

Report of the 2017 Salary Survey of the IP Profession

Hosted by Fellows and Associates

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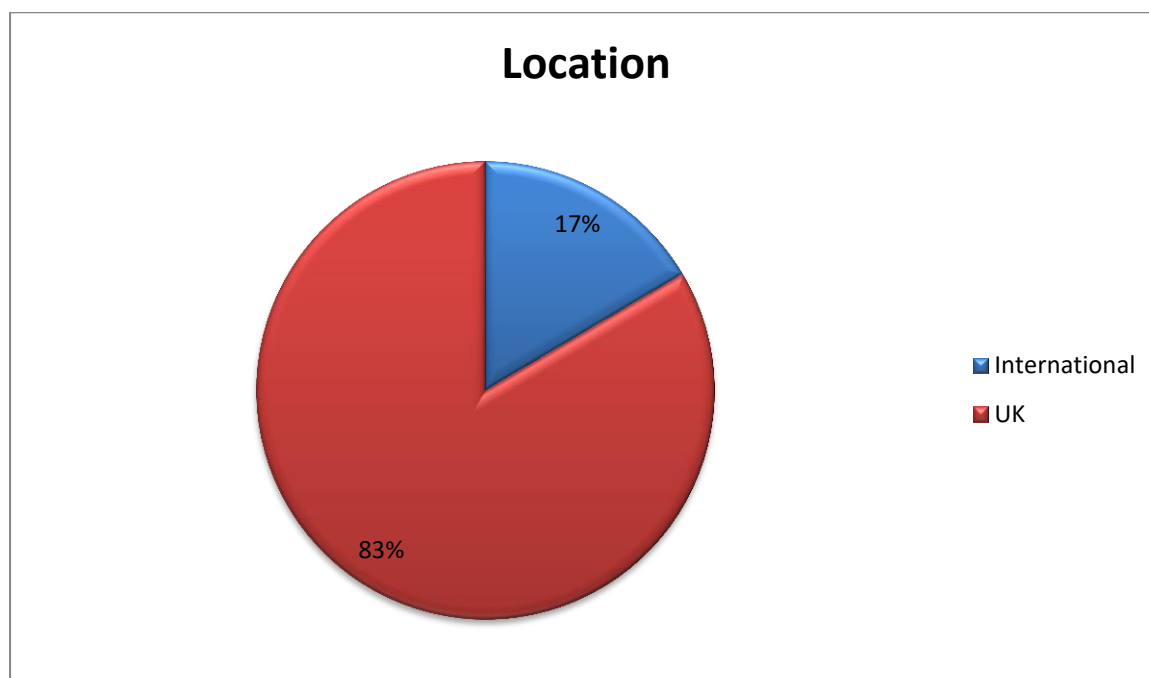
1. Introduction

This report presents data from a salary survey of the Intellectual Property profession which was collected over a six week period from the 2nd of May 2017 to the 11th of June 2017. The on line survey was accessible through a weblink, which was promoted on the websites of Fellows and Associates, The Patent Lawyer Magazine and CIPA. In addition, LinkedIn, Google+, Facebook and Twitter were utilised to promote the survey.

2. The Sample

A total of 235 respondents began the survey with 206 completing it (an increase of 2% on last year). Any financial information quoted by respondents in a currency other than GBP was converted to GBP using XE.com as of 13.06.17 at 16.45 GMT. Where respondents work part time, their pro rata financial information has been converted to a Full Time Equivalent (FTE) working a 40 hour week. Please note that in order to make the graphs easier to read percentages have been rounded to the nearest whole percent. This rounding may result in percentages appearing to total 99% or 101%. At a more detailed level, not shown here, these all total 100%.

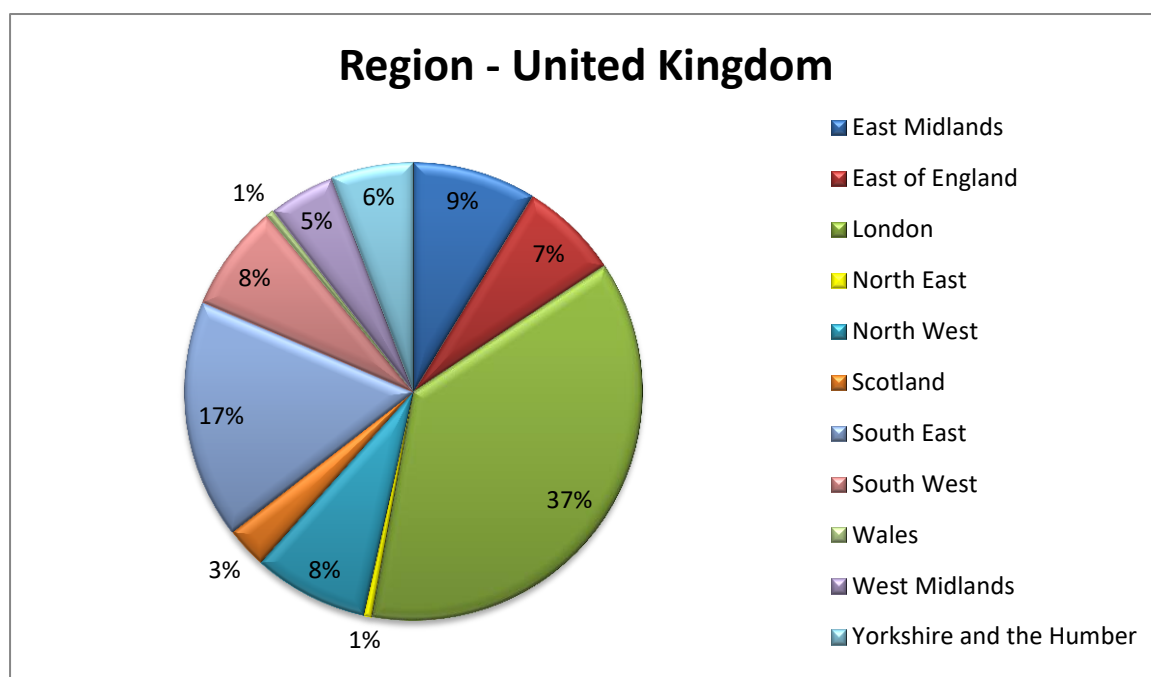
2.1 Location



Graph 2.1.1

The number of international respondents increased by 21% this year.

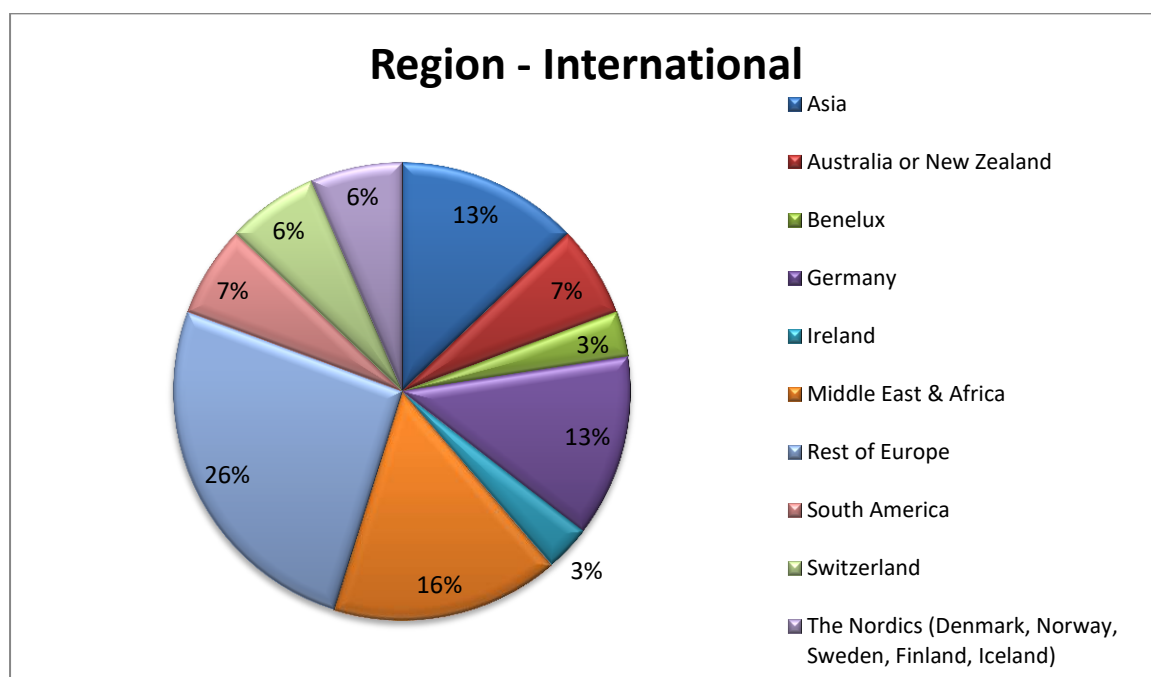
The data was then analysed to show the breakdown of the various UK regions:



Graph 2.1.2

We acknowledge the colours in the above graph can be a challenge to differentiate. Please read in a clockwise direction from the “12 o’clock” position to assist.

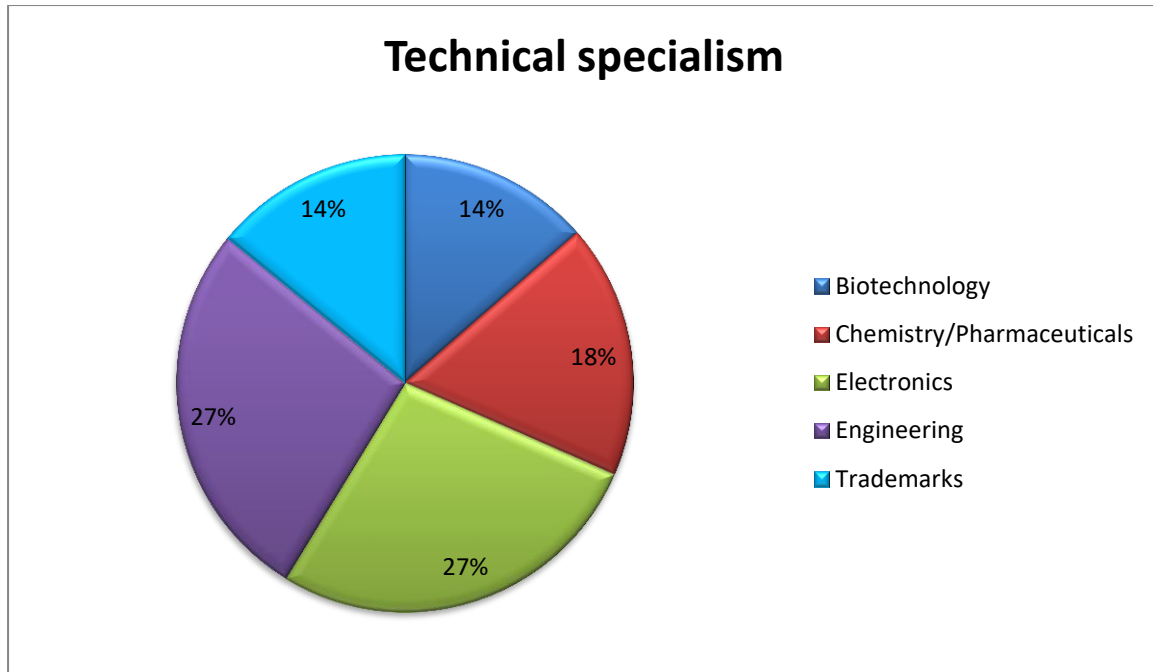
International respondents came from the following countries:



Graph 2.1.3

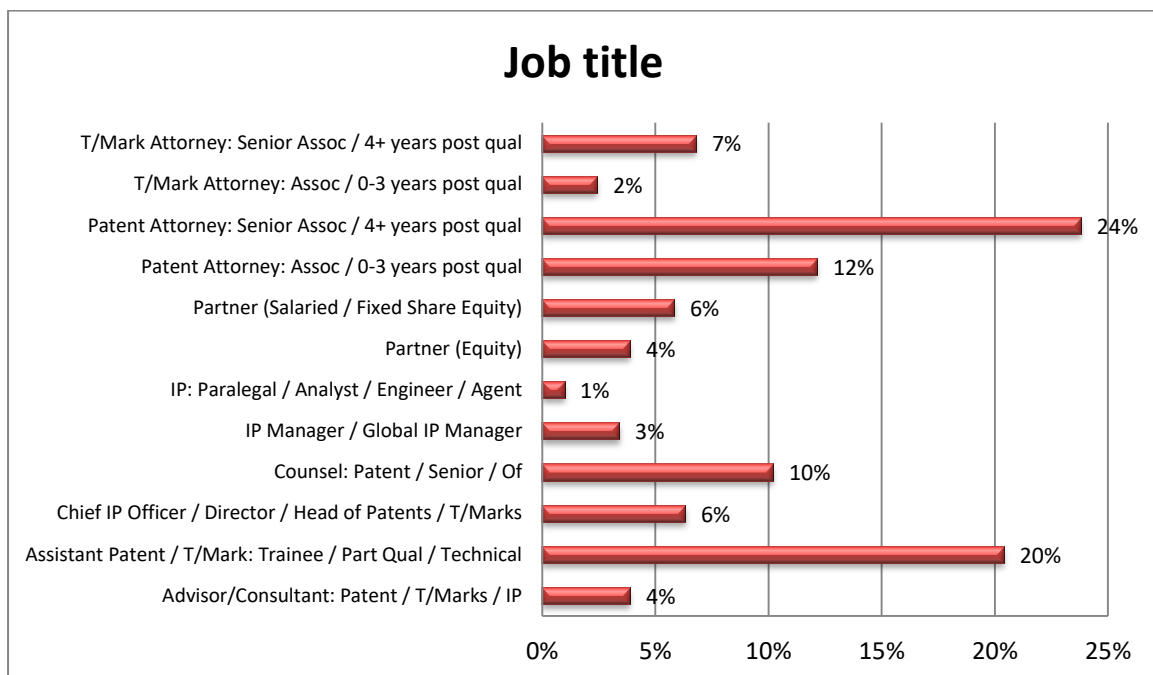
2.2 Technical specialism and title

Respondents were asked to select the technical specialism that most closely represented their background.



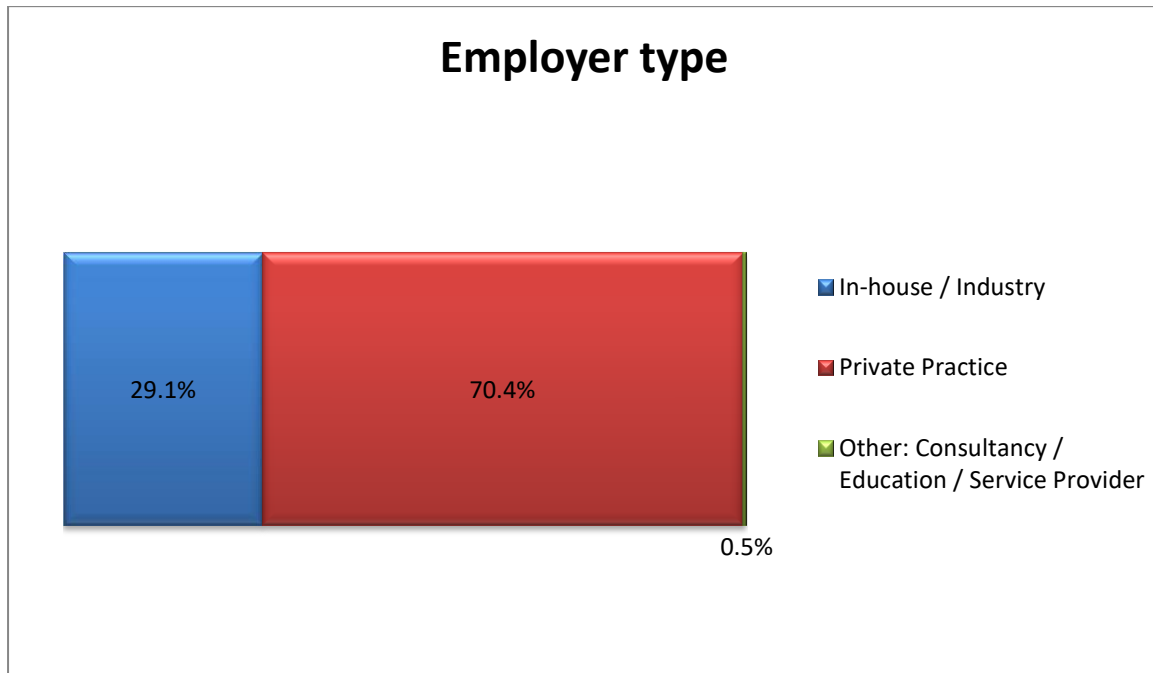
Graph 2.2.1

Participants were asked to select an option from a list that most closely matched their title.



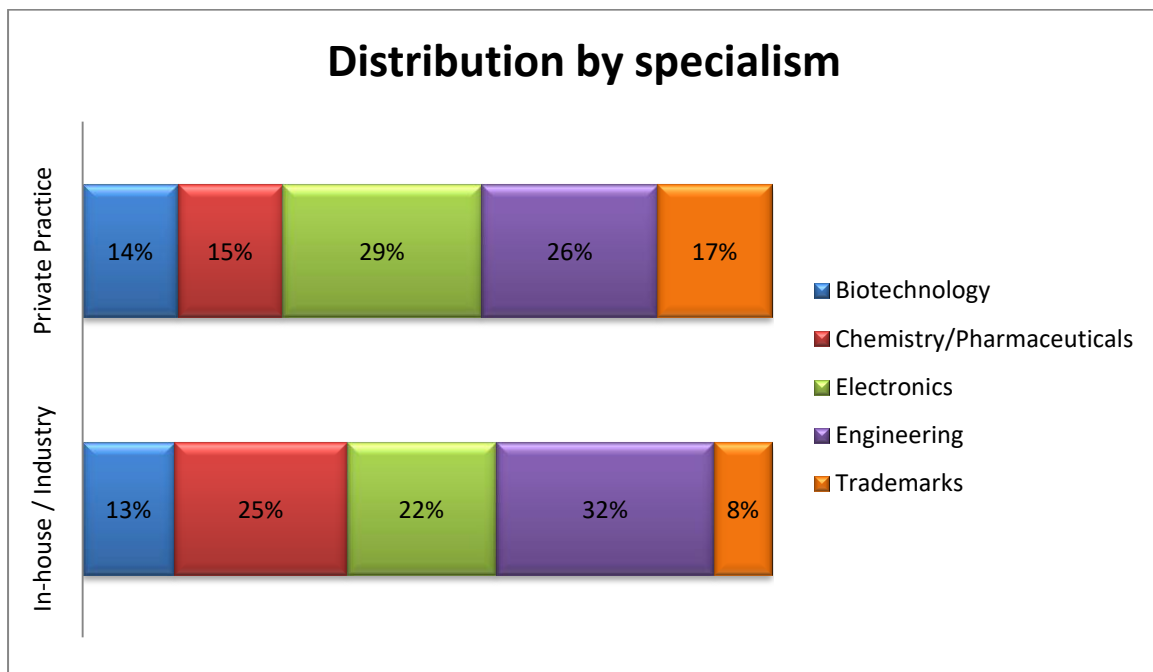
Graph 2.2.2

2.3 Employer type



Graph 2.3.1

The data was then further analysed to provide the technical specialism by employer type:



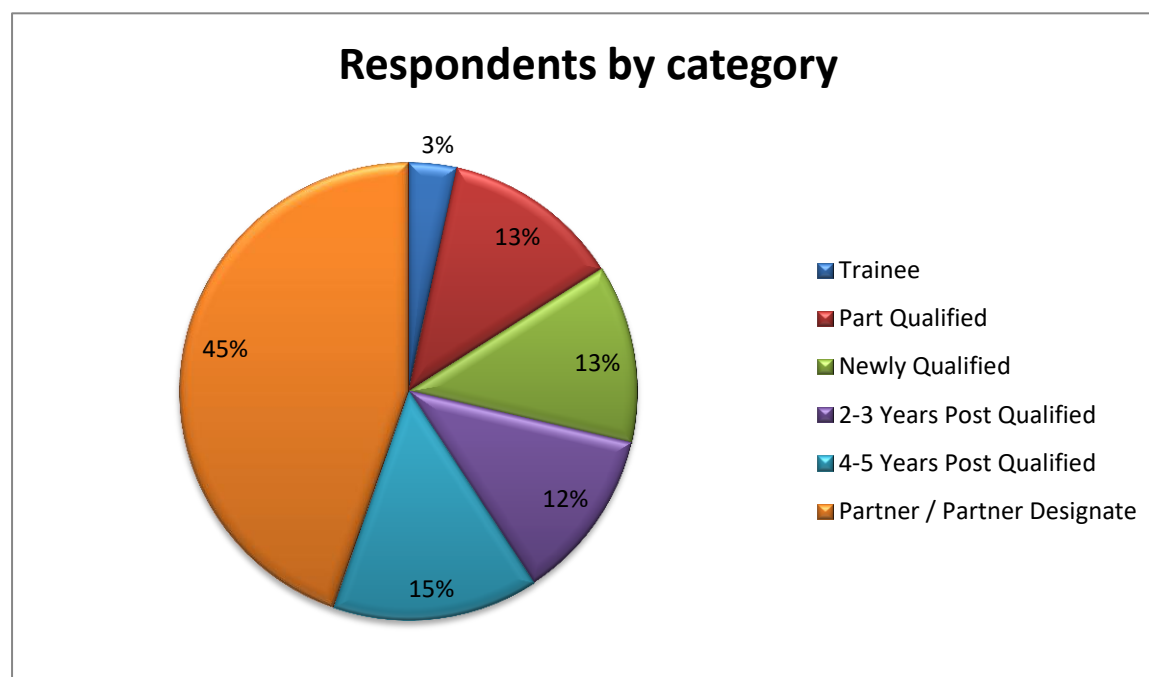
Graph 2.3.2

The “Other: Consultancy / Education / Service Provider” were 100% in Electronics.

2.4 Qualifications

As the definition of a part qualified attorney varies across firms, and the time it takes to qualify differs between individuals, this report has classified the year in which a respondent obtained their first qualification as per the below categories. **Please note ALL reference to Trainee, Part Qualified, Newly Qualified etc. within this report are per the qualification table below.**

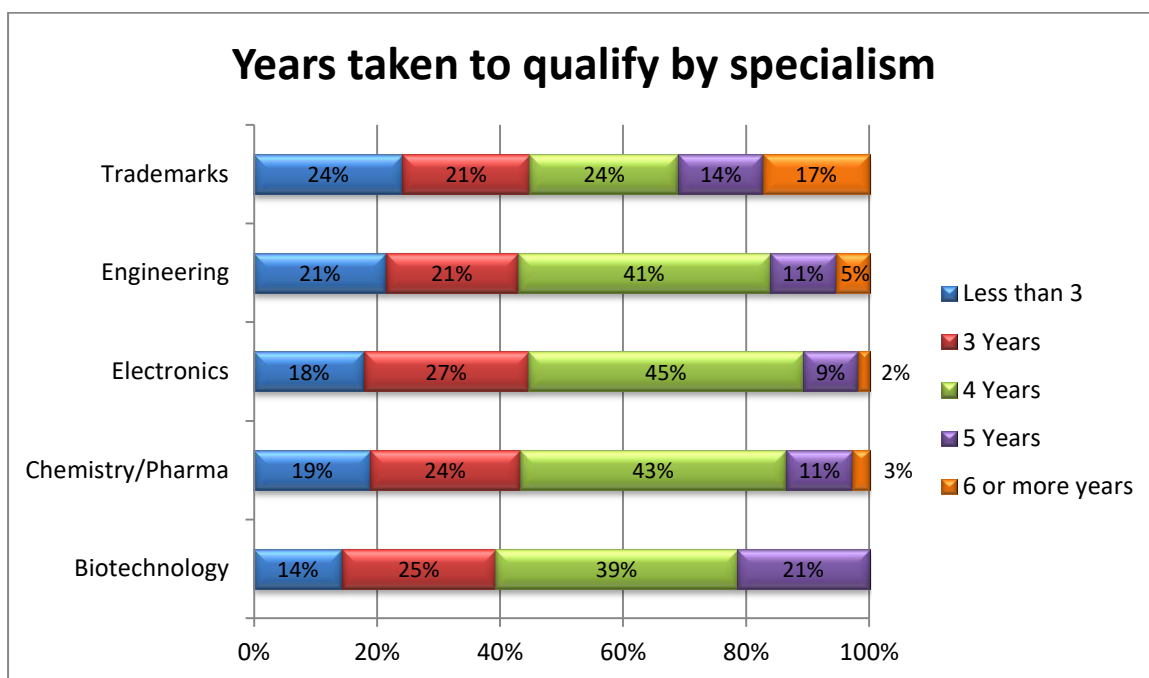
Category	Year 1st Qualification Obtained
Trainee	2020 or Later
Part Qualified	2018, 2019
Newly Qualified	2016, 2017
2-3 Years Post Qualified	2014, 2015
4-5 Years Post Qualified	2012, 2013
Partner / Partner Designate Level	2011 or Earlier



Graph 2.4.1

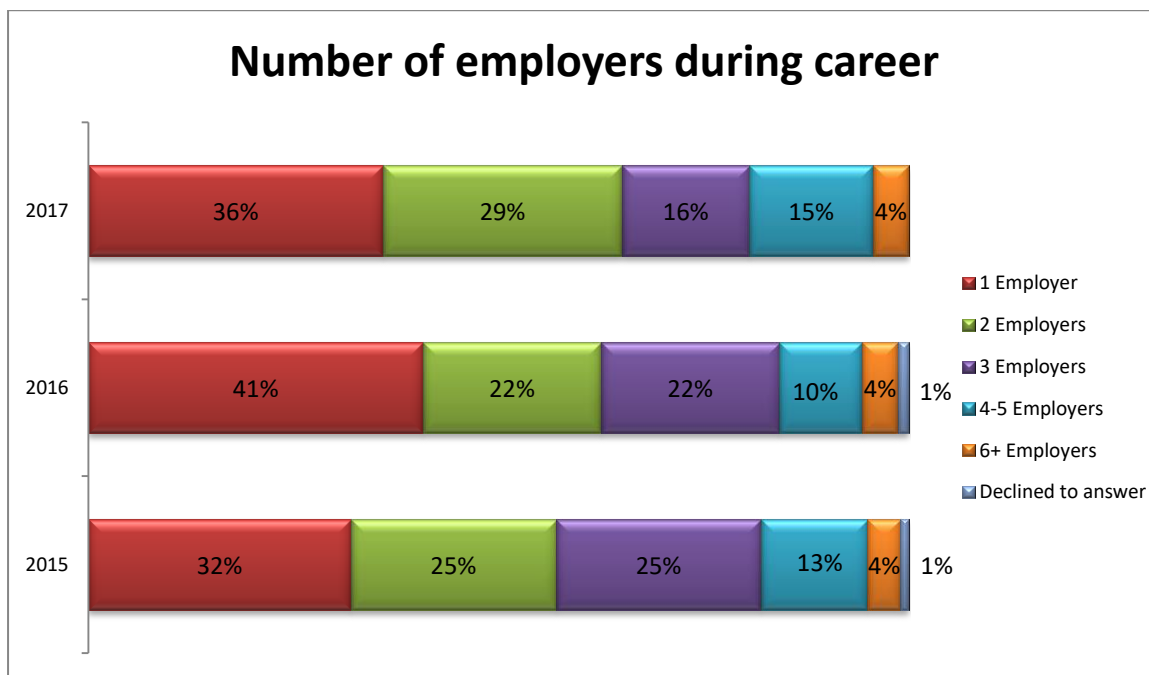
In the next graph we have taken a look at how long the average respondent takes to qualify and how their technical specialism may impact the timing.

We performed analyses of the average base salaries by years taken to qualify as well as looking at the respondent's specialism, category (see 2.4) and whether they were in-house or in private practice. Whilst no consistent trends emerged worthy of reporting here, there was sufficient data to suggest that longer time periods taken to attain one's qualification can have a detrimental effect on one's earnings.



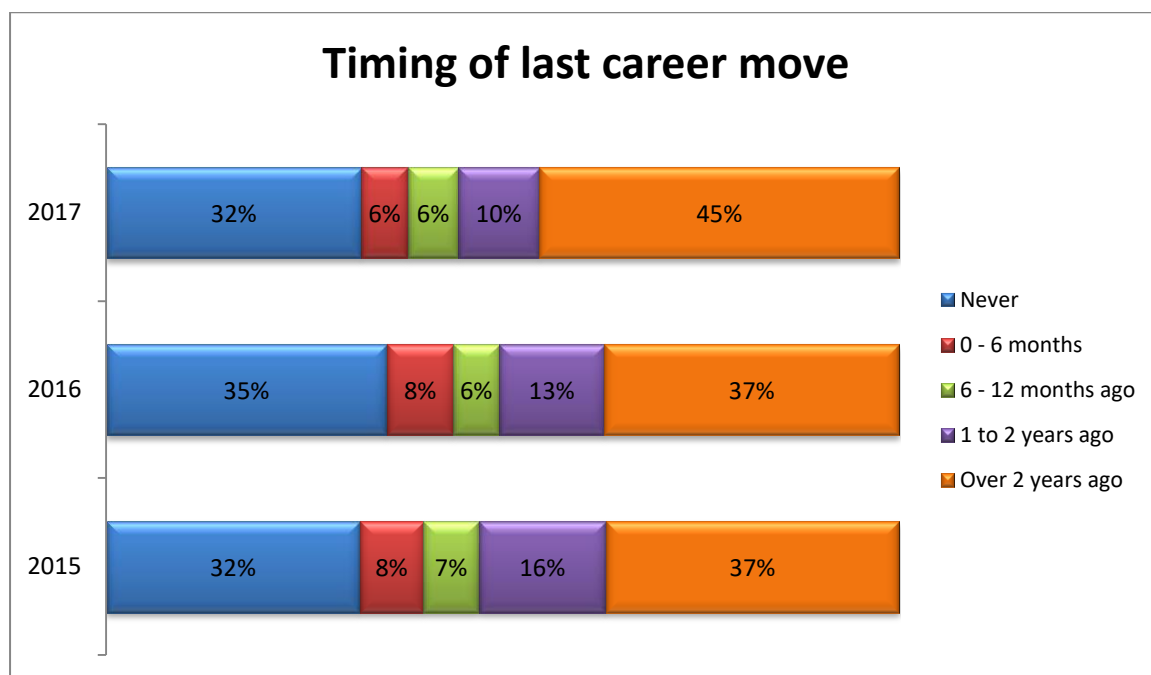
Graph 2.4.2

2.5 Working environment



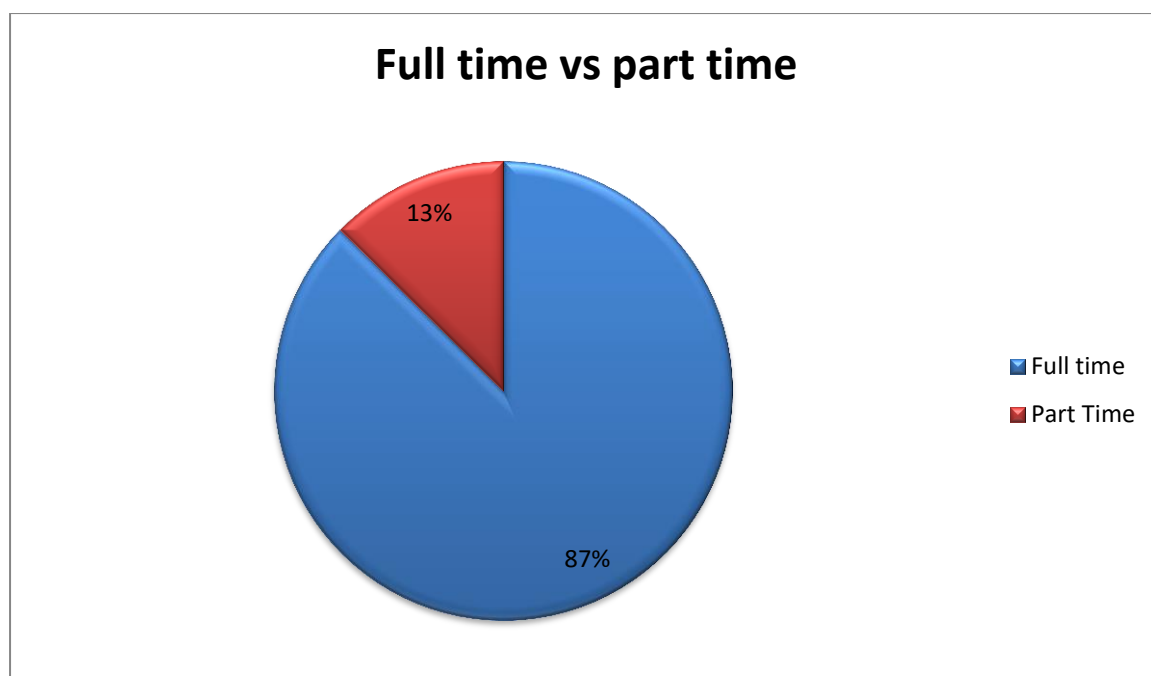
Graph 2.5.1

Those with more experience (4-5 years post qualified or Partner / designate level) are most likely to have had a greater number of employers in their career, as they have had more time in the profession. This year 59.7% of the participants have this level of experience, yet only 19% have had 4 or more employers. This could be as a result of the effort we have seen from firms in recent times to retain their employees by offering a higher level of flexibility, providing additional challenges and a higher remuneration that would otherwise tempt candidates to move.



Graph 2.5.2

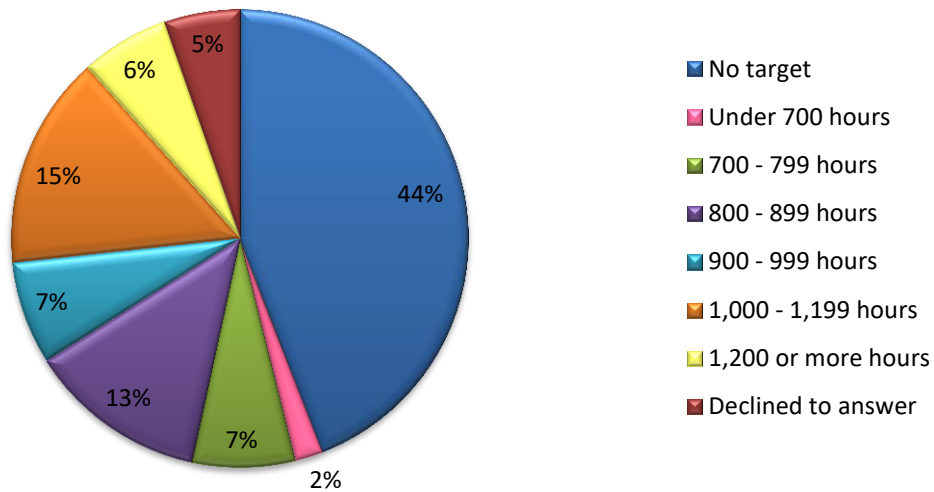
This further supports the supposition above that employers are doing their utmost to retain valuable employees as career moves within the prior 2 years dropped by 18.5% from last year (2017: 22.4%, 2016: 27.5%, 2015: 31%).



Graph 2.5.3

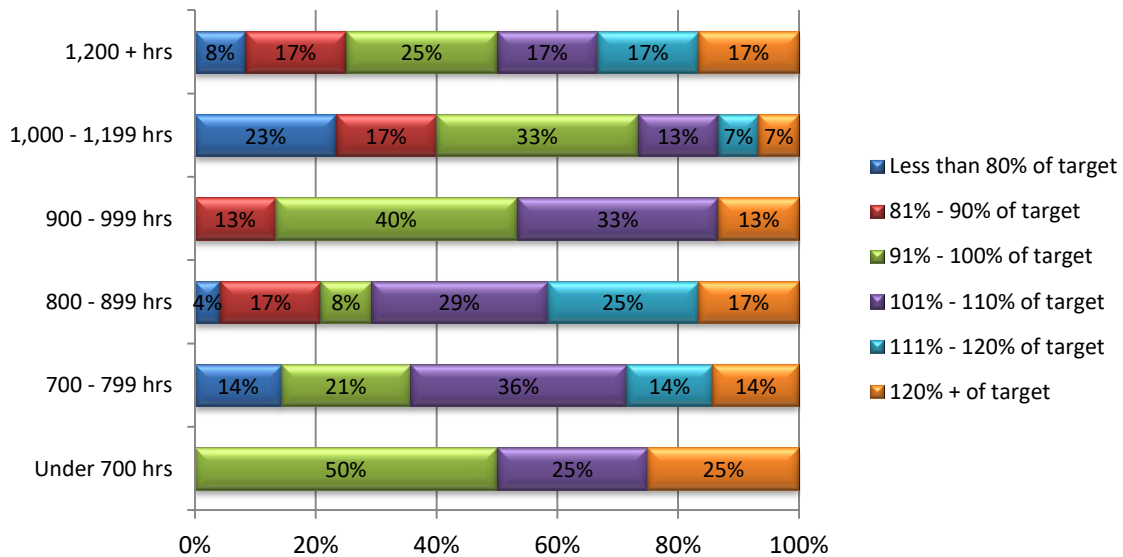
Of those working part time 81% were female (2016: 35%, 2015: 75%) and 19% were male (2016: 47%, 2015: 25%). In 2016 18% declined to provide their gender.

Billable hours target



Graph 2.5.4

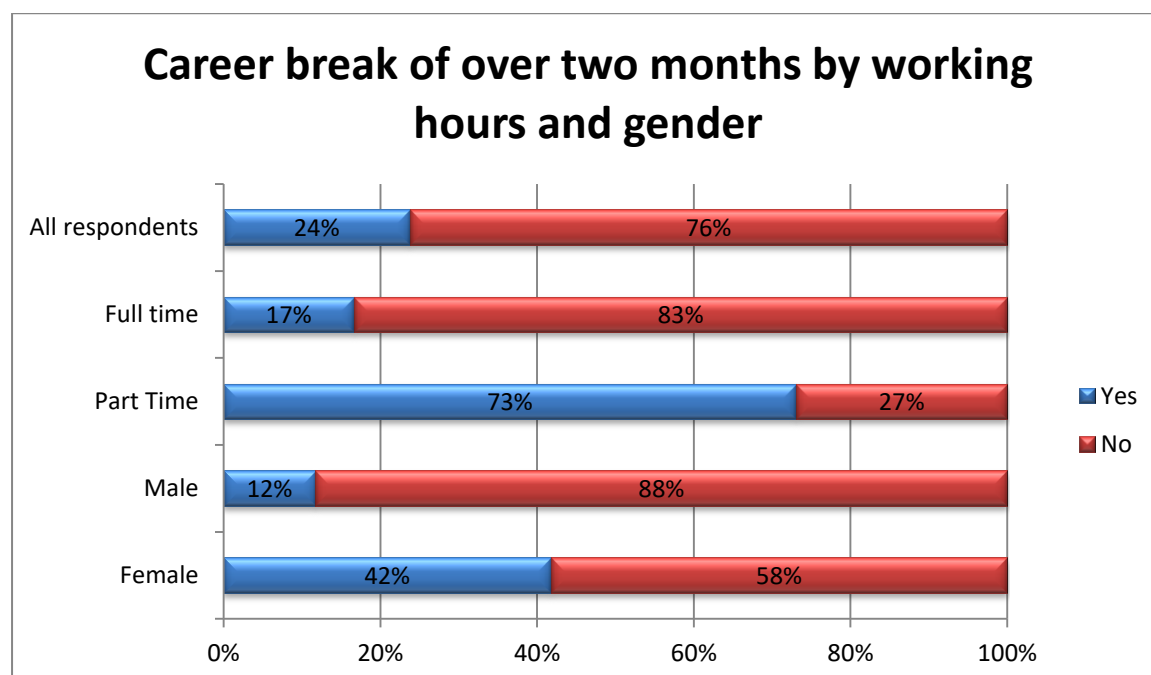
Percentage of billable hours achieved by target



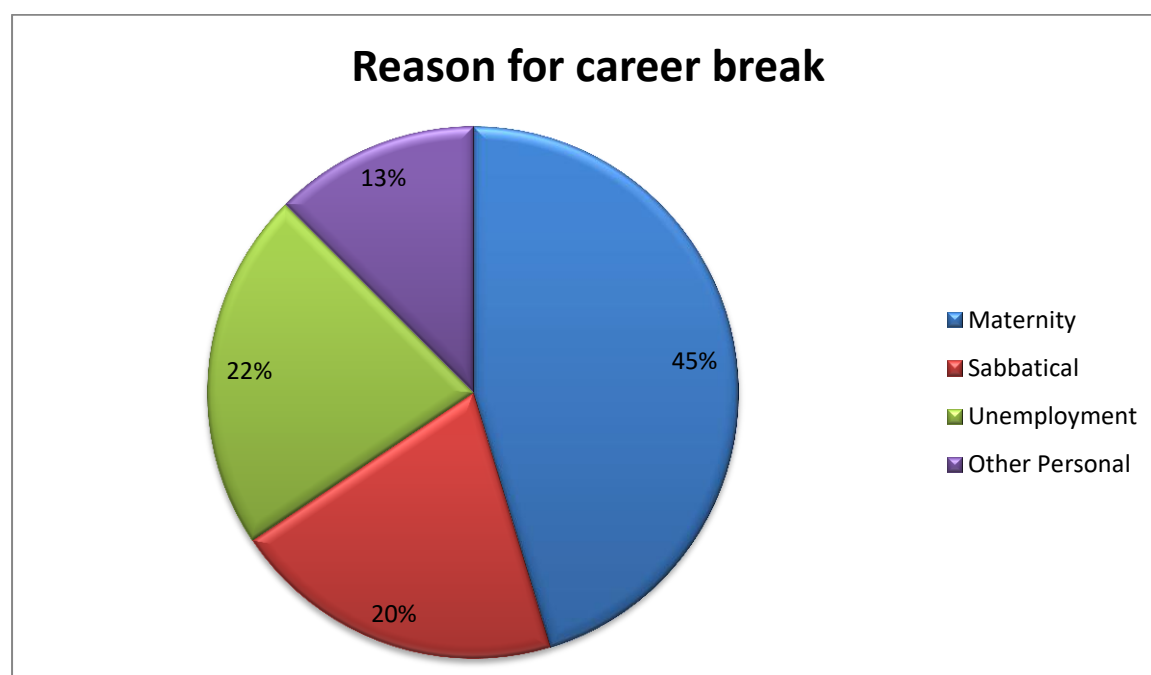
Graph 2.5.5

2.6 Career Breaks

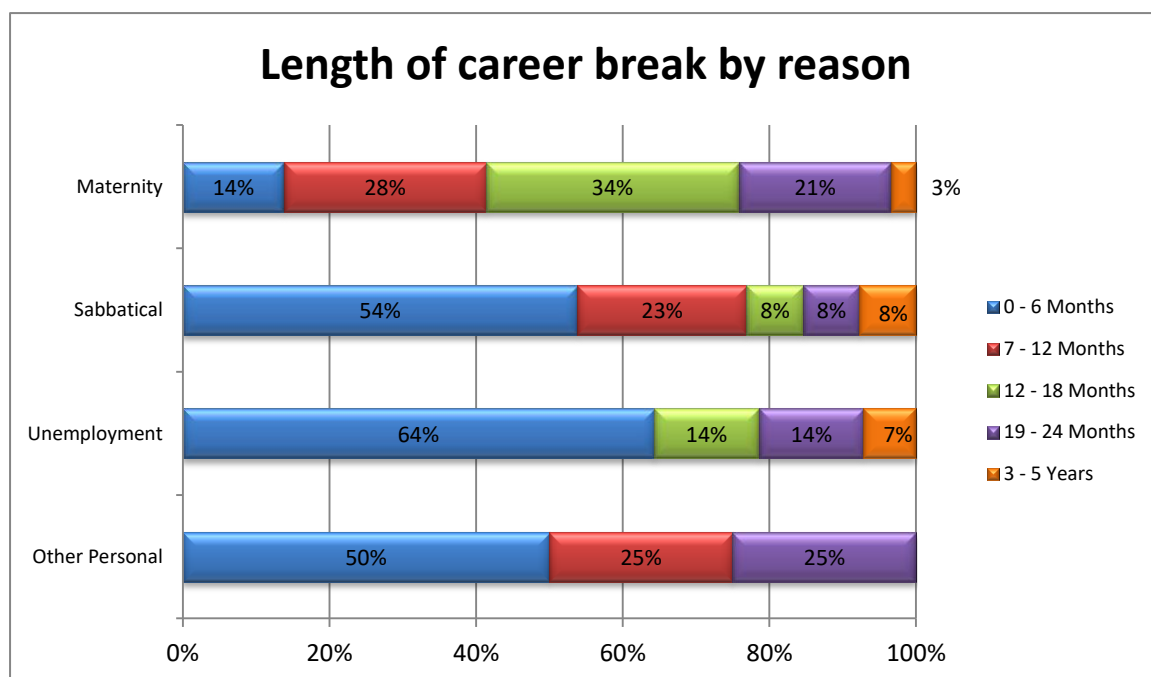
For the first time this year we have asked participants to indicate whether they had had a break in their career (for any reason) lasting more than 2 months, to better understand the impact of such events on their earnings.



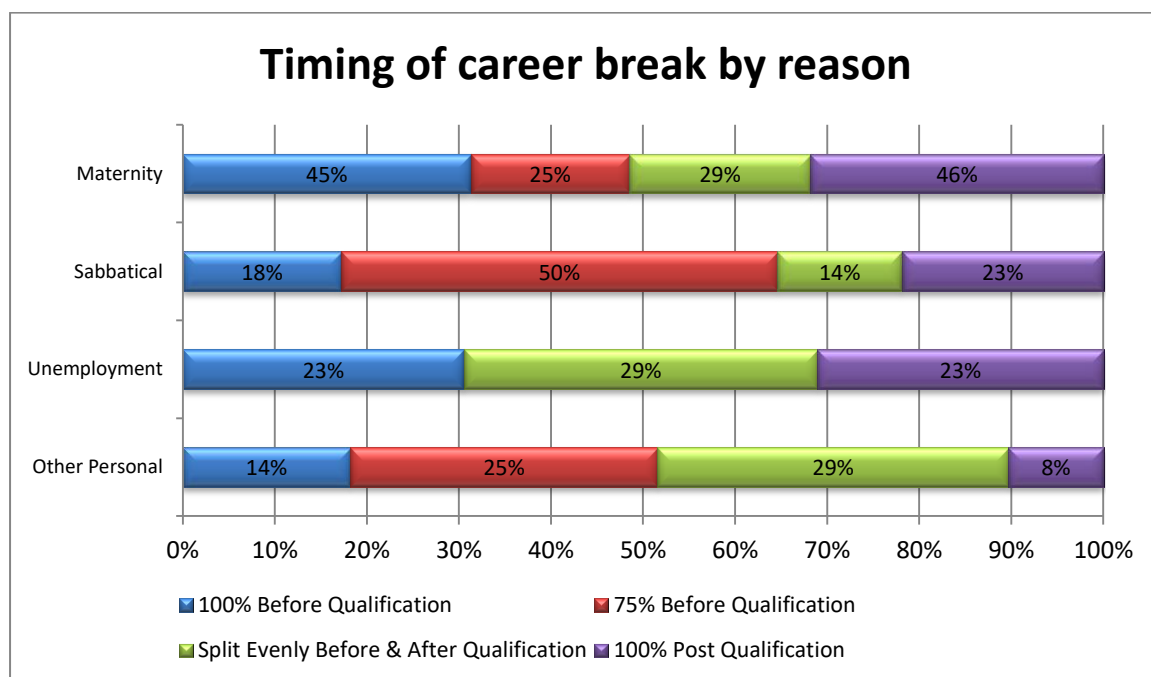
Graph 2.6.1



Graph 2.6.2



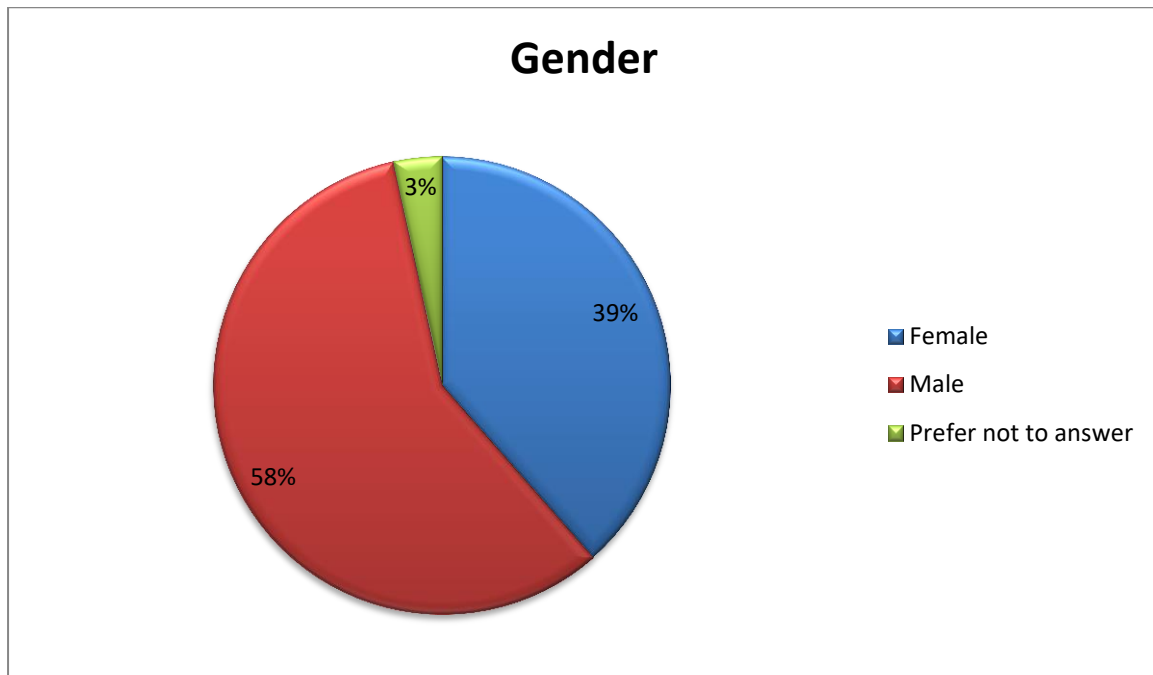
Graph 2.6.3



Graph 2.6.4

Please refer to graph 3.7.2 below to see the impact a career break may have had on earnings.

2.7 Gender

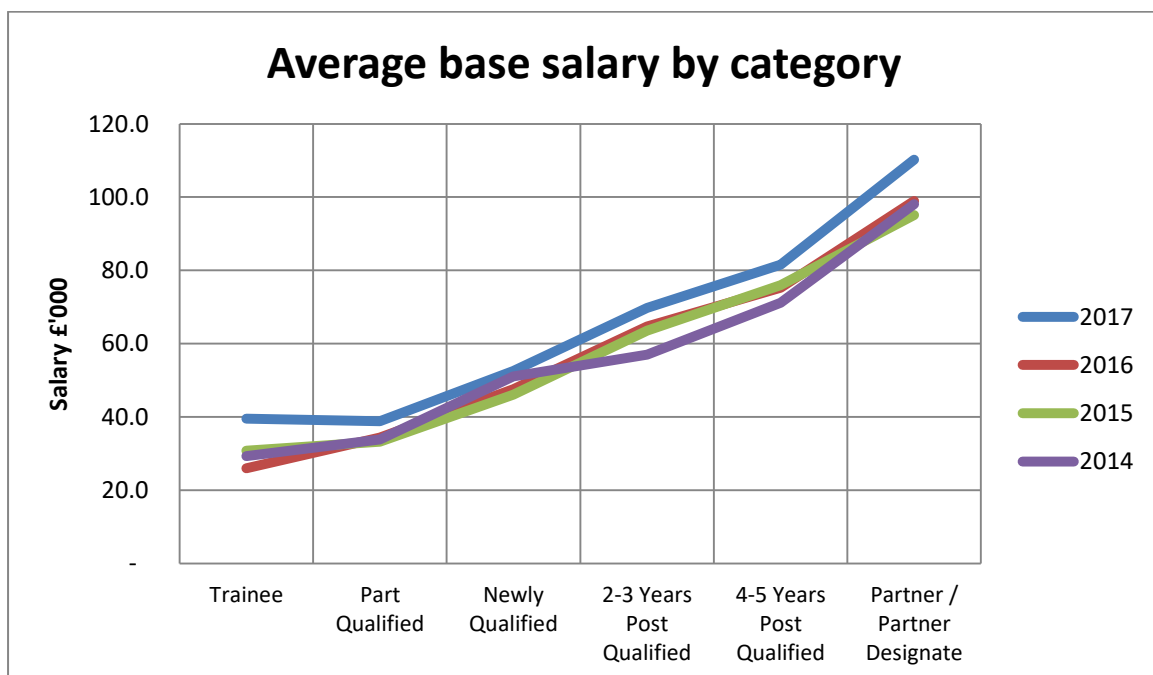


Graph 2.7.1

This year has seen an increase in female respondents by 34% with only 29% of 2016 respondents being female.

3 Salary Information

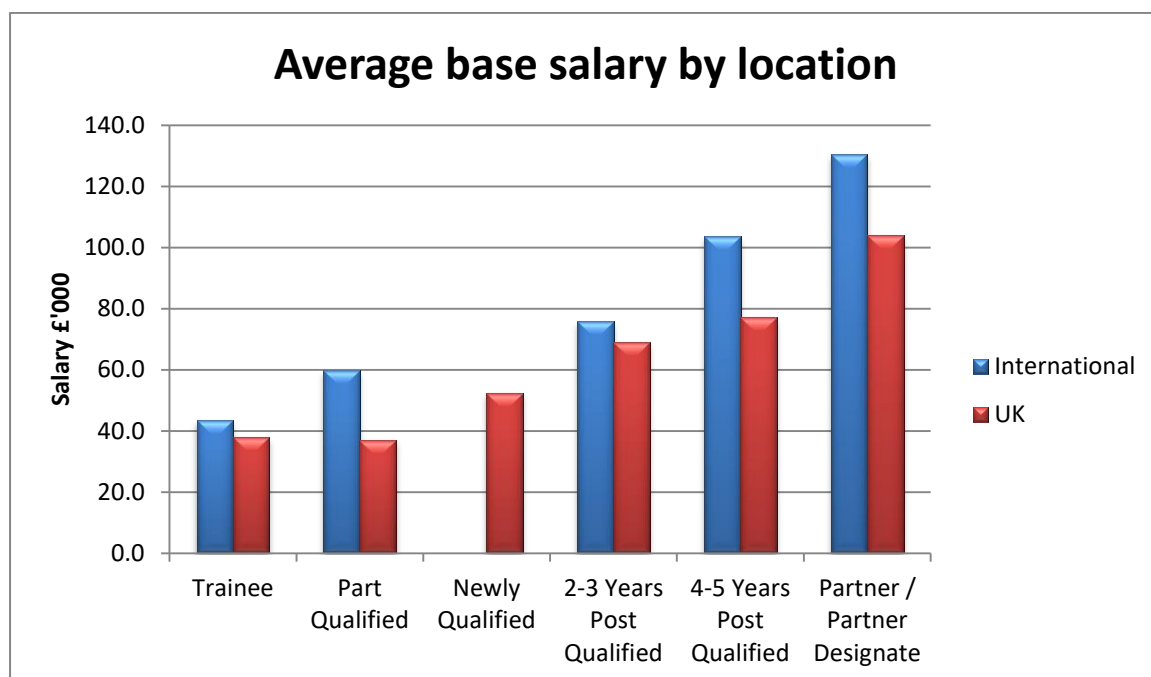
3.1 Qualifications



Graph 3.1.1

There have been increases in the average base salary across the board this year compared to last year. An average 52% increase in trainees (this year includes some well-paid international contributors); an 8% increase at 2-3 and 4-5 years post qualified levels and 10-13% at all other category levels.

3.2 Location



Graph 3.2.1

Note: Part Qualified International includes an In-house attorney based in Switzerland. Swiss salaries are significantly higher than the rest of Europe.

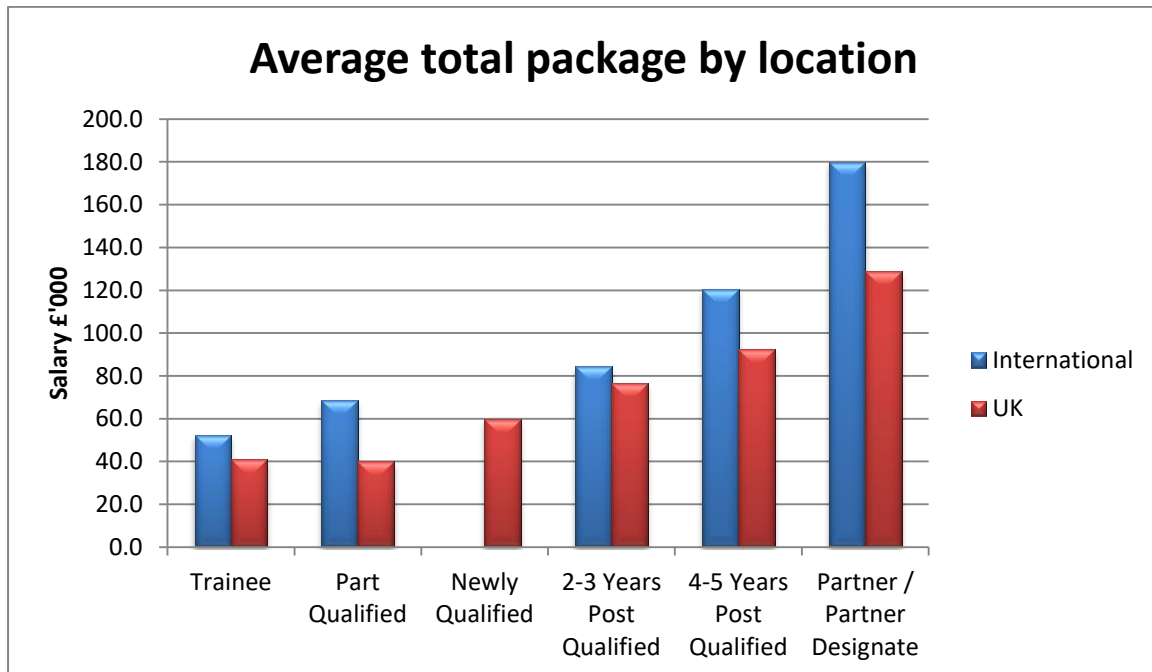
The UK lags behind its international counterparts with regards to base salaries. Consideration does need to be given to the implications of exchange rate fluctuations. Comparing this year's figures using last year's exchange rates generally results in a smaller gap between the UK and international counterparts. This is due to the weakening of Sterling in the last year in a number of the currencies used in this report: USD is 11% stronger, CHF 13%, AUD 12%, NZD 21% and ZAR 37% all stronger, offset slightly by the EUR being weaker by 3%. Trainees are the only area not impacted by the exchange rate as there were no international respondents last year, however all other categories see a larger disparity with the exchange rate alone having the following impacts:

Impact of currency fluctuations on international salaries		
	% Impact	£'000 Impact
Part Qualified	11%	6.1
2-3 Years Post Qualified	6%	4.5
4-5 Years Post Qualified	7%	7.1
Partner / Partner Designate	5%	6.7

Graph 3.2.2

Note: There was no comparative information at the Newly Qualified level

When one's total remuneration package is considered, including all benefits, the gap does tend to grow. See graphs 3.2.3 and 3.2.4 below.



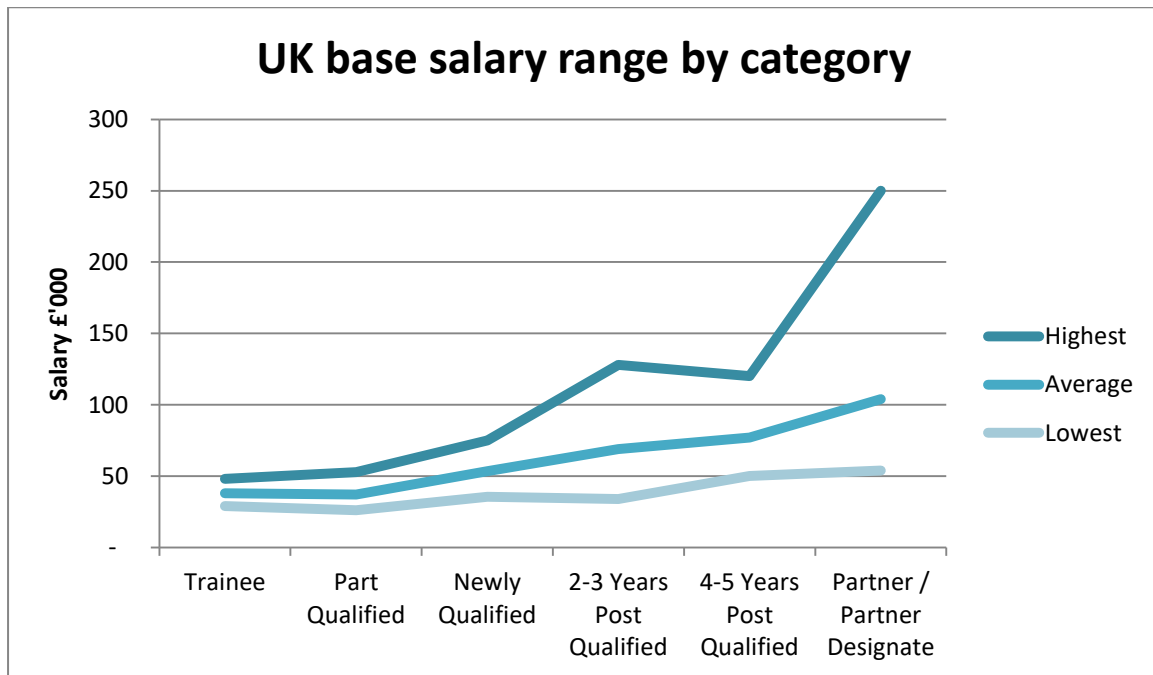
Graph 3.2.3

Note: Part Qualified International includes an In-house attorney based in Switzerland. Swiss salaries are significantly higher than the rest of Europe.

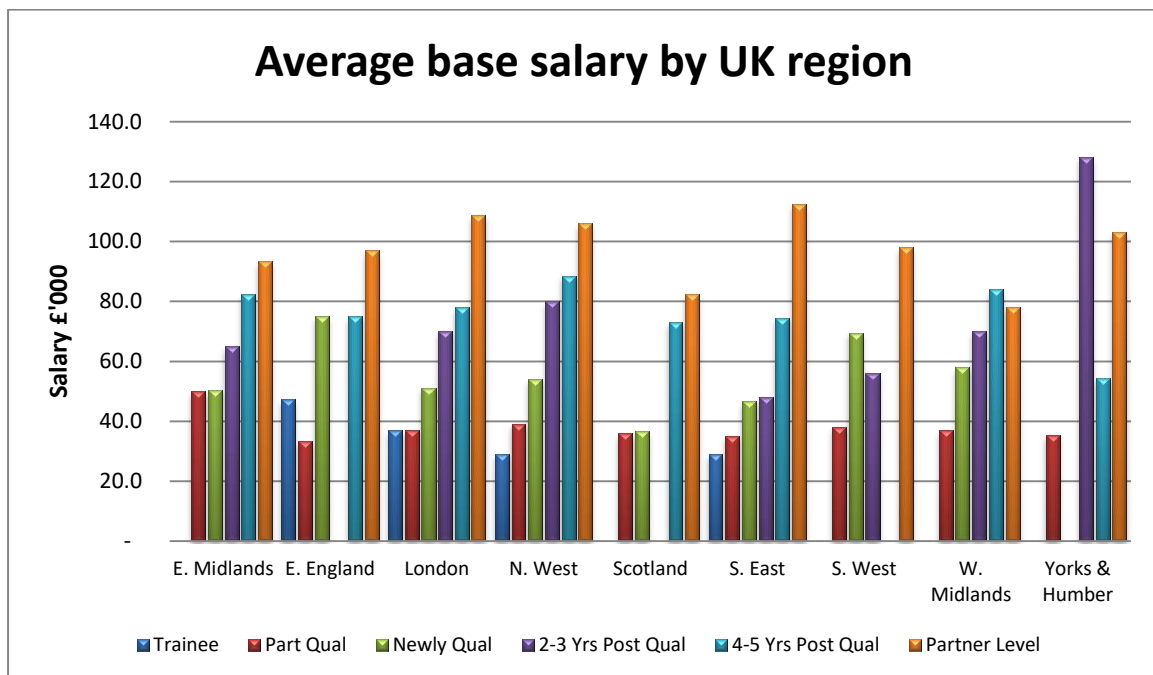
Salary disparity between UK and International		
	Total Remuneration	Base Salary Only
Trainee	22%	13%
Part Qualified	42%	38%
2-3 Years Post Qualified	9%	9%
4-5 Years Post Qualified	23%	26%
Partner / Partner Designate	28%	20%

Graph 3.2.4

This general widening of the gap between the UK and international respondents at a total remuneration level would suggest that the UK invests less in the additional benefits one can earn over base salary than their international counterparts.



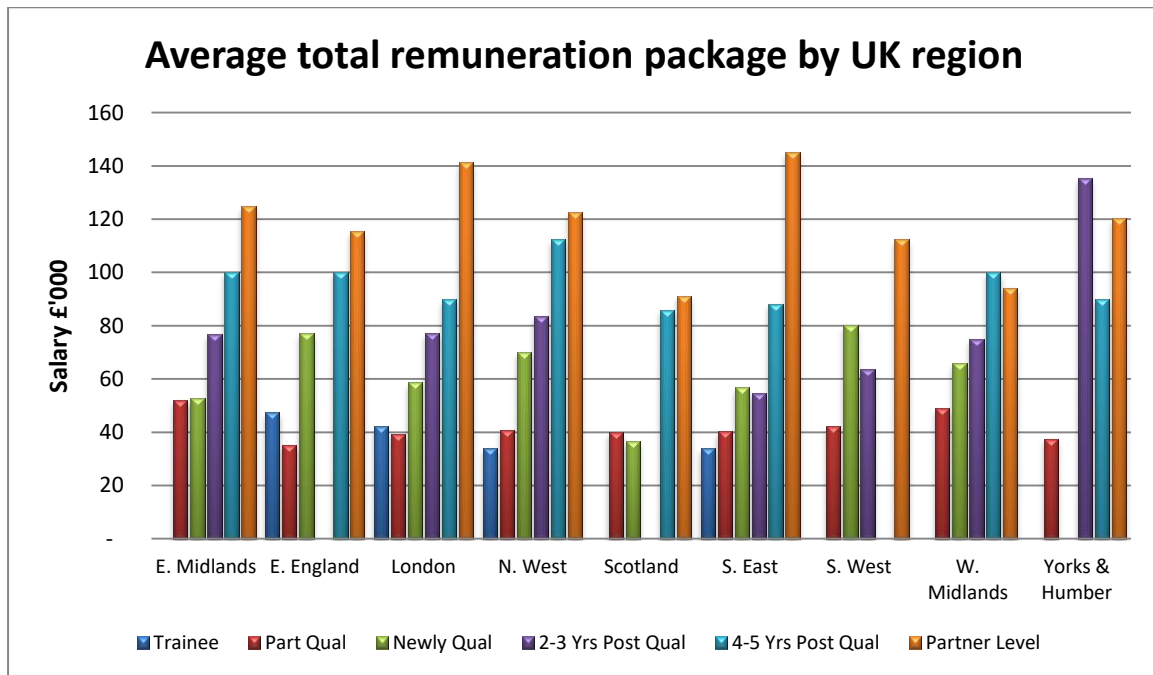
Graph 3.2.5



Graph 3.2.6

Notes: Wales and the North East have been excluded due to a lack of sufficient comparable data

There are wide variations across all categories and locations with no one region tending to have higher salaries than another in all areas. We would thus propose any deviations are as a result of technical specialism and employment type rather than location. See graphs 3.3.1, 3.3.2, 3.3.3 and 3.4.1 below.

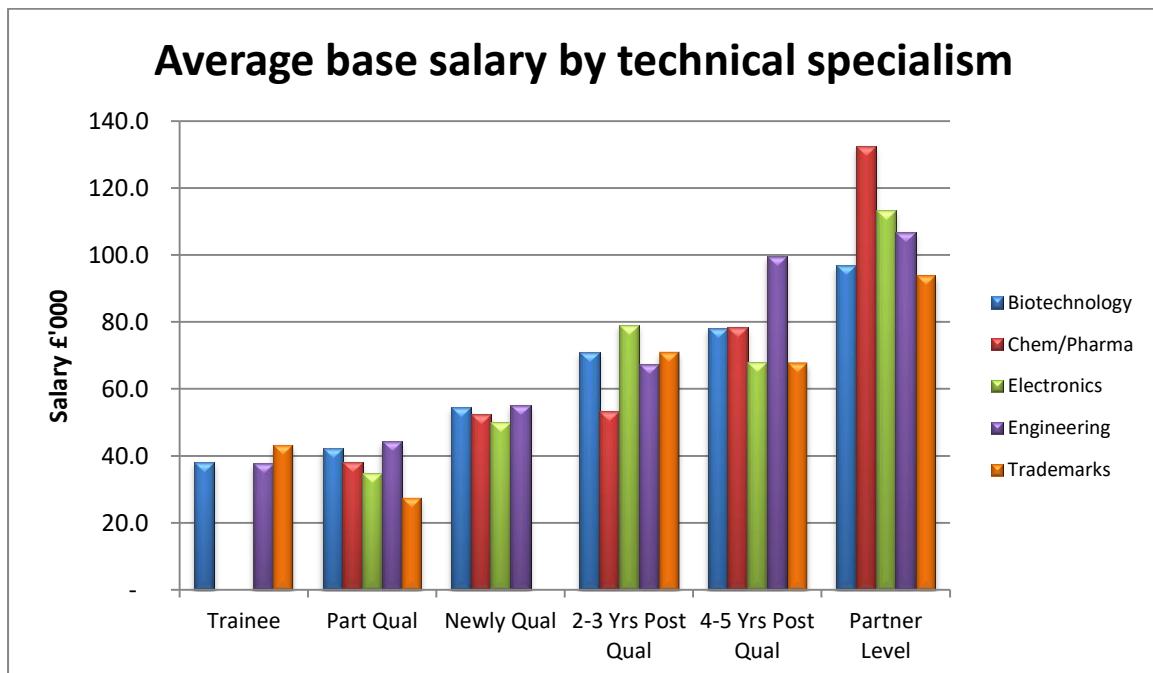


Graph 3.2.7

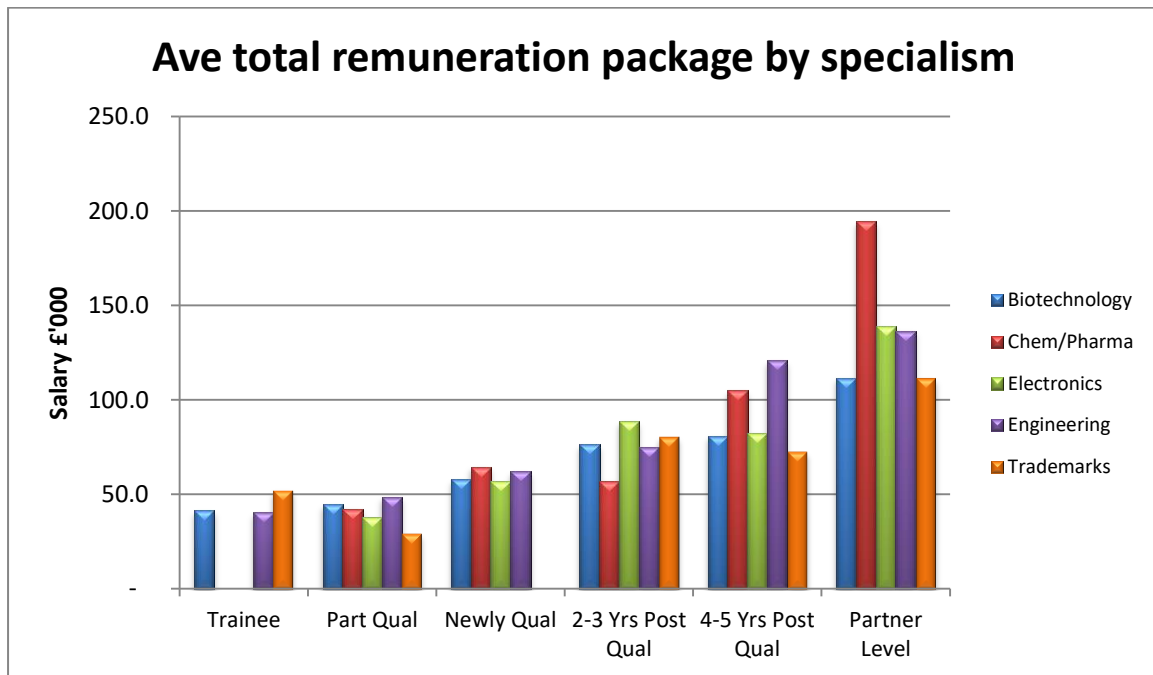
Notes: Wales and the North East have been excluded due to a lack of sufficient comparable data

3.3 Technical specialism

Respondents were asked to select the specialism that most closely represented their technical background.



Graph 3.3.1



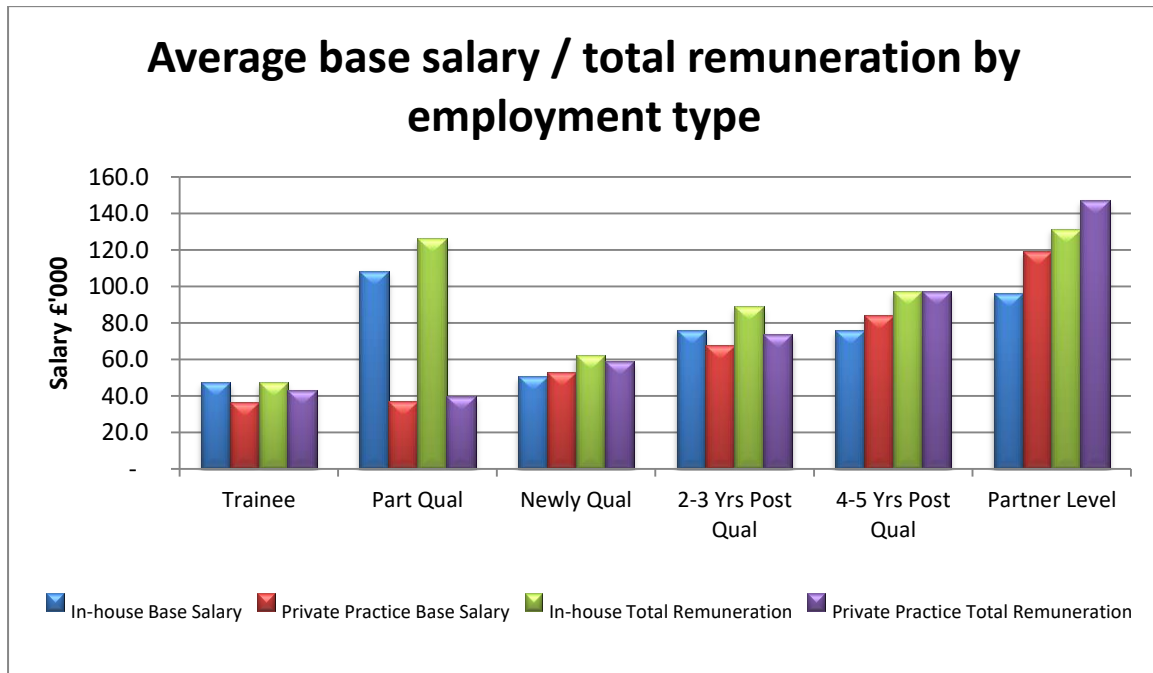
Graph 3.3.2

For easy reference we have also depicted the above graphs in table form below.

Average salary by specialism (total remuneration package)						
GBP £'000	Trainee	Part Qualified	Newly Qualified	2-3 Years Post Qualified	4-5 Years Post Qualified	Partner/Partner Designate
Biotechnology	38.0 (41.3)	42.3 (44.6)	54.6 (58.1)	71.0 (76.4)	78.2 (80.8)	96.9 (111.6)
Chem/Pharma		38.2 (42.3)	52.4 (64.4)	53.3 (57.0)	78.4 (105.0)	132.5 (194.3)
Electronics		34.9 (37.7)	50.1 (56.8)	79.1 (88.8)	67.9 (82.5)	113.2 (139.0)
Engineering	37.8 (40.5)	44.3 (48.6)	55.2 (61.9)	67.3 (75.0)	99.5 (120.9)	106.8 (136.4)
Trademarks	43.5 (52.0)	27.8 (29.5)		71.1 (80.4)	67.9 (72.5)	93.9 (111.3)

Graph 3.3.3

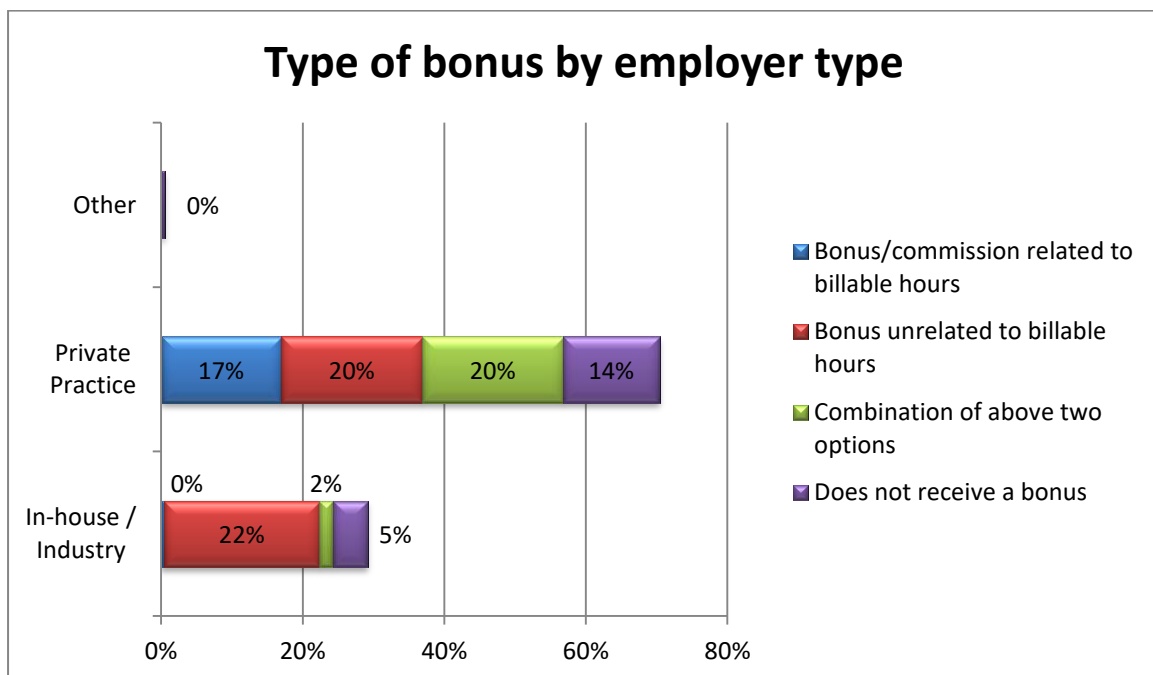
3.4 Employer type



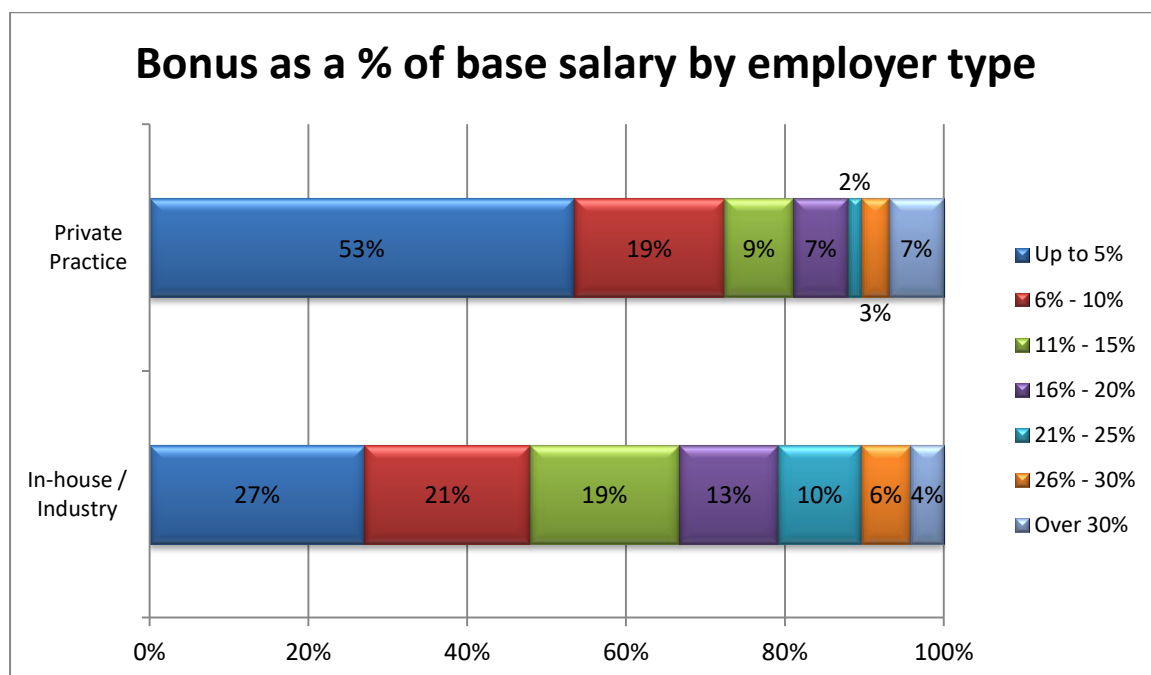
Graph 3.4.1

Note: Part Qualified In-house attorney is based in Switzerland. Swiss salaries are significantly higher than the rest of Europe.

This data supports our understanding of the market whereby it is more financially rewarding to be in an in-house position earlier in your career. There is a ceiling to earning potential within an in-house environment that does not exist within a Partnership structure in private practice.



Graph 3.4.2



Graph 3.4.3

3.5 Salary guide

These figures are based on anecdotal evidence and informed deliberation from positions Fellows and Associates have recently recruited, and not on collected data from survey respondents. As such this section gives an impression of a candidate's market value, looking not at the current earnings of an individual (averages shown above) but at the salary an individual is likely to achieve when moving positions (see below).

Salary range achievable on moving positions						
GBP £' 000	Part Qualified	Finalist	Newly Qualified	2-3 Years Post Qualified	4-5 Years Post Qualified	Partner/Partner Designate
Patent Attorney	36-47	55-62	63-67	70-80	85-110	110-140
Trade Mark Attorney		45	50-55	65	80-100	110-140

Graph 3.5.1

We have left the 'Part Qualified Trade Mark Attorney' section blank as movement at this level has been relatively infrequent, resulting in it being difficult to get an accurate gauge.

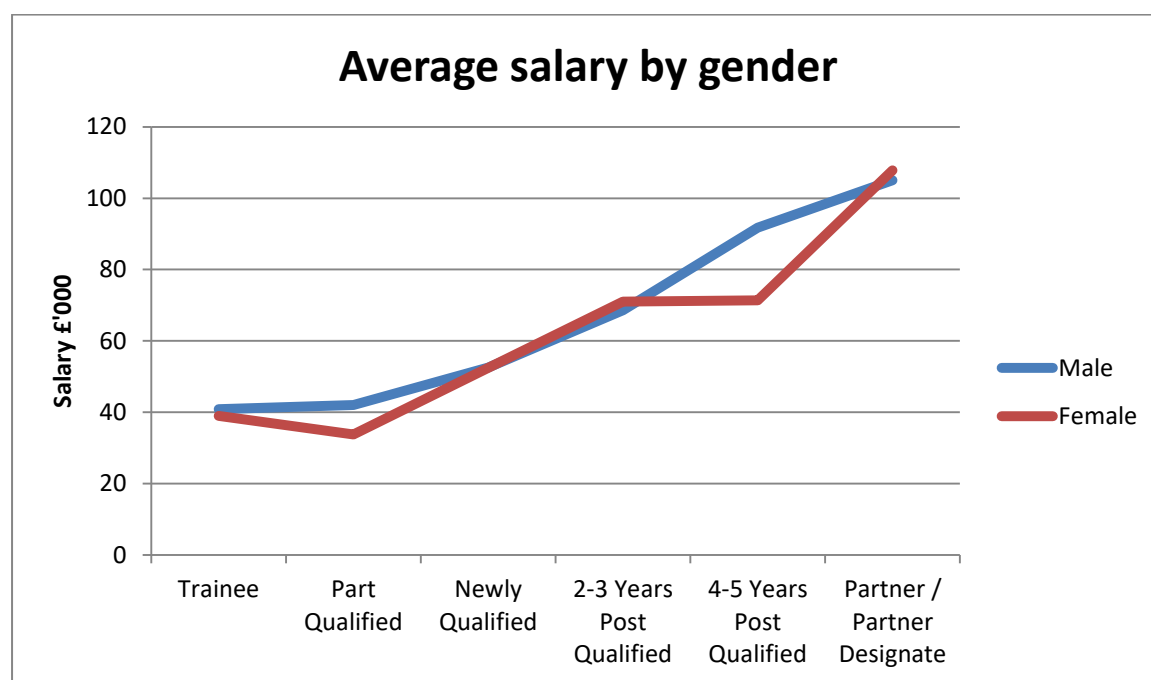
3.6 Earnings above £100k

A total of 41 respondents (19.9% of the population surveyed) earned a base salary in excess of £100k per annum. 2016: 13.4%, 2015: 11%.

Respondents earning over £100k per annum				
	In-house / Industry		Private Practice	
	UK	International	UK	International
Average salary	123,000	125,000	156,000	193,000
No. Of Respondents	9	6	16	10

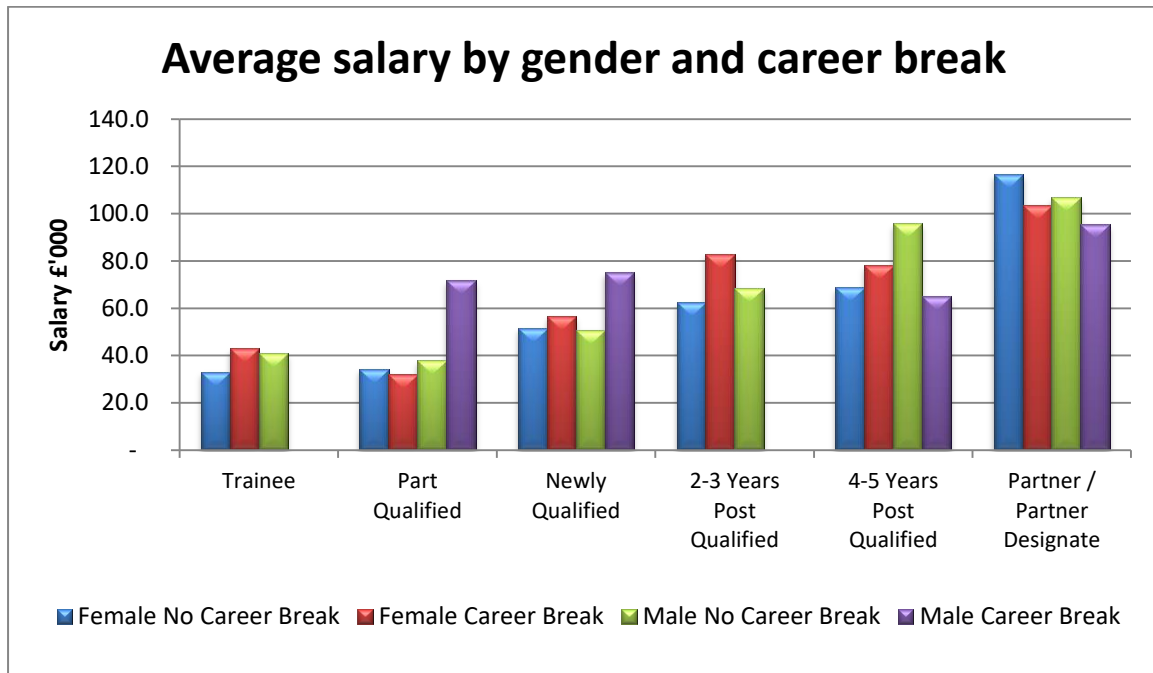
Graph 3.6.1

3.7 Gender and career breaks



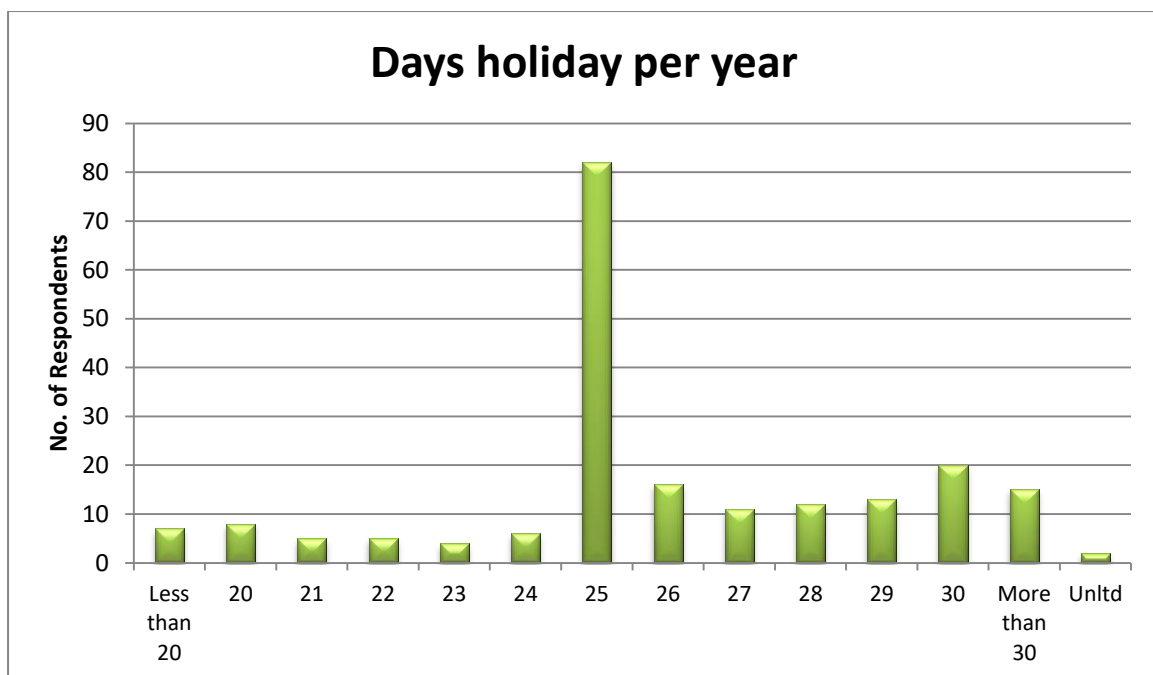
Graph 3.7.1

The graph represents 96% of the respondents as 4% declined to answer the question of gender. This year we have further information as to whether respondents have had a career break of any sort. Per graph 3.7.2 below, career breaks do not necessarily have to have a detrimental effect on one's salary. Further analysis by working hours similarly revealed a lack of obvious trends or impacts and as such it was decided to forego a graph depicting this.



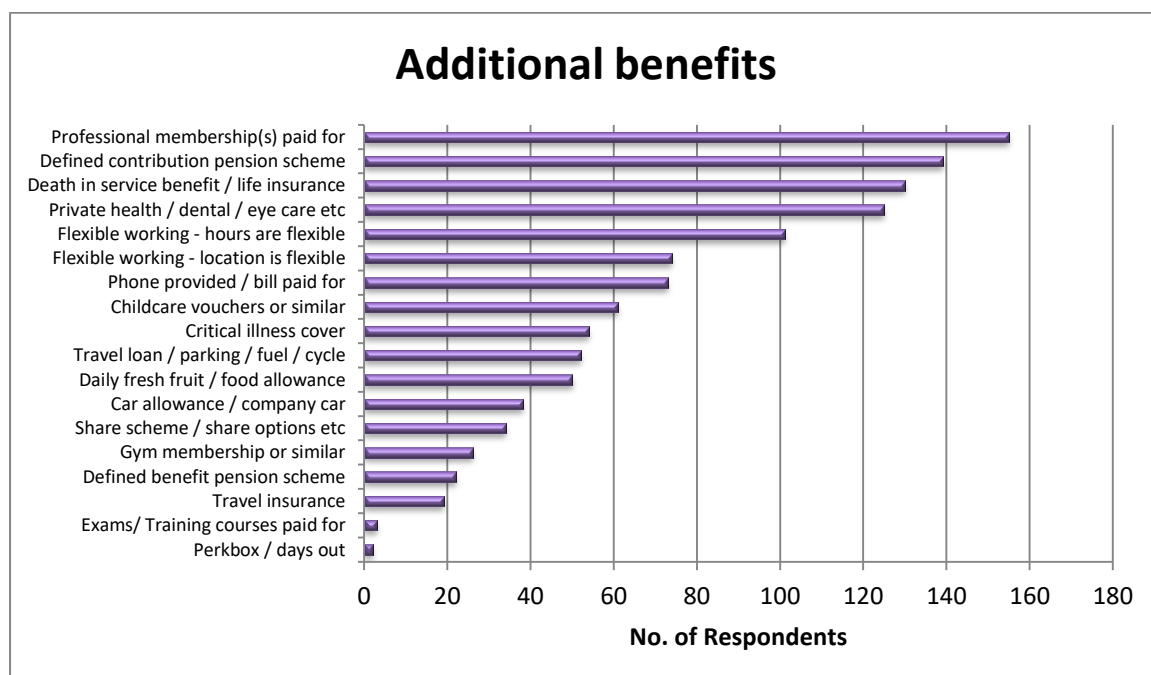
Graph 3.7.2

3.8 Additional benefits



Graph 3.8.1

40% of the respondents receive 25 days holiday per year, with 43% receiving more than 25 days annual leave (8% receiving more than 30 days), and 17% receiving less than 25 days.



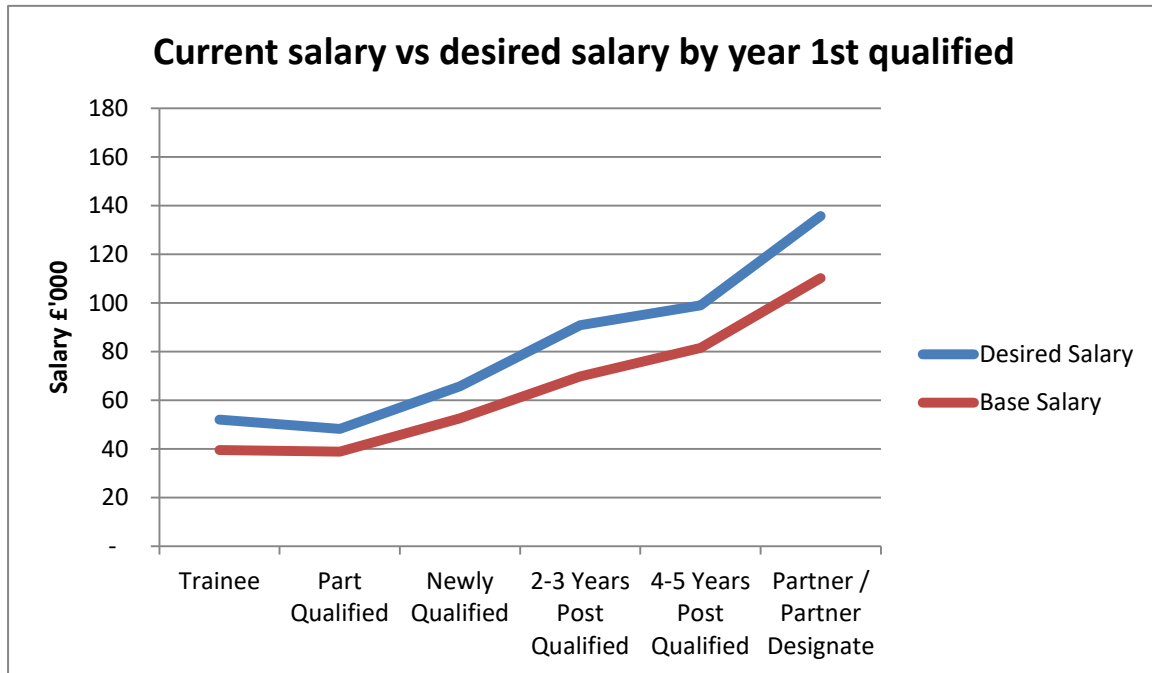
Graph 3.8.2

75% of respondents have their professional memberships paid for with 63% receiving life insurance or a death in service benefit, as well as 61% receiving private healthcare of some variety. A substantial number, 78% (2016: 69%), of respondents receive a pension of some sort, of which 14% (2016: 7%) have the elevated status of receiving a defined benefit pension (final salary scheme).

4 The Future

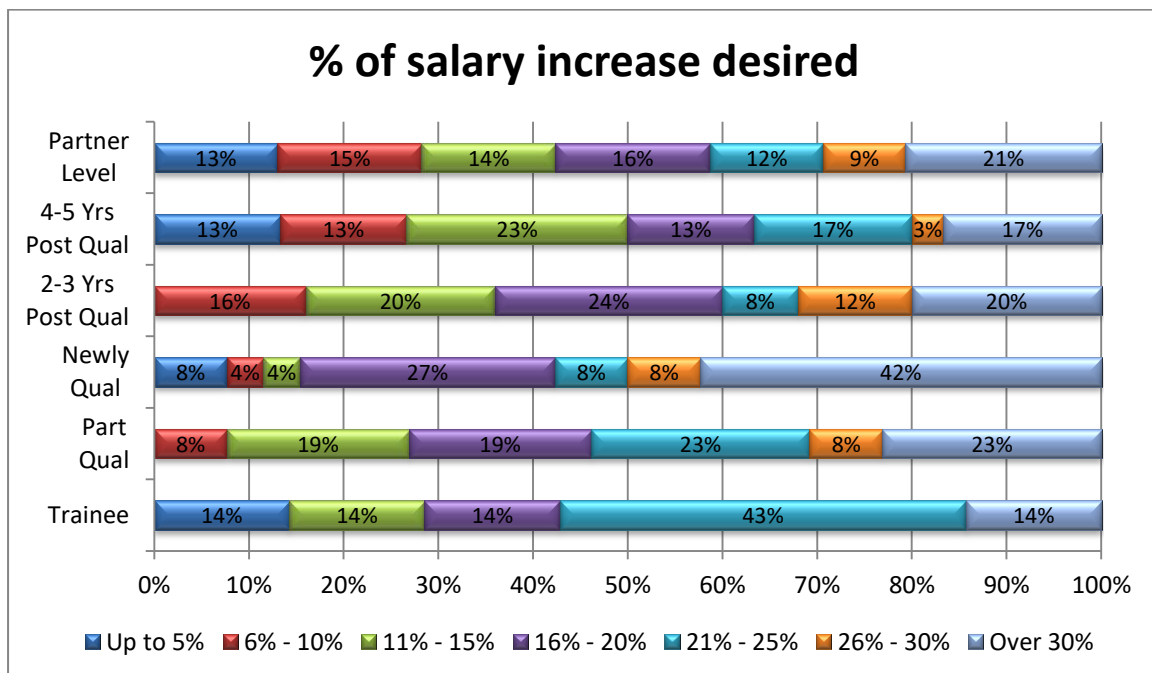
4.1 Desired salary increase

We asked respondents to confirm their desired salary if they were to consider a move and compared it to what they were currently taking home.



Graph 4.1.1

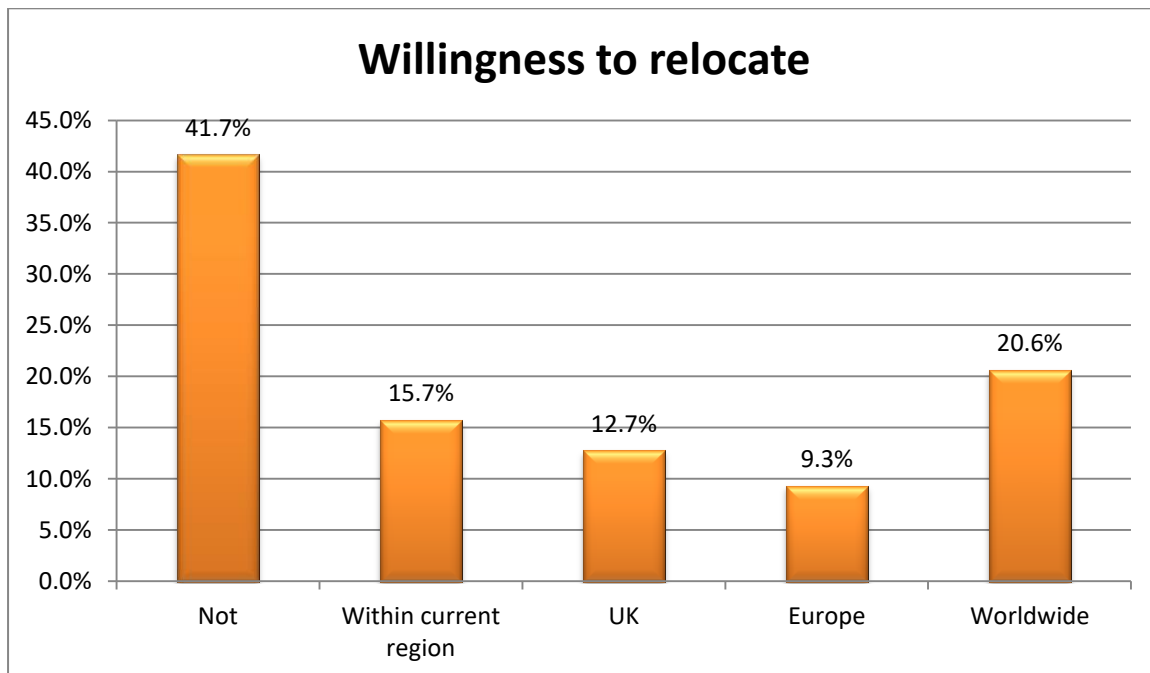
The average base salary increase sought continues to be over 20% of current salary (2017: 24.0%, 2016: 28.3%, 2015: 23.5%, 2014: 22.2% and 2013: 20.2%).



Graph 4.1.2

4.2 Willingness to relocate

Just over half (58%) of respondents indicated that they would be willing to relocate to obtain their desired salary. This is down by almost a quarter in the last 5 years (2016: 63%, 2015: 68%, 2014: 70%, 2013: 73% and 2012: 76%). The trend in the overall appetite for moving continues to diminish, which may be down to the increased flexibility firms are willing to provide with regards to remote/flexible working conditions. Even fewer respondents would consider an international move this year (20.6% vs 2016: 26%).

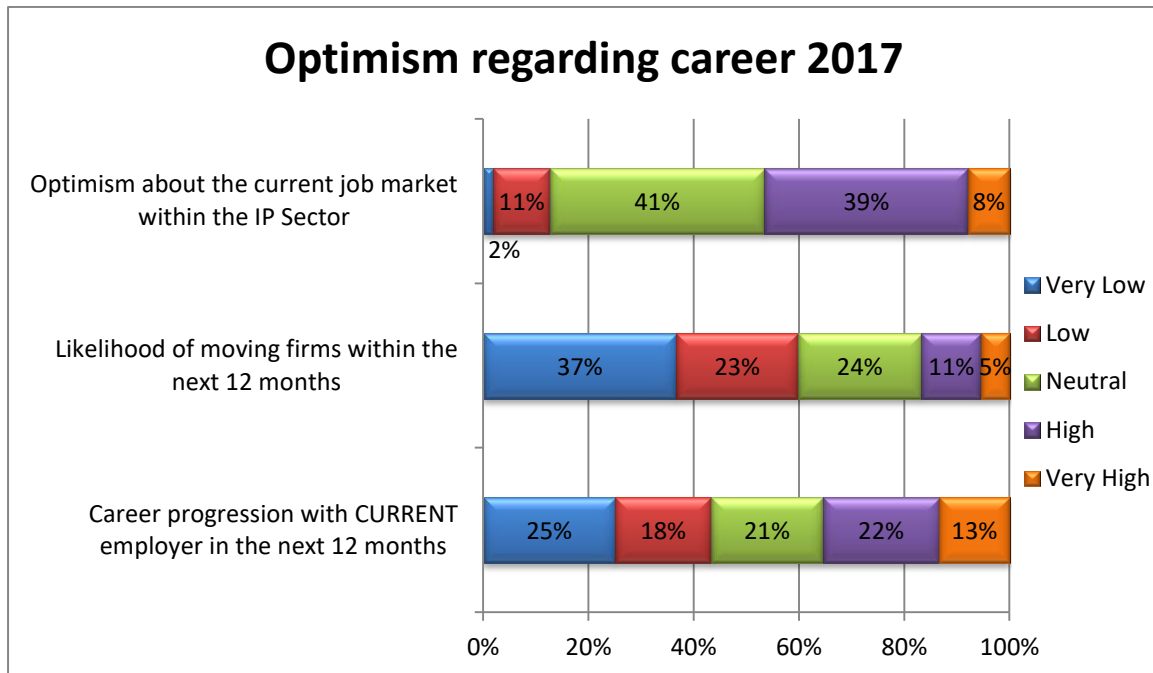


Graph 4.2.1

Trainees are the least inclined to move (57%), followed by those at Partner Level (49%) with newly qualified attorneys having the most confidence and wishing to discover new locales with only 27% being unwilling to relocate.

Those in industry are also less willing to relocate this year. Only 60% (2016: 78%) of those in-house would consider a move, very much on par with those in private practice at 58% (2016: 59%). In fact, there was no discernible difference between in-house and private practice on this front at all and as such the graph depicting this has been excluded as it does not add value.

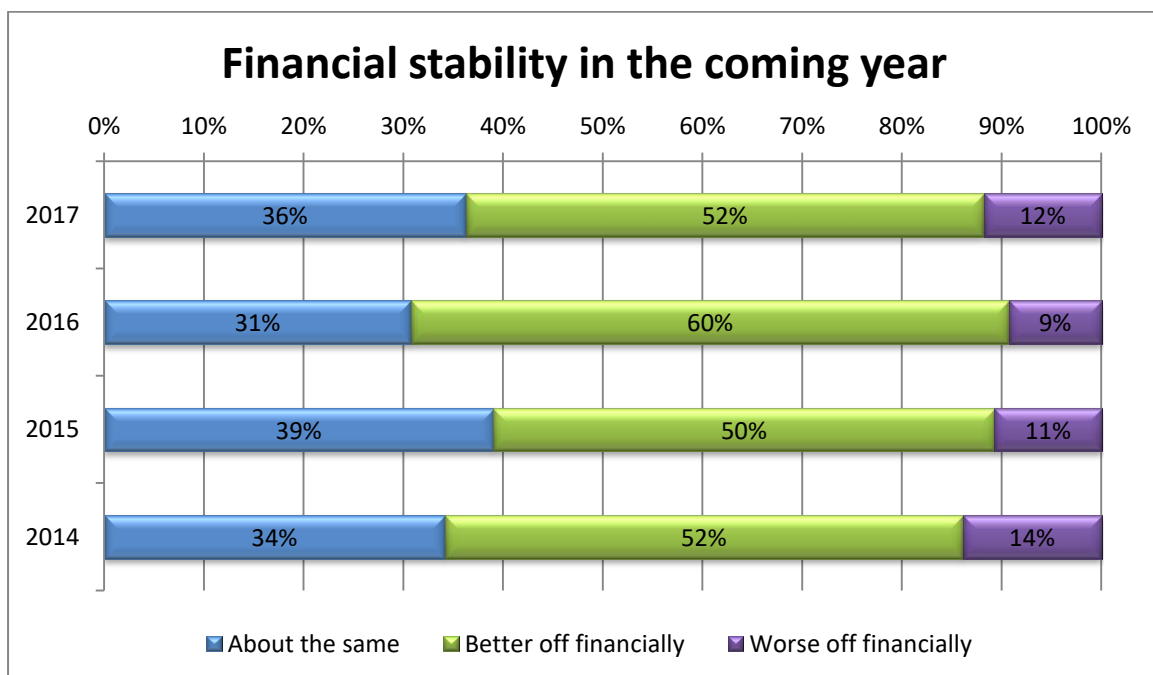
4.3 Outlook



Graph 4.3.1

We have not included last year's equivalent graph on this occasion as, interestingly, there is no significant change and as such the graph was unnecessary.

The graph below demonstrates respondents' feelings of financial security in 2017 compared with 2016, 2015 and 2014.

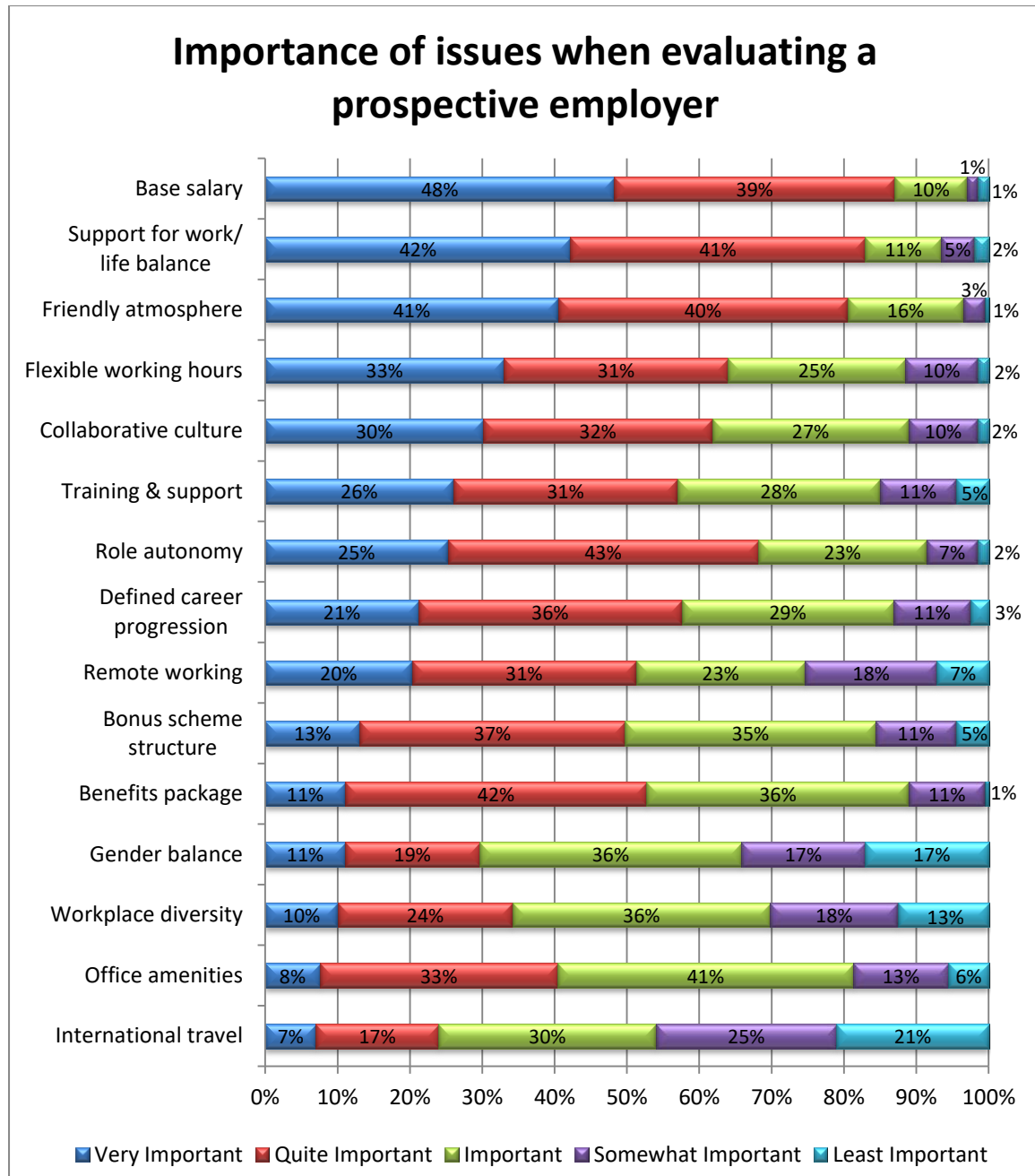


Graph 4.3.2

5 Working Environment

5.1 Prospective employers

We asked respondents to indicate what factors play a role in their evaluation of a prospective employer.

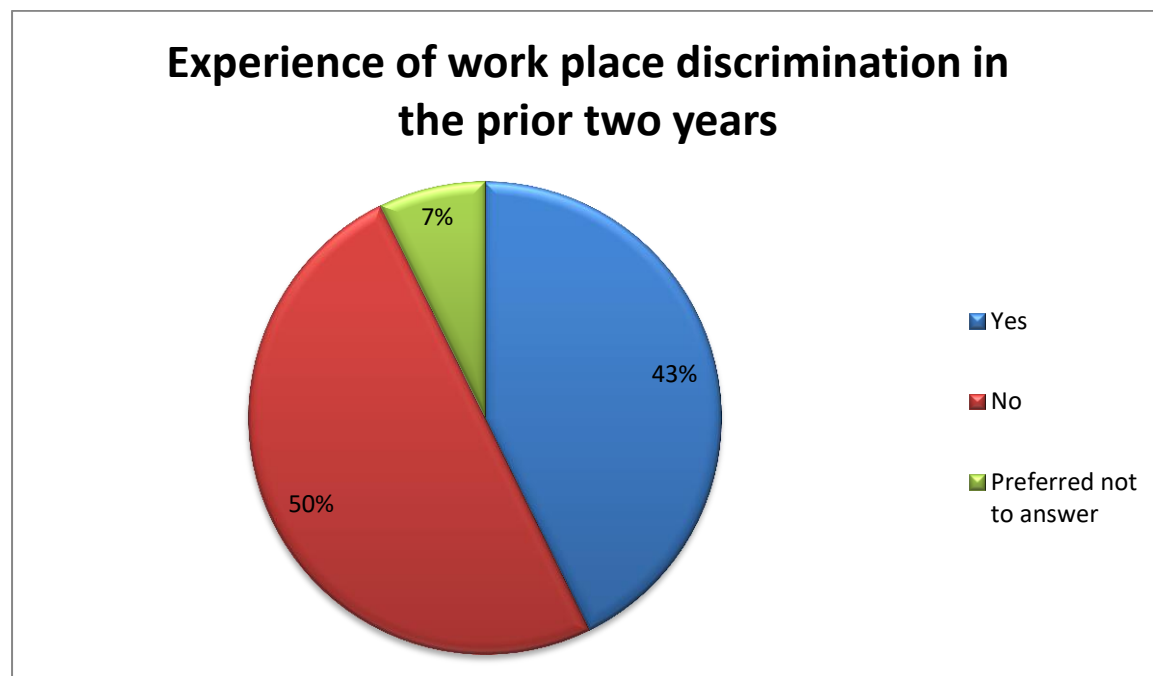


Graph 5.1.1

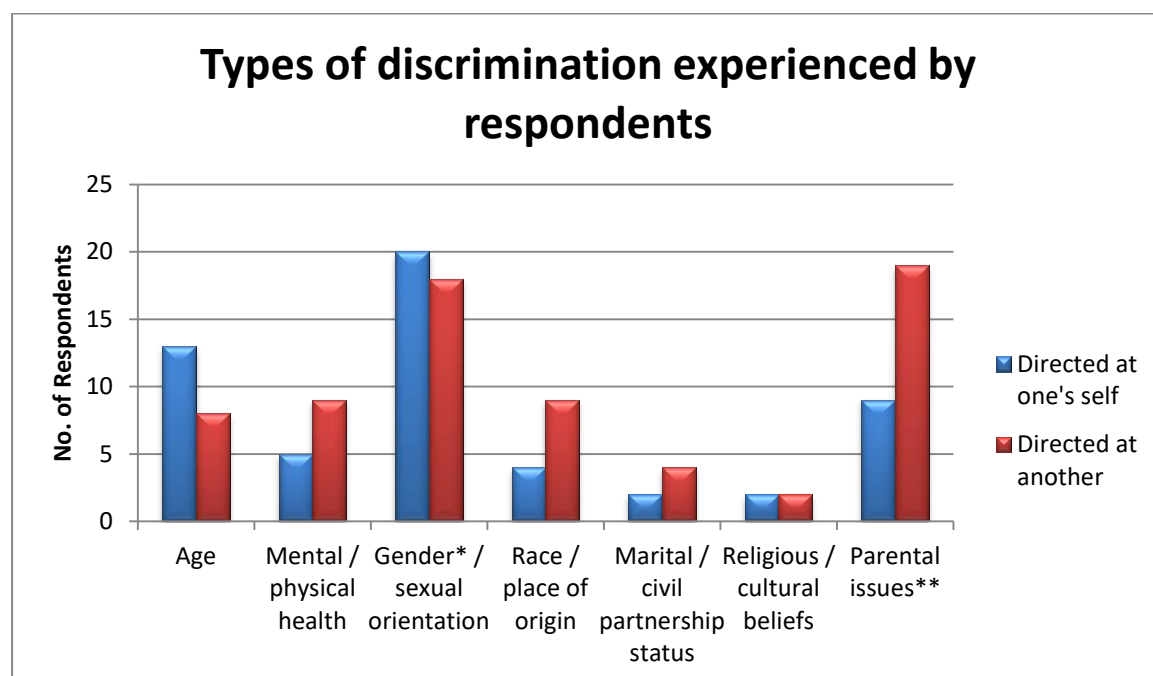
Whilst base salary is the most important factor when considering a new employer (87% rank it as either Very or Quite Important), the financial implication of a bonus is only 10th on the list.

5.2 Discrimination

This year as part of our support for IP Inclusive we incorporated a section on discrimination within the workplace based on respondents' experience in the last two years only.



Graph 5.2.1



Graph 5.2.2

Note: * Gender includes Gender reassignment status, ** Parental issues include pregnancy, maternity, paternity and adoption rights

Approximately two thirds of respondents experiencing discrimination encountered more than one type of discrimination directed at either themselves or another.

This report was compiled by Michele Fellows, Director and Management Consultant, Fellows and Associates.

We would like to thank everyone who participated in the survey, as well as those who helped to spread the word – in particular The Patent Lawyer Magazine and CIPA.

If you should have any questions or comments regarding the salary survey, or this report, please do not hesitate to contact Michele at Michele.Fellows@fellowsandassociates.com.

COMMENTS

This survey began in response to a client's request for unbiased salary information across the industry and is now the longest running independent salary survey in the IP Industry that we are aware of.

Whilst we acknowledge that there are a number of firms that share their salary information with each other in order to benchmark their own performance, there are many more without access to this information. Moreover, none of that information is available to employees (our candidates) to better enable them to understand their market worth and whether or not their employer is recognising their abilities.

For us, the most important aspect of this survey is that the information is gathered directly from employees and provides an unfiltered and unvarnished view of the industry from their perspective. In our opinion, it is this facet that makes the survey useful to so many.

Each year we try and improve upon the previous survey based on any feedback we receive from clients and candidates alike. We include more relevant data and graphs and omit those that perhaps do not offer any additional insight. Any feedback you may have on this, or a past survey, is welcomed and can be forwarded to Michele at Michele.Fellows@fellowsandassociates.com.

AUTHOR PROFILE

Michele Fellows is a Chartered Management Accountant with over 20 years' experience. She is a founding partner of Fellows and Associates, heading up Fellows Business Consulting and offering a bespoke service to the Intellectual Property sector. Prior to establishing Fellows and Associates she enjoyed an eventful career that spanned a multitude of countries and jurisdictions with a wide range of companies, from large multinational corporations to SME's across a variety of industries and sectors. This includes founding and then running a promotional company in South Africa for 4 years.

Fellows Business Consulting have a proven track record of helping new and small businesses to establish an in-house finance function by training non-financial staff to perform the majority of tasks, thereby saving you money. Looking for an exit strategy? We can assist you there too, by putting together a prospectus of your company, identifying interested parties and assisting with the negotiations. Fellows Business Consulting can also streamline your financial and business processes; assist with simple or more complex measures to help increase profitability, such as cost reduction and supplier management, systems integration, charging structures and debt collection, business strategy and market offering; assess your recruitment strategy; advise, negotiate and facilitate the buying, selling or merger of private practices or facilitate an office expansion by helping with location selection, staffing and dealing with local issues.

Fellows Business Consulting employs a collaborative and facilitative approach – helping you to find the most advantageous solution, whilst sharing best practices and guaranteeing objectivity. With significant experience in a variety of industries we bring a fresh, unbiased perspective and will challenge existing methodologies.

We are an attentive and client focussed boutique firm providing a custom solution, tailored to your specific needs and ensuring absolute clarity on what will be delivered and the time frame for doing so. Confidentiality is assured, as discretion and integrity are vital in such a small industry.

For further information please refer to our business consulting webpage which can be found at <http://www.fellowsandassociates.com/management>