JURISTAT

Business Intelligence

Business development is a pressing topic facing both law firms and companies. Firms need to find clients and companies need to find counsel. It is also incumbent upon law firms to prove their worth to their clients and ensure that they stand out against the competition, for in today's economy, a law firm's fortunes are far from certain. Companies, in turn, need to ensure that they are getting the best representation they can for their money. Most business development in the legal world today is done by reputation and word of mouth. These methods work well for firms and companies that have entrenched relationships with each other, but are less than ideal for those looking for new opportunities.

With the advent of big data in the legal industry, Juristat has successfully used data to optimize our customers' patent prosecution strategies. This has worked well for firms and companies looking to boost their internal prosecution metrics, but now we have gone a step further by using the same revolutionary analytics to assist our customers outside of their USPTO prosecution practices. Juristat Business Intelligence is a first-of-its kind business development tool for both law firms and companies that uses the power of big data to help our customers make pitches to new clients, evaluate outside counsel, and prove their worth to decision makers.
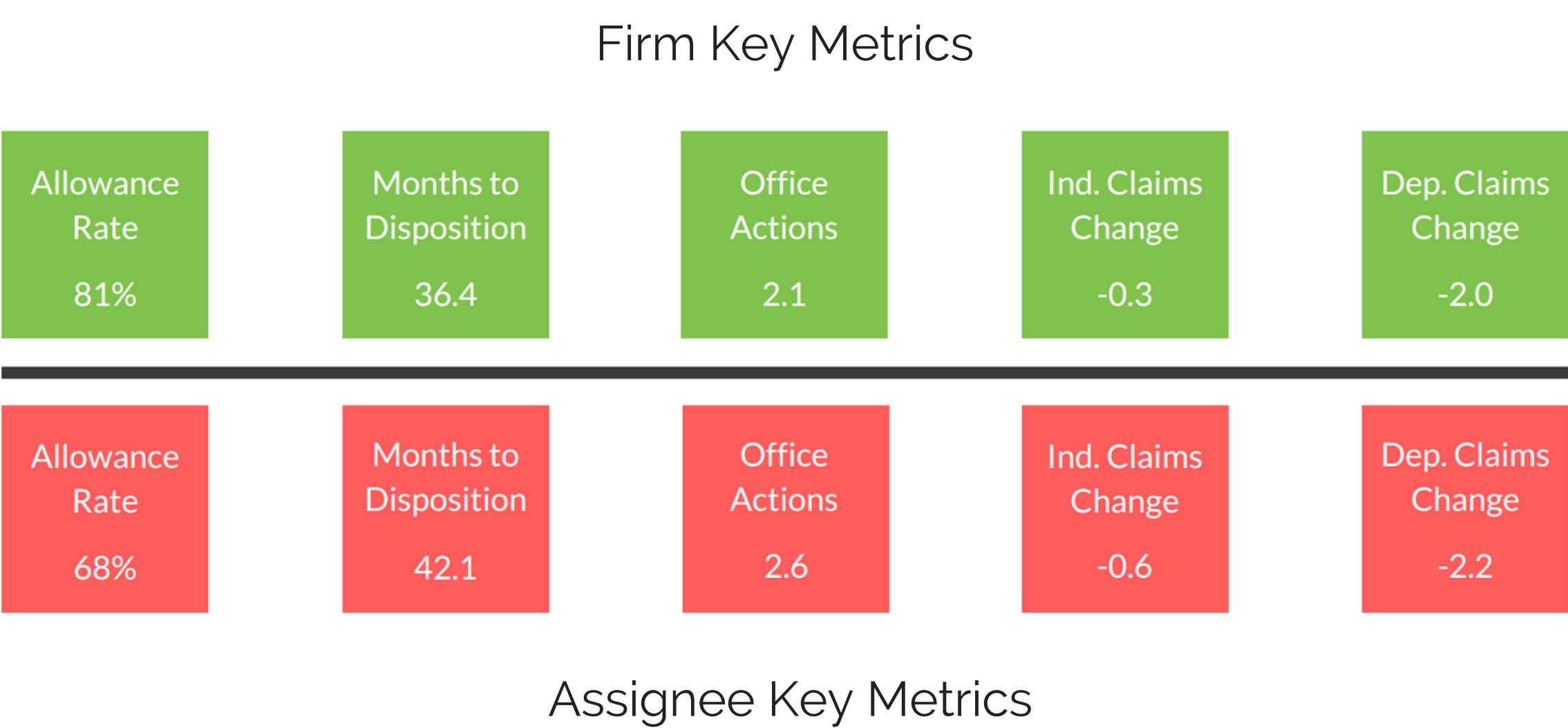
Juristat Business Intelligence works similarly to Juristat Examiner Reports. It pulls data from the USPTO and measures four major metrics to assess the health of a firm or company's prosecution practice: average allowance rate, average number of months to disposition, average number of office actions, and average claims change. While Juristat Examiner Reports use this data to help guide individual patent attorneys through the prosecution process, Business Intelligence uses it to compare the prosecution practices of entire firms and companies to one another. Just as a patent examiner's metrics are a good overall indicator of the difficulty of prosecution before that examiner, the same metrics for a firm or company indicate the overall health and success of that organization's prosecution practice.

In this white paper, we will examine the utility of Juristat Business Intelligence by explaining how it works and looking at a few examples of how firms and companies could use this data in their business development efforts.

For Firms

Business Intelligence's principle value to law firms lies in its ability to help them target prospective clients, prove their success to existing clients, and benchmark their metrics against those of their competitors.

When a law firm wants to acquire a lucrative new client, the first step for that firm is to figure out how healthy their prosecution practice is by using the four main prosecution metrics. Business Intelligence generates a report for almost every patent law firm in the U.S., so once a firm pulls up its report, it can then determine its average allowance rate, average number of months to disposition, average number of office actions, and average claims change. Then the firm can look up its prospective client to find out where it stands using the same metrics. Once that is done, the firm can look at these metrics side by side to determine which entity's metrics are stronger. If the law firm's metrics are stronger than the prospective client's (or the prospective client's current outside counsel), the firm can use this information in its pitch to acquire the prospective client's business.

Firm Key Metrics

Allowance Rate	Months to Disposition	Office Actions	Ind. Claims Change	Dep. Claims Change
81%	36.4	2.1	-0.3	-2.0

Allowance Rate	Months to Disposition	Office Actions	Ind. Claims Change	Dep. Claims Change
68%	42.1	2.6	-0.6	-2.2

Assignee Key Metrics

Likewise, firms can use a similar process for proving their worth to their existing clients. Pulling data from the USPTO, Business Intelligence will display all the assignees a given firm has done work for, and ranks the assignees by the number of applications prosecuted by the firm.

Business Intelligence then compares the firm's prosecution metrics with those of its clients, allowing a user to compare them side by side. If it appears that the firm's metrics are lagging behind those of its most profitable clients, the firm knows where to allocate resources to eliminate the deficiency.

Firms can also use Business Intelligence to benchmark their own work against those of their competitors. This is usually done when a law firm wants to compare itself to one of its current clients' other outside counsel or to the outside counsel of a prospective client. The same way that a firm can identify prospective clients with whom to compare metrics, it can do the same with other law firms. If it appears that the firm's metrics are stronger than those of one or more of its competitors, this information can be incorporated into a business pitch to a prospective client or used to persuade existing clients to send more business to the firm.

Example

Assume that you are an associate attorney at Smith, Jones & Wilson, a hypothetical large IP boutique firm, and you have been told by a partner that Acme Co. is looking for new outside counsel and that the firm would like to make a pitch to them.

First, you would log into Business Intelligence and pull up the metrics for both Smith, Jones & Wilson and Acme.

Smith, Jones & Wilson	Acme Co.
✅ **Allowance rate** 89%	❌ **Allowance rate** 74%
✅ **Months to disposition** 31.2	❌ **Months to disposition** 43.3
✅ **Office Actions** 2.1	❌ **Office Actions** 2.7
❌ **Independent claims** -0.5	✅ **Independent claims** -0.3
✅ **Dependent claims** -2.3	❌ **Dependent claims** -5.2

To dive deeper and ensure that you are comparing apples to apples, Business Intelligence allows you to filter to the class in which that Acme Co. most frequently files. This allows you to be confident that any differences in key metrics is based on skill and not due to one entity's applications being assigned to an easier or harder sector of the USPTO.

Looking at the prosecution metrics between these two entities that Business Intelligence returned, you see that your firm's allowance rate is 15 percentage points higher than Acme's. You also see that your prosecution timeline is 12.1 months shorter than theirs and that you receive 0.6 fewer office actions. When it comes to claims, you lose an average of 0.2 more independent claims, but you retain 2.9 more dependent claims than Acme.
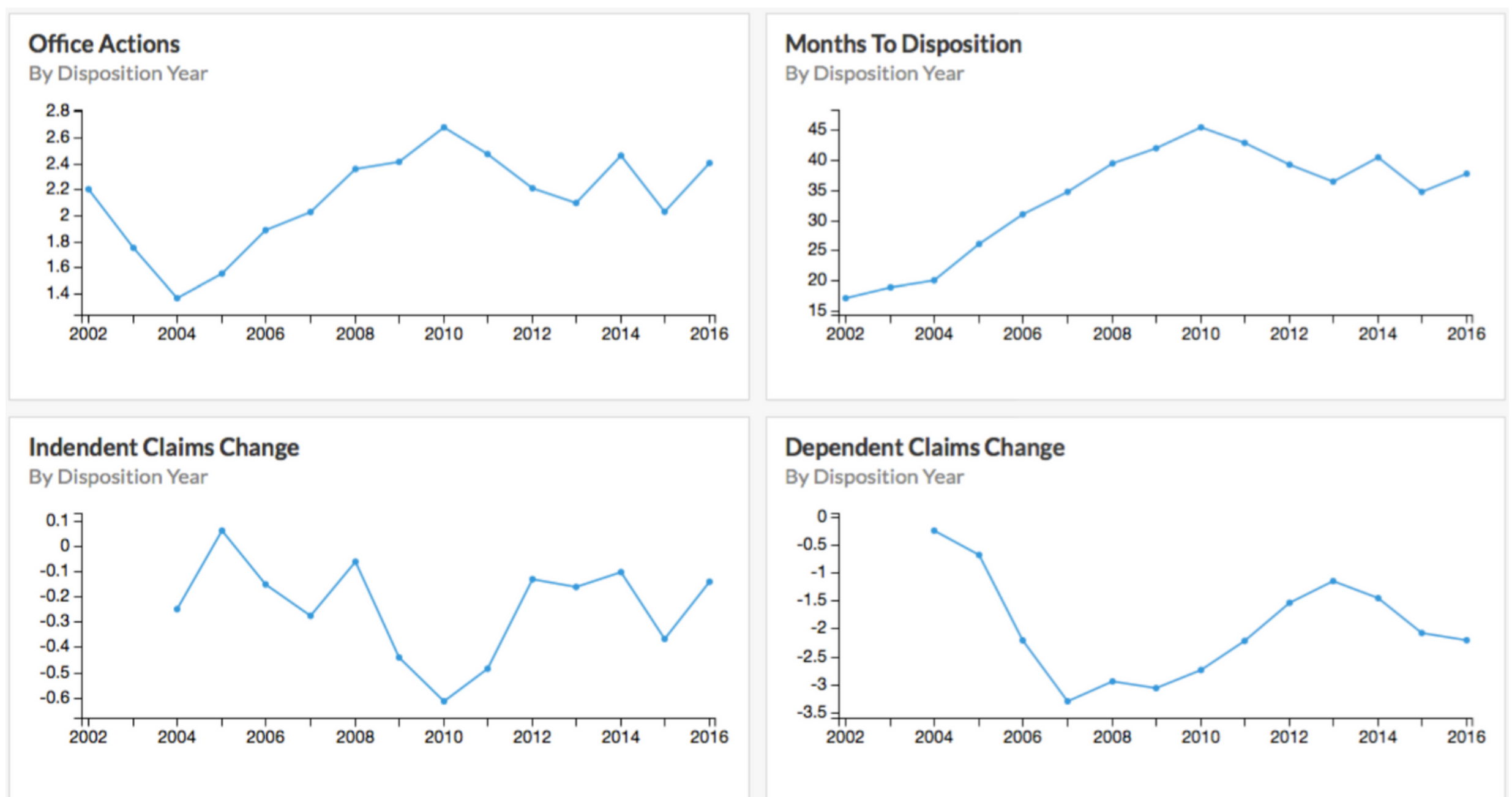
Thus, in almost every major metric, Smith, Jones & Wilson has a stronger patent prosecution practice than Acme and this is key information that your firm can use in its pitch to close the deal. If you know that another law firm is also courting Acme's business, you could do the same comparison of your firm's metrics to the other firm's. If your firm is stronger, this is additional evidence that Acme should hire Smith, Jones & Wilson over the other firm.

For Companies

The value of Business Intelligence to companies is that it allows them to vet potential outside counsel and to evaluate the performance of their current representation.

For vetting a potential new outside counsel, an in-house attorney at a company would start in much the same way as an attorney at a law firm. First, he or she would need to use Business Intelligence to pull up the company's prosecution metrics. These average metrics for companies include work handled by both in-house and outside counsel. Once the attorney has the company's metrics in hand, he or she would then pull up the potential outside counsel's Business Intelligence report and compare the two side by side to see who is stronger. If the outside counsel's prosecution metrics are stronger than those of the company, that means that they likely could improve the company's average metrics.

A particularly useful feature of Business Intelligence for companies is that it allows users to track an outside counsel's performance over time.

Office Actions
By Disposition Year

Months To Disposition
By Disposition Year

Indendent Claims Change
By Disposition Year

Dependent Claims Change
By Disposition Year

If at first it appears that a potential outside counsel is not a good fit, it may be worthwhile to dig a little deeper into how they perform over time. It may be better for the company in the long run to choose a firm whose metrics are on an upward trajectory than to choose one whose metrics are initially good but are likely to deteriorate in the future.

To evaluate current outside counsel, an in-house attorney at a company would proceed the same way as if he or she were vetting a new outside counsel by pulling up both entities' Business Intelligence reports and comparing the health of each entity. If it becomes apparent that one of the company's current counsel is underperforming against the company's average metrics or is significantly underperforming against the company's other outside counsel, then it may be time to reevaluate that relationship. Conversely, if one outside counsel is significantly outperforming any other, then it may be a good idea to send that firm more of the company's business.

Example

Now we'll take a look at how a company would use Business Intelligence to evaluate its current outside counsel.

Let's assume that you are an in-house counsel at Acme Co. and you need to decide which one of your outside counsel to trust with a major new batch of patent applications. What you are principally concerned with is obtaining the patents in the shortest amount of time possible and retaining as much claim scope as you can. Thus, you will want to pay particular attention to your outside counsel's average speed to disposition and average claims change.

Using Business Intelligence, you would first pull up the report on your own company and take a look at the top five outside counsel the report automatically generates for you. Your average metrics are displayed at the top of the chart, making it easy to compare them to Acme's top five outside counsel below. Dashes indicate no change from the company average.

	Allowance Rate	Months to Disposition	Office Actions	Independent Claims Change	Dependent Claims Change
Acme Co.	**87%**	**42.5**	**2.5**	**-0.1**	**-2.0**
Smith, Jones & Wilson	96%	44.2	3.0	-0.4	-2.3
Meridian Delfino	98%	39.3	2.1	-0.8	-4.7
Schmidt & Brundage	63%	24.9	1.6	-	-
Hewitt, Connor & Brown	89%	32.7	1.9	-0.4	-1.6
Markert & Associates	94%	27.6	1.7	-	-0.7

From the outset, you see that your top firm, Smith, Jones & Wilson, has a longer prosecution timeline than your average and loses more claim scope, so you can eliminate them from consideration. Next, you see that Meridian Delfino and Hewitt, Connor & Brown both have shorter prosecution timelines but also lose more claim scope, which is less than ideal. Markert & Associates has a much shorter prosecution timeline than Acme, which is promising, but loses slightly more claim scope. That may be a decent option. The last firm, Schmidt & Brundage, has a much shorter prosecution timeline and retains the same claim scope as Acme's average. Based on this assessment, it looks like Schmidt & Brundage is the way to go for your applications, with Markert & Associates being the runner up.

Gone are the days of relying on word of mouth and reputation alone when marketing your firm to a lucrative client or making the major decision hire new outside counsel. In the era of big data, law firms and companies now have the ability to evaluate one another using impartial data to ensure the most positive outcomes for all parties involved. Whether your organization is a law firm or a corporation, you can rest assured in the knowledge that when you use Business Intelligence, you're targeting the right clients, sending your business to the right firms, and proving your success to the right decision makers.

To learn more about Juristat Business Intelligence, please contact one of our sales representatives.