



# ANALYTICS *EXCELLENCE* WEBINAR SERIES

**Black Hills IP**  
Paralegal and Docketing Services

**SLW INSTITUTE**  
Building Extraordinary IP Assets

# Patent Annuity Pricing Analytics: Deconstructing Patent Annuity Service Pricing

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**INSTITUTE**  
*Building Extraordinary IP Assets*

# Presenters

- Jaclyn Sprtel, Operations Manager, Black Hills Renewals, LLC, and former Patent Counsel for Thomson Reuters
- Thomas Marlow, President, Black Hills Renewals, LLC, and former IP Director at Fairchild Semiconductor

# What Are Annuities

- Annuities keep patents/applications in force
  - Renewals
  - Maintenance Fees
- Similar to a tax
- Each country has different annuity rules



# Why are Annuities Complicated

- **When are they due?**
- **How much do they cost?**
- **How are they paid?**

- Filing Year
- Grant Year
- Matter Type
- Claim Count
- Application Type
- Status
- Entity Size ...

# Transparency / Opacity

- **Ask Your Annuity Provider to Sign a Transparency and Integrity Pledge**
- Request a sample document:
- <http://www.BlackHillsIPRenewals.com/about>

## What the pledge Covers

Full Transparency.

No Hidden Fees or Markups.

No Unnecessary Fees.

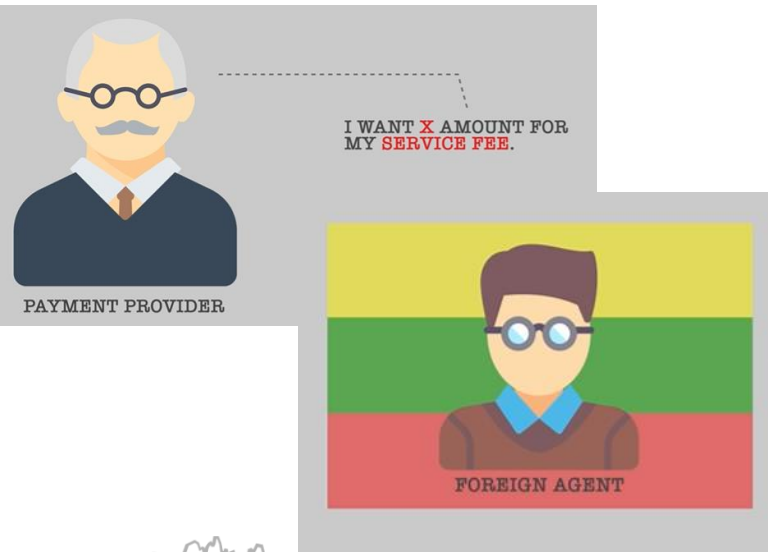
No Rebates and Kickbacks.

Full Disclosure - True Foreign Exchange Rates.



# Annuity Costs

**Official Fees**  
**Official Grace Period/Late Fees**  
**Official Claims/Special Fees**



**Agent Fees**  
**Payment Provider Service Fees**  
**Other “creative” fees**

# Annuity Cost Breakdown

## Statutory Fees

Patent	Official Fee	Grace Fee	Claims Fee	Agent Fee	Service Fee	Other?	Total
US	\$1600	\$160	\$0	\$0	\$50	\$0	\$1810
BR	R\$1645 \$485	R\$823 \$243	\$0	\$150	\$50	\$0	\$928
DE	€1940 \$2061	€50 \$53	\$0	\$0	\$50	\$0	\$2164
JP	¥55400 \$485	¥55400 \$485	¥43000 \$377	¥7000 \$61	\$50	\$0	\$1458

\*Using current foreign exchange rates from Morningstar



# Example Charges for Comparison

Patent	Official Fee	Grace Fee	Claims Fee	Agent Fee	Service Fee	Other?	Total	
US	\$1600	\$160	\$0	\$0	\$50	\$0	\$1810	
BR	\$531 <i>FX markup</i>	\$282 <i>FX markup</i>	\$0	\$175 <i>markup</i>	\$50 <b>+\$118</b>	\$8 <i>unnecessary</i>	\$1046	<b>+13%</b>
DE	\$2391 <i>FX markup</i>	\$61 <i>FX markup</i>	\$0	\$25 <i>unnecessary</i>	\$50 <b>+\$369</b>	\$6 <i>unnecessary</i>	\$2533	<b>+17%</b>
JP	\$621 <i>FX markup</i>	\$621 <i>FX markup</i>	\$483 <i>FX markup</i>	\$80 <i>markup</i>	\$50 <b>+\$400</b>	\$3 <i>unnecessary</i>	\$1858	<b>+27%</b>



\*Using example foreign exchange rates with markups

# Simple Tips

- Ask for a list of countries with agent fees and their amounts
  - Ask whether agent fees necessary in each country charged
  - Are these passed-along costs or marked up?
- Are FX rates competitive with market rates
  - Does the provider derive revenue from currency exchange
- Ask for a break out statutory fees versus provider fees?
  - Looking at an invoice, ask what is required in the country and what is not (and goes into the pocket of the provider)
- Get a signed Transparency Pledge
- Require written notice before adding or increasing any fees

# Analytics *Excellence* Webinar Series

## Discussion & Questions

# Analytics *Excellence* Webinar Series

Please Join us for our Next Presentation:

## Patent Value Analytics: Algorithms & Applications

January 18, 2017  
1 PM (Central)