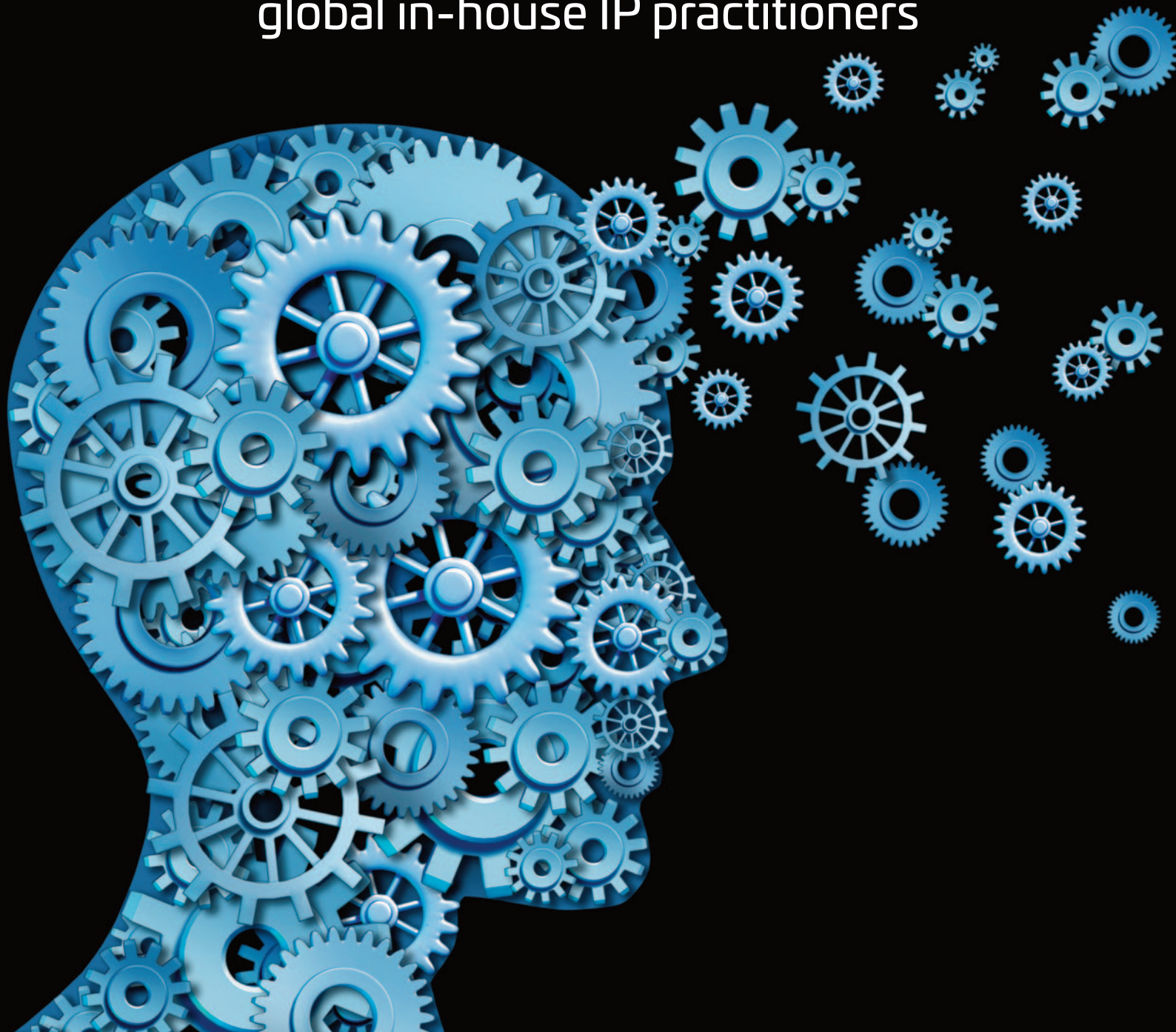




# Managing IP

## Market Trends Report 2022

The key challenges front of mind for  
global in-house IP practitioners



# The 10 key IP trends for in-house counsel

Every year, [Managing IP](#) conducts an annual industry survey as part of the client feedback research for its legal directory, [IP STARS](#). This year, as part of that survey, more than 700 in-house IP practitioners globally shared their thoughts on market trends. In this special report, we summarise their insights along with exclusive interviews with five leading in-house counsel

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**T**he Unitary Patent; anti-suit injunctions; NFTs; the metaverse; and a renewed focus on sustainability: as the world rebuilds after the pandemic, IP counsel around the world face new and complicated challenges.

As part of the research for IP STARS this year, we asked corporate counsel about the firms they use, what influences their choice and what their key priorities are (see the charts in this report). We also invited them to identify the top three IP market trends or issues affecting IP owners in their jurisdiction. Their responses cover many fascinating topics. Some frequently surface, others are more unusual. This report provides a snapshot of those responses: 10 key trends that reflect a popular concern.

This is not an exhaustive study, but with more than 700 responses and a global footprint, it gives a diverse perspective on the key challenges facing IP today.



## 1. Litigation and enforcement

Issues related to enforcement and dispute resolution were among those most cited by respondents to the IP STARS survey. They were most notable among patent specialists, but were also identified by those working in trademarks and copyright.

Concerns range from the very general, such as the cost and inconsistency of litigation, to issues relevant to certain sectors, such as telecoms and pharmaceuticals. A number of respondents also highlighted specific issues in the United States and Europe.

At the general level, responses included:

- “People are more tempted to go for litigation rather than obtaining a settlement”
- “Enforcement proceedings with particular regard to developing jurisdictions”
- “Difficulties in monitoring infringement and enforcement”
- “Blurring lines on cross-border patent infringement”
- “Rogue IP litigation by IP spinouts”

Several respondents also cited the costs of litigation and pre-litigation work.

Issues related to licensing platform technologies continue to be concerning, suggesting that there are many unresolved issues despite the extensive jurisprudence in this area. Five respondents specifically mentioned “patent trolls” and four more said “non-practising entities”.

Ten raised issues relating to the licensing of standard-essential patents (SEPs), including “lack of jurisprudence and clarity around SEP issues” and “exploding figures in SEP declarations”, and six others highlighted fair, reasonable, and non-discriminatory (FRAND) licensing and injunctions.

Many of these debates are focused on the United States, and several respondents highlighted particular concerns about litigation there, including the need for reform of the Patent Trial and Appeal Board (PTAB), concerns over Section 101, and antitrust policy. One respondent highlighted reform of the law in Japan, a handful mentioned the courts in Germany, and one cited “the challenge of IP enforcement in China”.



## 2. Emerging technologies

The impact of artificial intelligence (AI) was one of the most frequently cited answers in the IP STARS survey, while many respondents also mentioned other emerging technologies such as non-fungible tokens (NFTs) and digitalisation generally. The specific concerns can be divided into two groups:

- The impact of new technologies on law and policy
- Their effect on day-to-day IP work.

The former group is summarised by one respondent who identified “challenges stemming from the adaptation of new and presumably disruptive technologies (e.g., AI/machine learning)”. Others pointed specifically to questions about whether AI can be a creator or inventor – something that has been addressed by IP offices and courts in the DABUS (Device for the Autonomous Bootstrapping of Unified Sentience) patent cases.

Decisions so far have generally held that existing patent laws require that an inventor be a human being, but that raises the question as to whether the laws need to be revised to allow for the possibility of AI inventors.

The challenge for legal practitioners was summed up by one respondent who noted: “The speed at which technology changes versus the speed at which the law can accommodate such changes.” Another echoed that view, citing: “The disconnect between the pace of development in the real world (IT, big data, computing, total connectedness) and IT, data protection and IP law.”

The second group of responses encompasses the use of AI and other tools by businesses, attorneys, IP offices, and the courts. A number of respondents highlighted the potentially disruptive impact of such technologies. For example, one cited the “use of AI in search work or other areas”, while another said: “AI technologies for searching and discovering infringements”, and another mentioned: “Legal tech in IP portfolio management”.

The responses reflect excitement at the opportunities such technologies can offer (one said, “Use of technology to do more with less”) and the questions that more automation inevitably raises for existing roles and skills; specifically, as one respondent put it, “Moving to more automated processes”.

While 15 respondents mentioned NFTs, only one cited blockchain, although arguably the latter has had more of an impact on IP so far, given its potential in searching, supply chains, and royalty tracking. However, NFTs are clearly at the front of people’s minds at the moment, and they will reappear in section 10.

*Due to the nature of their work Niklas Fu is unable to be pictured in this report*

## Niklas Fu

Senior digital enforcement manager

Richemont, China

### New shopping channels

Counterfeiters are using new apps, especially in China. Previously they went where the traffic was most common, such as the big e-commerce sites, but we now see traffic going elsewhere. And many new apps are only accessible on smartphone apps, not websites. This makes it easier for people to sell, but also to hide.

We're also seeing more social e-commerce apps, where there are short videos that trigger a desire to buy something. Purchases are suggested by algorithms and big data, which can push similar items, including counterfeits. Data is also sold between apps, enabling counterfeiters to take advantage of consumers.

The problem is there is no unified platform to send notices to, so we have to study the policies and then contact

each platform separately. Some have an online notice sending system, and some require an email. A uniform take-down procedure would be a great idea for brand owners, but would likely be resisted by the platforms, who prefer to follow their own approach.

### Attacks on genuine IP rights

Counterfeiters have learned that they can try to attack our rights, and unfortunately there are some law firms that help them do that. A lot of counterfeiters are connected, so they can pool resources to try to revoke trademarks, patents or other IP rights.

Brand owners need to be prepared for all cancellation actions in China. 3D or device marks are particularly vulnerable so it's important to make sure that they're used and the use is recorded

and in a proper way, such as a trademark. Another tip is to have a back-up strategy; for example, design protection or unfair competition. That can be the last resort.

We've definitely seen these kinds of actions increasing in the past few years. Counterfeiters used to hide but now they are emboldened, and they have nothing to lose from attacking IP rights as it is low risk and low investment.

### Moving to lookalikes

Lookalikes are a big problem, in many different ways. Some counterfeiters use a photo of a lookalike product to try to avoid detection, but they are actually offering counterfeits as well. They think they can trick brand owners this way while selling to target consumers.

In other cases, they change designs little by little or change the verbal mark while still looking like the branded product. In toys, for example, we've seen counterfeiters move from copying to making their own products and describing them as original.

This is less risky as it is harder for the authorities to take action. The best advice for brand owners is to act immediately when you identify a problem, to get good evidence of counterfeit sales and consider using criminal procedures. You need to be innovative and proactive to protect your rights.

## **Counterfeiters used to hide but now they are emboldened**

# Use of outside counsel

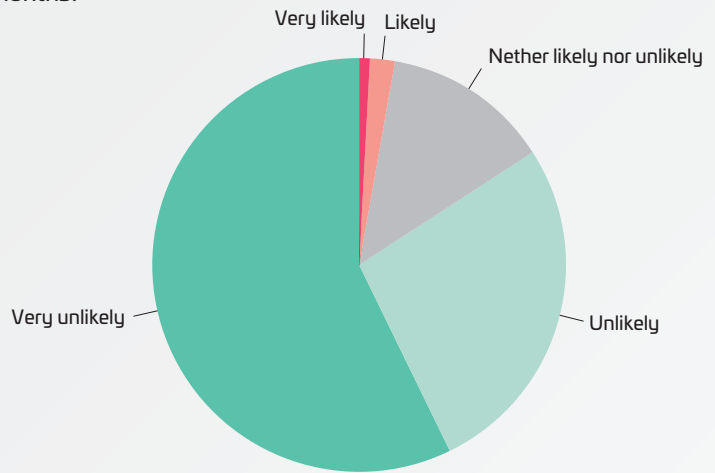
As well as asking respondents to identify their top three challenges, we asked them to answer questions about their use of outside counsel, selecting from a range of options.

Chart 1 shows the response to the question: “How likely are you to change your IP law firm within the next 12 months?”. As the chart shows, most respondents seem happy with their firms, as most indicate they are unlikely or very unlikely to change.

Chart 2 shows how important different factors are when choosing a law firm. For each category, respondents could choose one of four options: Strongly agree, agree, disagree or strongly disagree. For simplicity, the numbers for disagree and strongly disagree have been combined in this chart.

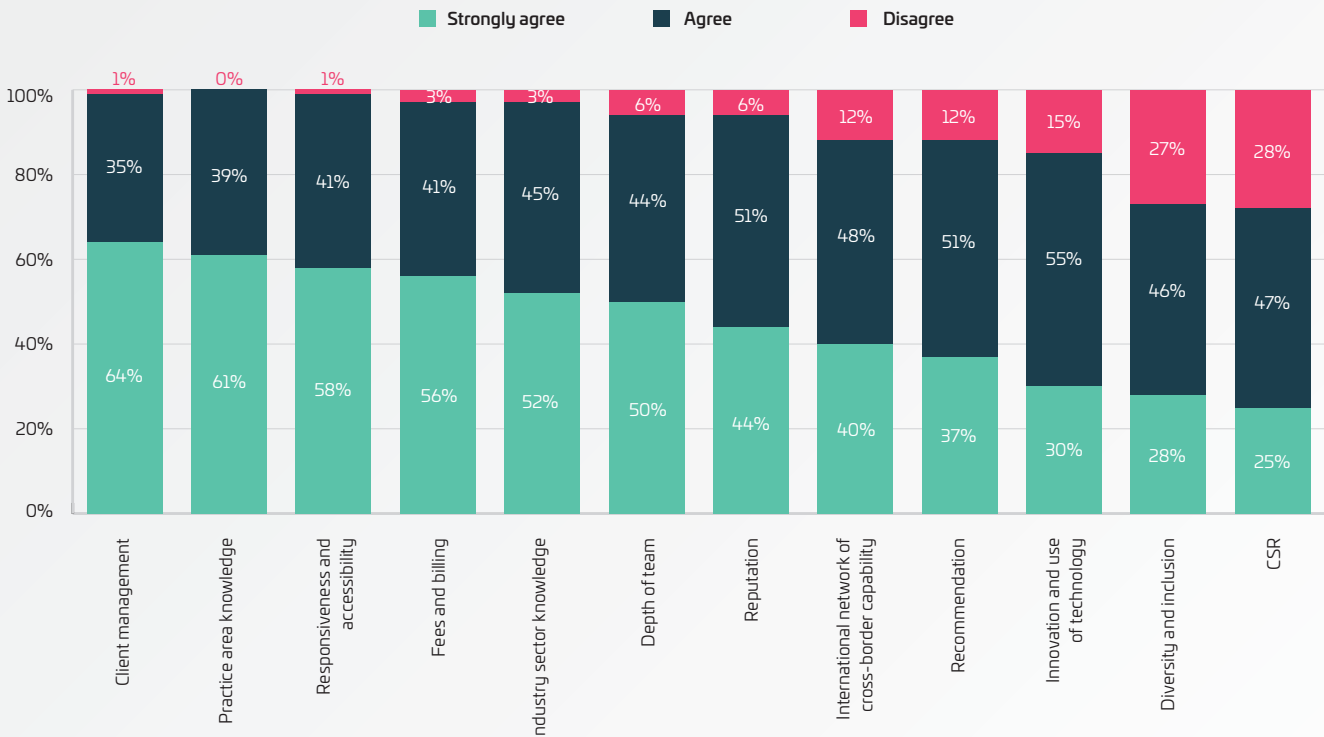
**Chart 1**

How likely are you to change your IP law firm within the next 12 months?



**Chart 2**

Please indicate the extent to which you agree that the factors below are essential to your decision-making process when choosing a law firm







## Élizabeth Roy

Innovation manager – intellectual property

Premier Tech, Canada

### CIPO delays

It is currently taking between 30 and 39 months to obtain a trademark registration at the Canadian IP Office (CIPO). Having to wait over two years for a trademark in a rolling commercial environment is undoubtedly a challenge.

It is particularly difficult for regulated products. For example, in Quebec province (where Premier Tech is headquartered) there are French-language requirements for packaging, but there are exceptions for registered trademarks, so it is important to have a registration.

For us, the answer is a question of risk management and planning. We have to look ahead and try to file trademark applications a year or two ahead of launching products.

The problem has been getting worse in the past few years and the office is aware and is trying to address it. One tool they have launched is a fast-track process if you use the pre-approved list

of goods and services. However, you can't always get the exact goods and services description you need and using the pre-approved list may increase the risk of opposition.

### Madrid Protocol

The issue of delays is also linked to Canada's accession to the Madrid Protocol in 2019. CIPO is still getting to grips with the protocol, and the short deadlines for the office to respond to designations of Canada in international applications have contributed to the delays.

As an international business, it is interesting for us. While the Madrid Protocol offers many advantages in principle, in practice we look at each application on a case-by-case basis. In some cases, it may be better to file country-by-country – for example, if there are use requirements (such as in the United States) and we are launching the product at different times.

It also depends on the results of the clearance search, as we may face problems in some countries. So when deciding whether to use the international route, we always ask questions such as: when will we launch? And what did the clearance search show?

### AI and IP

The first challenge with AI is to clearly understand the technology that you want to protect. This is a very fast-moving field and sometimes the law can be slow to respond. The reflex reaction is to ask: can we patent this? But you have to examine whether that is the correct strategy, and whether it is worth the investment.

It may be that the value is in the data, rather than the AI or the algorithm itself, and the best strategy is to consider how to keep that from competitors – which means looking at your IT, cloud computing and data protection policies. In IP terms, it may also mean considering trade secrets or copyright protection. You have to ask what are the tools that protect the element that holds value for the business.

There are discussions taking place about whether IP law needs to change, and these are welcome, but commercially things move very quickly so we need to adapt our IP strategies accordingly, even if IP law evolves at a slower pace.

***The first challenge with AI is to clearly understand the technology that you want to protect***

### 3. Unregistered IP rights

Some of the biggest challenges in IP in the next few years are likely to involve how to protect and enforce assets that do not fit into conventional buckets (such as patents, trademarks, and copyright). About 15 respondents cited concerns around data protection, reflecting the importance of big data and databases in today's connected, cloud-empowered world.

The concerns around data are shared by practitioners from different sectors and regions. While many referred generally to data protection, one raised governance of data, and another said data theft. For some in the pharmaceutical industry, data exclusivity is a top concern, and may become more so with the growth of bioinformatics and precision medicine.

One of the challenges around protecting data is the diverse and piecemeal regimes that exist. For example, laws on data privacy can affect IP assets: one respondent highlighted the impact of the EU General Data Protection Regulation (GDPR) on tackling domain name infringement.

In many countries, trade secrets laws have an important role to play in protecting unregistered IP assets. Not surprisingly, therefore, several respondents mentioned trade secrets, including unresolved questions about how they are protected and what constitutes trade secret theft. One highlighted "in-house measures" to protect trade secrets, while another said: "Trade secret management".

Despite legislative efforts in the EU and China, in particular, one respondent cited the "uncertainty on the global enforcement of trade secrets". Of course, trade secrets are by their nature secret, and that means companies are generally reluctant to bring them to court and risk having them exposed in discovery. With cases few and far between, therefore, uncertainty is likely to remain.

### 4. Unitary Patent and Unified Patent Court

The planned Unitary Patent and the Unified Patent Court (UPC) are among the most pressing issues for IP practitioners in Europe, and more than 30 of the IP STARS respondents highlighted this issue.

With preparations well under way, the new system is expected to come into force in early 2023, meaning that patent applicants and owners need to make decisions now, or very soon, about whether to seek unitary protection for some or all of their patents, whether or not

to opt existing European patents out of the UPC, and how the new court will affect enforcement strategies.

At the time of writing, there remains much uncertainty about how the new system will work in practice, and this likely explains why respondents are not very specific about their concerns. One referred to uncertainties due to the UPC, and a couple mentioned questions about supplementary protection certificates. The European Commission has proposed revising this system to provide unitary rights but details have not yet been published.

Many of the respondents who listed the Unitary Patent and/or the UPC identified other issues relating to litigation, such as the availability of injunctions, the scope of protection, and SEP licensing. That suggests that they are already thinking proactively and creatively about how the new system will be part of their patent protection and enforcement strategies.



### 5. IP management

The day-to-day issues of managing IP portfolios present a number of challenges for in-house counsel and IP managers, including:

- Budgeting and costs management
- Use of technology
- Recruitment
- Liaison with outside counsel
- Relations with colleagues in other parts of the business

Many of these were identified by the IP STARS survey respondents.

In the current climate, costs rank high for many respondents. "Doing more with less resources and budget" was a typical response, while other challenges highlighted include legal costs and complexity, efficiency, cost awareness, and accurate cost prediction. Others pointed to the impact of cutting costs on IP strategy, one saying: "Cost pressure and the need to protect more innovation", while another said: "Budget pressure on building and maintaining a good IP portfolio", and a third said: "Cost control for an international IP portfolio."

Some respondents identified more general issues around IP strategy. One in-house counsel identified IP management issues in all three of their priorities: lack of an IP business culture in many companies, lack of resources dedicated to patents, and focus on production costs rather than adding value through IP.

Other responses included "weak IP culture", "insufficient legal literacy", and "keeping up to date with [internal] client strategies".



## Clemens Heusch

Global head of dispute resolution

Nokia, Germany

### FRAND disputes

One of the biggest challenges in the tech industry is which court can set the royalty rate in FRAND (fair, reasonable, and non-discriminatory) disputes. Patent owners may prefer to go to certain courts in Europe or the United States, which they perceive as more favourable, while implementers may prefer courts in China or, for example, the Northern District of California.

The question is: which court has jurisdiction in a global dispute? It has not been resolved so far and that creates unpredictability. Everyone wants to settle these disputes on reasonable commercial terms but at the moment it's very hard to give the business any answers about how cases can be resolved. Remember we are talking about royalty payments of hundreds of millions, or even billions, of dollars so even a small difference in the royalty

rate can be very significant. That makes disputes worth fighting over.

In the future, I expect there will be more arbitration. Courts do not want to compete over competence and so judges will force parties to arbitrate. I don't expect we will see a dedicated international FRAND-setting agency, as there are too many obstacles. However, there will continue to be new challenges with the take-up of 5G and, eventually, 6G and the different problems posed by different sectors, such as smartphones, connected vehicles and the internet of things.

### Anti-suit injunctions

We have seen a lot of attention paid to anti-suit injunctions and anti-anti-suit injunctions, which are essentially about saying "Don't step on my toes!" or "Do whatever you want as long as it doesn't

interfere with my jurisdiction!" These have been sought or obtained in courts in countries including China, India, Germany, France, the UK and the US.

However, courts are becoming more careful about issuing these and we have not seen any in the past year or so. I think this is welcome as these injunctions lead to unnecessary escalation and do not solve the commercial problem at the heart of disputes.

Ultimately, each court should decide its own cases. Unfortunately that means we have parallel decisions which don't resolve who has authority, but at least they take some of the heat out. The courts can then decide whether the parties are actually trying to solve the problem or just holding out.

### Artificial intelligence

The big question is whether a machine can be an inventor, or can an algorithm be independent of the person that created it? My view is that the inventor must be a human, and a machine is always created by a human.

So far, the courts have generally taken a similar view but there are some inconsistencies and it would be good to get certainty, from the highest courts if necessary. Ultimately either we need an international agreement or we need to learn to work with diverse case law, as we do on issues such as computer-implemented inventions.

***Courts do not want to compete over competence and so judges will force parties to arbitrate***



Communication issues were frequently mentioned. One respondent specified the need for better risk assessment with clients before starting projects. Another cited “lack of knowledge about value of intangibles/IP”, while several identified the challenges of raising the understanding of IP across the company, including at senior levels. For example, one said: “Getting C-suite to understand the complexities of global trademark practice”, while another mentioned “convincing upper management that IP is important in view of other challenges”.

Costs were also raised in relation to outside advisers. One respondent said: “Increasing costs of outside counsel, especially in litigation”, while others highlighted billing issues, responsiveness, accessibility and the increasing need for bigger teams.

There was some sympathy for the challenges that outside counsel face, including “commoditisation of IP services”, “consolidation of IP service providers”, “more fixed-fee services”, “bureaucracy”, and “lack of modernisation”. Outside counsel should pay particular attention to a comment highlighting “a perceived inability of specialist IP practitioners to reduce fees for work which is not specialised and is repetitive”.



## 6. Geopolitical issues

The pandemic and, more recently, Russia’s invasion of Ukraine have demonstrated the extent to which geopolitical developments can influence IP practice. Several such developments were highlighted by respondents.

As one respondent said: “Conflict around the world, and global pandemics (and even local infectious diseases) will be extremely disruptive to patent processes.” Despite the rollout of vaccines in many countries, the impact of COVID-19 continues to be felt in changes to normal processes and, as one respondent put it, “slowing business”. The risk of economic crisis, increased prices, and even recession in many markets was also identified.

Meanwhile, wars also pose a threat to IP. While only one respondent specifically mentioned Ukraine, others highlighted the danger of conflict and five referred to Russia – raising concerns about the nationalisation of patent rights and ceasing of respect for foreign IP.

Developments in China also continue to vex IP owners, with more than 20 naming the country. While some of these responses focused on specific issues such as enforcement in the courts and trademark squatting, others highlighted more general issues such as US–China trade matters and decoupling. One flagged: “Adherence to global IP law in China, India and developing countries.”

More than a dozen respondents mentioned Brexit, and the continuing questions about the impact of the UK’s departure from the EU on enforcement, filing, and IP strategy. The UK voted to leave the EU in 2016, and did so on January 31 2020 with detailed arrangements to maintain the protection of trademark and design rights, and deal with ongoing disputes. But there remain questions about policies on parallel imports and enforcement, and to what extent the UK will diverge from the EU in the long term, all of which create uncertainty for IP owners.



## 7. ESG issues

A few years ago, environmental, social, and governance (ESG) issues would probably not have been prominent in a survey such as this. Indeed, the abbreviation ESG itself would have been unfamiliar to many people. Today, however, ESG issues are pivotal for many companies, highlighted in annual reports and investor presentations, and subject to detailed measurement.

Several respondents mentioned the drive towards sustainable innovation and climate-friendly technology – what one called “the green tech focus in IP” and another called “the wild west energy transformation”. Statistics suggest that investment in patents for green tech is increasing again after a dip in the past few years, reflecting the greater investment and interest in the sector. One respondent specifically mentioned the importance of “electric vehicles and autonomous vehicles”.

Meanwhile, regulations about the use of green claims and branding in packaging and advertising will increasingly raise questions for trademark specialists. Similarly, moves towards recycling and re-use of goods, in industries such as fashion and furniture, may raise questions about exhaustion and supply chain management. Two respondents highlighted the challenges brought by upcycling.

The push towards sustainable working will also be felt in IP business processes, with increased digitalisation, reduced travel, and more remote working.

But ESG is not just about sustainability. It also raises wider issues for IP practitioners. One respondent referred to “ethics in the use of IP”, which may reflect the increased scrutiny that has come with the COVID-19 pandemic and the higher profile of patents.

Another respondent pointed to the emphasis on diversity and inclusion within multinational companies and at the professional firms they instruct. Expect to see issues around diversity become much more prominent in IP in the next few years, including in how firms and counsel are chosen and reviewed.



## Maria Mellgren

IP director

Essity, Sweden

### Artificial intelligence

We have tested AI in patent searching in fields such as mechanics and digital/electronics and found it to be lacking. The problem is you don't have powerful keywords, so you need to understand more than the word per se: commonly used words such as pulp, absorbent or nappy tell you nothing.

We have tried three different systems, and at the moment without image recognition it doesn't work for us. But we will undoubtedly need to go this way because of the mass of information coming. We need to find avenues to leverage AI and provide feedback to the developers.

I hope we will find solutions in the next year or two. There are many providers working on the problem and someone will crack it, so it's important to be an early adopter to have leverage.

### Brand abuse

Brand abuse online continues to get worse. During the pandemic, people were forced on to digital platforms, even people that had not been very digital before. As online sales grow, so will brand abuse.

It is so easy for people to open a web shop or a sales site on an online

marketplace, and if we take them down, they can just open a new one. For very limited financial risk, you get a global platform and it is very difficult for consumers to tell what is real.

We see trademark infringement, but also the use of images of our products, which is copyright infringement, and the use of patterns, which is design infringement. We've also picked up patent infringement through our brand monitoring.

Brand abuse will never stop, but there are things we can do to make it better. We monitor trade shows, we have an external provider who monitors online continuously, and we train customs.

The biggest problem is that the risk for counterfeiters is so low. It shouldn't cost brand owners more to do take-downs than it costs the infringers. The enforcement on the main platforms is improving, but slowly. And of course there needs to be legal certainty for all parties, so we shouldn't dismiss the proper procedures and rules.

***Brand abuse will never stop, but there are things we can do to make it better***

### Digitalisation

We are seeing more and more digitalisation, in how we work and how we manage cases. If we can adapt and use technical support, I think we will get a lot of good solutions. But in IP we're quite a conservative business and people are often reluctant to take on digital solutions and innovations. We need to challenge ourselves!

## 8. Threats to trademarks

Trademark infringement and counterfeiting remains a big challenge for brand owners. But it is one that they are largely well equipped to tackle, except in some difficult emerging markets and in new technologies (see section 10).

By contrast, the IP STARS survey suggests that more subtle threats to trademark rights – including lookalikes, unfair competition and passing off – may be a bigger threat for many brands. This reflects the growing sophistication of counterfeiters, who are increasingly using large cross-border networks, deploying innovative tools and strategies to cover their tracks, and even resorting to legal steps (in some cases, with professional legal advice) before IP offices and courts.

As one respondent said: “Counterfeiters move to lookalikes” and another commented: “High-quality counterfeits causing greater difficulty in authentication.” This is partly a result of some counterfeiters adopting similar rather than identical branding to try to avoid liability and the anonymity and confusion resulting from using the Internet and apps.

The growing sophistication may also be leading to growth in other forms of brand abuse in the real world and online (see section 10). One respondent highlighted “parallel imports and unauthorised use of branding” as their top priorities, while another said: “Copycat domains.”

## 9. Trademarks under attack

Trademark-focused respondents to the survey identified several problems relating to registration and protection, including malicious registrations, overcrowding, and delays.

The rapid growth in trademark filings over the past few years (which may have levelled off) – especially in big markets such as China, the EU, and the US – has created a headache for applicants. Processing times have increased and it is much harder to clear marks globally, particularly in popular classes such as class 5 and class 9. One respondent identified “crowded trademark registers” as a top challenge, while another said “trademark cluttering”, and a third said simply: “There are too many trademarks out there.”

But there is also a bigger threat identified by some respondents. One pointed to infringers proactively registering famous brands: “Trademark squatters are the only issue we’ve encountered.” Another singled out the problem of zombie registrations: “Some applicants are

protecting trade marks without being active in specific fields of the business just for the sake of leaving with the trademark trading.”

These problems are particularly acute in China, and several respondents cited “trademark abuse” in the country, including “malicious trademark registrations and inconsistent practice of the China IP Office”. This means that bad faith applications are allowed to proceed, and legitimate rights owners face the costs and disruption of seeking to invalidate them. Another said: “Too many trademark applications and very rigid examination rules make it extremely difficult to obtain registration in China.”

## 10. Online enforcement

Issues related to the Internet have been challenging IP practitioners for three decades now, but they show no sign of becoming any less important.

Eighteen of the IP STARS respondents mentioned online issues (including online enforcement, online fraud, online brand infringement and online infringement via social media), while a further eight mentioned e-commerce and 11 reported issues with domain names. One said simply: “Internet frauds and scammers.”

However, the nature of the challenge is clearly changing. As well as websites and social media, respondents pointed to the threat from new apps, NFTs, gaming, and the metaverse. These new frontiers pose questions about how to secure protection, how to take down counterfeit or pirated items on these new channels, and the liability of platforms for infringements carried out by third parties, often with small consignments of goods sent across borders. None of these problems is getting any easier to deal with.

One respondent described NFTs and the metaverse as “the new domain for counterfeiting and infringement”, and highlighted the interesting question of “influencer liability”. Another noted: “Counterfeits moving to new shopping apps and channels, including livestreaming and mobile apps”, while a third said: “Fast-paced online pop-up sales on an ever-increasing number of platforms”.

These issues are well known to practitioners and legislators, and there have been some attempts to deal with them, both in the courts and through legal reform. However, these are yet to have a significant impact. One respondent picked out the new EU Copyright Directive, which addresses Internet service provider (ISP) liability, but noted that it has not yet been implemented by all EU member states. Another noted the “lack of legislation affecting marketplaces’ responsibility”.

*Due to the nature of their work Kaushik Banerjee is unable to be pictured in this report*

## Kaushik Banerjee

General manager (IP)

Zydus Lifesciences, India

### Dynamic changes in the law

India is taking several initiatives to foster innovation, including amending the Patent Rules, efforts to create a dedicated bench in the High Courts to deal with IP matters in a time-bound manner, nudging the patent offices to speed up examination of patent applications and increasing the strength of patent offices by hiring new examiners.

However, in this transformation, there are instances where certain acts, orders and decisions from various authorities may not have had the desired impact or may be having undesirable outcomes. Some of them are:

- Authorities have sometimes provided inconsistent and conflicting rulings while interpreting provisions of the Indian Patents Act, 1970; for example, Section 3(d). Also, there are divergences in interpreting the Supreme Court's order on the same.
- Another recent controversy is when, and under what circumstances, a prior generic Markush disclosure becomes novelty-destroying to a later claim to a species and how much can the principle of one patent

for one invention be extrapolated in such and similar situations.

- The changes brought about in the Indian Patent Rules through the amendments of 2016 have drastically reduced the time for putting an application in order for grant after the issuance of the first examination report from 12 months to six months. This has the impact of putting enormous pressure on the patent applicants to make the claims amenable to the controller for fear of loss of rights. It may lead to the grant of patents with an inadequate scope of protection.
- The decision to do away with the IPAB (the Intellectual Property Appellate Board), the body that was specifically created under the Patents Act with the aim to decide IP matters expeditiously, and refer all pending cases to the Delhi High Court has increased the level of uncertainty in the decision-making process.

### Cost pressures

One of the major costs when prosecuting applications globally is the

translation cost and the requirements of validating the translations made, as many times the costs are duplicative. Investing in improving the quality of machine translations by international bodies such as WIPO (the World Intellectual Property Organization) and EPO (the European Patent Office), along with various patent authorities, and developing certain standards acceptable to the majority of the patent offices on the quality of machine translations may go a long way in reducing this cost.

Expanding the Patent Prosecution Highway (PPH) programme to more patent offices and bringing in better consensus on the acceptability of one member patent office's patent examination report and decisions by other patent offices may speed up patent prosecution and reduce the cost of prosecution in multiple jurisdictions.

### Countries raising barriers

Countries work in their national interest and pass laws to suit their sovereign needs. I am not sure what can be done about this other than better advocacy and consultation among all the stakeholders.

Maybe the national IP associations along with international bodies such as WIPO can play the dual role of advocacy with the concerned country and also supporting the domestic industry in finding ways to overcome the barriers.

**Authorities have sometimes provided inconsistent and conflicting rulings while interpreting provisions of the Indian Patents Act**

## Conclusion

The IP STARS survey demonstrates the wide range of issues that today's in-house IP practitioners have to deal with. They encompass developments in the law, technology, business models and society more generally. And they are constantly changing: many of the issues identified in this report would not have been prominent a decade ago, and some would not have been even a year ago.

We will publish a new edition of this report next year. By then, there will likely have been further developments on some key topics, such as the Unitary Patent/UPC and online liability, and it will be a safe bet that perennial topics such as anti-counterfeiting and digitalisation will remain prominent. But there will almost certainly be new

issues that emerge – perhaps from geopolitical developments or new businesses/technologies, or perhaps from decisions of courts, IP offices or other authorities. Will NFTs and the metaverse remain controversial and if not what will the new trends be? What impact will the WTO deal on COVID-19 vaccines have? Will the growth in applications for IP rights continue or will we see a reverse in that trend, and if so how will people respond to that?

The range of responses in this survey confirm that it is an exciting time to be working in IP. In-house practitioners are at the cutting-edge of new developments and challenges, and provide a unique perspective on how law and practice is changing. Thank you to everyone who took part in this survey and we look forward to reporting further analysis next year.

### About this report

The Managing IP Market Trends Report provides an in-depth analysis of the key industry issues and trends and their potential impact on IP owners and users. The report is based on the responses from an annual in-house client survey conducted as part of the research for our rankings publication, IP STARS.

The in-house survey draws on our large database of in-house legal practitioners and other company employees in several industries. The survey runs from November to February and attracts responses from more than 2,000 individuals, including senior in-house counsel. As well as asking them for feedback on the firms they use, we ask about their key priorities and concerns in the market. Please visit [ipstars.com](http://ipstars.com) to learn more about our research.

### The demographics

We contacted thousands of in-house client referees based in more than 50 jurisdictions. Their companies operate in a range of industries. Most of the individuals had senior positions such as CEO, Brand Protection Manager, Chief IP Counsel, Head of Legal, Head of IP, Director, and Patent Counsel. Below are some of their industries and jurisdictions.

#### THE TOP 10 INDUSTRIES

Advanced manufacturing
Automotive
Chemical
Computer technology
Consumer goods
E-commerce
Life sciences & pharmaceutical
Luxury goods & fashion
Research institutions
Telecommunication

#### THE TOP 20 JURISDICTIONS

Australia
Austria
Brazil
Canada
China
Denmark
France
Germany
India
Israel
Italy
Japan
Netherlands
Norway
Poland
Spain
Sweden
Switzerland
United Kingdom
United States

#### Written by:

James Nurton on behalf of  
Managing IP Client Solutions

#### Client Solutions & Advertising: Subscriptions:

Nick Heath  
nheath@euromoneyplc.com

Jack Avent  
jack.avent@euromoneyplc.com

#### Editor-in-Chief Managing IP:

Ed Conlon  
ed.conlon@legalmediagroup.com