

LEGAL PROCESS OUTSOURCING

Benefits outweigh the risks**Dear Madam,**

I read with interest your article (*The perils of patent outsourcing*, *India Business Law Journal*, volume 2, issue 10) on the benefits and potential risks of outsourcing patent work. While there are risks to outsourcing this type of work, the risks are analogous to those faced by companies outsourcing financial services/research, payroll, information technology and even call centre services.

Many of the companies playing the above-mentioned spaces have access to social security numbers, private placement information, mergers and acquisitions information and so on. This information has similar liability as that of patentable technology if compromised.

Outsourcing companies today have infrastructure, privacy and confidentiality

policies and training in place to address these stringent privacy requirements. LPO providers are no different.

The liability for most LPO providers typically lies in the countries they source their business from, i.e. they have offices in the US/Europe, etc, to undertake the liability if any of this information is compromised.

Furthermore, outsourcing destinations like India have revamped existing country laws to enable multinational corporations to take cross-border action, if required.

Professional liability insurance for LPO providers is an emerging service which might potentially further alleviate any risks faced by the provider of such services.

Obviously certain types of technology regulated by the Export Administration Regulations (EAR) cannot and should not be sent outside the domicile country.

It is difficult for individual inventors to be fully aware of the risks when outsourcing patent work and they may choose not to do so. But for corporate

legal departments which regularly file mass patents that are typically various flavours of existing technology, and which understand the EAR as well as the risks associated with patent outsourcing, the right provider of these services brings monetary benefits that are well worth it.

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Protectionist scare tactics**Dear Madam,**

Peter Ludwig's article *The perils of patent outsourcing* in last month's issue inappropriately cited the recent notice from the USPTO as "expressing concern" over the practice of off-shore outsourcing of US patent work.

The recently issued USPTO's notice

Outsourcing will continue**Dear Madam,**

We read your recent article by Peter Ludwig entitled *The perils of patent outsourcing*. The article is an intriguing and a well-thought-out piece of work relating to patent outsourcing. It clearly addresses the potential violations that may occur in outsourcing patent drafting to India, and provides solutions to the same. We have some similar opinions to share with you in this regard.

We understand that the USPTO notification dated 23 July 2008 limits the scope of a foreign filing licence to purposes related only to filing a patent outside the US. The notice explains, "A foreign filing license from the USPTO does not authorize the exporting of subject matter abroad for the preparation of patent application to be filed in the United States".

It further directs applicants exporting subject matter abroad for the preparation of patent applications to be filed in the US to contact the Bureau of Industry and Security (BIS) to procure the approval for exporting the invention/technology.

We also understand from your article that an inventor himself, or patent practitioners with a proper understanding of the EAR, can determine whether a licence is necessary to export a particular technology to a foreign country without needing to consult the BIS. This is an excellent method that saves time which might otherwise be spent, unnecessarily, in getting the clearance of the BIS for inventions falling outside the export control list.

To the wake-up call from the USPTO's notice, the major legal process outsourcing services providers' reaction in India is that the notification will not affect the outsourcing industry drastically. LPO leaders believe that the USPTO notification is nothing more than a mere reiteration of a rule that already existed.

Legal process outsourcers believe that out of the total amount of patent work outsourced to India, a major part of it constitutes work that does not necessitate the transfer of technology.

The outsourced patent-related works, such as patent litigation support services, invalidity searches, prior art searches, patent monitoring

services, patent mapping, patent landscaping, and infringement analysis are areas that will be unaffected by the USPTO's notice, as they utilize only publicly existing information for their work.

Further, Indian LPO providers firmly assert that, up until now, inventions relating to sensitive technology are not the kinds of patent drafting that are being outsourced, and that only those inventions that fall outside the purview of the EAR list are exported to India.

As the American Bar Association stated, "the outsourcing trend is a salutary one for our global economy". The USPTO notification in no way halts the outsourcing of patent work to India.

The notice is a reminder to the inventors and patent practitioners to adhere to the necessary clearance process, if applicable. As stated earlier, this notification merely restates the existing rules for the smooth functioning of the legal framework in relation to patent outsourcing.

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