

## **IP SERVICES: CHECKLIST FOR SELECTING A NEW SERVICE PROVIDER**

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Intellectual Property (IP) Rights are gaining prominence in the international marketplace. Globalisation of trade, location of R&D activities, manufacturing, structure and location of IP asset holding companies, recent rapid growth of patent and trademark filing, etc, all are creating challenges to IP service providers.

It is important that an appropriate IP service provider is selected to meet the challenges. What should you look for in an appropriate IP service provider and how do you go about it? The following matters should be considered:

1. Can the IP service provider provide high quality services? In countries which have high entry or qualification requirements for IP professionals, the quality or ability of the professionals may not be a serious problem. However, in countries which do not have any professional examinations or low professional entry qualifications, the selection of capable professionals may be a problem. In many developing countries, patent agents may not have patent specification drafting expertise as their practice may be restricted to filing incoming patent applications. Such persons may not be capable of advising on patent infringement, freedom to operate, prior art searches, or preparing proper responses to patent examiners' substantial examination reports. Therefore it is useful to verify whether the patent agents have drafted patent specifications in the field of technology in which the service seeker is interested. Perhaps a sample of the work (e.g. published patents) can be examined to evaluate the quality.

Similarly in handling trademark applications, is the trademark agent able to advise on the suitability and registrability of a proposed mark, or does he merely file the application mechanically without input of local practice and customs?

So the first issue when selecting an IP service provider is the quality of the professional work and capability of the service provider.

2. Can the IP service provider provide highly efficient service? Are instructions carried out within time limits and feedback given promptly without receiving reminders? Acknowledgement of emails, letters, courier-sent materials, receipt of payments, etc, should be done promptly, without the sender having to seek confirmation after there

is total silence from the IP service provider. Otherwise such follow up activities on the part of the instructing attorney reduces efficiency, increases cost and may result in costs of rights.

3. Are the fees and the disbursements (other than official Patent & Trademark office fees) reasonable and fair? Is the service provider charging professional fees for work done by clerical workers? Or are there more than necessary professionals handling the file, with multiple professional fees, each checking or discussing the file with another, even for simple matters? Although most IP service providers do have fixed tariff rates, far often the professional time spent on a matter may not be reasonable considering the complexity or otherwise of the matter.

Do the service providers provide a detailed breakdown of their fees and disbursements, or do they just provide a lump sum figure? In these days of cost management, clients want a detailed breakdown of fees. Some service providers are reluctant or refuse to give a detailed breakdown of their invoices.

4. Where an IP firm provides services to an in-house counsel or in-house IP counsel, then it is necessary that the external IP service provider understands the business issues related to the IP rights in the local environment. The service provider should be able to appreciate the business context or the role IP Rights play in that local environment. For example, can the IP firm provide or arrange, if necessary, to conduct a survey on whether there are infringement products in the market or whether there is unauthorised use of a trademark in the locality or country?

IP service providers should be able to advise on IP related issues happening in that country. For example, is the country entering into Free Trade Agreement with other countries, or is there a move for regional harmonisation of trade, etc? All these will have a bearing on the effective exploitation of goods which are dependant on IP Rights.

Selecting an IP service provider within a country is relatively easy, as the reputation of the firm would be known or easily ascertained by simple due diligence enquiries. On the other hand, selecting an IP service provider in a foreign country has to be dealt with caution. Referrals and ranking of firms by reputable IP publications would help as they are ranked after surveys done among users or peers. As IP assets are crucial in many businesses, it is important that the IP service provider gives emphasis on quality of service rather than purely on prompt payment of invoices. If a service provider fails to file an application within a deadline, because his instructing client has not paid in advance, then should such a service provider be used for future work?

A large practice does not necessarily mean it is good, neither does a small practice mean it is incapable. Large firms must have proper systems and procedures to handle the work. The advantage of using a large firm is if the employee handling your matter resigns, other equally capable persons within the firm can take over the file. In a small firm, if the person handling your matter leaves, then there is a real possibility that your file may not be handled in a timely and professional manner.

In practice it is advisable when selecting a new IP service provider, to first entrust a simple new piece of work to it, and evaluate how the instructions are carried out. What was the quality of the service, was the firm efficient, were the fees reasonable and lastly, did it provide any added value service or advice? Based on acceptable service levels, a decision can be made to engage the firm for more work. Of course, different IP service providers can be selected for different types of work. For example, trademark registration matters may be handled by one firm, while all patent matters may be handled by a different firm. Yet again, litigation may be handled by another firm. Exchange of past experiences with regard to the service of an IP firm between different users is also useful in the decision to engage an IP firm.

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