Docketing or IP Asset Management
Best Practices for In-House IP Teams
Table of Contents

Introduction ................................................................................................................................................................................. 3
Managing Due Dates in a Statutory Practice ........................................................................................................................... 3
Why do Docketing Systems Cost So Much? ............................................................................................................................ 4
Understanding the Business of Docketing Systems .................................................................................................................. 5
Docketing: An Obsolete Activity for In-House Legal Teams .................................................................................................... 5
Do Companies Need Docketing Systems? ............................................................................................................................... 6
Asset Management Software: Speaking the Language of Business ......................................................................................... 6
Workflow versus Docketing ..................................................................................................................................................... 7
Intellectual Asset Management Strategy ................................................................................................................................ 7
Conclusion ................................................................................................................................................................................ 8
Introduction

There is no one size fits all when it comes to managing intellectual assets. Every organization has its own needs.

As intellectual property portfolios grew starting in the mid-to-late 80s, so too did the business of serving portfolio management needs. Prior to the explosion of software, dockets were managed manually, using a diary. Law firms used a giant wall calendar or some form of a large hard-covered date book called a diary. Legal secretaries (yes, they were called secretaries) would turn in docketing slips for recording statutory deadlines from the docket slips on the calendar or in the big book for the firm to track due dates in a single log. IP owners relied solely on the law firm to meet those statutory deadlines.

Usher in the tech boom of the ‘80s and you find patent applications increasing and the need and desire to manage the process changing. We have lived two to two and one half decades with automation in just about every aspect of the practice of law, including docketing. In a statutory practice, like intellectual property, we are slaves to due dates and hence our docket rules. With the economic downturn in 2008 companies began contracting. As the economy limps back to recovery, now is the time to examine whether it is necessary to remain a slave to the docket.

It goes without say, if you miss a due date you are not effectively managing your portfolio. The question is, what is the best way, and who should manage due dates? If the focus is purely on due dates, it often comes at the expense of more strategic management of intellectual assets.

Managing Due Dates in a Statutory Practice

Let us examine the management of due dates through the evolution of managing intellectual or intangible assets. For the purpose of this analysis, a docketing system is considered software that records the prosecution of patent and trademark applications from inception through disposition.

A docketing system is a database that contains country laws utilized to calculate due dates based upon entry of certain prosecution milestones in a given country. For example, in the U.S., if you are filing a provisional patent application and you enter the filing date in your docketing system, the docketing system will then calculate the 12 month due date to file your application. It may also calculate certain reminder dates depending on the software used and the configuration set up automatically, or with some customized workflows that were paid for upon the installation of the software.
Docketing is a calendar system and database, not an Intellectual Asset Management System.

Why do Docketing Systems Cost So Much?

Docketing systems generally come with a significant price tag for several reasons, the most important one being that a company that provides its customers with country laws must research and constantly update the law, requiring considerable legal expertise. Where legal expertise is involved, the vendor is taking on risk. If calculated due dates are incorrect, this can cause significant loss to customers. Therefore the vendor must be insured. All of this translates into expense that goes into the cost of the system. Additionally, the docketing system vendors may charge an annual or ongoing fee for technical support and upgrades.

But wait – while all this cost goes into the development and maintenance of a docketing system, many vendors are likely to offer their docketing system to you by telling you the hefty cost and then offering to reduce the price if . . .

Read on to understand why many vendors of docketing systems have been acquired by large IP services firms in recent years!
Understanding the Business of Docketing Systems

Many vendors selling docketing software do so as a loss leader, offering deep discounts on software if prospective customers sign up for additional services. Some examples of additional services are patent annuity payments, trademark renewal payments, searching, proofreading, drawing, analytics, etc.

The services are where the margin exists. The software is the mechanism used to create a sense of loyalty and need for maintaining the other service contracts. The customer becomes locked into the docketing software without getting what is truly needed, an IP Asset Management system.

By choosing a seemingly cheap docketing system without careful consideration of the company’s broader needs, the corporate client may end up paying for expensive services and using inadequate software for managing their IP assets and internal processes.

Docketing: An Obsolete Activity for In-House IP Teams

Why do companies need to docket internally when they pay outside counsel to keep track of statutory due dates? Is docketing necessary at all for a company?

Most companies use outside counsel at some point during the prosecution of their filings. In this regard, companies are paying for liability insurance on the docketing system in house, the hourly rate charged by outside counsel, and the docketing system used internally by the law firm. From the desk of the CFO, companies are paying for the same thing three times over.

Law firms carry liability insurance; their hourly rates, staff, know-how and redundancies insure that due dates are not missed. Law firms are great customers for docketing systems. Companies, on the other hand, should turn to IP Asset Management software in order to maximize the benefit of their intangible assets as well as their in-house legal staff.

In-house legal resources are better spent managing assets through workflow and strategy that aligns the portfolio with business goals. In the end, an organization is better served when in-house resources focus on activities that lead to growth and promotes innovation.

In supporting this argument further, outside counsel is always employed when it comes to prosecuting foreign filings. In-house legal has the know-how and workflow in place to monitor and possibly prosecute in their home country. At most, a company needs a workflow reminder system in house, rather than a full blown
docketing system with country laws because outside counsel for foreign jurisdictions is retained.

Do Companies Need Docketing Systems?

Docketing systems were not designed with strategic management functionality. When these systems appeared two decades ago, they were developed to replace the hard cover diary and the large wall calendar. In most cases, the only value added over automating that diary by a docketing system beyond some additional fields and tabs is the inclusion, in some of these systems, of automatic form fill.

Some systems, developed more recently, may contain features that allow you to manage internal workflow to some extent; others may have some forms of strategic function built in. However, having been designed based on the needs of a law firm, they still speak primarily to the legal mechanics and not to the core of managing your intellectual assets from a business perspective.

For most companies, the answer to the question of whether they need to docket is simply no. With few exceptions, if the goal is to have intellectual assets that speak the language of business, then docketing, and docketing software, is the wrong choice.

IP Asset Management: Speaking the Language of Business

IP Asset Management software is distinct from docketing systems for several reasons that make it the best choice for companies. First, an asset management system avoids building in the cost of liability for country law. That fact alone results in significant cost saving for companies. Second, the strengths of an asset management system are in the business-related areas of managing an IP portfolio.

Companies that want to remain competitive and maximize the benefit of their intangible assets must find ways to objectively measure what are often times subjective criteria. IP Asset Management software offers the flexibility and functionality to build and standardize reports on objective criteria.

For example, asset management software contains functionality allowing asset categories. Categorizing assets enables application of a variety of metrics to determine whether a portfolio remains in alignment with business strategy.

A host of further strategic functionality, such as mapping patents to products, tracking budget against spend, managing cost, following relevant third party IP, and managing IP-related contracts such as licensing agreements make asset
management software the best choice for companies to manage their intellectual assets.

Perhaps most importantly, modern IP Asset Management software allows a collaborative approach to internal processes, such as invention review, including all relevant stakeholders who are needed to drive the right decisions.

**Workflow versus Docketing**

Not to be neglected, workflow is an important component of managing a portfolio, and distinct from docketing. Deadlines must always be met, but those deadlines are based on the way the company works, not on a statutory due date.

Asset management software provides workflow management in place of docketing. Automated tasks and reminders are generated based on notice of a statutory date provided by outside counsel, or ideally retrieved directly through an online interface with the respective patent office or authority. This way, there is no need for most companies to maintain and pay for a set of worldwide legal docketing rules.

![Diagram showing workflow management](image)

The IP Management software should support your workflow.

**Intellectual Asset Management Strategy**

Asset management strategy is as unique as each company. However, there is a layer of similarity into which certain strategic activities fit. In order to align assets with company goals, certain activities must be carried out. Asset management software provides the means to do so.

Some of the activities that must be done in order to ensure proper alignment of assets to goals include mapping assets to products, mapping products to revenue
streams and following competitors. Companies who are strategically managing their portfolio will categorize their assets based on business units, core technologies or brands, products or business drivers.

Managing intangible assets in this way allow companies to determine marketability and direct research and development. These key strategic tracking capabilities are not found in docketing systems, yet they are the hallmark of asset management. Asset management systems result in business intelligence to further the goals of increasing revenue and profitability based on market need, demand and white space.

*Intellectual asset management means your intangible assets are aligned with your business strategy.*

**Conclusion**

Docketing systems hold a place in the market that is appropriate for law firms. However, the focus on docketing and legal aspects entirely misses the mark for the large majority of companies who employ outside counsel for the prosecution of their intellectual assets.

Intangible assets must speak the language of business in today’s economy. Companies need business insight, direction and metrics that render decisions regarding their portfolio at the touch of a button. Asset management software brings intangible assets to life in a visual, meaningful business language.

By parsing out the costly docketing piece and focusing on business-related functionality, IP Asset Management systems are a better alternative to docketing systems for most companies.