FILING AND PROSECUTION: A MINEFIELD OF HIDDEN COSTS

Obtaining IP rights is key to any IP organisation. Filing and prosecution generally must be done under both monetary and human resources constraints as it typically takes a huge chunk out of your IP budget. Slight increases in these costs can make or break it.

Moreover, a lot of human efforts are necessary to instruct, monitor and control this complex process, and your team cannot grow as fast as your portfolio.

On top of those pains is a myriad of hidden costs (both direct and indirect) you may not think are significant but are putting even more pressure on your firm. Those costs can represent up to 15% of your total prosecution spend. Here are those hidden costs:

Direct hidden costs
- Overcharges: the invoice does not match the agreed cost schedule
- Duplicate charges: being charged for the same work twice
- Miscellaneous charges: unexpected charges for food expenses, taxi rides, conference calls, copies, postage, etc...

Indirect hidden costs
- Invoice processing: invoices quickly pile up, and matching line items with end clients for re-invoicing, as well as their controlling them takes a lot of time and effort.
- International bank transfers: every international bank transfer will incur additional bank charges
- Foreign exchange: you will receive invoices in multiple currencies, the best exchange rate is not always guaranteed
- Payment terms: you will not always have the best payment terms, which can put a strain your working capital
TACKLING HIDDEN COSTS

You probably already have a process to match and control invoices. You may even have an e-billing system to help you match invoices to the right case. These measures and tools can help you avoid some of the direct hidden costs, such as duplicate charges.

However, this actually creates a hidden cost as your paralegals and attorneys need to spend time controlling and validating invoices. This time is not spent on more substantive work.

Moreover, you will still incur most of the indirect hidden costs, such as high foreign currency exchange rates, bank transfer charges, and the strain on your working capital due to unfavourable payment terms on your invoices.

HOW WE CAN HELP

We can help you save up to 15% of your total prosecution spend with:

☑️ A structured schedule of fees
  We liaise with your agents in all jurisdictions to help them transform their schedule of fees into a standardised one where all prosecution tasks have a defined fixed fee.

☑️ Invoice control
  We collect, handle and control all agents’ invoices on your behalf.

☑️ Invoice bundling
  We consolidate invoices and re-invoice you on a monthly basis, in your preferred currency and format.

YOUR BENEFITS

• Easier and more accurate prosecution cost forecast
• Avoid duplicate charges and overcharges
• Avoid miscellaneous charges
• Better payment terms, taking pressure off your working capital
• Better foreign exchange rates
• Reduced frequency of international bank transfers charges
• Reduced administrative invoice processing costs
• Keep your agents and your relationships

Additionally:
• Receive complementary statistics for more refined budgeting.
BUSINESS CASE: WHAT IS THE TOTAL HIDDEN COST?

Here is the case of a US company from the heavy industry, executing on average 230 filings annually in 10 major jurisdictions. An analysis of their invoices revealed that the hidden costs represented 14 percent of the firm’s total annual filing and prosecution costs.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prosecution cost</td>
<td>$2,288k</td>
</tr>
<tr>
<td>Hidden cost</td>
<td>$374k</td>
</tr>
<tr>
<td>Total filing &amp; prosecution costs</td>
<td>$2,662k</td>
</tr>
<tr>
<td>Duplicate &amp; overcharges</td>
<td>$57k</td>
</tr>
<tr>
<td>Miscellaneous charges</td>
<td>$77k</td>
</tr>
<tr>
<td>Invoice processing</td>
<td>$94k</td>
</tr>
<tr>
<td>International bank transfer charges</td>
<td>$31k</td>
</tr>
<tr>
<td>Foreign exchange</td>
<td>$92k</td>
</tr>
<tr>
<td>Payment terms</td>
<td>$23k</td>
</tr>
<tr>
<td><strong>Total - Hidden costs</strong></td>
<td><strong>$374k</strong></td>
</tr>
</tbody>
</table>