



## **2009 IPO Corporate IP Management Benchmarking Survey**

**September 2009**

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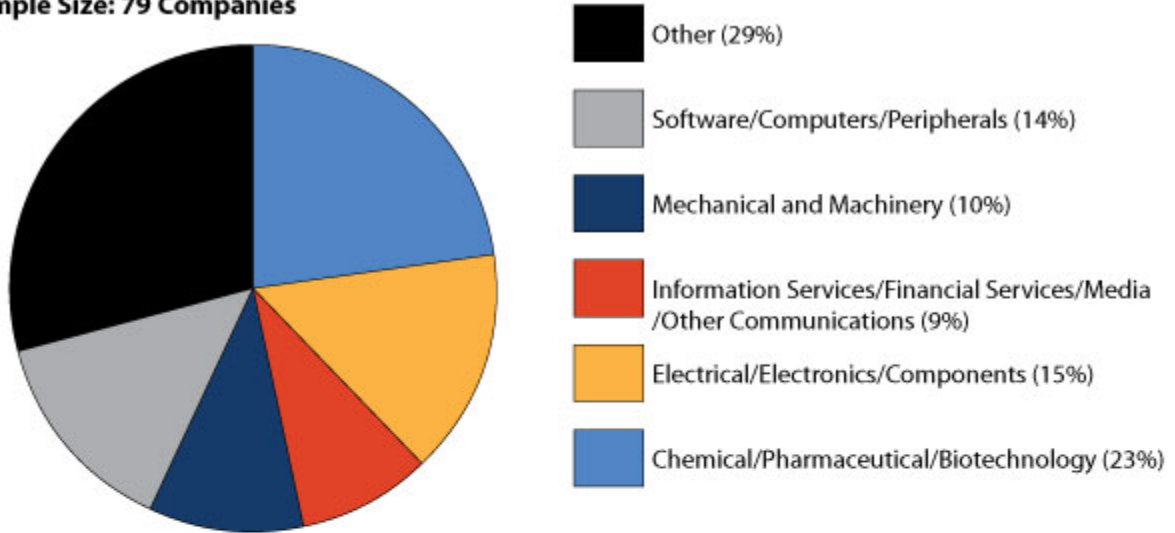
### **Notes:**

1. This is the second time IPO has conducted this survey. It incorporates many of the questions from IPO's 2006 benchmarking survey and some included in a survey the Association of Corporate Patent Counsel (ACPC) conducted in past years.
2. The survey tool was developed by IPO's Corporate IP Management Committee with the help of the IPO staff. We extend special thanks to Steve Fox, Jeff Kuester, Frank Landgraff, and John Williamson.
3. The survey respondents are primarily Chief Patent Counsel and Chief IP Counsel with responsibility for patents and trademarks at their companies. Many of the questions in the survey are directed towards management of patent operations.
4. Numbers in parentheses (excluding percentages) represent the number of respondents.

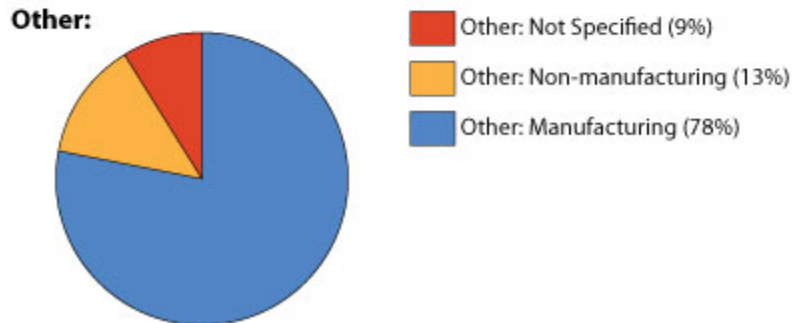
## PART I: ORGANIZATIONAL DATA

1. Identify the single industry sector that most closely describes your company: (Please check one):

Sample Size: 79 Companies

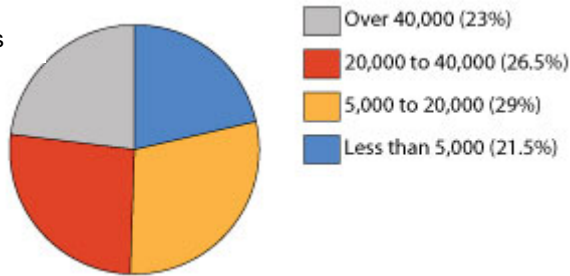


1.1. Is your company manufacturing or non-manufacturing?



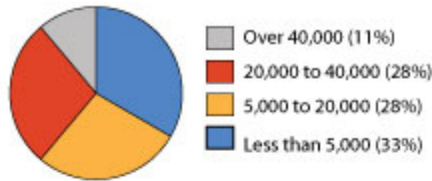
**2. Number of total U.S. employees:**

**Overall: 79 Companies**

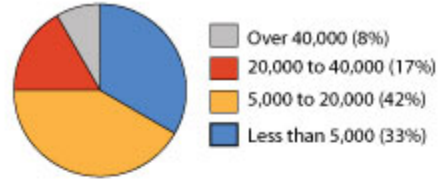


**By Industry:**

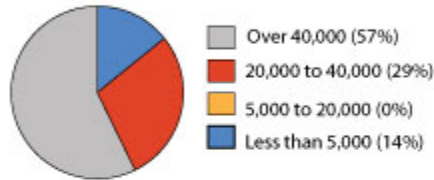
**Chemical/Pharmaceutical/Biotechnology: 18 Companies**



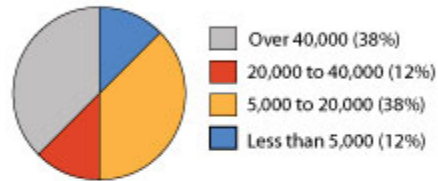
**Electrical/Electronics/Components: 12 Companies**



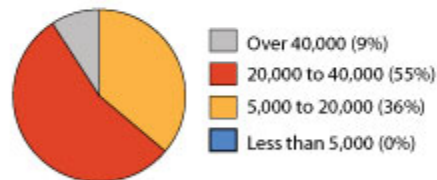
**Information Services/Financial Services/Media/Other Communications: 7 Companies**



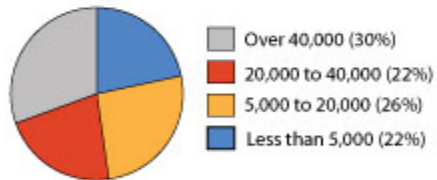
**Mechanical and Machinery: 8 Companies**



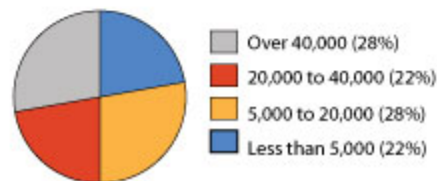
**Software/Computers/Peripherals: 11 Companies**



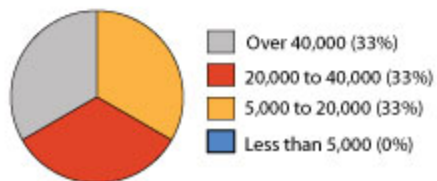
**Other: 23 Companies**



**Other (Manufacturing): 18 Companies**

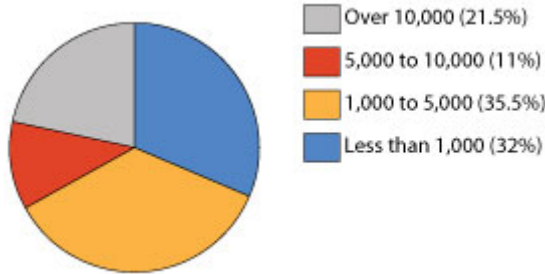


**Other (Non-manufacturing): 3 Companies**



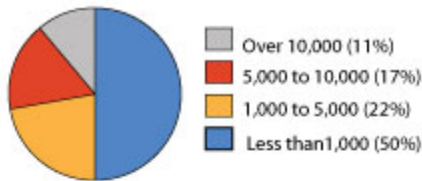
**3. Number of total U.S. engineering and R&D professional employees:**

**Overall: 79 Companies**

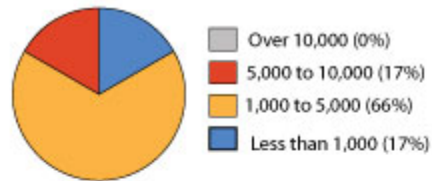


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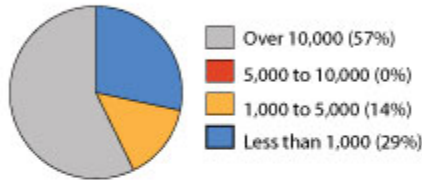
**Chemical/Pharmaceutical/Biotechnology: 18 Companies**



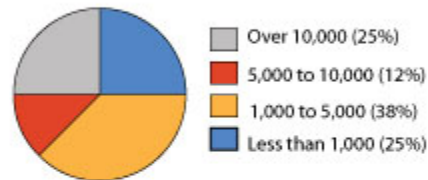
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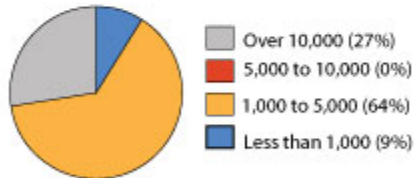
**Information Services/Financial Services/Media/Other Communications: 7 Companies**



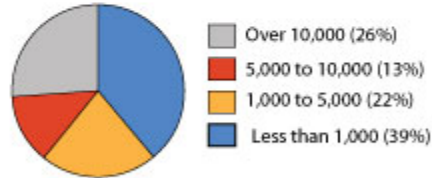
**Mechanical and Machinery: 8 Companies**



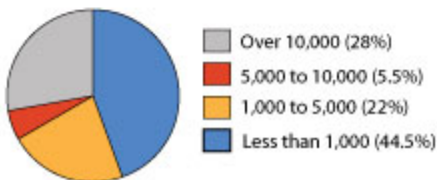
**Software/Computers/Peripherals: 11 Companies**



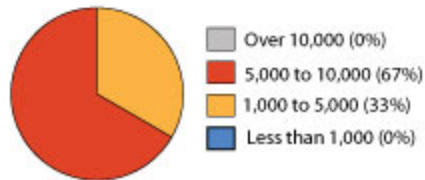
**Other: 23 Companies**



**Other (Manufacturing): 18 Companies**

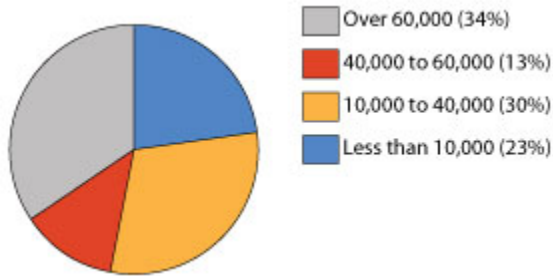


**Other (Non-manufacturing): 3 Companies**



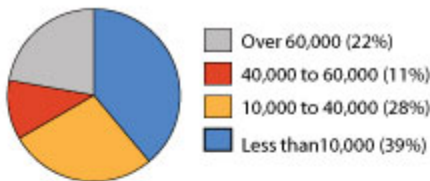
**4. Number of total employees worldwide (including U.S.):**

**Overall: 79 Companies**

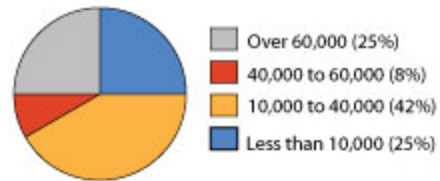


**By Industry:**

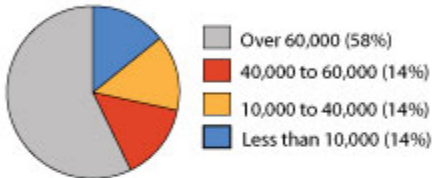
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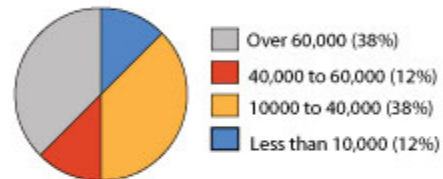
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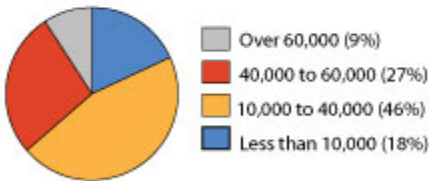
**Information Services/Financial Services/Media/Other Communications: 7 Companies**



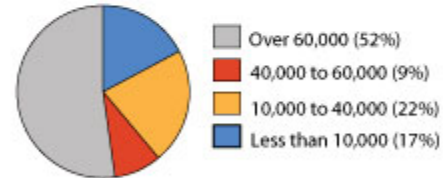
**Mechanical and Machinery: 8 Companies**



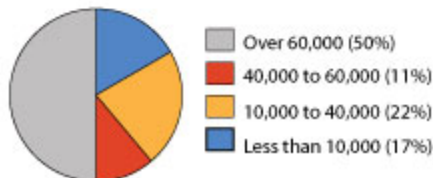
**Software/Computers/Peripherals: 11 Companies**



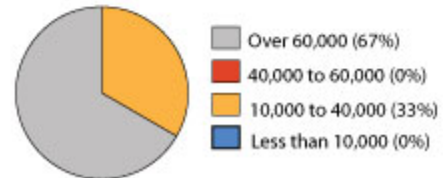
**Other: 23 Companies**



**Other (Manufacturing): 18 Companies**

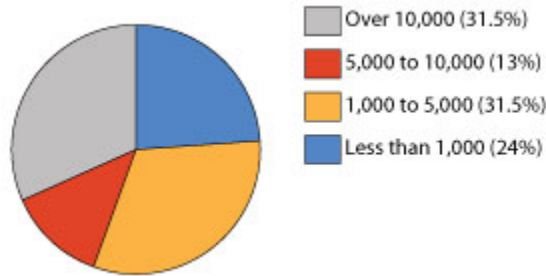


**Other (Non-manufacturing): 3 Companies**



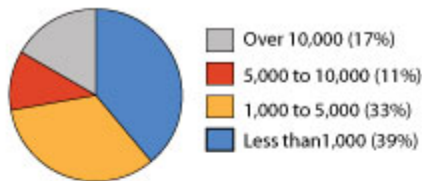
**5. Number of total worldwide (including U.S.) engineering and R&D professional employees:**

**Overall: 79 Companies**

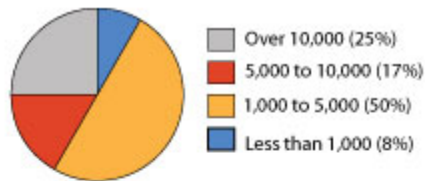


**By Industry:**

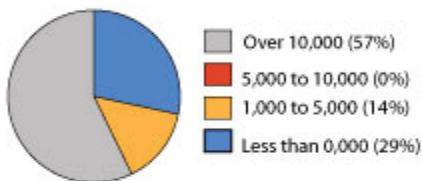
**Chemical/Pharmaceutical/Biotechnology: 18 Companies**



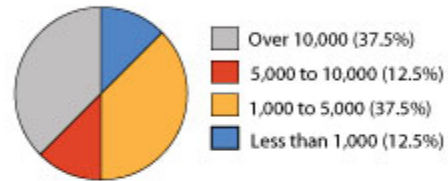
**Electrical/Electronics/Components: 12 Companies**



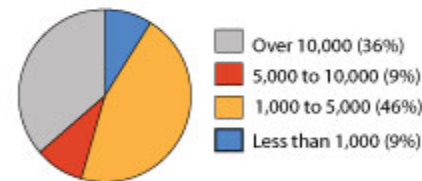
**Information Services/Financial Services/Media/Other Communications: 7 Companies**



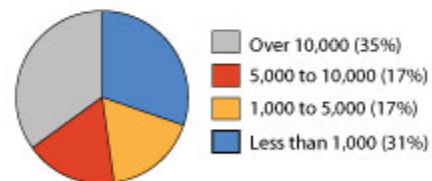
**Mechanical and Machinery: 8 Companies**



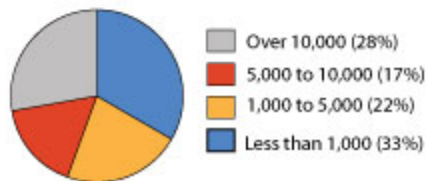
**Software/Computers/Peripherals: 11 Companies**



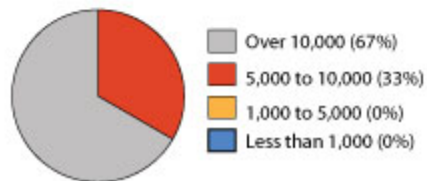
**Other: 23 Companies**



**Other (Manufacturing): 18 Companies**

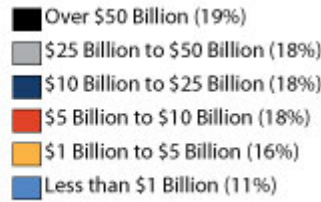
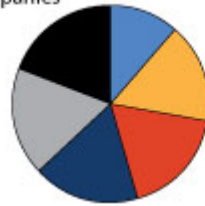


**Other (Non-manufacturing): 3 Companies**



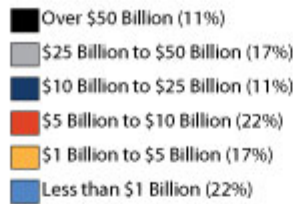
6. Last completed fiscal year revenue range:

Overall: 79 Companies

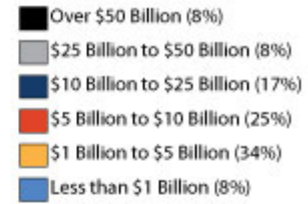


By Industry:

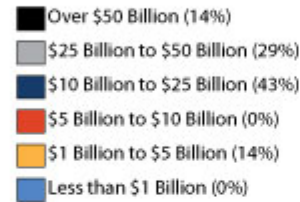
Chemical/Pharmaceutical/Biotechnology: 18 Companies



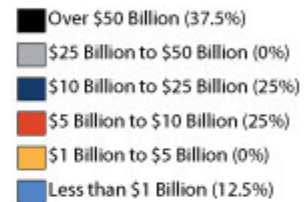
Electrical/Electronics/Components: 12 Companies



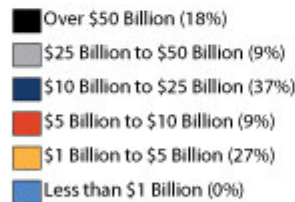
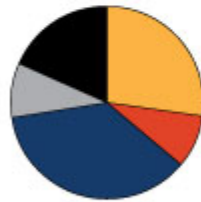
Information Services/Financial Services/Media/Other Communications: 7 Companies



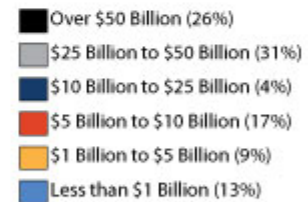
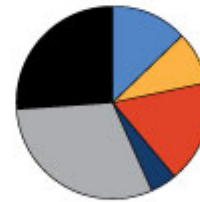
Mechanical and Machinery: 8 Companies



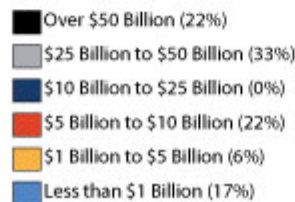
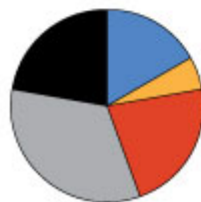
Software/Computers/Peripherals: 11 Companies



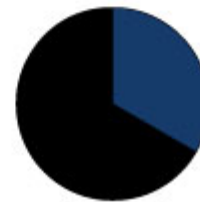
Other: 23 Companies



Other (Manufacturing): 18 Companies

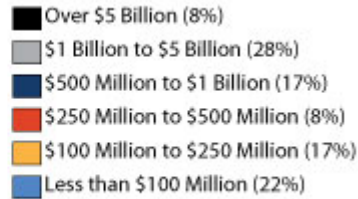


Other (Non-manufacturing): 3 Companies



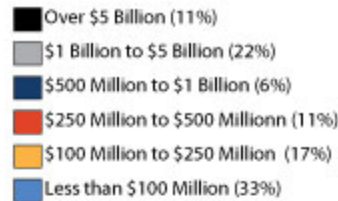
**7. Last completed fiscal year budget for R&D:**

**Overall: 72 Companies**

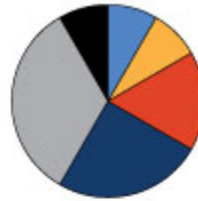


**By Industry:**

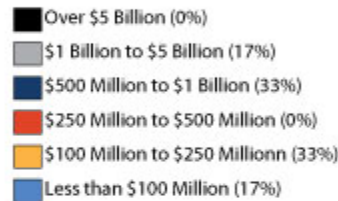
**Chemical/Pharmaceutical/Biotechnology: 18 Companies**



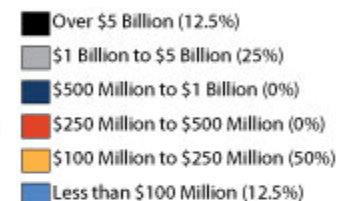
**Electrical/Electronics/Components: 12 Companies**



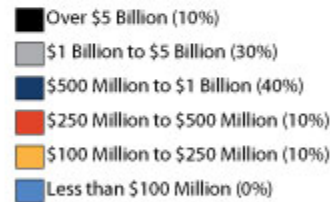
**Information Services/Financial Services/Media/Other Communications: 6 Companies**



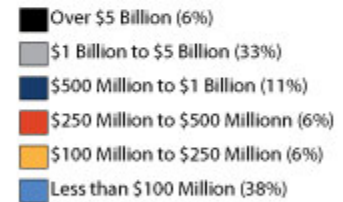
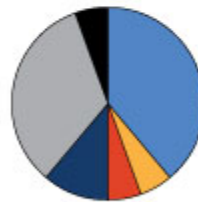
**Mechanical and Machinery: 8 Companies**



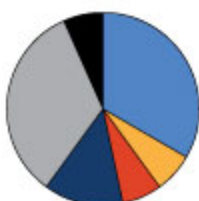
**Software/Computers/Peripherals: 10 Companies**



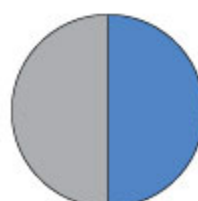
**Other: 18 Companies**



**Other (Manufacturing): 15 Companies**

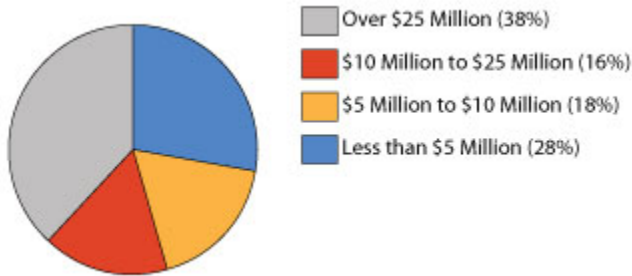


**Other (Non-manufacturing): 2 Companies**



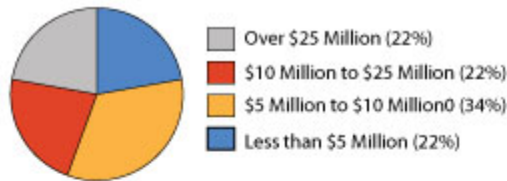
**8. Last completed fiscal year budget for IP department:**

**Overall: 79 Companies**

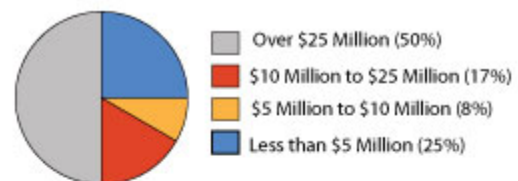


**By Industry:**

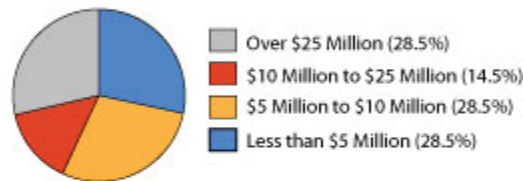
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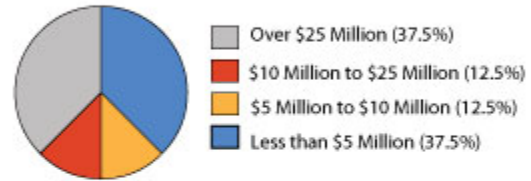
**Electrical/Electronics/Components: 12 Companies**



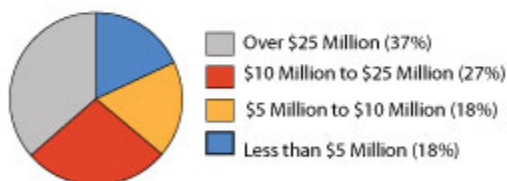
**Information Services/Financial Services/Media/Other Communications: 7 Companies**



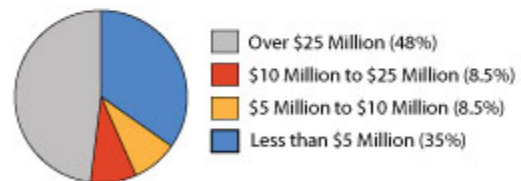
**Mechanical and Machinery: 8 Companies**



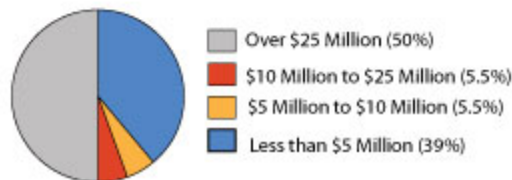
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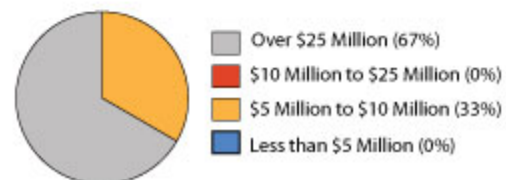
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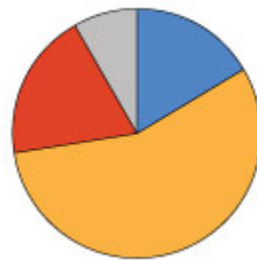


**Other (Non-manufacturing): 3 Companies**



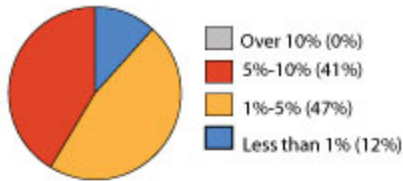
**9. The percentage of the IP budget to the R&D budget:**

Overall: 73 Companies

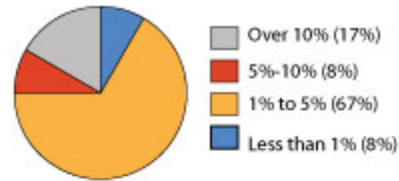


**By Industry:**

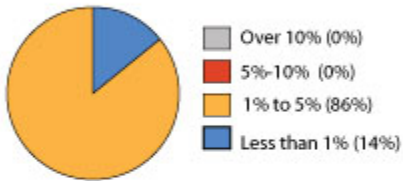
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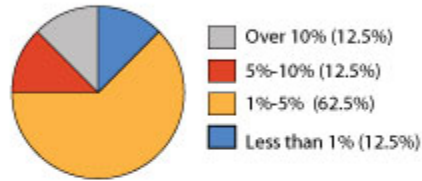
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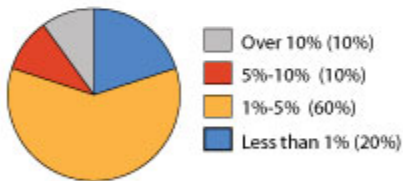
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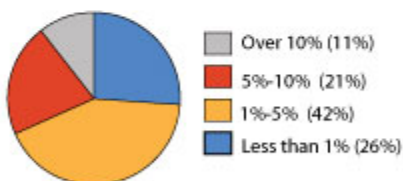
Mechanical and Machinery: 8 Companies



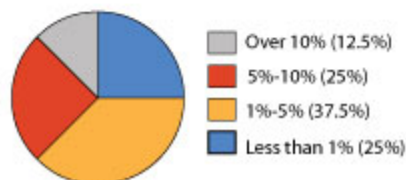
Software/Computers/Peripherals: 10 Companies



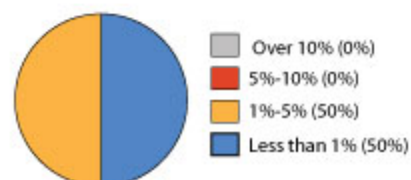
Other: 19 Companies



Other (Manufacturing): 16 Companies



Other (Non-manufacturing): 2 Companies



## PART II: IP STAFFING

10. & 11. List the number of full-time equivalent US and Worldwide (including US) IP professionals and full time equivalent US and Worldwide (including US) support staff employed at end of the last completed fiscal year and indicate whether or not they were resident in the company's IP department with Y/N/Mixed. [Ex. 60/Y]:

Chemical/Pharmaceutical/Biotechnology: 18 Companies	US		Worldwide (including US)		Resident in IP Dept.? (Y/N/Mixed)
	Mean	Median	Mean	Median	Mean
<b>Professionals</b>					
Patent Attorneys	23	7.5	28	8	Y
Trademark Attorneys	3	1	3	1	Y
Patent Agents	3	2	4.5	2.5	Y
Patent Paralegals	5	2.5	5	3	Y
Trademark Paralegals	2	1.5	4	3	Y
Litigation Attorneys	2	1	2	1	Y
Litigation Paralegals	1	1	1	1	Y
Other Attorneys in IP Group	0	0	0	0	
Non-Attorney Professionals	4	1	5	0	Y
<b>Support Staff</b>					
Draftspersons	0	0	0	0	
Docket Clerical	9	2	12	4.5	Y
Secretaries/Administrative	11	4	13	5	Y
Dedicated Computer Support	1	1	1	1	Y
Other	0	0	0	0	
<b>Total Professionals and Support Staff</b>	<b>46</b>	<b>13</b>	<b>65.5</b>	<b>18</b>	<b>Y</b>

Electrical/Electronics/Components: 12 Companies	US		Worldwide (including US)		Resident in IP Dept.? (Y/N/Mixed)
	Mean	Median	Mean	Median	Mean
<b>Professionals</b>					
Patent Attorneys	12	6	11	4	Y
Trademark Attorneys	0	0	.5	.5	
Patent Agents	2	.5	3	2	
Patent Paralegals	2	2	2	2	Y
Trademark Paralegals	1	1	1	1	
Litigation Attorneys	2	1	1	1	
Litigation Paralegals	1	1	.5	.5	N
Other Attorneys in IP Group	1	0	0	0	
Non-Attorney Professionals	1	0	2	.5	
<b>Support Staff</b>					
Draftspersons	0	0	0	0	
Docket Clerical	3	4	2	2.5	Y
Secretaries/Administrative	6	3	5	4.5	Y
Dedicated Computer Support	0	0	0	0	
Other	0	0	0	0	
<b>Total Professionals and Support Staff</b>	<b>22.5</b>	<b>18</b>	<b>118</b>	<b>25</b>	

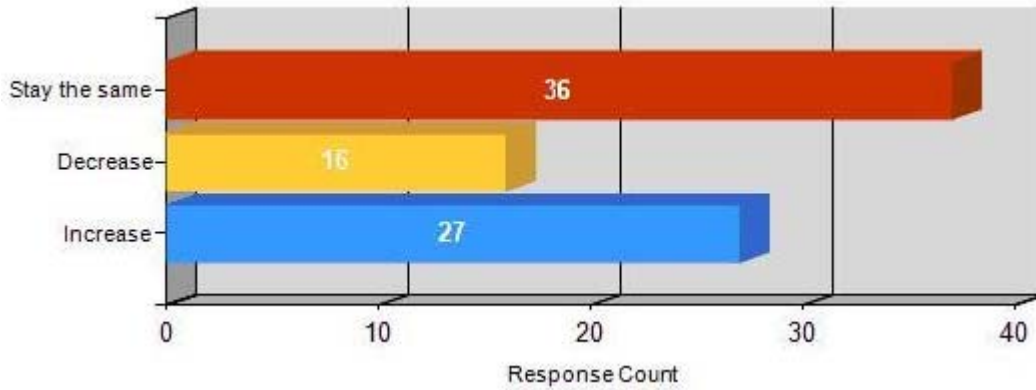
Information Services/Financial Services/Media/Other Communications: 7 Companies	US		Worldwide (including US)		Resident in IP Dept.? (Y/N/Mixed)
	Mean	Median	Mean	Median	Mean
<b>Professionals</b>					
Patent Attorneys	6.5	3	7	3	Y
Trademark Attorneys	2	2	2	2	Y
Patent Agents	.5	.5	.5	.5	
Patent Paralegals	1	1	1.5	2	Y
Trademark Paralegals	2	2	2	2	Y
Litigation Attorneys	1	.5	1	.5	Y
Litigation Paralegals	1	0	1	0	
Other Attorneys in IP Group	4	1	4	2	
Non-Attorney Professionals	10	3	12	3	Y
<b>Support Staff</b>					
Draftspersons	0	0	0	0	
Docket Clerical	2	1	2	1	
Secretaries/Administrative	5	2	5	2	Y
Dedicated Computer Support	2	1	2	2	
Other	1	.5	1	.5	
<b>Total Professionals and Support Staff</b>	<b>35</b>	<b>16.5</b>	<b>38</b>	<b>19.5</b>	<b>Y</b>

Mechanical and Machinery: 7 Companies	US		Worldwide (including US)		Resident in IP Dept.? (Y/N/Mixed)
	Mean	Median	Mean	Median	Mean
<b>Professionals</b>					
Patent Attorneys	12	5	14	6	Y
Trademark Attorneys	1	0	1	0	
Patent Agents	1	1	2	1.5	Y
Patent Paralegals	3	2	4	2	Y
Trademark Paralegals	1	1	1.5	1	Y
Litigation Attorneys	0	0	0	0	
Litigation Paralegals	0	0	0	0	
Other Attorneys in IP Group	1	.5	1	.5	Y
Non-Attorney Professionals	4	1	4	1	
<b>Support Staff</b>					
Draftspersons	0	0	0	0	
Docket Clerical	1	.5	1	.5	
Secretaries/Administrative	4	2.5	5	3	Y
Dedicated Computer Support	0	0	0	0	
Other	0	0	0	0	
<b>Total Professionals and Support Staff</b>	<b>30</b>	<b>20.5</b>	<b>38.5</b>	<b>35</b>	

Software/Computers/Peripherals: 11 Companies	US		Worldwide (including US)		Resident in IP Dept.? (Y/N/Mixed)
	Mean	Median	Mean	Median	Mean
<b>Professionals</b>					
Patent Attorneys	11	10	14	10.5	
Trademark Attorneys	2	1	1	.5	
Patent Agents	1	1	3	2	
Patent Paralegals	5.5	1	7	2.5	
Trademark Paralegals	2	1	2	1	
Litigation Attorneys	3.5	2	4	2	
Litigation Paralegals	3.5	2	4	2	
Other Attorneys in IP Group	4	1	5	1	
Non-Attorney Professionals	8	2	11	2.5	
<b>Support Staff</b>					
Draftspersons	0	0	0	0	
Docket Clerical	2	2	3	3	
Secretaries/Administrative	3	2	3.5	4	
Dedicated Computer Support	1	1	1	.5	
Other	0	0	0	0	
<b>Total Professionals and Support Staff</b>	40	20.5	64	34.5	Mixed

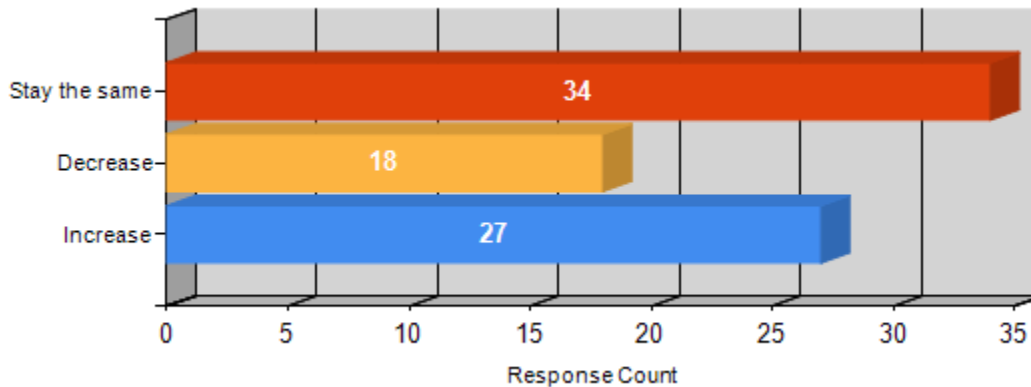
Other: 20 Companies	US		Worldwide (including US)		Resident in IP Dept.? (Y/N/Mixed)
	Mean	Median	Mean	Median	Mean
<b>Professionals</b>					
Patent Attorneys	16	10	25.5	11	Y
Trademark Attorneys	2	1	6	2	Y
Patent Agents	5	2	4	2	
Patent Paralegals	4	3	4	2	Y
Trademark Paralegals	2	1.5	3	2	
Litigation Attorneys	1	1	1	1	
Litigation Paralegals	1	1	1	1	
Other Attorneys in IP Group	4	2	1	1	Y
Non-Attorney Professionals	5	1	5	1.5	
<b>Support Staff</b>					
Draftspersons	0	0	1	0	
Docket Clerical	3.5	2	3	1	
Secretaries/Administrative	8	4.5	15	4	
Dedicated Computer Support	1	1	2	2	
Other	3	0	3	0	
<b>Total Professionals and Support Staff</b>	53	31	75	47	

12. With respect to the total number of IP professionals currently working in your organization, during the next year do you expect the number of IP professionals to:



79 Companies:	%
Increase	34%
Decrease	20%
Stay the Same	46%

13. Do you expect the number of patent applications prepared in-house to:



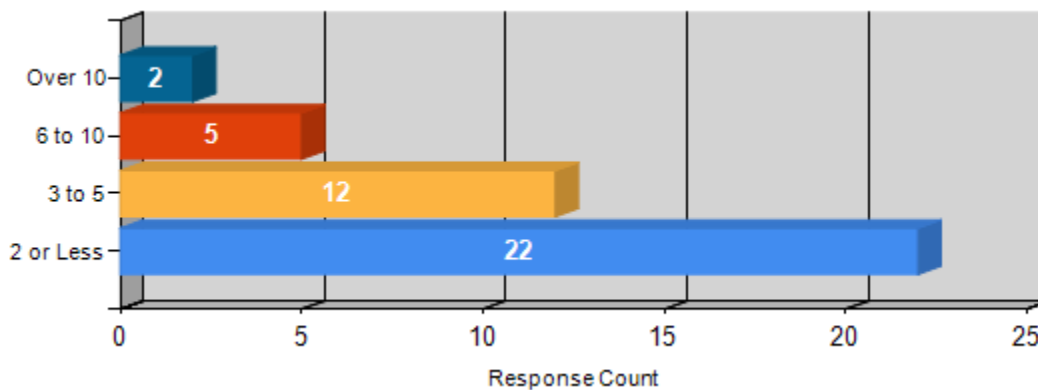
79 Companies:	%
Increase	34%
Decrease	23%
Stay the Same	43%

## PART III: IP DEPARTMENT STRUCTURE

14. Are patent operations centralized in a single location?

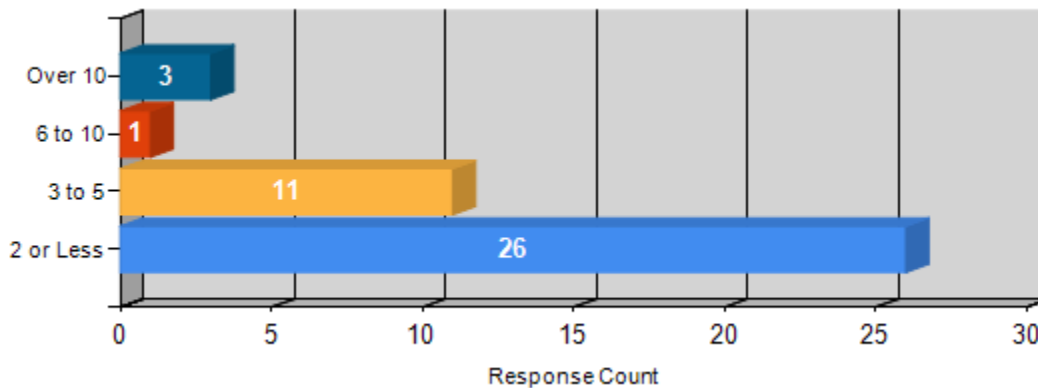
78 Companies:	%
Yes	46% (36)
No	54% (42)

14.1. If response to 14 is no, provide the number of locations of U.S. patent operations:



41 Companies:	%
2 or Less	54%
3 to 5	29%
6 to 10	12%
Over 10	5%

14.2. If response to 14 is no, provide the number of locations of non-U.S. patent operations:



<b>41 Companies:</b>	<b>%</b>
<b>2 or Less</b>	63.5%
<b>3 to 5</b>	27%
<b>6 to 10</b>	2.5%
<b>Over 10</b>	7%

15. The Chief IP Counsel primarily reports to: (check one)

<b>77 Companies:</b>	<b>%</b>
Chief Legal Officer (General Counsel)	89.5% (69)
Chief Executive Officer / President	4% (3)
Intellectual Property Business Unit Executive, Licensing Executive or Chief Strategy Officer (non-attorney)	2.5% (2)
Engineering or R&D Executive	0%
Other	4% (3)

16. Estimate the percent of time spent on the following by in-house professionals in support of the overall IP function:

<b>Chemical/Pharmaceutical/Biotechnology: 18 Companies</b>	<b>Mean %</b>	<b>Median</b>
US and foreign patent preparation, filing and prosecution (including disclosure review and novelty searching)	43	42.5
Other non-litigation patent counseling (i.e. validity and infringement studies, commercial support, licensing, agreements, interferences, M&A support)	29	27.5
Trademark counseling	6	5
Copyright counseling	1	1
Other counseling (trade secret, mask works, etc.)	3	2
Patent Litigation	8	5
Trademark Litigation	1	0
Copyright Litigation	0	0
IP Department administration	6	5
In-house filings other than Patents (trademark, copyright, etc.)	2	0
Other	1	0
<b>Total</b>	<b>100%</b>	

<b>Electrical/Electronics/Components: 11 Companies</b>	<b>Mean %</b>	<b>Median</b>
US and foreign patent preparation, filing and prosecution (including disclosure review and novelty searching)	42	35
Other non-litigation patent counseling (i.e. validity and infringement studies, commercial support, licensing, agreements, interferences, M&A support)	27	25
Trademark counseling	4	5
Copyright counseling	2	2
Other counseling (trade secret, mask works, etc.)	3	2
Patent Litigation	11	15
Trademark Litigation	1	0
Copyright Litigation	0	0
IP Department administration	4	5
In-house filings other than Patents (trademark, copyright, etc.)	4	0
Other	1	0
<b>Total</b>	<b>100%</b>	

<b>Information Services/Financial Services/Media/Other Communications: 7 Companies</b>	<b>Mean %</b>	<b>Median</b>
US and foreign patent preparation, filing and prosecution (including disclosure review and novelty searching)	35	35
Other non-litigation patent counseling (i.e. validity and infringement studies, commercial support, licensing, agreements, interferences, M&A support)	19	20
Trademark counseling	17	10
Copyright counseling	1	1
Other counseling (trade secret, mask works, etc.)	2	2
Patent Litigation	8	5
Trademark Litigation	3.5	2
Copyright Litigation	1	0
IP Department administration	7	5
In-house filings other than Patents (trademark, copyright, etc.)	2	2
Other	4.5	0
<b>Total</b>	<b>100%</b>	

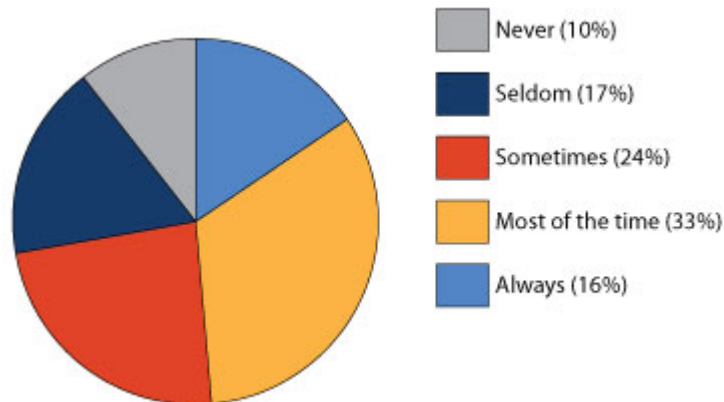
<b>Mechanical and Machinery: 7 Companies</b>	<b>Mean %</b>	<b>Median</b>
US and foreign patent preparation, filing and prosecution (including disclosure review and novelty searching)	36.5	30
Other non-litigation patent counseling (i.e. validity and infringement studies, commercial support, licensing, agreements, interferences, M&A support)	29	30
Trademark counseling	7	10
Copyright counseling	1	1
Other counseling (trade secret, mask works, etc.)	3	1
Patent Litigation	7	6
Trademark Litigation	3	3
Copyright Litigation	0	0
IP Department administration	8	7
In-house filings other than Patents (trademark, copyright, etc.)	4	5
Other	1.5	0
<b>Total</b>	<b>100%</b>	

<b>Software/Computers/Peripherals: 11 Companies</b>	<b>Mean %</b>	<b>Median</b>
US and foreign patent preparation, filing and prosecution (including disclosure review and novelty searching)	30	30
Other non-litigation patent counseling (i.e. validity and infringement studies, commercial support, licensing, agreements, interferences, M&A support)	30	25
Trademark counseling	9	10
Copyright counseling	2	1
Other counseling (trade secret, mask works, etc.)	2	0
Patent Litigation	15	20
Trademark Litigation	1	0
Copyright Litigation	1	0
IP Department administration	6	5
In-house filings other than Patents (trademark, copyright, etc.)	3	3
Other	1	0
<b>Total</b>	<b>100%</b>	

Other: 21 Companies	Mean %	Median
US and foreign patent preparation, filing and prosecution (including disclosure review and novelty searching)	35	35
Other non-litigation patent counseling (i.e. validity and infringement studies, commercial support, licensing, agreements, interferences, M&A support)	24	25
Trademark counseling	10	9
Copyright counseling	2	1
Other counseling (trade secret, mask works, etc.)	6	2
Patent Litigation	7	5
Trademark Litigation	3	1
Copyright Litigation	0	0
IP Department administration	8	5
In-house filings other than Patents (trademark, copyright, etc.)	2	0
Other	3	1
<b>Total</b>	<b>100%</b>	

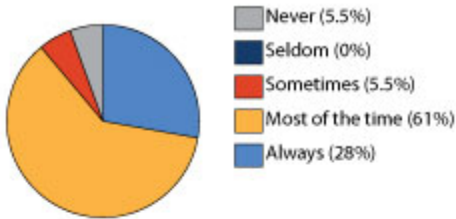
17. How often does your company do product clearance patent searches on its new products?

Overall: 76 Companies

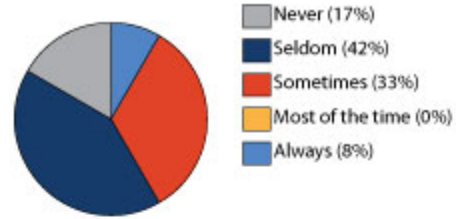


**By Industry:**

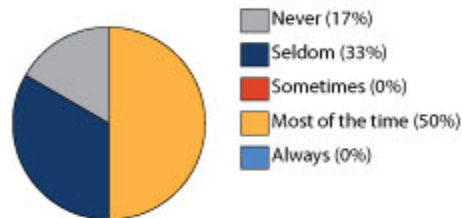
Chemical/Pharmaceutical/Biotechnology: 18 Companies



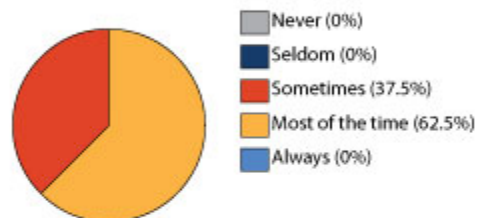
Electrical/Electronics/Components: 12 Companies



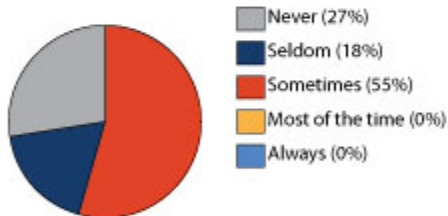
Information Services/Financial Services/Media/Other Communications: 6 Companies



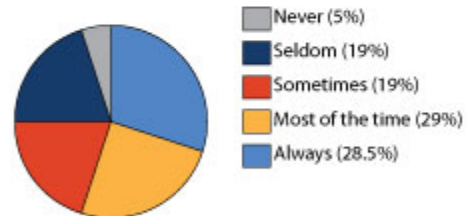
Mechanical and Machinery: 8 Companies



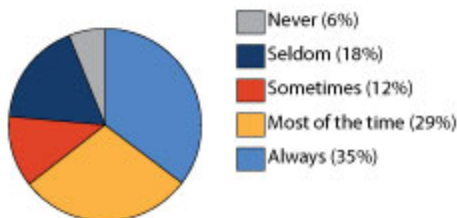
Software/Computers/Peripherals: 11 Companies



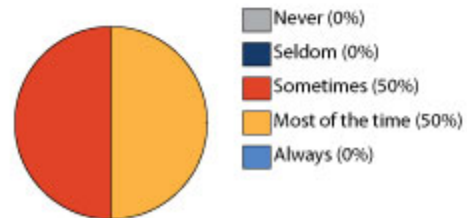
Other: 21 Companies



Other (Manufacturing): 17 Companies

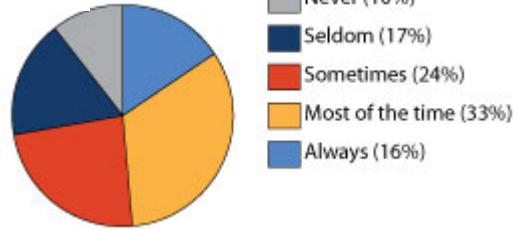


Other (Non-manufacturing): 2 Companies



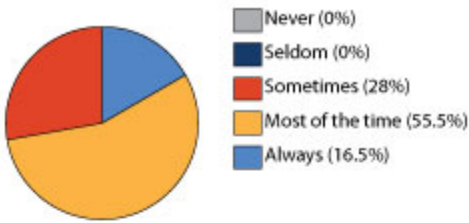
**18. How often does your company monitor patents issued to your competitors by the USPTO and major foreign patent offices as they are issued?**

Overall: 76 Companies

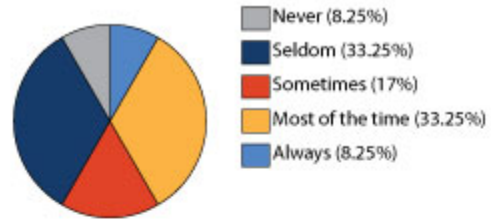


**By Industry:**

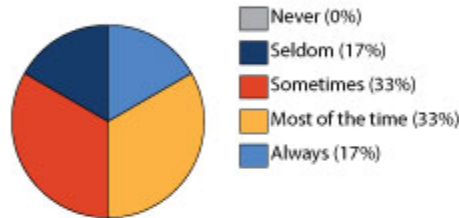
Chemical/Pharmaceutical/Biotechnology: 18 Companies



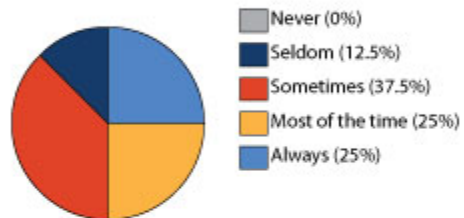
Electrical/Electronics/Components: 12 Companies



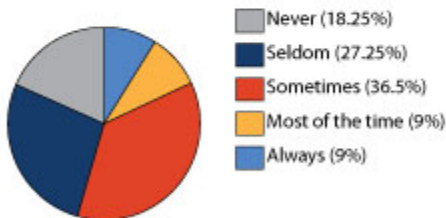
Information Services/Financial Services/Media/Other Communications: 6 Companies



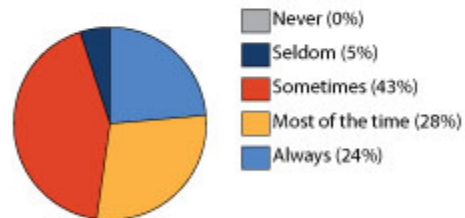
Mechanical and Machinery: 8 Companies



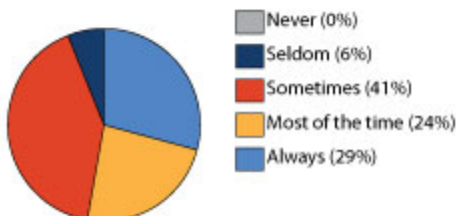
Software/Computers/Peripherals: 11 Companies



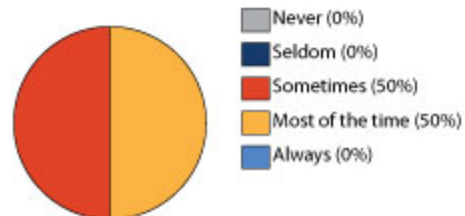
Other: 21 Companies



Other (Manufacturing): 17 Companies



Other (Non-manufacturing): 2 Companies



## PART IV: FINANCIAL

**(Please provide information in USD for the last completed fiscal year.)**

**19. & 20. Patent Procurement (preparation, prosecution and maintenance) expenses for U.S. based and Worldwide (including U.S.) operations: (All financial information is displayed in USD.)**

Chemical/Pharmaceutical/Biotechnology: 11 Companies	U.S.		Worldwide	
	Mean	Median	Mean	Median
Compensation and Benefits (salaries, bonuses, etc.)	8,000,000	3,000,000	18,000,000	9,000,000
Contract Attorneys	4,000	0	0	0
Other Temporary Staff	42,000	0	52,000	0
Occupancy (include rent, utilities, maintenance and repair)	200,000	65,000	700,000	120,000
Technology and Equipment (include hardware, software, services, depreciation/lease expense)	540,000	160,000	600,000	100,000
All Other Operating Expenses	1,600,000	1,000,000	1,700,000	300,000
U.S. Patent Office Fees (excluding maintenance/annuity costs)	800,000	400,000	2,000,000	270,000
U.S. Maintenance/Annuity Costs/Government Fees	700,000	400,000	1,000,000	400,000
Non-U.S. Patent Office Fees (excluding maintenance/annuity costs)	1,800,000	900,000	1,600,000	230,000
Non-U.S. Maintenance/Annuity Costs/Government Fees	1,700,000	1,200,000	6,200,000	1,200,000
Outside Counsel Fees for Preparing and Filing U.S. Patent Applications (excluding government fees)	600,000	250,000	1,000,000	115,000
Outside Counsel Fees for Prosecuting U.S. Patent Applications (excluding government fees)	700,000	200,000	2,500,000	165,000
Outside Counsel Fees for Preparing and Filing Non-U.S. Patent Applications (excluding government fees)	400,000	500,000	1,500,000	120,000
Outside Counsel Fees for Prosecuting Non-U.S. Patent Applications (excluding government fees)	1,000,000	200,000	9,600,000	250,000
Other Outside Counsel Fees	7,800,000	400,000	11,700,000	150,000
<b>Total Expenses (Inside + Outside)</b>	<b>20,000,000</b>	<b>7,400,000</b>	<b>30,000,000</b>	<b>5,700,000</b>

Electrical/Electronics/Components: 4 Companies	U.S.		Worldwide	
	Mean	Median	Mean	Median
Compensation and Benefits (salaries, bonuses, etc.)	6,200,000	6,200,000	3,000,000	3,000,000
Contract Attorneys	0	0	0	0
Other Temporary Staff	0	0	0	0
Occupancy (include rent, utilities, maintenance and repair)	700,000	700,000	50,000	50,000
Technology and Equipment (include hardware, software, services, depreciation/lease expense)	960,000	960,000	100,000	100,000
All Other Operating Expenses	400,000	400,000	0	0
U.S. Patent Office Fees (excluding maintenance/annuity costs)	1,600,000	1,600,000	125,000	125,000
U.S. Maintenance/Annuity Costs/Government Fees	6,000,000	6,000,000	500,000	500,000
Non-U.S. Patent Office Fees (excluding maintenance/annuity costs)	350,000	350,000	560,000	560,000
Non-U.S. Maintenance/Annuity Costs/Government Fees	1,600,000	1,600,000	380,000	380,000
Outside Counsel Fees for Preparing and Filing U.S. Patent Applications (excluding government fees)	3,100,000	3,100,000	560,000	560,000
Outside Counsel Fees for Prosecuting U.S. Patent Applications (excluding government fees)	2,500,000	2,500,000	720,000	720,000
Outside Counsel Fees for Preparing and Filing Non-U.S. Patent Applications (excluding government fees)	1,000,000	1,000,000	125,000	125,000
Outside Counsel Fees for Prosecuting Non-U.S. Patent Applications (excluding government fees)	650,000	650,000	400,000	400,000
Other Outside Counsel Fees	1,000,000	1,000,000	83,000,000	83,000,000
<b>Total Expenses (Inside + Outside)</b>	<b>24,300,000</b>	<b>23,200,000</b>	<b>68,000,000</b>	<b>32,000,000</b>

Information Services/Financial Services/Media/Other Communications: 2	U.S.		Worldwide	
	Mean	Median	Mean	Median
Compensation and Benefits (salaries, bonuses, etc.)	7,000,000	7,000,000	10,000,000	10,000,000
Contract Attorneys	1,800,000	1,800,000	1,800,000	1,800,000
Other Temporary Staff	250,000	250,000	600,000	600,000
Occupancy (include rent, utilities, maintenance and repair)	400,000	400,000	400,000	400,000
Technology and Equipment (include hardware, software, services, depreciation/lease expense)	1,200,000	1,200,000	1,200,000	1,200,000
All Other Operating Expenses	0	0	0	0
U.S. Patent Office Fees (excluding maintenance/annuity costs)	2,000,000	2,000,000	2,000,000	2,000,000
U.S. Maintenance/Annuity Costs/Government Fees	2,700,000	2,700,000	1,800,000	900,000
Non-U.S. Patent Office Fees (excluding maintenance/annuity costs)	1,250,000	1,250,000	1,250,000	1,250,000
Non-U.S. Maintenance/Annuity Costs/Government Fees	2,500,000	2,500,000	2,500,000	2,500,000
Outside Counsel Fees for Preparing and Filing U.S. Patent Applications (excluding government fees)	3,000,000	3,000,000	2,500,000	2,800,000
Outside Counsel Fees for Prosecuting U.S. Patent Applications (excluding government fees)	1,100,000	1,100,000	1,100,000	1,100,000
Outside Counsel Fees for Preparing and Filing Non-U.S. Patent Applications (excluding government fees)	2,000,000	2,000,000	2,000,000	2,000,000
Outside Counsel Fees for Prosecuting Non-U.S. Patent Applications (excluding government fees)	1,000,000	1,000,000	1,000,000	1,000,000
Other Outside Counsel Fees	1,800,000	1,800,000	1,800,000	1,800,000
<b>Total Expenses (Inside + Outside)</b>	<b>38,800,000</b>	<b>38,800,000</b>	<b>44,800,000</b>	<b>44,800,000</b>

Mechanical and Machinery: 6 Companies	U.S.		Worldwide	
	Mean	Median	Mean	Median
Compensation and Benefits (salaries, bonuses, etc.)	2,000,000	1,600,000	2,500,000	1,600,000
Contract Attorneys	0	0	0	0
Other Temporary Staff	0	0	0	0
Occupancy (include rent, utilities, maintenance and repair)	0	0	0	0
Technology and Equipment (include hardware, software, services, depreciation/lease expense)	90,000	90,000	88,000	88,000
All Other Operating Expenses	260,000	200,000	360,000	200,000
U.S. Patent Office Fees (excluding maintenance/annuity costs)	950,000	950,000	1,000,000	1,100,000
U.S. Maintenance/Annuity Costs/Government Fees	1,200,000	1,200,000	1,000,000	500,000
Non-U.S. Patent Office Fees (excluding maintenance/annuity costs)	30,000	30,000	730,000	730,000
Non-U.S. Maintenance/Annuity Costs/Government Fees	60,000	60,000	2,000,000	2,700,000
Outside Counsel Fees for Preparing and Filing U.S. Patent Applications (excluding government fees)	1,100,000	1,100,000	1,100,000	1,100,000
Outside Counsel Fees for Prosecuting U.S. Patent Applications (excluding government fees)	1,200,000	1,200,000	1,200,000	1,200,000
Outside Counsel Fees for Preparing and Filing Non-U.S. Patent Applications (excluding government fees)	25,000	25,000	1,700,000	1,700,000
Outside Counsel Fees for Prosecuting Non-U.S. Patent Applications (excluding government fees)	75,000	75,000	2,300,000	2,300,000
Other Outside Counsel Fees	320,000	320,000	320,000	320,000
<b>Total Expenses (Inside + Outside)</b>	<b>5,000,000</b>	<b>2,000,000</b>	<b>13,300,000</b>	<b>13,150,000</b>

<b>Software/Computers/Peripherals: 6 Companies</b>	<b>U.S.</b>		<b>Worldwide</b>	
	<b>Mean</b>	<b>Median</b>	<b>Mean</b>	<b>Median</b>
Compensation and Benefits (salaries, bonuses, etc.)	7,500,000	4,060,000	9,200,000	4,200,000
Contract Attorneys	0	0	0	0
Other Temporary Staff	170,000	0	500,000	500,000
Occupancy (include rent, utilities, maintenance and repair)	500,000	420,000	610,000	610,000
Technology and Equipment (include hardware, software, services, depreciation/lease expense)	200,000	200,000	100,000	100,000
All Other Operating Expenses	660,000	400,000	600,000	400,000
U.S. Patent Office Fees (excluding maintenance/annuity costs)	3,200,000	500,000	4,200,000	430,000
U.S. Maintenance/Annuity Costs/Government Fees	2,300,000	1,900,000	2,000,000	525,000
Non-U.S. Patent Office Fees (excluding maintenance/annuity costs)	435,000	35,000	1,435,000	1,270,000
Non-U.S. Maintenance/Annuity Costs/Government Fees	1,500,000	950,000	2,300,000	1,200,000
Outside Counsel Fees for Preparing and Filing U.S. Patent Applications (excluding government fees)	5,500,000	3,400,000	7,100,000	1,140,000
Outside Counsel Fees for Prosecuting U.S. Patent Applications (excluding government fees)	7,000,000	2,750,000	16,700,000	16,700,000
Outside Counsel Fees for Preparing and Filing Non-U.S. Patent Applications (excluding government fees)	1,100,000	740,000	4,255,000	740,000
Outside Counsel Fees for Prosecuting Non-U.S. Patent Applications (excluding government fees)	2,400,000	2,240,000	9,100,000	1,480,000
Other Outside Counsel Fees	1,400,000	90,000	2,000,000	2,000,000
<b>Total Expenses (Inside + Outside)</b>	<b>43,000,000</b>	<b>29,300,000</b>	<b>76,000,000</b>	<b>76,000,000</b>

<b>Other: 7 Companies</b>	<b>U.S.</b>		<b>Worldwide</b>	
	<b>Mean</b>	<b>Median</b>	<b>Mean</b>	<b>Median</b>
Compensation and Benefits (salaries, bonuses, etc.)	5,800,000	550,000	13,700,000	12,000,000
Contract Attorneys	270,000	200,000	225,000	225,000
Other Temporary Staff	30,000	50,000	50,000	50,000
Occupancy (include rent, utilities, maintenance and repair)	1,500,000	1,500,000	1,070,000	1,600,000
Technology and Equipment (include hardware, software, services, depreciation/lease expense)	1,150,000	800,000	1,700,000	1,800,000
All Other Operating Expenses	2,100,000	1,000,000	3,000,000	2,250,000
U.S. Patent Office Fees (excluding maintenance/annuity costs)	750,000	100,000	1,500,000	2,250,000
U.S. Maintenance/Annuity Costs/Government Fees	800,000	60,000	1,500,000	2,000,000
Non-U.S. Patent Office Fees (excluding maintenance/annuity costs)	2,200,000	1,050,000	3,500,000	4,000,000
Non-U.S. Maintenance/Annuity Costs/Government Fees	2,000,000	200,000	3,900,000	2,000,000
Outside Counsel Fees for Preparing and Filing U.S. Patent Applications (excluding government fees)	2,500,000	700,000	4,170,000	1,500,000
Outside Counsel Fees for Prosecuting U.S. Patent Applications (excluding government fees)	1,570,000	600,000	1,100,000	900,000
Outside Counsel Fees for Preparing and Filing Non-U.S. Patent Applications (excluding government fees)	1,625,000	525,000	2,300,000	1,500,000
Outside Counsel Fees for Prosecuting Non-U.S. Patent Applications (excluding government fees)	3,270,000	525,000	4,700,000	2,000,000
Other Outside Counsel Fees	4,050,000	3,100,000	5,600,000	5,800,000
<b>Total Expenses (Inside + Outside)</b>	<b>23,500,000</b>	<b>2,640,000</b>	<b>23,050,000</b>	<b>3,000,000</b>

21. & 22. Total litigation (inter partes before a court but not before a patent office) for last complete fiscal year:

52 Companies	Total Expenses: USD		Number of Active Matters Pending	
	Mean	Median	Mean	Median
Patent	10,500,000	1,500,000	19	3.5
Trademark	400,000	20,000	4	1
Copyright	740,000	0	1	0

23. IP Generated Income:

75 Companies:	Yes	No
a. Is the IP Department considered/treated as a corporate profit center?	15% (11)	85% (64)
b. Do licensing fees or similar income "come through" (and directly impact) the IP department budget?	15% (11)	85% (63)
c. Is the IP department's performance measured directly on the amount of licensing and similar income received by the corporation?	15% (11)	85% (63)
d. Is IP licensing and related income a metric of your company?	38% (28)	62% (46)
e. Have you experienced pressure in recent years to increase corporate income directly from IP assets?	49% (37)	51% (38)
f. If the IP department is not directly responsible for licensing income from IP assets, is there another department that is?	38% (26)	62% (42)

24. If the answer to 23.f. was yes, where does that other department report? (Check one)

26 Companies: Other Dept. Reports To	%
Engineering or R&D Executive	34.5% (9)
Legal Department (General Counsel/Chief Legal Officer)	11.5% (3)
CFO/Finance Organization	11.5% (3)
CEO/President	8% (2)
Marketing Executive	0%
Other	34.5% (9)

## PART V: OUTSIDE COUNSEL

25. Identify the billing arrangement most frequently used with outside counsel in preparing complete patent applications ready for filing: (Check one arrangement only)

Overall: 76 Companies		%
Fixed Fee	47%	(36)
Hourly Rate	42%	(32)
Results Oriented	3%	(2)
Other	8%	(6)

By Industry:

Chemical/Pharmaceutical/Biotechnology: 17 Companies		%
Fixed Fee	12%	(2)
Hourly Rate	88%	(15)
Results Oriented	0%	
Other	0%	

Mechanical and Machinery: 8 Companies		%
Fixed Fee	75%	(6)
Hourly Rate	25%	(2)
Results Oriented	0%	
Other	0%	

Electrical/Electronics/Components: 12 Companies		%
Fixed Fee	50%	(6)
Hourly Rate	16.6%	(2)
Results Oriented	16.6%	(2)
Other	16.6%	(2)

Software/Computers/Peripherals: 11 Companies		%
Fixed Fee	91%	(10)
Hourly Rate	9%	(1)
Results Oriented	0%	
Other	0%	

Information Services/Financial Services/Media/Other Communications: 7 Companies		%
Fixed Fee	43%	(3)
Hourly Rate	57%	(4)
Results Oriented	0%	
Other	0%	

Other: 21 Companies		%
Fixed Fee	43%	(9)
Hourly Rate	43%	(9)
Results Oriented	14%	(3)
Other	0%	

25.1. Fixed Fee: (Check Dollar Amount)

Overall: 32 Companies		%
Less than \$5,000	3%	(1)
\$5,000 to \$7,500	56.25%	(18)
\$7,500 to \$10,000	31.25%	(10)
Over \$10,000	9.5%	(3)

By Industry:

Chemical/Pharmaceutical/Biotechnology: 2 Companies		%
Less than \$5,000	0%	
\$5,000 to \$7,500	0%	
\$7,500 to \$10,000	100%	(2)
Over \$10,000	0%	

Mechanical and Machinery: 6 Companies		%
Less than \$5,000	16.5%	(1)
\$5,000 to \$7,500	67%	(4)
\$7,500 to \$10,000	0%	
Over \$10,000	16.5%	(1)

Electrical/Electronics/Components: 6 Companies		%
Less than \$5,000	0%	
\$5,000 to \$7,500	83%	(5)
\$7,500 to \$10,000	17%	(1)
Over \$10,000	0%	

Software/Computers/Peripherals: 10 Companies		%
Less than \$5,000	0%	
\$5,000 to \$7,500	40%	(4)
\$7,500 to \$10,000	40%	(4)
Over \$10,000	20%	(2)

Information Services/Financial Services/Media/Other Communications: 2 Companies	%
Less than \$5,000	0%
\$5,000 to \$7,500	50% (1)
\$7,500 to \$10,000	50% (1)
Over \$10,000	0%

Other: 6 Companies	%
Less than \$5,000	0%
\$5,000 to \$7,500	67% (4)
\$7,500 to \$10,000	33% (2)
Over \$10,000	0%

25.2. Hourly rate: (Check dollar amount)

30 Companies:	%
Less than \$250	7% (2)
\$250-400	83% (25)
Over \$400	10% (3)

26. Identify the billing arrangement most frequently used with outside counsel when preparing responses to office actions during the prosecution of patent applications: (Check one arrangement only)

Overall: 75 Companies	%
Fixed Fee	33% (25)
Hourly Rate	53% (40)
Results Oriented	3% (2)
Other	11% (8)

By Industry:

Chemical/Pharmaceutical/Biotechnology: 17 Companies	%
Fixed Fee	6% (1)
Hourly Rate	94% (16)
Results Oriented	0%
Other	0%

Mechanical and Machinery: 8 Companies	%
Fixed Fee	50% (4)
Hourly Rate	50% (4)
Results Oriented	0%
Other	0%

Electrical/Electronics/Components: 12 Companies	%
Fixed Fee	33% (4)
Hourly Rate	42% (5)
Results Oriented	8% (1)
Other	17% (2)

Software/Computers/Peripherals: 11 Companies	%
Fixed Fee	73% (8)
Hourly Rate	0%
Results Oriented	9% (1)
Other	18% (2)

Information Services/Financial Services/Media/Other Communications: 7 Companies	%
Fixed Fee	29% (2)
Hourly Rate	57% (4)
Results Oriented	0%
Other	14% (1)

Other: 20 Companies	%
Fixed Fee	30% (6)
Hourly Rate	55% (11)
Results Oriented	0%
Other	15% (3)

26.1. Fixed fee: (Check dollar amount)

Overall: 22 Companies	%
Less than \$1,500	18% (4)
\$1,500 to \$3,000	68% (15)
\$3,000 to \$4,500	14% (3)
Over \$4,500	0%

By Industry:

Chemical/Pharmaceutical/Biotechnology: 1 Company	%
Less than \$1,500	100% (1)
\$1,500 to \$3,000	0%
\$3,000 to \$4,500	0%
Over \$4,500	0%

Mechanical and Machinery: 4 Companies	%
Less than \$1,500	50% (2)
\$1,500 to \$3,000	50% (2)
\$3,000 to \$4,500	0%
Over \$4,500	0%

Electrical/Electronics/Components: 4 Companies	%
Less than \$1,500	25% (1)
\$1,500 to \$3,000	75% (3)
\$3,000 to \$4,500	0%
Over \$4,500	0%

Software/Computers/Peripherals: 7 Companies	%
Less than \$1,500	0%
\$1,500 to \$3,000	71% (5)
\$3,000 to \$4,500	29% (2)
Over \$4,500	0%

Information Services/Financial Services/Media/Other Communications: 2 Companies	%
Less than \$1,500	0%
\$1,500 to \$3,000	50% (1)
\$3,000 to \$4,500	50% (1)
Over \$4,500	0%

Other: 3 Companies	%
Less than \$1,500	0%
\$1,500 to \$3,000	100% (3)
\$3,000 to \$4,500	0%
Over \$4,500	0%

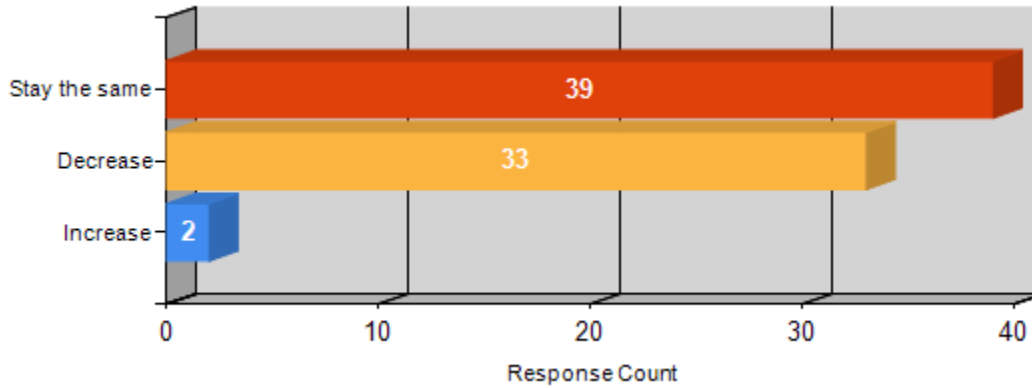
26.2. Hourly rate: (Check dollar amount)

36 Companies:	%
Less than \$250	8% (3)
\$250-400	89% (32)
Over \$400	3% (1)

27. & 28. Opinions of Outside Counsel: What is the average cost of an infringement/non-infringement opinion and a validity/invalidity opinion for a study on a single patent during the last complete fiscal year?

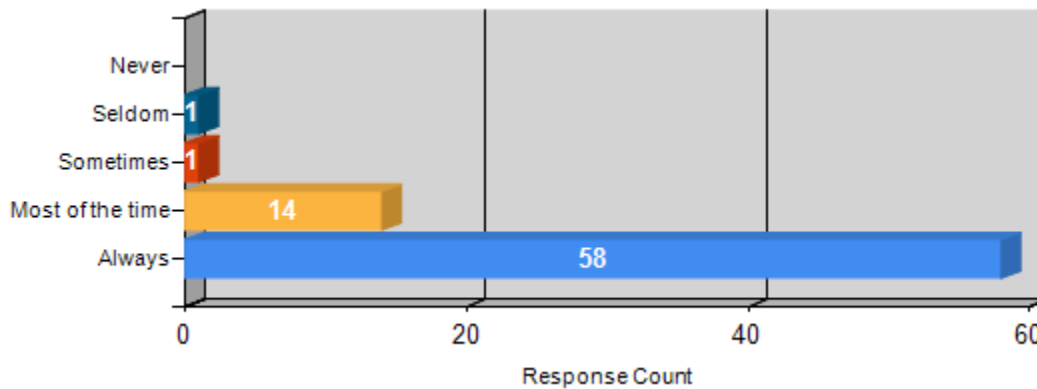
52 Companies	Mean	Median
Infringement	\$17,200	\$20,000
Non-Infringement	\$17,700	\$17,500
Validity	\$19,400	\$20,000
Invalidity	\$22,700	\$20,000

29. Following the Knorr-Bremse and Seagate Federal Circuit decisions, do you expect the number of written opinions of outside counsel as to non-infringement/invalidity requested to:



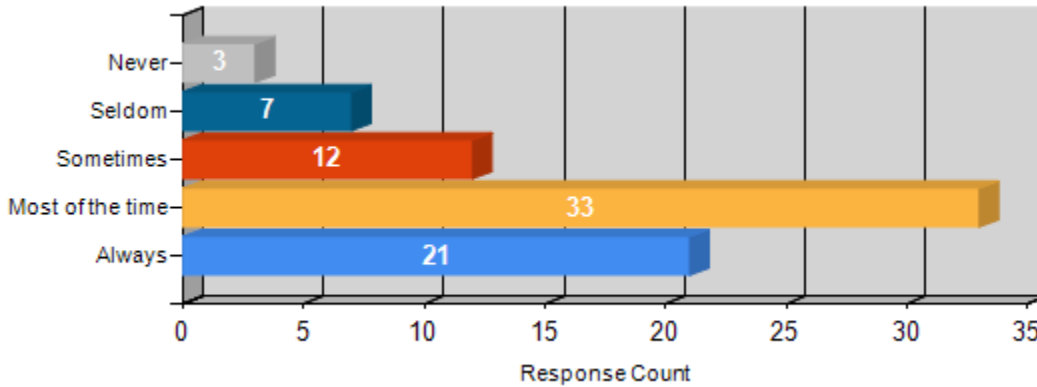
74 Companies:	%
Increase	3%
Decrease	44%
Stay the Same	53%

30. IP Litigation (inter partes before court but not before a patent office) is handled by outside counsel:



74 Companies:	%
Always	78%
Most of the time	19%
Sometimes	1.5%
Seldom	1.5%
Never	0%

31. U.S. applications prepared by outside counsel are prosecuted by outside counsel:



76 Companies:	%
Always	28%
Most of the time	43%
Sometimes	16%
Seldom	9%
Never	4%

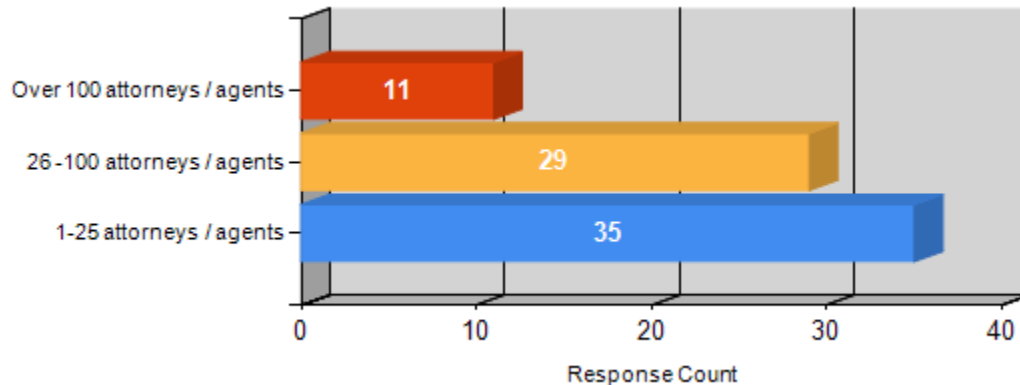
32. Indicate the number of law firms used during the last completed fiscal year: (Check the box)

Firms used for:	None	1-5	6-10	10-20	Over 20	Total
a. Patent Preparation and Prosecution (77)	0%	40% (31)	17% (13)	22% (17)	21% (16)	100%
b. Patent Litigation and Disputes (74)	4% (3)	74% (55)	17.5% (13)	1.5% (1)	3% (2)	100%

33. Your expectations for the number of law firms used by your company (check the box):

Firms used for:	Increase	Decrease	Stay the Same	Total
a. Patent Preparation and Prosecution (75)	5.3% (4)	41.3% (31)	53.3% (40)	100%
b. Patent Litigation and Disputes (74)	4% (3)	19% (14)	77% (57)	100%

34. What is the average size of outside law firms preparing the majority of your company's patent applications?



75 Companies	1-25 attorneys/agents	26-100 attorneys/agents	Over 100 attorneys/agents
%	46.5%	39.5%	15%

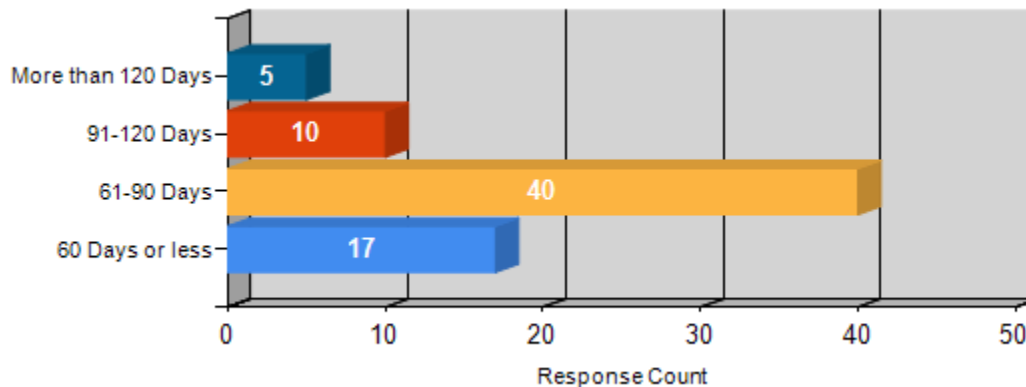
35. What is the number of litigation cases handled by outside counsel and the amount of money spent in the last completed fiscal year by firm size? [Ex. 3 cases/\$400,000]

25 Companies	Mean	Median
1-25 attorneys/agents	1.5 cases /\$180,000	1 cases /\$137,500
25-100 attorneys/agents	20 cases /\$5,000,000	5 cases /\$2,000,000
Over 100 attorneys/agents	13 cases /\$11,800,000	2 cases /\$2,750,000

36. In assigning patent work to outside counsel, do you prefer to use: (Check one)

74 Companies	%
Separate firms to handle each of 1)litigation; 2) preparation/prosecution; and 3) opinion work	49% (36)
Separate firm to handle litigation, but the same firm for both preparation/prosecution and opinion work	36% (27)
Separate firm to handle preparation/prosecution, but the same firm to handle both litigation and opinion work	11% (8)
Same firm to handle litigation, preparation/prosecution and opinion work	4% (3)

37. Average cycle time of outside law firms for preparation/prosecution from receipt of invention submission to filing of application? (Check one)



72 Companies	%
60 Days or less	23.5%
61-90 Days	55.5%
91-120 Days	14%
More than 120 days	7%

38. Do you require a minimum amount of malpractice insurance from your preparation/prosecution firms?

72 Companies	%
Yes	6% (4)
No	94% (68)

38.1. If yes, what is the minimum amount of malpractice insurance you require from your preparation/prosecution firms?

2 Companies: \$5,250,000 (Mean)

39. How do you select outside IP counsel (mark the following in order of priority using numbers 1-9 only once each with one being the highest priority)?

75 Companies	Rank
Quality of work/results	1
Experience in a specific field of technology	2
Cost	3
Responsiveness	4
Prior relationship or personal recommendation	5
Reputation	6
Personalized service	7
Technology capabilities (i.e., billing tools & processes, etc.)	8
Firm size / number of attorneys	9

## PART VI: OPERATIONAL DATA (Including Outsourcing)

40. During the last completed fiscal year, was there a goal/target for the total number of patent applications to be filed by the company?

76 Companies	%
Yes	53% (40)
No	47% (36)

40.1. If yes, what specifically was the company goal/target?

Company Size: Number of Employees Worldwide	Mean	Median
Less than 10,000 (7 Companies)	59	60
10,000 to 40,000 (12 Companies)	298	182.5
40,000 to 60,000 (1 Company)	480	480
Over 60,000 (10 Companies)	1108	825

40.2. Was the specific goal/target:

39 Companies	%
Met	36% (14)
Missed	15% (6)
Exceeded	49% (19)

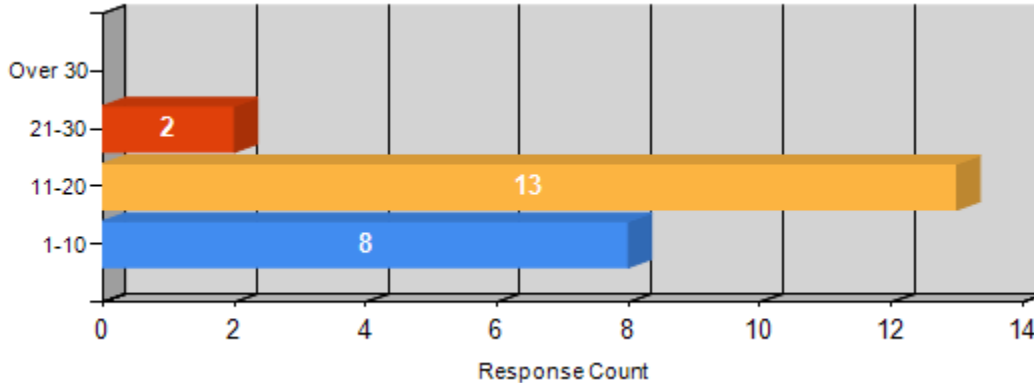
41. During the last completed fiscal year, was there a goal/target for the total number of patent applications to be filed by individual product groups, divisions, departments, etc. within the company?

Company Size: Number of Employees Worldwide	Yes	No
Less than 10,000 (18 Companies)	17% (3)	83% (15)
10,000 to 40,000 (21 Companies)	29% (6)	71% (15)
40,000 to 60,000 (9 Companies)	33% (3)	67% (6)
Over 60,000 (26 Companies)	38.5% (10)	61.5% (16)

42. Did those patent attorneys who handle patent preparation and preparation/prosecution in-house have a set goal/target for number of patent applications to be drafted personally during the last completed fiscal year?

71 Companies		%
Yes	35%	(25)
No	65%	(46)

42.1. If yes, how many patent applications were to be drafted personally during the last completed fiscal year?



23 Companies		%
1-10	35%	
11-20	56%	
21-30	9%	
Over 30	0%	

43. Does your company track in-house IP attorney and paralegal time?

Company Size: Number of Employees Worldwide	Yes	No
Less than 10,000 (16 Companies)	12.5% (2)	87.5% (14)
10,000 to 40,000 (21 Companies)	0%	100% (21)
40,000 to 60,000 (10 Companies)	0%	100% (10)
Over 60,000 (26 Companies)	36% (9)	64% (16)

44. Does your company charge clients for in-house legal work?

75 Companies		%
Yes	19%	(14)
No	81%	(61)

44.1 If yes, is charge based on: (Check one)

13 Companies		Mean
Business Unit Driver (e.g. Headcount, R&D Expense, Sales)	46%	(6)
Average Hourly	31%	(4)
Other	23%	(3)

45. If your company charges clients for in-house legal work by an average hourly rate,

9 Companies	Mean	Median
What average hourly rate is used for IP attorneys?	\$264	\$250
What average hourly rate is used for non-IP attorneys?	\$130	\$100

46. During the last completed fiscal year, identify:

<b>Chemical/Pharmaceutical/Biotechnology: 13 Companies</b>	Mean	Median
<b>Number of invention disclosures received</b>	325	130
<b>Number of original non-provisional utility patent applications first filed in the US</b>	157	39
How many of the applications were prepared by in-house counsel?	52.5	.5
How many of the applications were prepared by outside counsel?	109	25.5
<b>Number of provisional patent applications first filed in the US</b>	36	22.5
How many of the applications were prepared by in-house counsel?	71	20
How many of the applications were prepared by outside counsel?	52	0
<b>Number of original non-provisional utility patent applications first filed other than in the US</b>	44	1.5
How many of the applications were prepared by in-house counsel?	323.5	11
How many of the applications were prepared by outside counsel?	66	8
<b>Number of perfected utility patent applications filed from provisionals</b>	60	18
How many of the applications were prepared by in-house counsel?	24	.5
How many of the applications were prepared by outside counsel?	97	25.5

<b>Electrical/Electronics/Components: 11 Companies</b>	Mean	Median
<b>Number of invention disclosures received</b>	1948	800
<b>Number of original non-provisional utility patent applications first filed in the US</b>	388	287.5
How many of the applications were prepared by in-house counsel?	2.5	0
How many of the applications were prepared by outside counsel?	165.5	20
<b>Number of provisional patent applications first filed in the US</b>	59	50
How many of the applications were prepared by in-house counsel?	130.5	10
How many of the applications were prepared by outside counsel?	157	17.5
<b>Number of original non-provisional utility patent applications first filed other than in the US</b>	102	5
How many of the applications were prepared by in-house counsel?	189	50
How many of the applications were prepared by outside counsel?	136	52.5
<b>Number of perfected utility patent applications filed from provisionals</b>	177	25
How many of the applications were prepared by in-house counsel?	17	0
How many of the applications were prepared by outside counsel?	156	20

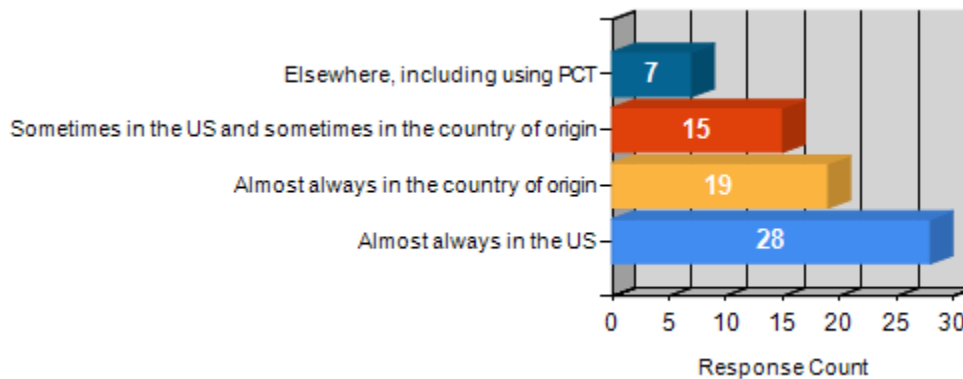
<b>Information Services/Financial Services/Media/Other Communications: 6 Companies</b>	Mean	Median
<b>Number of invention disclosures received</b>	1496	200
<b>Number of original non-provisional utility patent applications first filed in the US</b>	465	112.5
How many of the applications were prepared by in-house counsel?	6	0
How many of the applications were prepared by outside counsel?	11	0
<b>Number of provisional patent applications first filed in the US</b>	120	0
How many of the applications were prepared by in-house counsel?	21	0
How many of the applications were prepared by outside counsel?	3	0
<b>Number of original non-provisional utility patent applications first filed other than in the US</b>	30	3
How many of the applications were prepared by in-house counsel?	36	10
How many of the applications were prepared by outside counsel?	39	38
<b>Number of perfected utility patent applications filed from provisionals</b>	27	14
How many of the applications were prepared by in-house counsel?	6	0
How many of the applications were prepared by outside counsel?	11	0

<b>Mechanical and Machinery: 7 Companies</b>	<b>Mean</b>	<b>Median</b>
<b>Number of invention disclosures received</b>	745	731
<b>Number of original non-provisional utility patent applications first filed in the US</b>	285	172
How many of the applications were prepared by in-house counsel?	14	0
How many of the applications were prepared by outside counsel?	117	0
<b>Number of provisional patent applications first filed in the US</b>	11	5.5
How many of the applications were prepared by in-house counsel?	60	20
How many of the applications were prepared by outside counsel?	145.5	63
<b>Number of original non-provisional utility patent applications first filed other than in the US</b>	143	64
How many of the applications were prepared by in-house counsel?	104.5	100
How many of the applications were prepared by outside counsel?	96	9
<b>Number of perfected utility patent applications filed from provisionals</b>	72.5	11.5
How many of the applications were prepared by in-house counsel?	14	0
How many of the applications were prepared by outside counsel?	120.5	1

<b>Software/Computers/Peripherals: 8 Companies</b>	<b>Mean</b>	<b>Median</b>
<b>Number of invention disclosures received</b>	1169	800
<b>Number of original non-provisional utility patent applications first filed in the US</b>	679	349.5
How many of the applications were prepared by in-house counsel?	24	0
How many of the applications were prepared by outside counsel?	130	9.5
<b>Number of provisional patent applications first filed in the US</b>	30	3
How many of the applications were prepared by in-house counsel?	31	6
How many of the applications were prepared by outside counsel?	262	61
<b>Number of original non-provisional utility patent applications first filed other than in the US</b>	508.5	10
How many of the applications were prepared by in-house counsel?	166	7.5
How many of the applications were prepared by outside counsel?	356	170.5
<b>Number of perfected utility patent applications filed from provisionals</b>	24	10
How many of the applications were prepared by in-house counsel?	24	0
How many of the applications were prepared by outside counsel?	130	9.5

<b>Other: 13 Companies</b>	<b>Mean</b>	<b>Median</b>
<b>Number of invention disclosures received</b>	985	185.5
<b>Number of original non-provisional utility patent applications first filed in the US</b>	371	47
How many of the applications were prepared by in-house counsel?	140.5	0
How many of the applications were prepared by outside counsel?	25	10
<b>Number of provisional patent applications first filed in the US</b>	32	5
How many of the applications were prepared by in-house counsel?	30	5
How many of the applications were prepared by outside counsel?	24	15
<b>Number of original non-provisional utility patent applications first filed other than in the US</b>	216	19.5
How many of the applications were prepared by in-house counsel?	46	12
How many of the applications were prepared by outside counsel?	95	30
<b>Number of perfected utility patent applications filed from provisionals</b>	76	32
How many of the applications were prepared by in-house counsel?	120	0
How many of the applications were prepared by outside counsel?	34.5	5

47. For inventions originating with inventors based outside the US, where does your company first file?



69 Companies:	%
Almost always in the US	40.5%
Almost always in the country of origin	27.5%
Sometimes in the US and sometimes in the country of origin	22%
Elsewhere, including using PCT	10%

48. & 49. During the last completed fiscal year, what was the total number of utility patents issued by the USPTO? What was the total number of utility patents issued other than those issued by the USPTO?

62 Companies:	Utility Patents Issued by USPTO		Other Utility Patents (not issued by USPTO)	
	Mean	Median	Mean	Median
From US Operations	101	22.5	165	13
Worldwide (Including US)	103	15	93.5	15

50. & 51. At the end of the last completed fiscal year, what was the total number of utility patents in force in the U.S.? What was the total number of utility patents in force outside the U.S.?

58 Companies:	Utility Patents In Force in US		Utility Patents In Force Outside US	
	Mean	Median	Mean	Median
From US Operations	659	37	709	0
Worldwide (Including US)	463	20	920	10

52. During the last completed fiscal year, at each US maintenance interval, what percentage of US granted cases are abandoned of the total number up for renewal in that period?

68 Companies:	10% or less	11%-24%	25% or more
At 3.5 Years:	88% (60)	12% (8)	0%
At 7.5 Years:	59% (40)	37% (25)	4% (3)
At 11.5 Years:	53% (36)	23.5% (16)	23.5% (16)

53. Foreign Filing: For all originally filed non-provisional US utility applications filed in the previous completed fiscal year, what was the percentage of those cases for which foreign counterparts were filed?

**Chemical/Pharmaceutical/Biotechnology:**

16 Companies		%
0%-25%		0%
26%-50%		12.5% (2)
51%-75%		31.25% (5)
76%-100%		56.25% (9)

**Mechanical and Machinery:**

8 Companies		%
0%-25%		0%
26%-50%		50% (4)
51%-75%		25% (2)
76%-100%		25% (2)

**Electrical/Electronics/Components:**

12 Companies		%
0%-25%		16.6% (2)
26%-50%		50% (6)
51%-75%		16.6% (2)
76%-100%		16.6% (2)

**Software/Computers/Peripherals:**

11 Companies		%
0%-25%		73% (8)
26%-50%		27% (3)
51%-75%		0%
76%-100%		0%

**Information Services/Financial Services/Media/Other Communications:**

6 Companies		%
0%-25%		50% (3)
26%-50%		0%
51%-75%		50% (3)
76%-100%		0%

**Other:**

17 Companies		%
0%-25%		12% (2)
26%-50%		29% (5)
51%-75%		0%
76%-100%		59% (10)

54. Foreign Filing: The average number of countries in which national filings or countries designated in regional filings (e.g. EPO) were actually made corresponding to applications first filed in the US and also filed abroad:

**Chemical/Pharmaceutical/Biotechnology:**

16 Companies		%
5 or less		12.5% (2)
6-10		56% (9)
11-20		19% (3)
21 or more		12.5% (2)

**Mechanical and Machinery:**

8 Companies		%
5 or less		87.5% (7)
6-10		12.5% (1)
11-20		0% (2)
21 or more		0% (2)

**Electrical/Electronics/Components:**

12 Companies		%
5 or less		67% (8)
6-10		25% (3)
11-20		0%
21 or more		8% (1)

**Software/Computers/Peripherals:**

11 Companies		%
5 or less		82% (9)
6-10		18% (2)
11-20		0%
21 or more		0%

**Information Services/Financial Services/Media/Other Communications:**

7 Companies		%
5 or less		86% (6)
6-10		14% (1)
11-20		0%
21 or more		0%

**Other:**

18 Companies		%
5 or less		50% (9)
6-10		28% (5)
11-20		17% (3)
21 or more		5% (1)

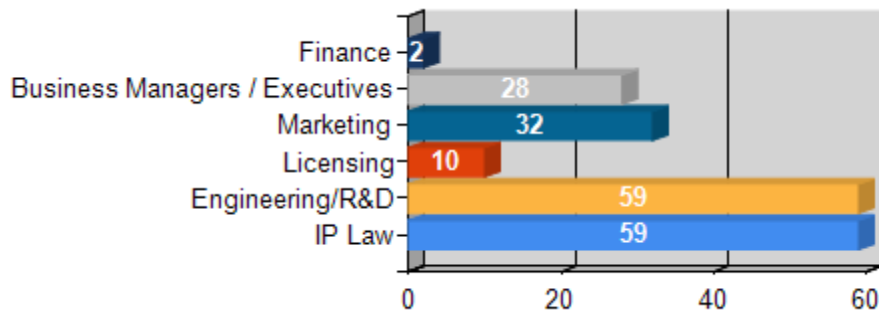
55. Does your company use patent committees to review invention disclosures and select disclosures for which to pursue patent protection?

75 Companies	%
Yes	84% (63)
No	16% (12)

55.1. If yes, how are your patent committees structured:

59 Companies:	%
One committee for all decision-making across the entire company	15% (9)
More than one committee for decision-making by business unit or product group	63% (37)
More than one committee for decision-making by technology area	20% (12)
More than one committee for decision-making by geographic region	2% (1)

55.2. If yes, what groups are represented on the patent committee(s)? (check all that apply)



59 Companies:	%
IP Law	100%
Engineering/R&D	100%
Licensing	17%
Marketing	54%
Business Managers / Executives	47%
Finance	3%

56. Does your company have a financial reward (cash or stock payment) program for U.S. inventors?

75 Companies	%
Yes	69% (52)
No	31% (23)

56.1. If yes, indicate whether a standard payment is made and the standard amount paid for each of the following events: (If the standard payment is made in shares of stock or options, please indicate the Fair Market Value [FMV] in lieu of dollar amount.)

30 Companies	Mean	Median
Submission of an invention disclosure	\$106	\$0
Filing of the priority application	\$931	\$900
Issuance of first patent	\$735	\$500
Issuance of further patents	\$185	\$0

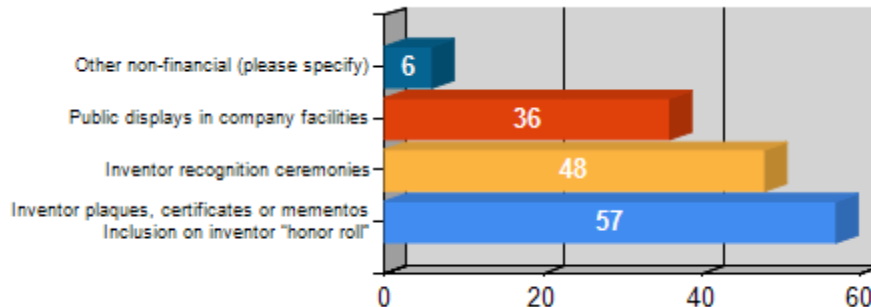
**Other Financial Awards:**

- Reward upon cumulative filing
- Plaque on issuance
- \$ 2,000 upon use
- Infringement Detection Award \$3000-500s0
- 10util/20design issued =\$10,000 /25util/50design issued =\$25,000
- Up to \$25k/yr for licensed inventions
- Other awards possible

57. Does your company have a program of non-financial recognition (plaque, memento, coin, ceremonies, etc.) awards?

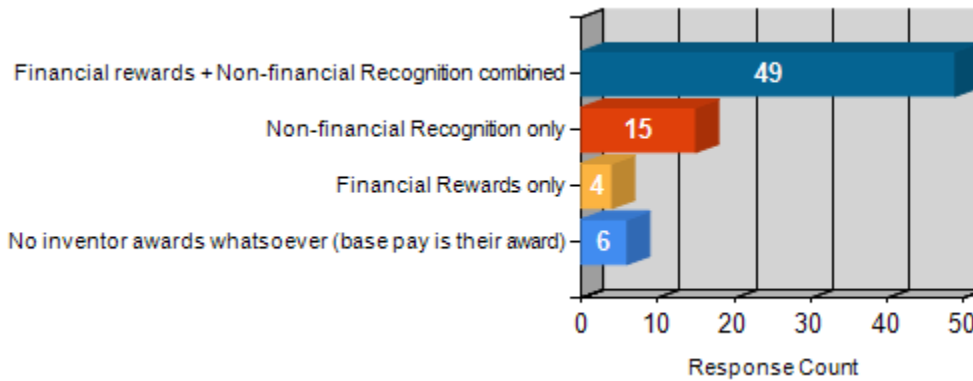
74 Companies	%
Yes	85% (63)
No	15% (11)

57.1. If yes, which of the following types of recognition do you employ? (check all that apply)



60 Companies:	%
Inventor plaques, certificates or mementos Inclusion on inventor "honor roll"	95%
Inventor recognition ceremonies	80%
Public displays in company facilities	60%
Other non-financial (please specify)	10%

58. My company uses: (check one)

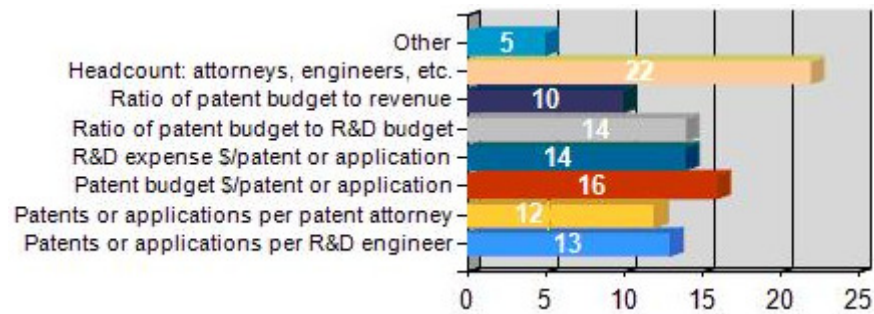


74 Companies:	%
No inventor awards whatsoever (base pay is their award)	8%
Financial Rewards only	5.5%
Non-financial Recognition only	20.25%
Financial rewards + Non-financial Recognition combined	66.25%

59. Have you benchmarked your operation with those of other companies in the past two years?

74 Companies	%
Yes	50% (37)
No	50% (37)

59.1. If yes, what benchmarking measures were used? (check all that apply)



34 Companies:	%
Patents or applications per R&D engineer	38%
Patents or applications per patent attorney	35%
Patent budget \$/patent or application	47%
R&D expense \$/patent or application	41%
Ratio of patent budget to R&D budget	41%
Ratio of patent budget to revenue	29%
Headcount: attorneys, engineers, etc.	65%
Other	15%

**60. Is your operation managed to particular external benchmarks?**

73 Companies		%
Yes	12%	(9)
No	88%	(64)

**60.1. If yes, which external benchmarks have you managed your operation against? (Please specify)**

- Volume of cases, budget/expenses
- Portfolio size and IP spending
- cost of applications
- Quantity of filings
- IEEE Quality Ranking
- Total legal benchmarks we track include: spending as % of company revenue; attorney's per \$B of revenue; litigation as % of company revenue; IP spending as % of company revenue; and IP litigation as % of company revenue

**61. Outsourcing: During the last completed fiscal year, were any of your US patent applications being prepared or prosecuted by someone outside the US for purposes of achieving cost savings?**

75 Companies		%
Yes	19%	(14)
No	81%	(61)

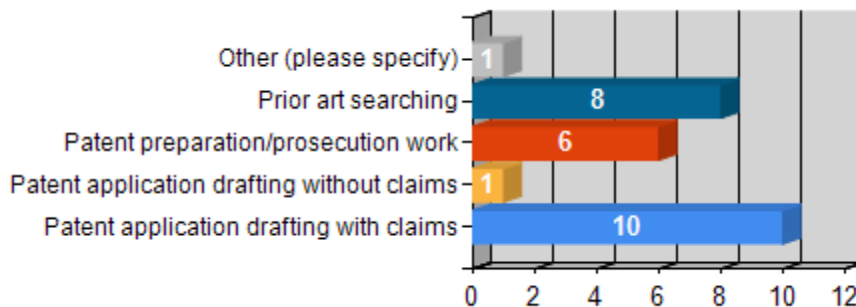
**61.1. If yes, in which country was the work performed? (Check all that apply)**

10 Companies		%
India	100%	(10)
New Zealand	0%	(0)
Other	40%	(4)

**Other:**

- Australia
- Canada
- China
- Europe

**61.2. If yes to above, what type of work did you outsource? (Check all that apply)**

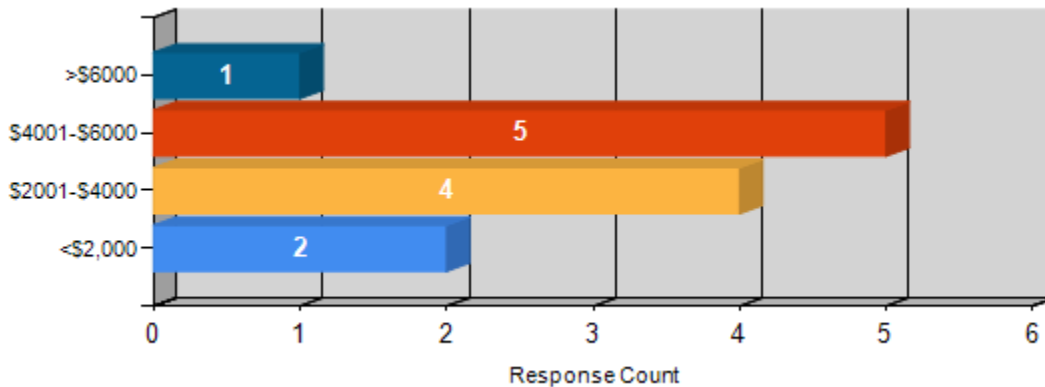


12 Companies:	%
Patent application drafting with claims	83%
Patent application drafting without claims	8%
Patent preparation/prosecution work	50%
Prior art searching	67%
Other (please specify)	8%

**Other:**

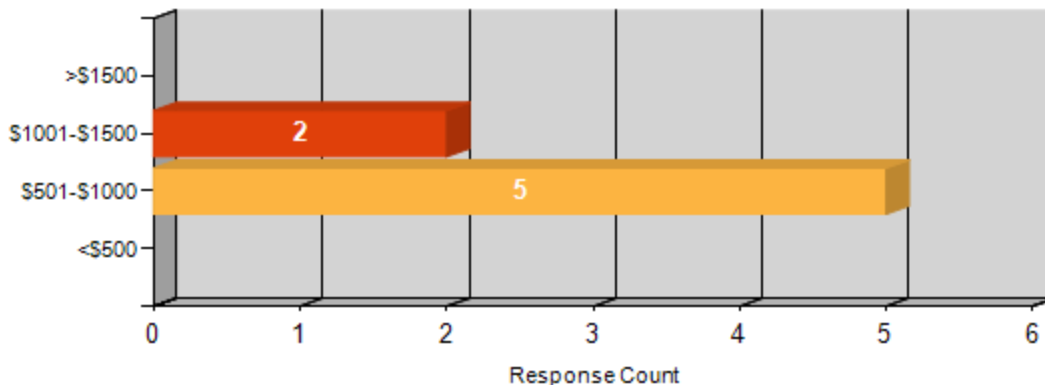
- IP Landscaping, Drawings, Translations

61.3. If yes to above, what was the average cost of a U.S. patent application prepared by the service provider outside the US (excluding government fees)?



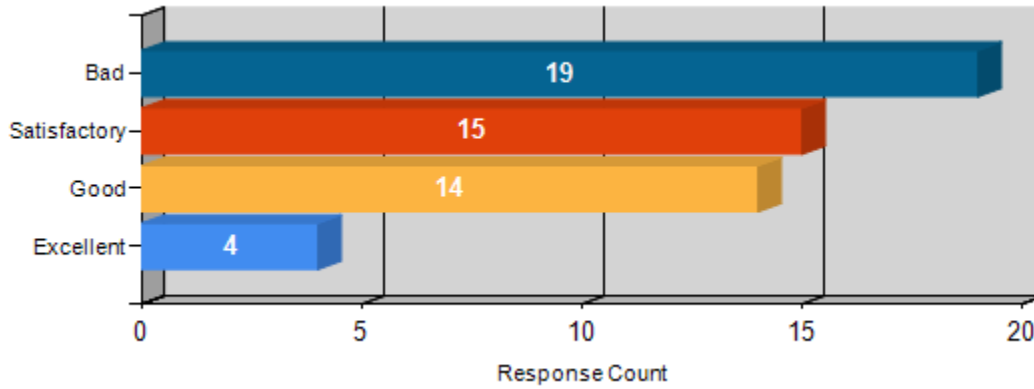
12 Companies:	%
<\$2,000	17%
\$2001-\$4000	33%
\$4001-\$6000	42%
>\$6000	8%

61.4. If yes to above, what was the average cost of responding to a U.S. office action by the service provider outside the US (excluding government fees)?



7 Companies:	%
<\$500	0%
\$501-\$1000	71%
\$1001-\$1500	29%
>\$1500	0%

62. Overall, what is your experience with outsourcing?



52 Companies	
	%
Excellent	7.5%
Good	27%
Satisfactory	29%
Bad	36.5%

**The following is a partial list of companies that participated in this survey:**

3M Innovative Properties Co.	Medrad, Inc.
Adobe Systems Inc.	Medtronic, Inc.
Air Products & Chemicals, Inc.	Micron Technology, Inc.
Altera Corp.	Microsoft Corp.
AT&T	Motorola, Inc.
Avaya Inc.	Numonyx B.V.
Black & Decker Corp.	Procter & Gamble Co.
BP America Inc.	Palm, Inc.
Caterpillar Inc.	Pfizer, Inc.
Cephalon, Inc.	Pitney Bowes Inc.
Corning Inc.	Pixar Animation Studios
Coskata, Inc.	Praxair, Inc.
Dow Chemical Co.	Rockwell Automation, Inc.
Dow Corning Corp.	Sealed Air Corp.
DuPont	Siemens Corp.
Eli Lilly and Co.	St. Jude Medical, Atrial Fibrillation Division, Inc.
EMC Corporation	Sun Microsystems, Inc.
Ford Global Technologies LLC	The Coca-Cola Co.
Freescale Semiconductor, Inc.	Unilever
General Electric Co.	United Technologies Corp.
Goodrich Corp.	Vertex Pharmaceuticals Inc.
Harris Corporation	Xerox Corp.
Honeywell International Inc.	Zebra Imaging
Johnson & Johnson	



1501 M Street, NW, Washington, DC 20005

T: 202-507-4500

F: 202-507-4501

E: [info@ipo.org](mailto:info@ipo.org)

W: [www.ipo.org](http://www.ipo.org)