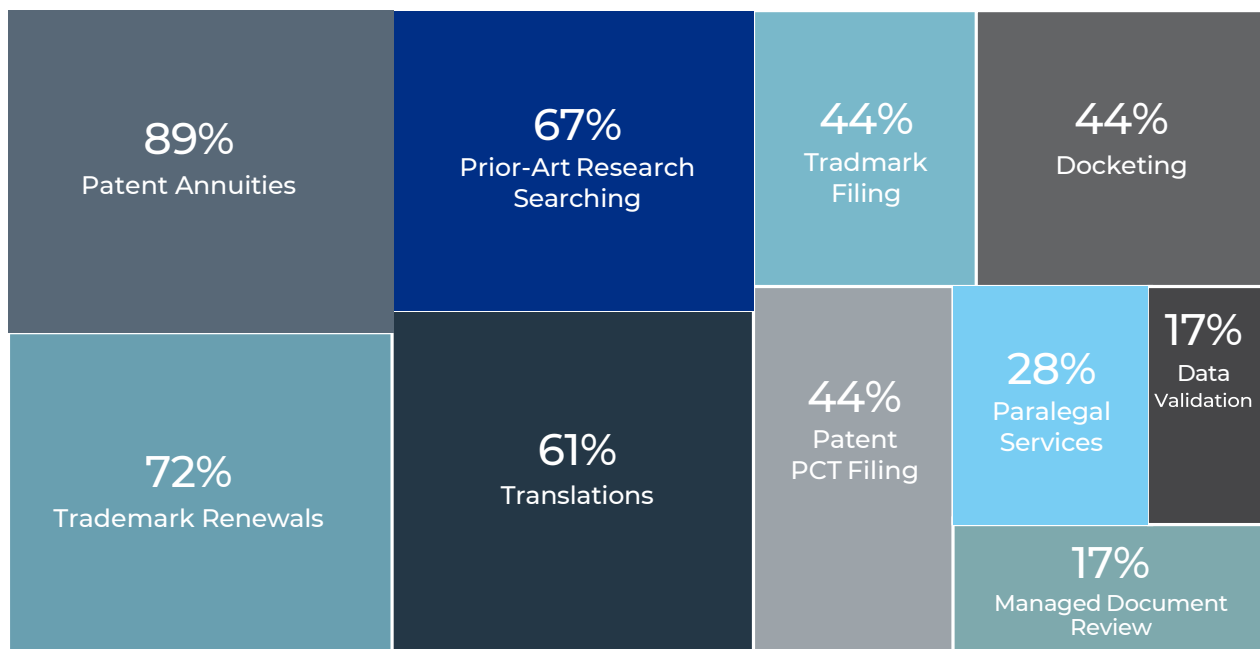
84%

PLANNING MORE USE OF  
ALTERNATIVE LEGAL SERVICE  
PROVIDERS (UP 16 POINTS OVER 2020)



Alternative legal service providers (ALSP) and managed legal services (MLS) are growing professional services categories that focus on bringing operational flexibility to the legal function. As corporate legal departments leverage law firms, business consulting firms and new provider entrants that are heavily investing in building new legal solutions, it is predicted that the ALSP and MLS market will grow to USD\$25B by 2025.

Hyperion Research finds that the use of non-legal support services is likewise an important element of the Intellectual Property group’s operating model. Patent annuities (89%) and trademark renewals services (72%) are well-established and widely adopted. While areas that have generally been internally staffed are being outsourced, including docketing (44%), trademark and patent filing (44%), and paralegal services (28%).



### *Outsourced IP Services*

In combination with these resource changes, technology has become a critical enabler of the process improvements IP teams are implementing to improve their operations. Automation, PTO data interfaces, and AI are table stakes for innovative IPMS solutions that are seeking to address the increasingly sophisticated needs of IP departments. The challenge for many Chief IP Counsel is understanding the market and how to best approach integrating these technologies into their operations.

## **ENTER MANAGED IP OPERATIONS**

For most companies, IP operations have traditionally been supported by one of two approaches: an internal staff of IP professionals using an IP management software system; or a reliance on outside counsel to take responsibility for managing day-to-day activities including docket calendars and portfolio reports. In certain areas, such as patent annuities or global filing projects, point solution specialists have become well-established for transactional, outsourced services.

Today, these established models are being reconsidered in an effort to improve IP operations. A combination of multi-dimensional staff models and greater investment in technology are becoming the catalysts for new and improved ways to build valuable, cost-effective, and strategically aligned assets.

### **Managed IP Operations Explained**

Against this backdrop, intellectual property solution providers are introducing new solutions that combine process best practices, flexible staffing, and advanced technology that allow innovation and brand companies to reimagine how they build and manage their IP portfolios. Operations managers are empowered to go beyond the traditional operating models, and put into place more flexible managed IP operations that are responsive to the needs of IP teams and their stakeholders.

Managed IP Operations (MIPOps) defines a new solution category that transcends the “menu” approach in which support services and software are separate and disjointed. MIPOps integrates the core operational support resources with advanced IPMS technology to provide a single end-to-end platform.

With managed IP operations the inefficiencies and process risks inherent in the existing model of disconnected services and software, are eliminated. The IP team can build their operational support model with the optimal allocation of internal and external resources with full information connectivity provided by a common platform. As IP teams adjust to changes in their requirements, the managed IP operations model provides the needed agility to meet stakeholders demands with appropriate skill sets, scalability, and budget control.

## THE COMPONENTS OF MANAGED IP OPERATIONS

The MIPOps model has four core components that together support the end-to-end IP process. Synchronisation creates an integrated platform, thereby providing the flexibility to implement the optimal operational approach matched to the IP team's objectives and goals.

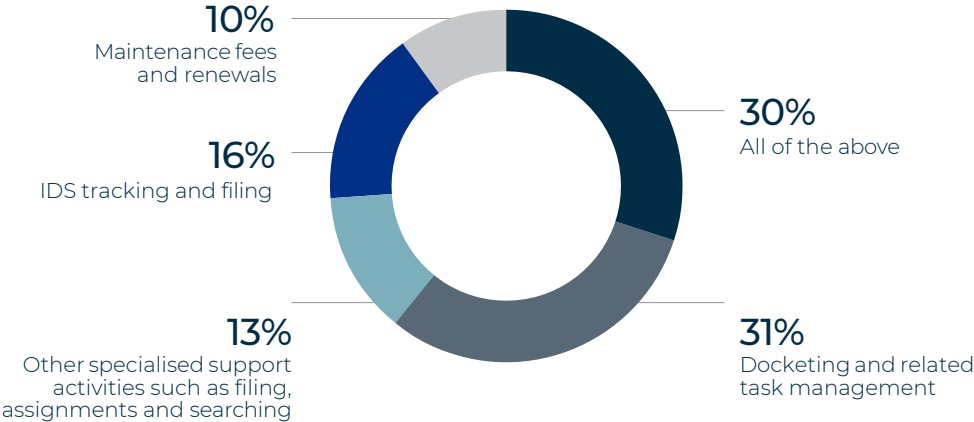
- ✓ **Operational Support Services** combine internal resources and capabilities, together with the support activities offered by external service providers. Roles and responsibilities are allocated based on whether a given activity should be considered core, requiring internal execution, or non-core and effectively performed by external resources. This model provides operational flexibility to both scale and optimally manage budget through efficient resource allocation.
- ✓ **Technology Platform** supporting process efficiency, data quality, and confidence in decision making. Critically, the platform is used by both internal and external service resources. A single-source-of-truth and elimination of complex, risky data export/import enables increased accuracy, timeliness, and sophistication. Whether via a single solution or by combining best-in-class systems, the key is to ensure the seamless integration of information and work processes.
- ✓ **Preferred Network** of external associates and agents that provide required in-country representation or specialist services, screened for capability as well as providing pre-negotiated preferred rates (often through auctions). Flexibility ensures that clients work with their preferred agents, while also encouraging engagement of more cost-effective resources. The network is interconnected to the MIPOps ecosystem through the operational support services and technology platform to ensure a cohesive process.
- ✓ **Standard Operating Procedures (SOPs)** include both formalised work processes and country-specific Paid Time Off (PTO) procedures that derive tasks and associated due dates as part of creating and maintaining IP assets. The SOPs facilitate using templates and automating workflows to reduce time-consuming manual work and increase consistency in work product. They also provide linkage across the operational services, technology platform, and the preferred network to realise the full advantage of the MIPOps model. Importantly, metrics provide the means to measure adherence to the MIPOps model and identify performance improvement opportunities.

### USE CASES FOR MANAGED IP OPS

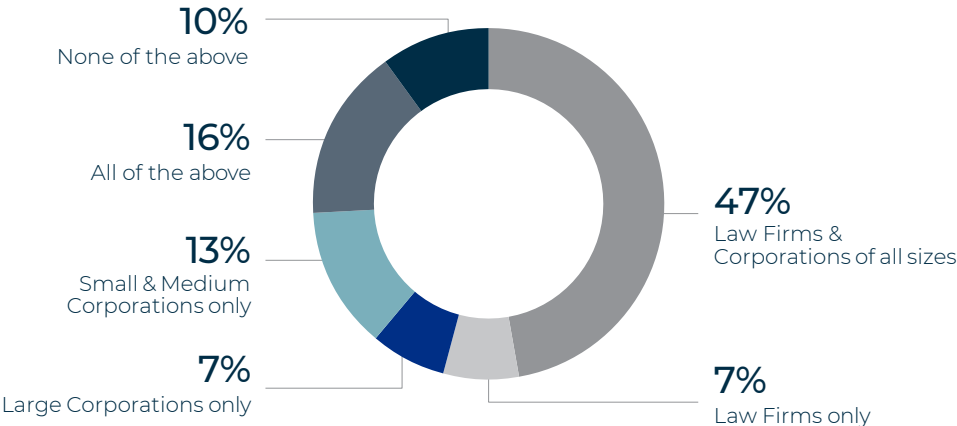
Hyperion Research data validates that the MIPOps model can be widely applied. In a recent survey of IP operations experts, we defined MIPOps as, “the combination of IP management software and IP services to provide a software platform that can be managed and maintained by experienced IP administrators without the need for in-house expertise.” Then we asked which services are best suited to MIPOps. While docketing came out on top, several other types of services were selected and 30% indicated that all of the services we mentioned could be handled under the Managed IP Operations model.

Survey responses were similarly widely distributed regarding the types of organisations that would benefit from the MIPOps model. Nearly half indicated that the model would benefit corporations and law firms of all sizes, and it is noteworthy that 83% saw applicability for corporations across the size spectrum.

### SERVICES BEST SUITED TO MANAGED IP SERVICES



### BEST SUITED ORGANISATIONS FOR MIPOPS MODEL



## THE POTENTIAL OF MIPOPS IS BEING BORNE OUT BY SEVERAL FORWARD-LOOKING COMPANIES:

- ✓ A leading brand company, when faced with increased demand from its managers for more aggressive brand protection and enforcement, designed and implemented a hybrid professional staffing model that focused core internal skills, while establishing a long-term managed IP services agreement for non-core operating activities and its IP management system. This freed up resources and staff to bolster policing, analytics, and take-down activities.
- ✓ A growing biotechnology company with a highly experienced team of senior patent counsel needed to focus on portfolio development, but lacked the resources to build and staff an internal support team. While outside counsel was a valuable resource, the company needed the internal capability to coordinate a rapidly growing and complex docket. The MIPOps approach has enabled the company to quickly address its broad set of IP support needs, with the flexibility to scale as needed.
- ✓ A large technology company with a well-established IP team and practice needed to restructure when faced with new budget realities and a changing corporate IP strategy that was emphasizing a higher value and lower volume portfolio. While reconciling its resource requirements, the company was able to partner with a MIPOps provider that bundled a new technology platform with support resources. The combined platform streamlined the docketing, prosecution activities, and management reporting, and reduced the staff needed for important but non-value-added activities. The newfound capacity allowed the IP team to work more closely with its business stakeholders and increase the quality of its portfolio development.

## ADOPTING MANAGED IP OPERATIONS

The need for IP teams to rethink their approach to operations is driving the opportunity for new service models. Managed IP operations (MIPOps) is emerging as a way for innovation and brand companies to address the challenges of existing operating models whose service and technology are inherently disconnected.

By adopting the MIPOps approach, IP teams can achieve a balanced, flexible operations structure that achieves the goals and objectives of creating valuable, cost-effective IP assets. In the pursuit of managed IP operations, we recommend the following steps: procedures, to provide the blueprint for building and executing a managed IP operations structure.



**Assess** stakeholder requirements and expectations regarding operational support in terms of availability, proximity, and budget;



**Evaluate** existing capabilities and resources, both internal and external, and determine the relative potential to align with the objectives and goals of a managed IP operations programme.



**Determine** core and non-core operational activities by taking an objective look at where work is most effectively performed and how the activities support expectations;



**Define** a managed IP operations architecture that relates the four core components of operational services, technology platform, preferred network, and standard operating procedures, to provide the blueprint for building and executing a managed IP operations structure

By providing a ground-up redefinition of how IP operations can be managed, MIPOps provides an approach that starts with integration of capabilities as a fundamental principal and puts in place an effective technology, services and governance infrastructure.

## WANT TO LEARN MORE?

Reach out to Helios: a RightHub Limited company, provides Managed IP Operations services to corporates and law firms. Offering an integrated technology and services platform, Helios is at the forefront of helping innovator and brand teams achieve greater operational efficiency and improved return on investment across the IP lifecycle. For more information please visit <https://heliosip.com>.

Epiq's Legal Business Advisory experts empower legal teams to re-envision the delivery of legal services, create necessary and data-driven strategies, and then provide legal services to help these teams execute their new strategies quickly and with ease. Among our areas of expertise, we have dedicated experts in the field of IP Advisory with more than 20 years experience in this industry as well as long-standing relationships with major IP management vendors. Learn more at <https://www.epiqglobal.com>.

