

Report of the 2015 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 between the 9th of December 2014 and the 28th of February 2015. The online 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+ and Twitter were utilised and a press release was launched promoting the survey. An overview of the survey questions and answer options can be found in Appendix I.

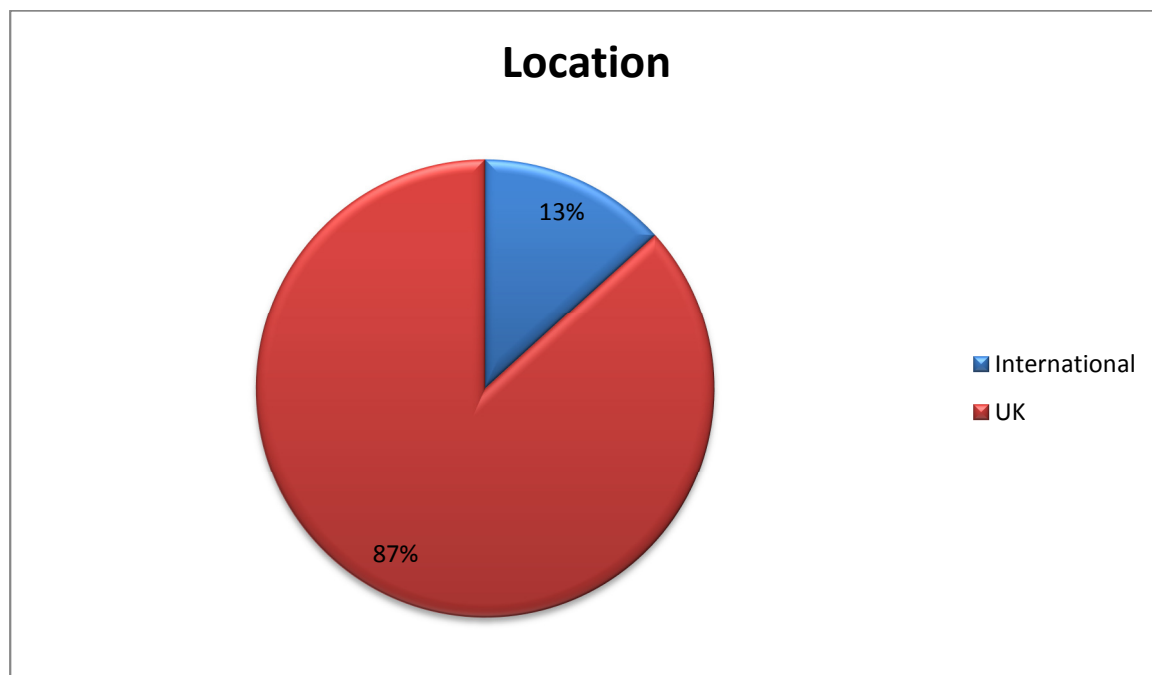
2. The sample

A total of 200 respondents started the survey with a completion rate of 94.5% (a 10% increase on last year). Respondents quoting any financial information in a currency other than GBP were converted to GBP using XE.com as of 05.03.15 at 14.30 GMT.

Where respondents work part time, their pro rata financial information has been converted to a Full Time Equivalent (FTE) working a 37.5 hour week.

Those few respondents that abandoned the survey part way through have been excluded.

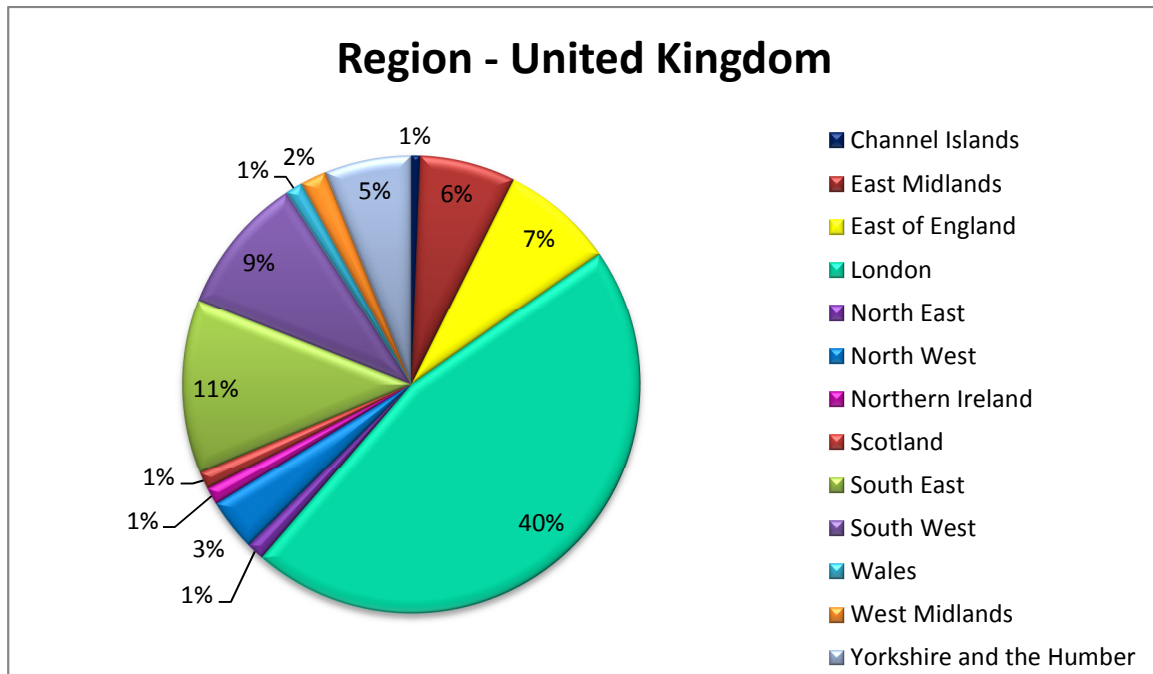
2.1 Location



Graph 2.1.1

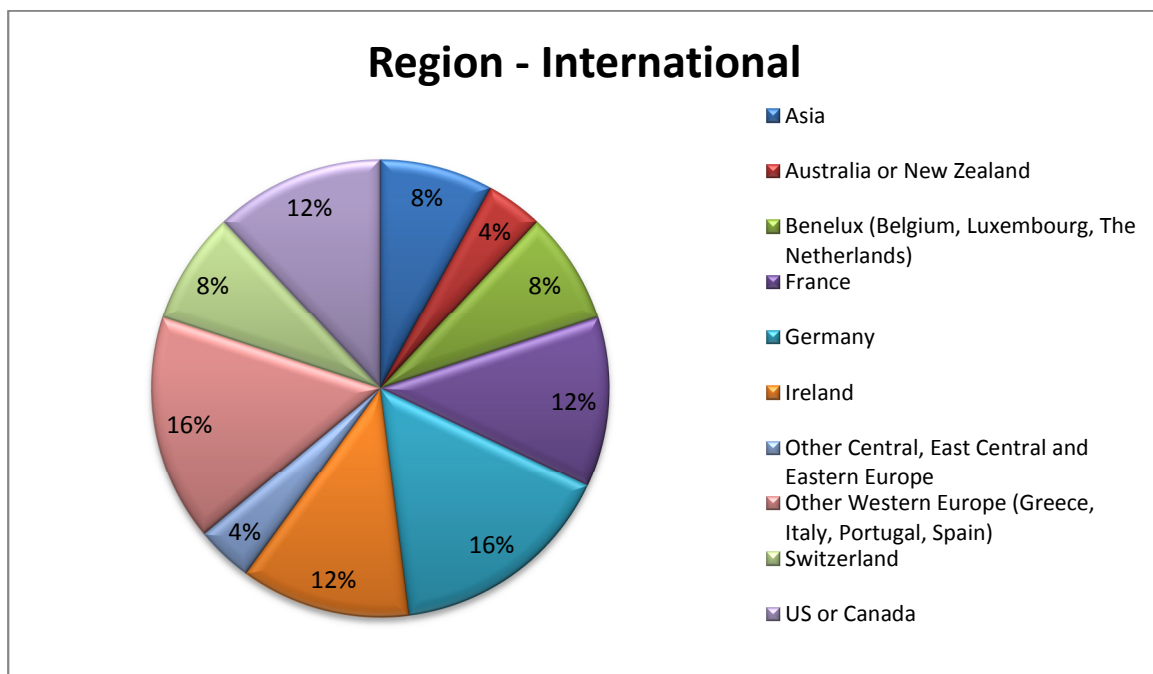
The international respondent rate increased by 1% from 2014 but has stayed broadly consistent over the last 3 years.

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



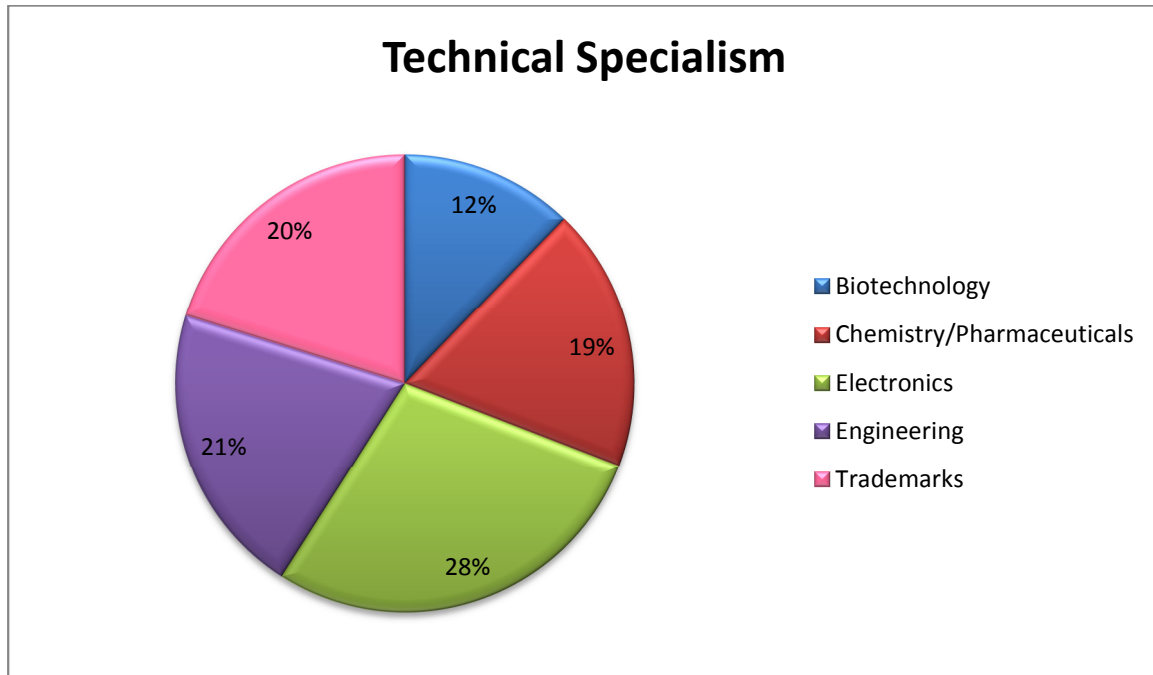
Graph 2.1.2

International respondents came from the following countries:

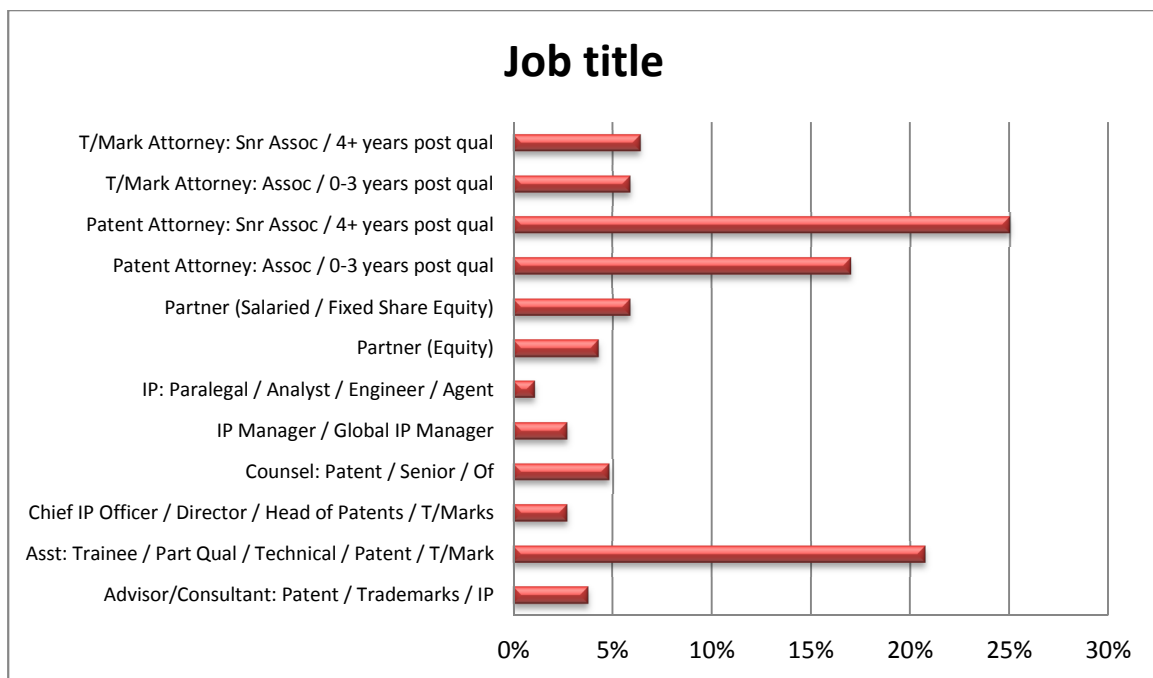


Graph 2.1.3

2.2 Technical specialism and title

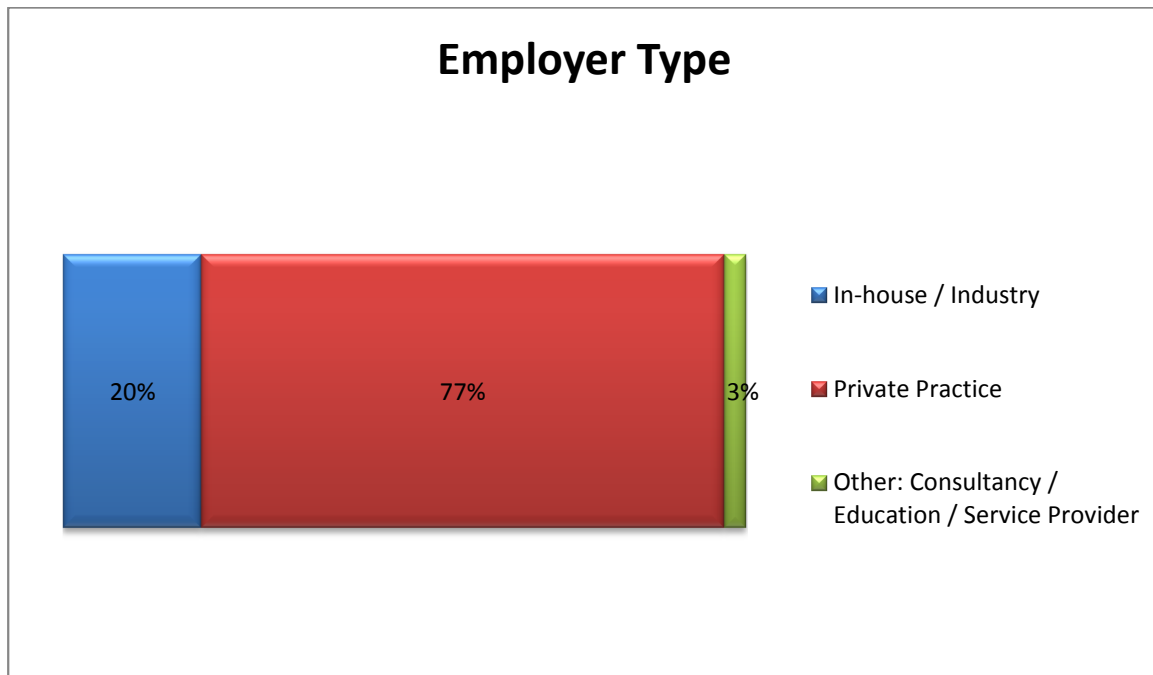


Graph 2.2.1



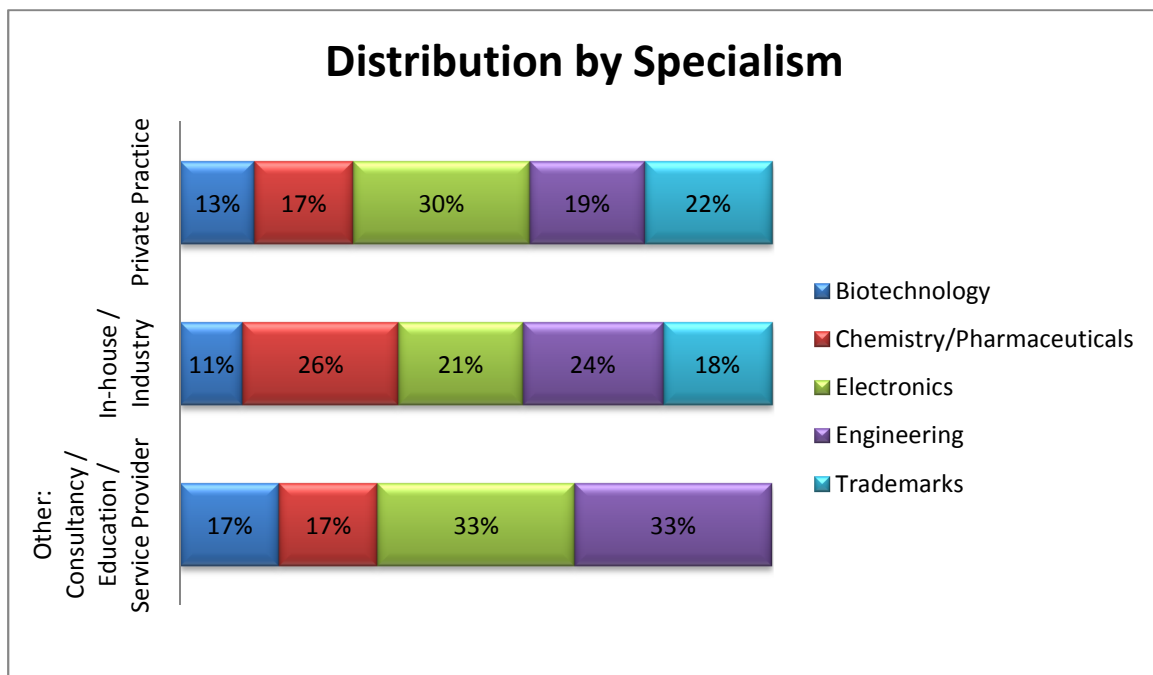
Graph 2.2.2

2.3 Employer type



Graph 2.3.1

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

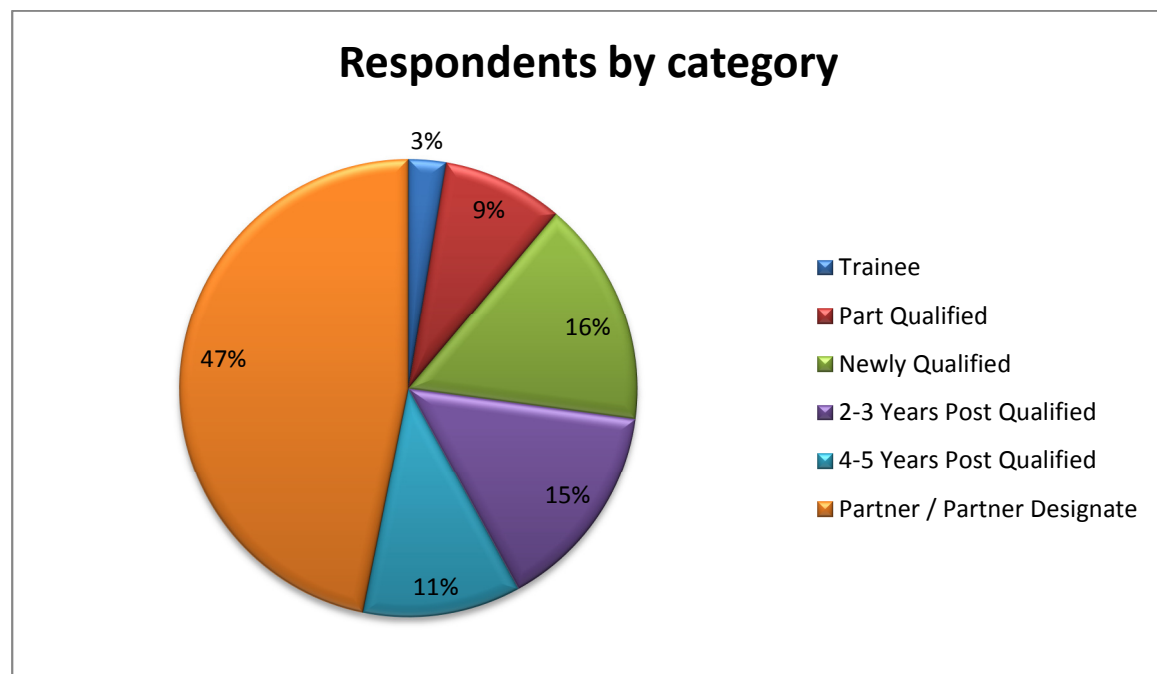


Graph 2.3.2

2.4 Qualifications

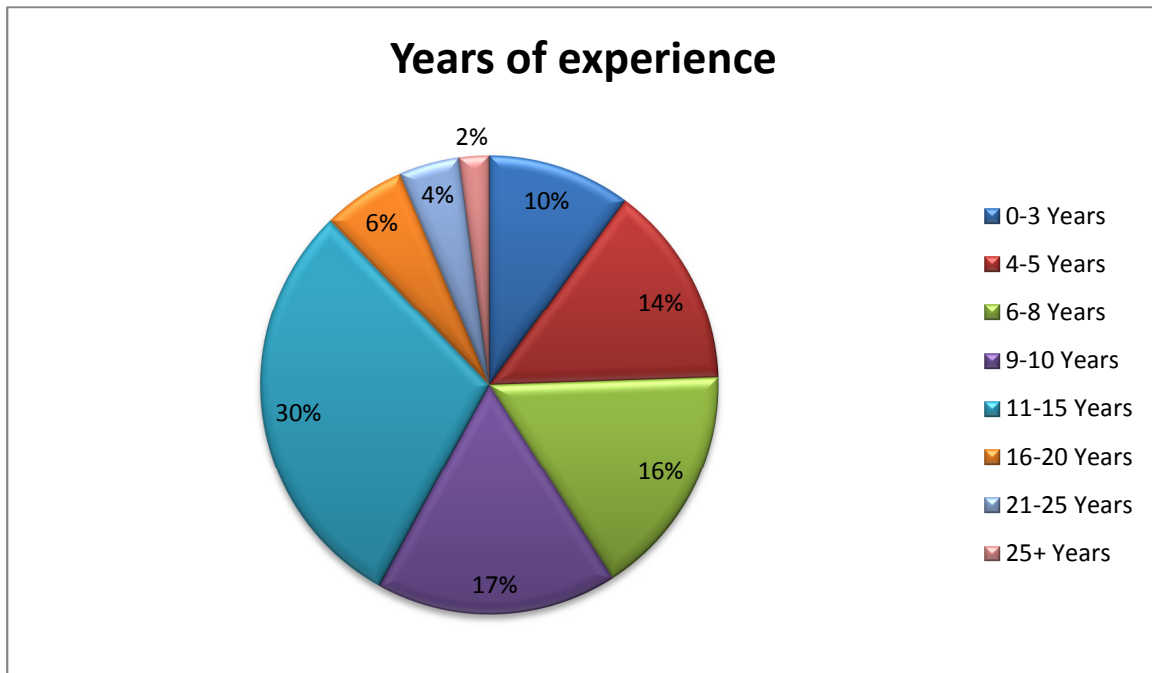
As the definition of a part qualified attorney varies across firms, and the time it takes to qualify differs between individuals, this report has classified the year in which a respondent obtained their first qualification as follows:

Category	Year 1st Qualification Obtained
Trainee	2018 or Later
Part Qualified	2016, 2017
Newly Qualified	2014, 2015
2-3 Years Post Qualified	2012, 2013
4-5 Years Post Qualified	2010, 2011
Partner / Partner Designate Level	2009 or Earlier



Graph 2.4.1

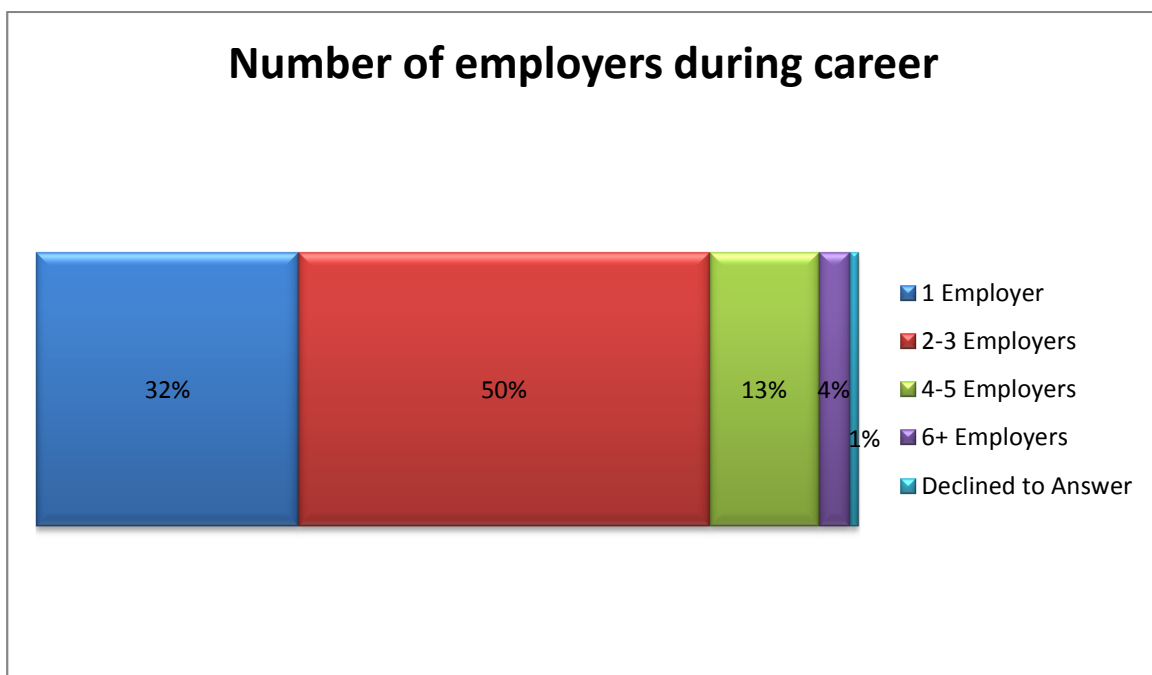
The graph below indicates the actual years of experience gained within the industry, without reference to when examinations were undertaken.



Graph 2.4.2

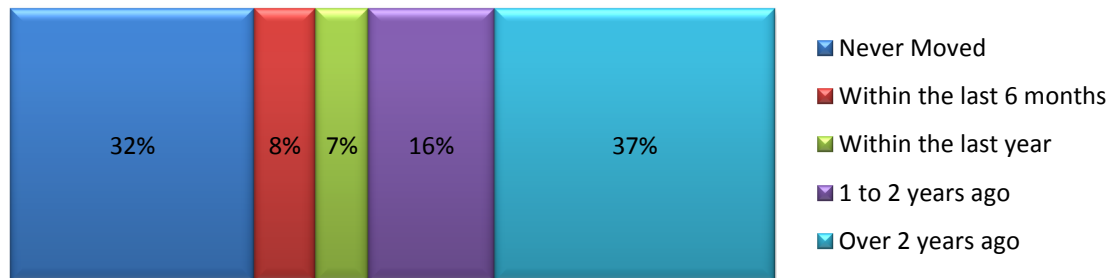
As would be expected, this graph shows that an individuals' experience tends to correlate with the relevant status / designations that they achieve per graph 2.4.1 above. It also indicates that approximately a third of those achieving Partner level did so within just 9-10 years.

2.5 Working Environment



Graph 2.5.1

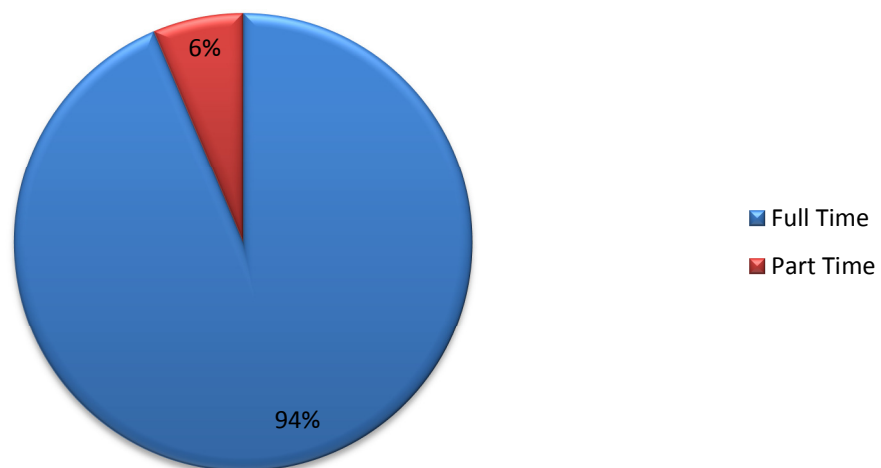
Timing of last career move



Graph 2.5.2

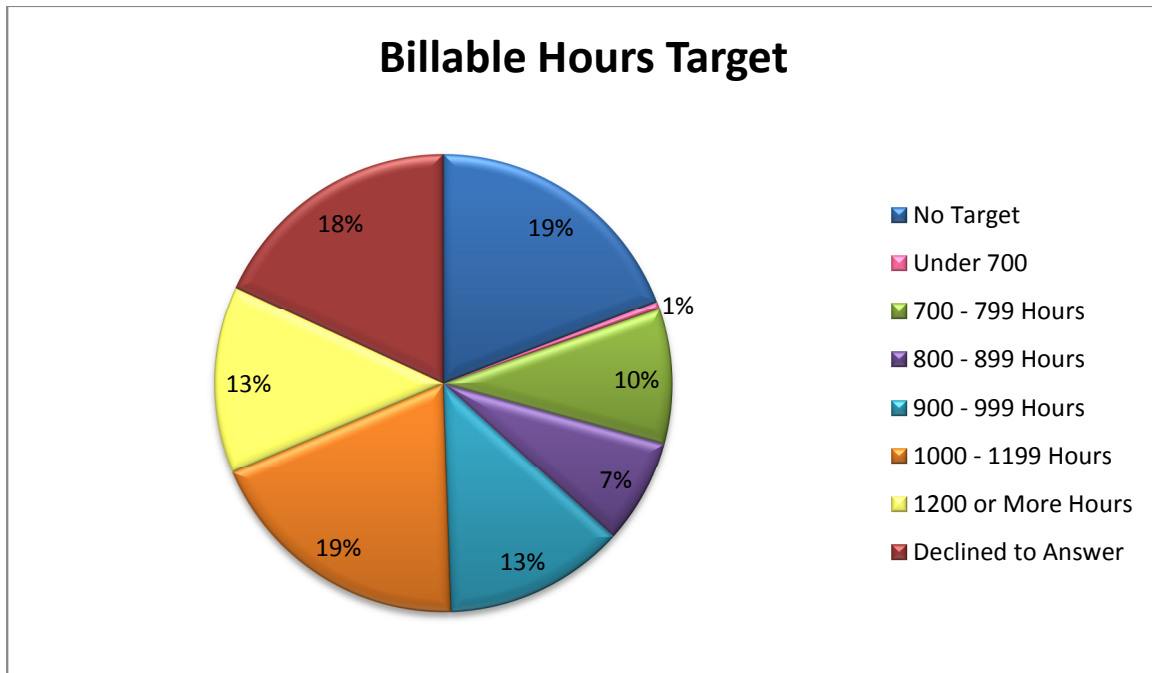
This shows that 15% of respondents have moved within the last year. Once we have data from subsequent years it will be interesting to track whether the percentage increases or decreases, potentially providing an indication of the market and how confident individuals feel about it.

Contracted hours



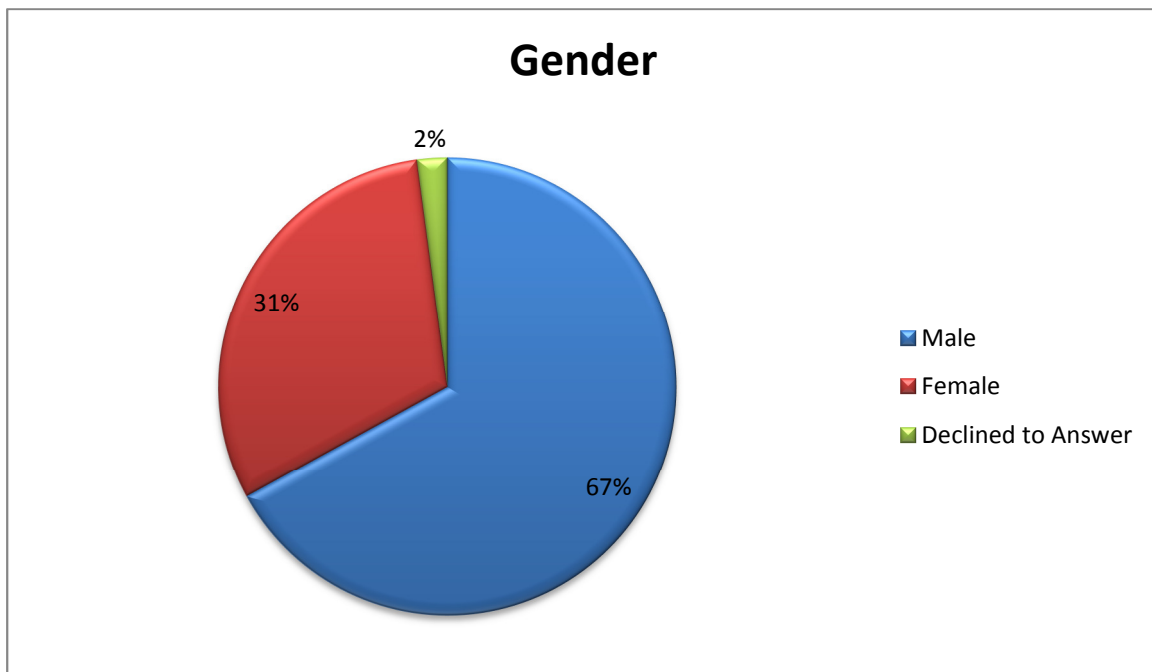
Graph 2.5.3

75% of the respondents working part time are female.



Graph 2.5.4

2.6 Gender

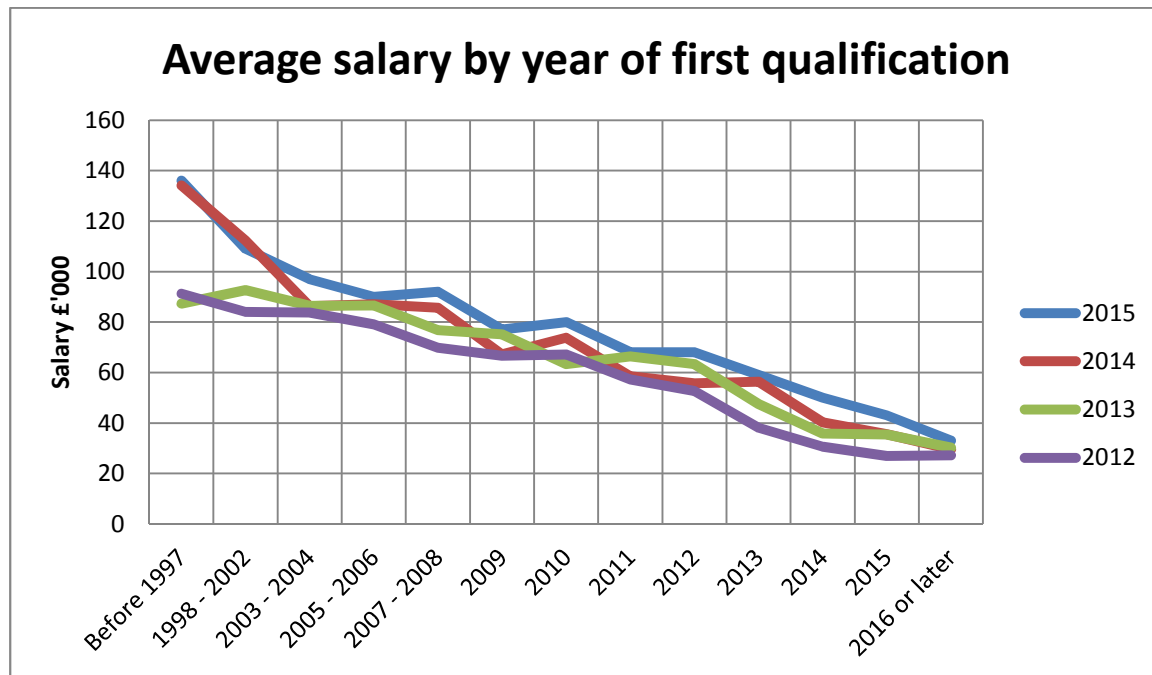


Graph 2.6.1

There has been an increase in female respondents this year by 3% (2014: 28%).

3 Salary information

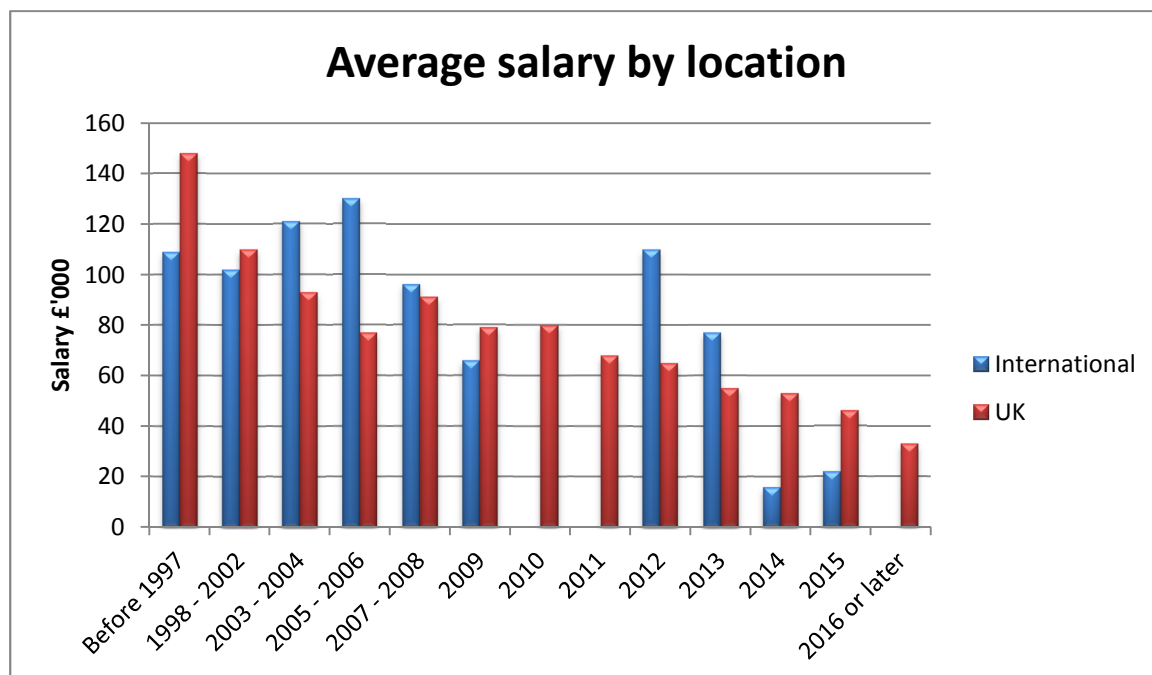
3.1 Qualifications



Graph 3.1.1

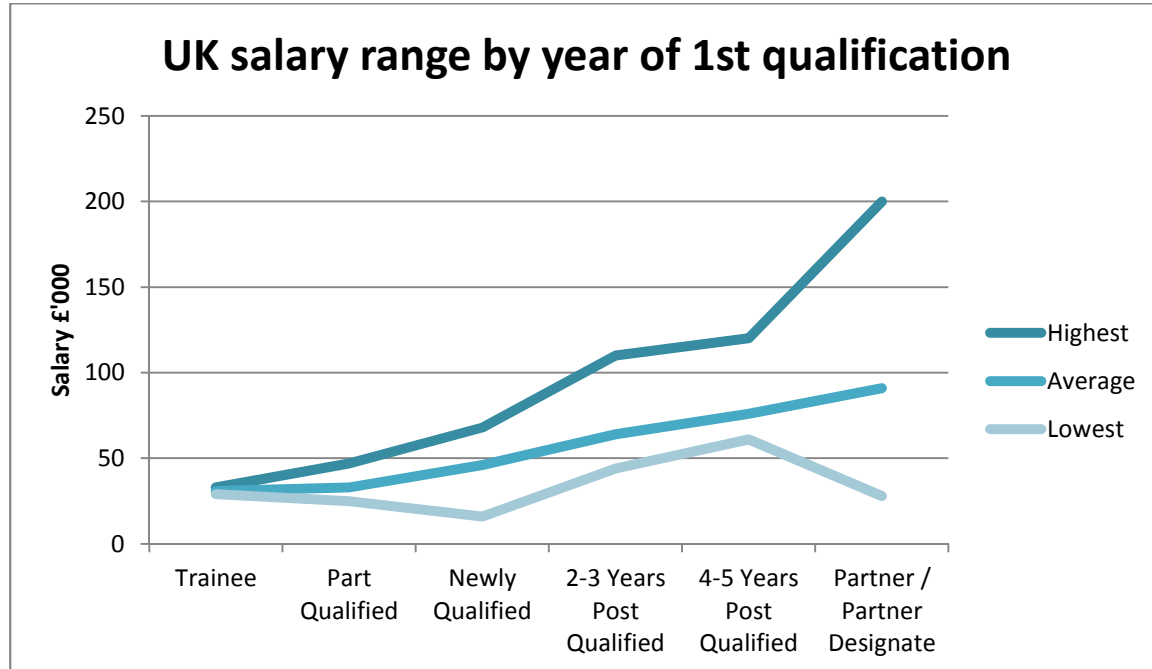
The fairly consistent inflationary increase across the board in 2015 reflects the increased confidence in the market over the last year with greater movement in existing positions as well as new vacancies being created.

3.2 Location



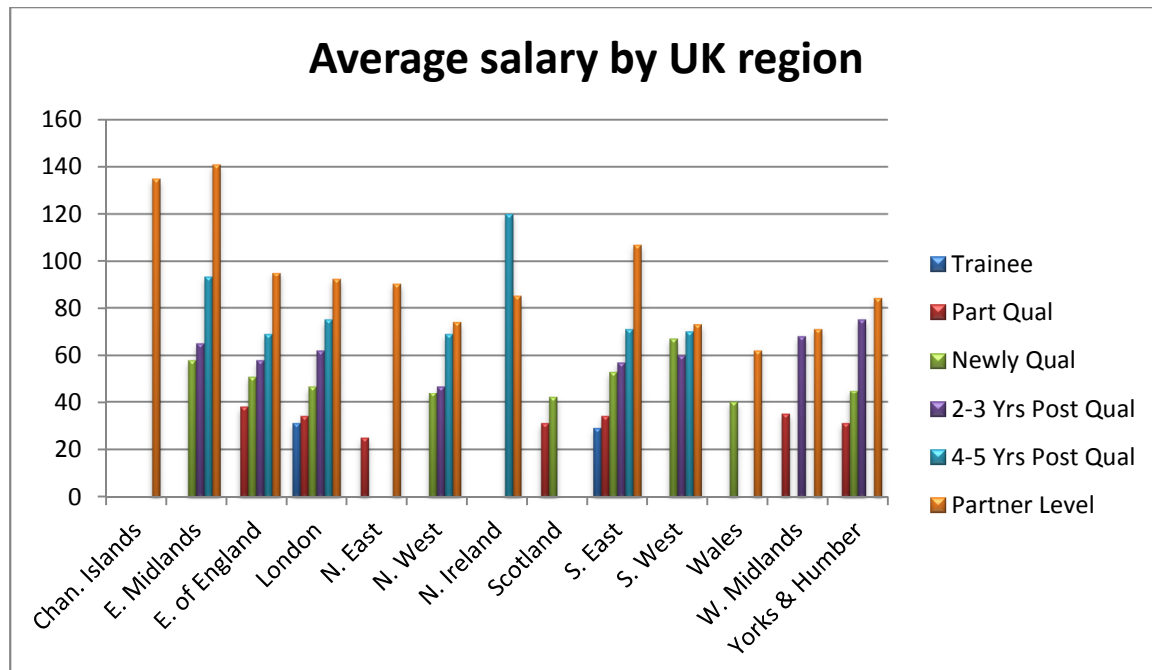
Graph 3.2.1

The UK appears to lag behind its international counterparts with regards to base salaries for newly qualified respondents up to the point of senior Partnership status. It is important to recognise that this survey only provides a limited view although it does support the anecdotal evidence Fellows and Associates has gathered over the years.



Graph 3.2.2

There was a Partner earning well in excess of £250k which has been removed in order to make the graph above more user friendly.

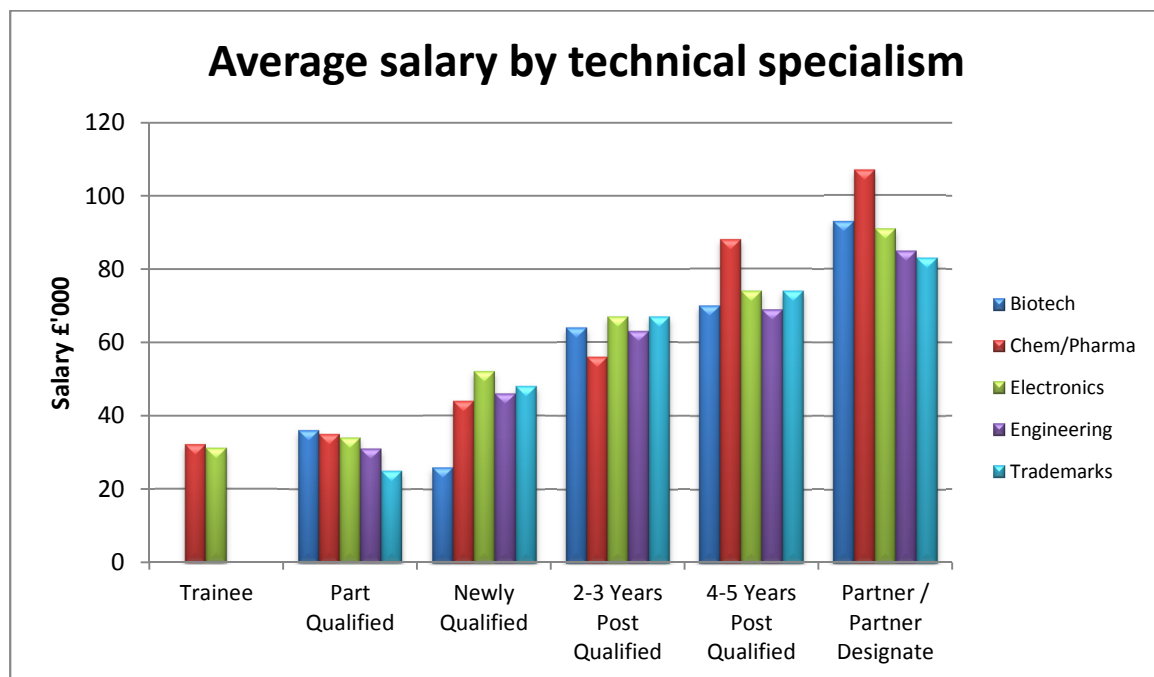


Graph 3.2.3

This year we have further split the data by region. There are some regions where limited data was gathered as certain regions simply have fewer firms based in that locale and contribution to the survey is voluntary. The variances shown will not simply be down to location alone but will be impacted by the type of qualification held and the respondent's technical specialism. This is supported in graph 3.3.1 below.

3.3 Technical specialism

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



Graph 3.3.1

3.4 Salary Guide

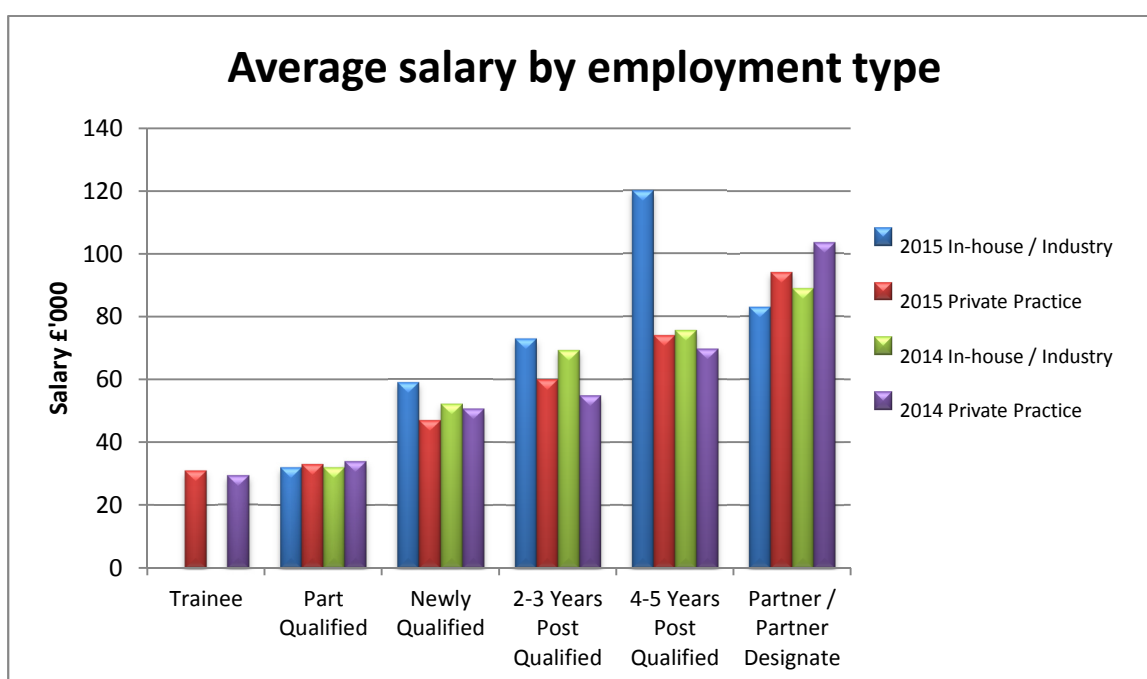
As per last year's survey, this section gives an impression of candidate market value. It is not a report on the data specifically but based on a combination of that plus our experience as a recruitment firm, taking into account the current prevailing market conditions and the demand for certain technical backgrounds. There is a difference between the current earnings of an individual (averages shown above) and the expected earnings of an individual if they were to move (see below). As Equity Partner moves are more complex we have excluded these from the table below. Salaries listed below for 'Salaried Partners' includes those on the alternative 'Fixed Share Equity' system and applies to attorneys who have relatively recently become Partners.

GBP £' 000	Trainee	Part Qualified	New Qualified	2-3 Years Post Qual	4-5 Years Post Qual	Salaried Partner Level
Chemistry/ Pharmaceuticals	28 - 30	34 - 38	55 - 62	58 - 66	75 - 90	80 - 110
Electronics	28 - 31	38 - 43	64 - 70	70 - 80	80 - 95	95 - 130
Engineering	28 - 30	35 - 40	60 - 65	64 - 72	75 - 90	80 - 110
Biotechnology	28 - 30	34 - 38	58 - 63	59 - 64	75 - 90	85 - 120
Trademarks/ Copyrights/ Design	25 - 28	33 - 37	52 - 60	55 - 62	65 - 80	70 - 100

Graph 3.4.1

There has been a recent increase in demand for both biotechnology attorneys (since early 2015) and chemistry/pharmaceuticals (since late 2014). Whilst still relatively busy, electronics and mechanical positions have reduced in volume since their peak, meaning that salaries have steadied their growth in these areas. The salaries above do not include bonuses. In almost every case firms pay base salaries in line with market with bonuses on top (which can range from as little as £2,000 to as much as £25,000 at a newly qualified level). When bonuses are factored in, there is the potential for attorneys to earn a great deal more than their peers at other firms due to securing a more favourable scheme. The difference can be as much as £30,000 between qualified attorneys in high paying firms with good bonus schemes versus those without for similar levels of billable hours and equivalent experience.

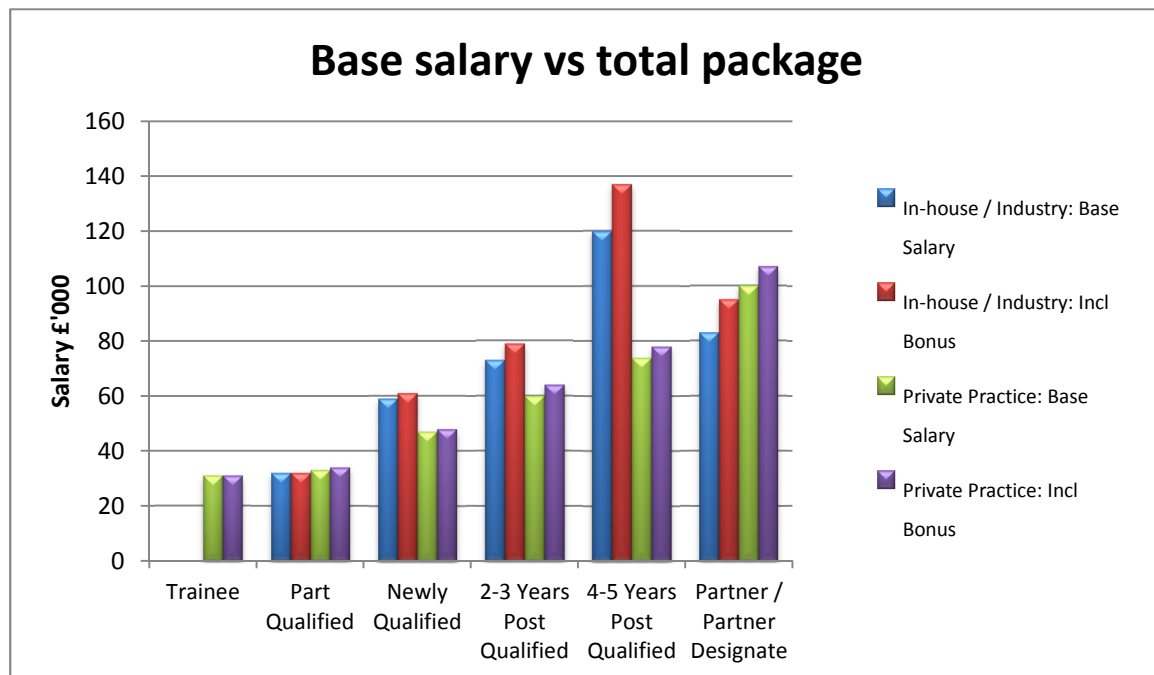
3.5 Employer type



Graph 3.5.1

The data indicates that it is still more lucrative to work in industry once qualified for a few years than it is to work in private practice, when taking into account base salary alone. However, there is an earnings ceiling within industry that does not exist within private practice once Partnership level is attained (see 3.6 below). One also needs to consider that bonus schemes, or commission schemes

based on total billings, are more objective and consistent in private practice, compared to industry schemes which tend to be company performance based and less within one's own control.



Graph 3.5.2

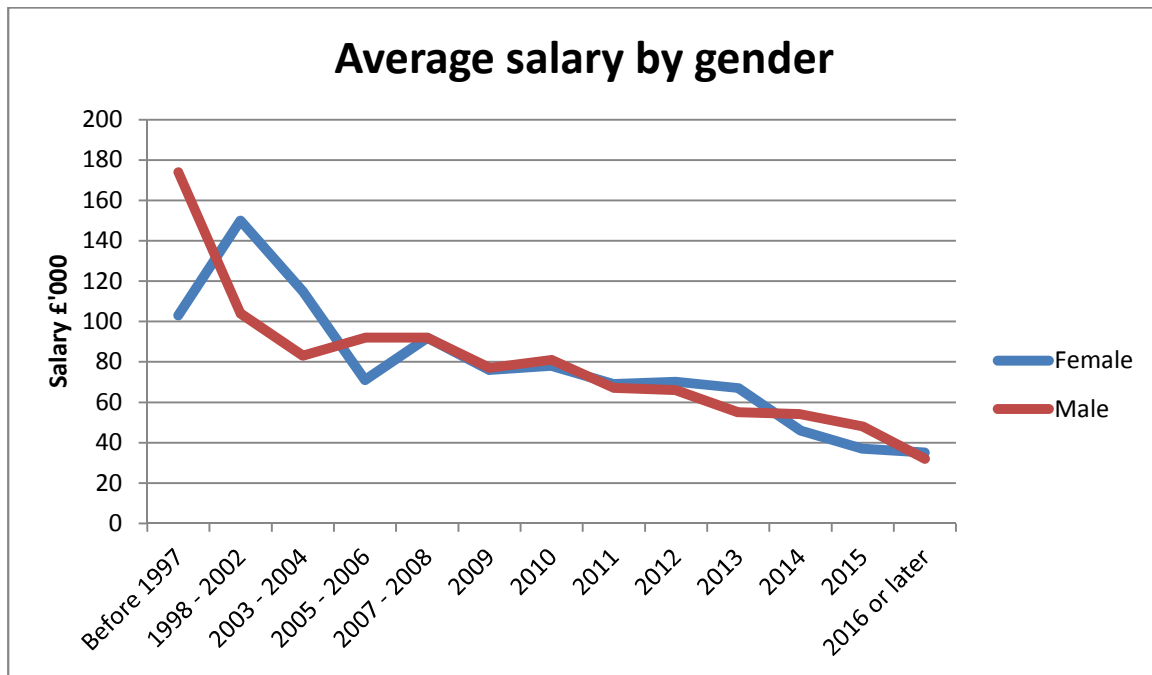
3.6 Earnings above £100k

There were a total of 22 respondents (11% of the population surveyed) who earned more than £100k per annum. The below graph shows the average of those earning above £100k but it's important to note that one or two individuals earned well in excess of £250k.

Respondents earning over £100k pa	In-house / Industry	Private Practice	Other: Consultancy / Education / Service Provider
Average Salary	121,000	156,000	130,000
Number of Respondents	4	16	2

Graph 3.6.1

3.7 Gender

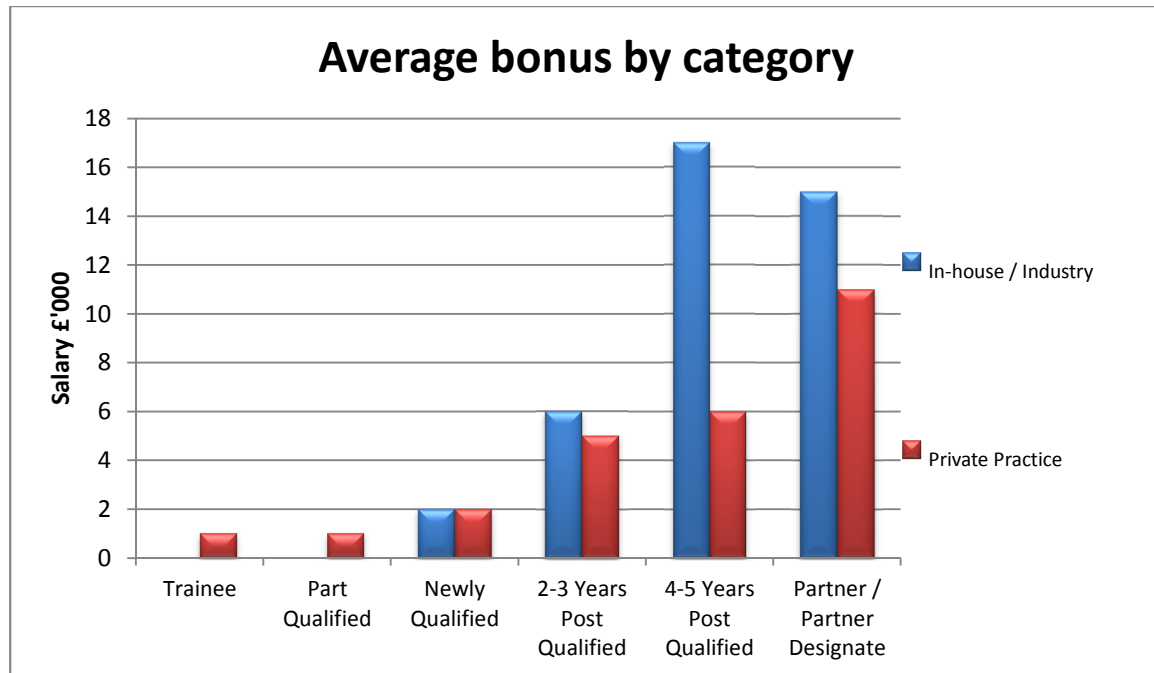


Graph 3.7.1

The graph represents 98% of the respondents as 2% declined to answer the question of gender. For the first time in the history of this salary survey there is a minimal earnings gap between those of men and their female counterparts. Encouragingly, women respondents are achieving a higher salary than the men respondents as often as not. This result is solely within the confines of this sample which was skewed in favour of male respondents (2.2:1 ratio). Whilst we cannot draw far reaching conclusions, perhaps gender is becoming less of a differentiating factor than it once was.

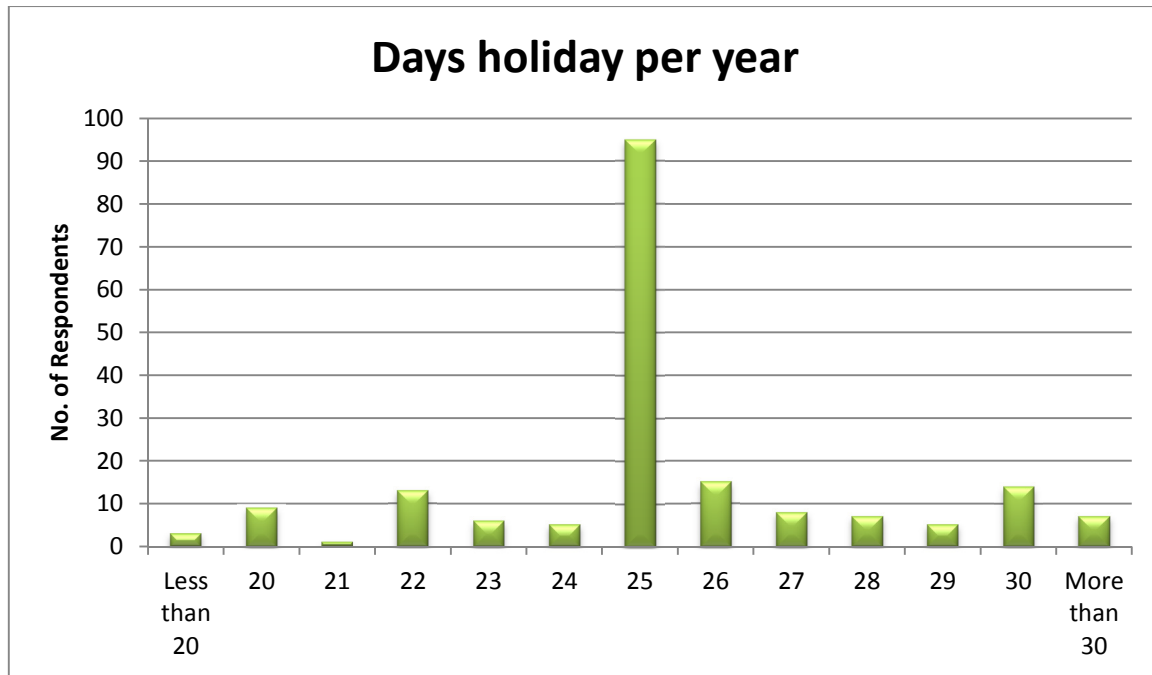
3.8 Additional Benefits

73% of respondents receive a bonus amounting to an average of 9.3% of base salaries. In future years we will try and draw a distinction between a true bonus and that of a commission type structure based on total billings and/or billable hours that significantly contribute to one's overall remuneration package.



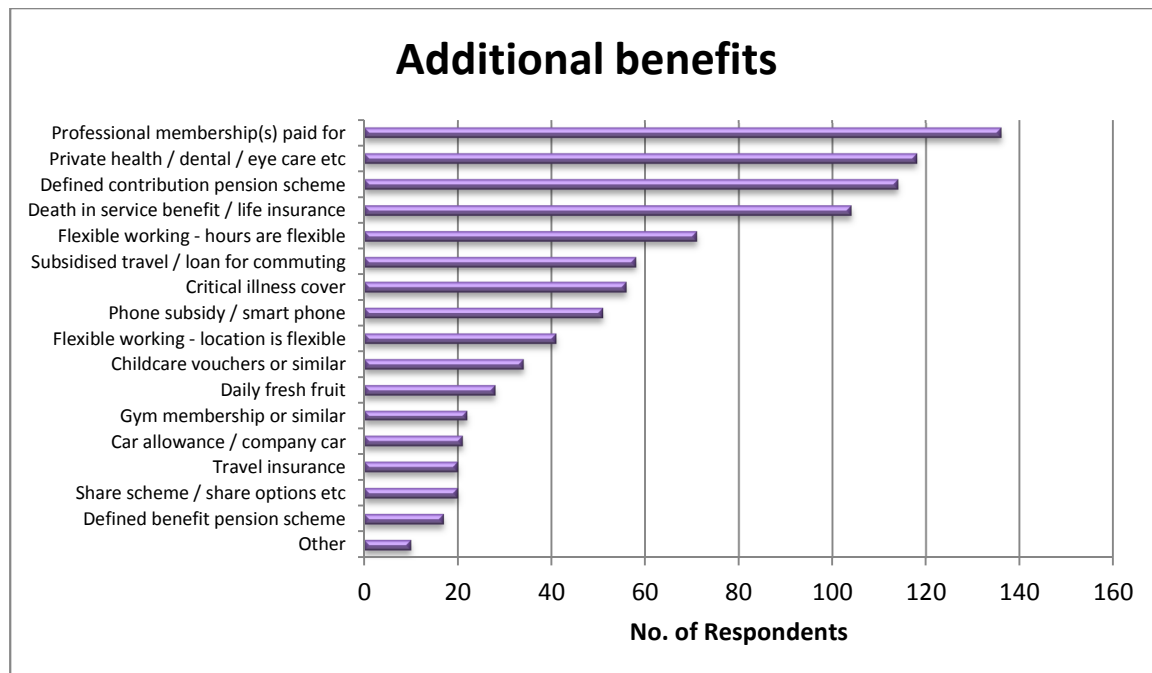
Graph 3.8.1

The above graph is the average bonus for those respondents who receive one. This, coupled with the higher base salaries on average, supports our assessment that it is financially beneficial to be in industry in the earlier part of one's career.



Graph 3.8.2

51% of the respondents receive 25 days holiday per year, with 30% receiving more than 25 days annual leave (3.7% receiving more than 30 days), and 19% receiving less than 25 days.



Graph 3.8.3

“Other” included: member’s club membership, regional living allowance, holiday purchase scheme, lunch vouchers, computer equipment and a project fee bonus.

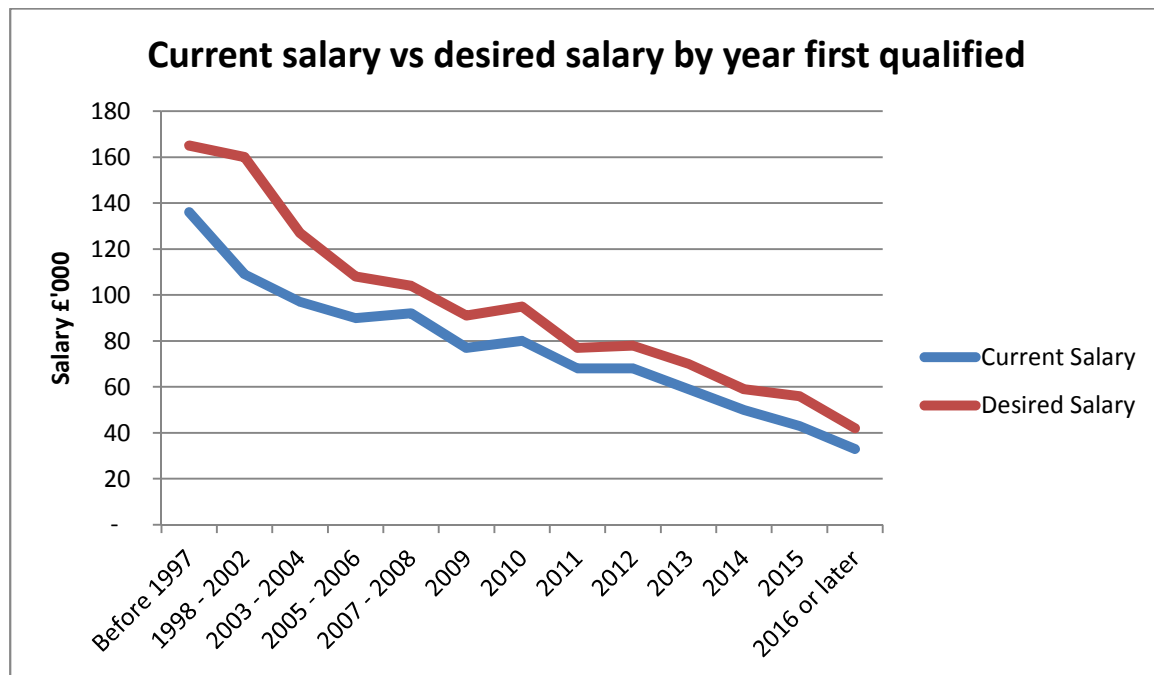
72% of respondents have their professional memberships paid for with 63% receiving private healthcare of some variety as well as 55% receiving life insurance or a death in service benefit.

A substantial number (70%) of respondents receive a pension of some sort, of which 13% have the elevated status of receiving a defined benefit pension (final salary scheme).

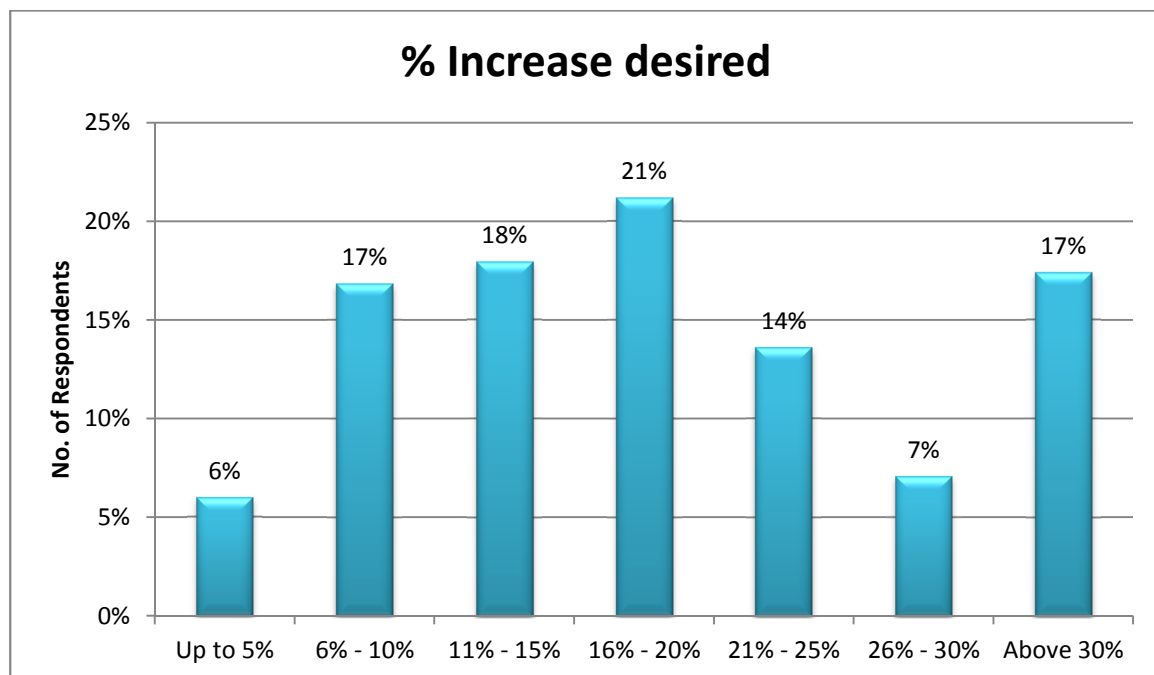
4 The future

4.1 Desired salary increase

The average salary increase sought continues to be over 20% of current salary (2015: 23.5%, 2014: 22.2%, 2013: 20.2%, and 2012: 24.8%).



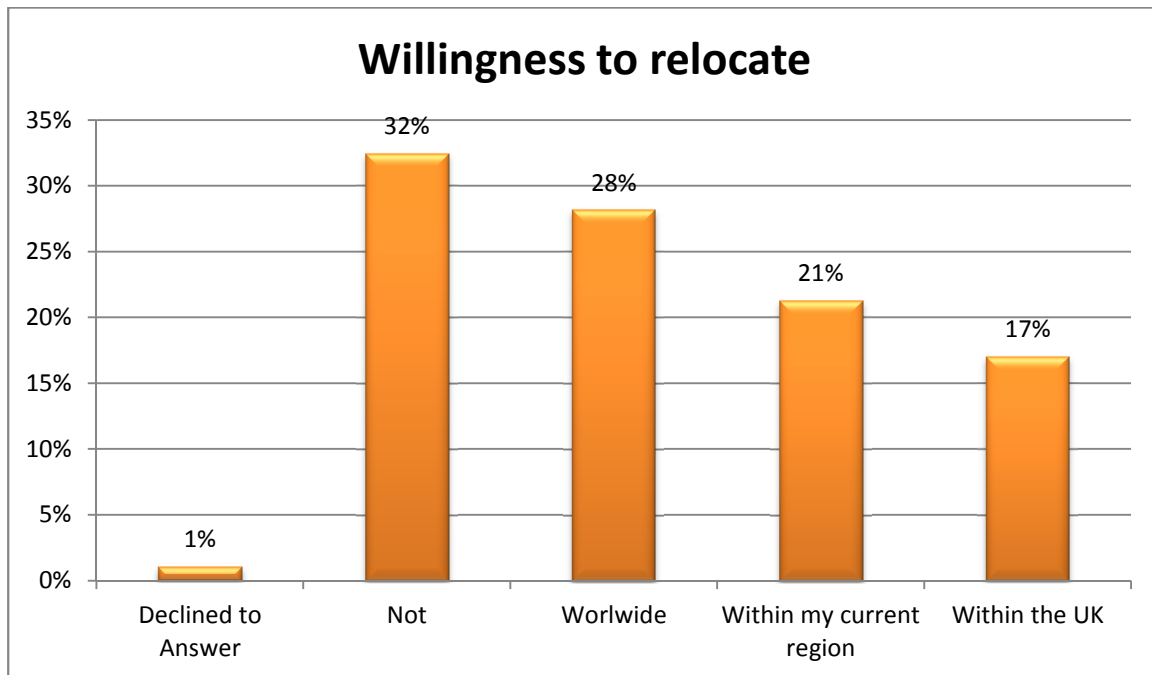
Graph 4.1.1



Graph 4.1.2

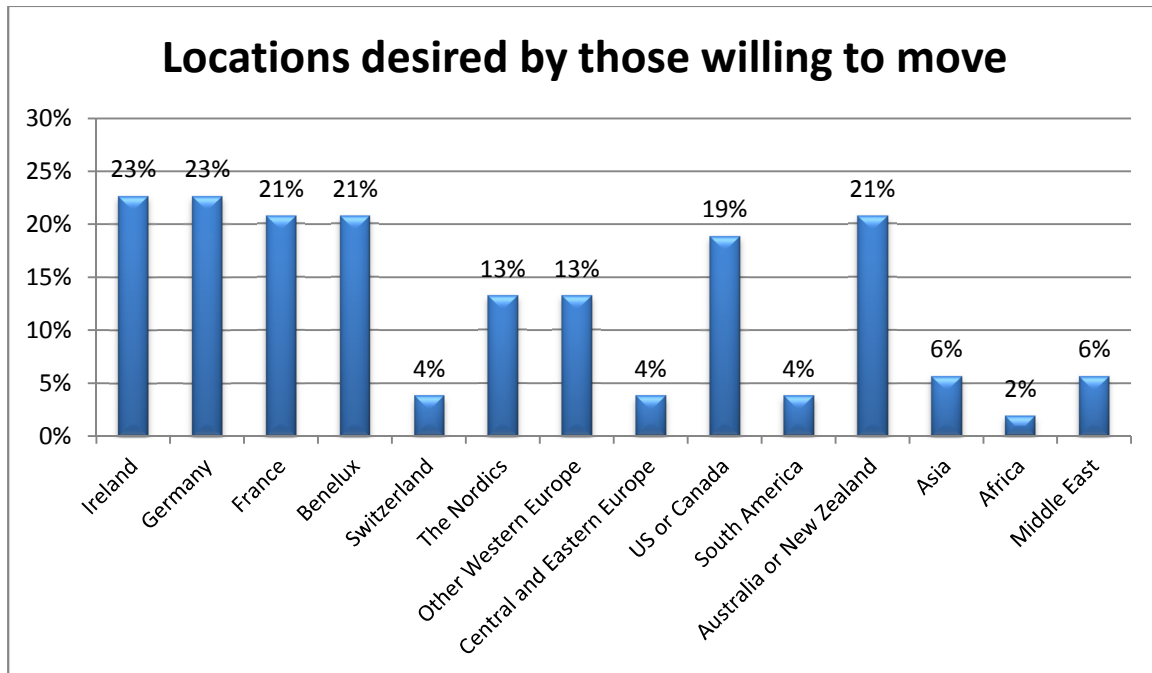
4.2 Willingness to relocate

68% (2014: 70%, 2013: 73% and 2012: 76%) of respondents indicated that they would be willing to relocate to obtain their desired salary. The appetite, overall, for moving is clearly diminishing, which may be down to the increased flexibility firms are willing to provide with regards to remote/flexible working conditions. However, if a move is to be considered, twice as many respondents (2015: 28% vs 2014: 14%) would consider an International move.



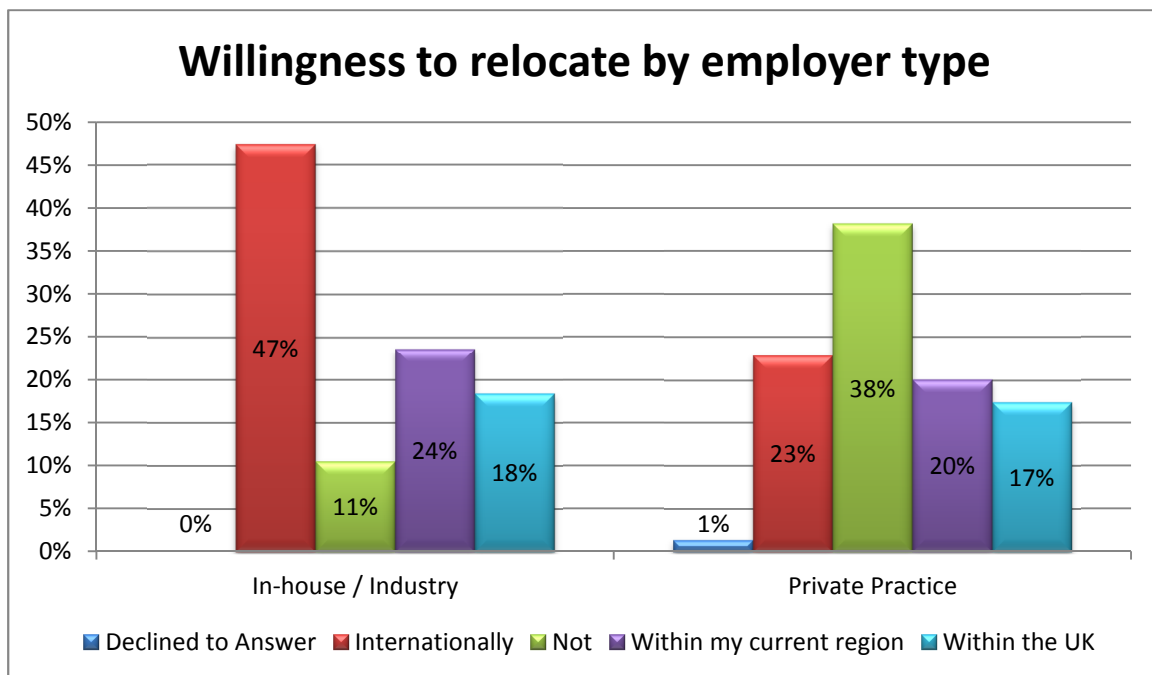
Graph 4.2.1

Some respondents were willing to relocate to a variety of locations whilst some were very specific in the locations they would consider a move to. This year a greater number of regions had an equal appeal amongst respondents.



Graph 4.2.2

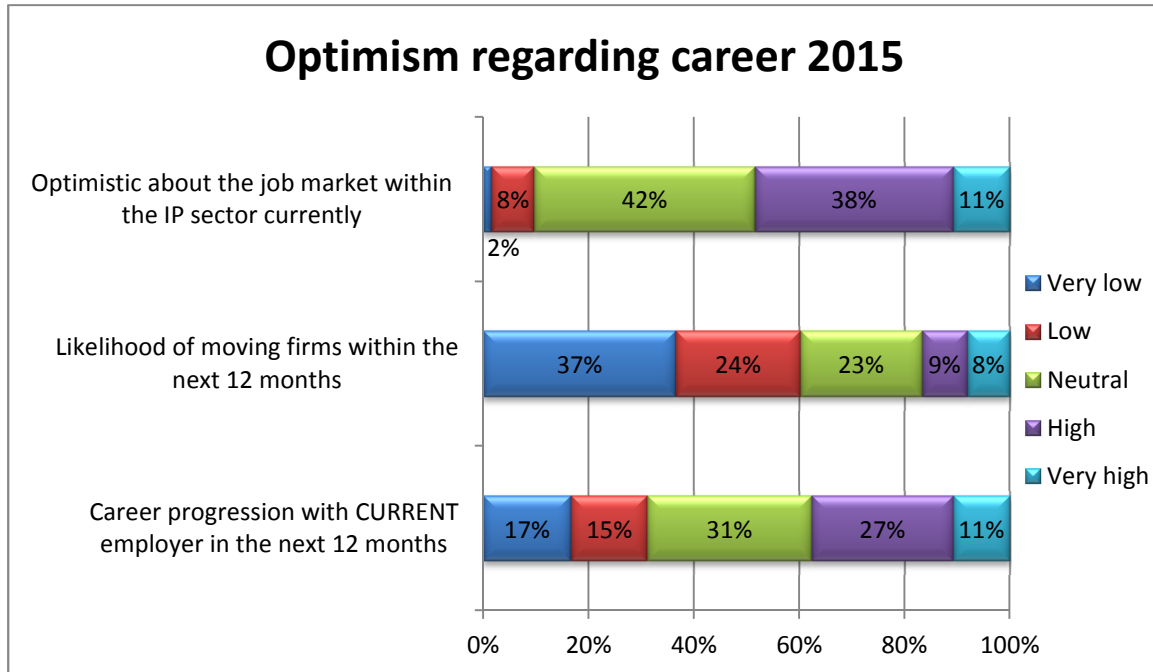
Those working in industry continue to be more willing to relocate, especially internationally, than those in private practice. This is most likely due to the dispersed nature of in-house IP departments and the need to relocate in order to progress one's career.



Graph 4.2.3

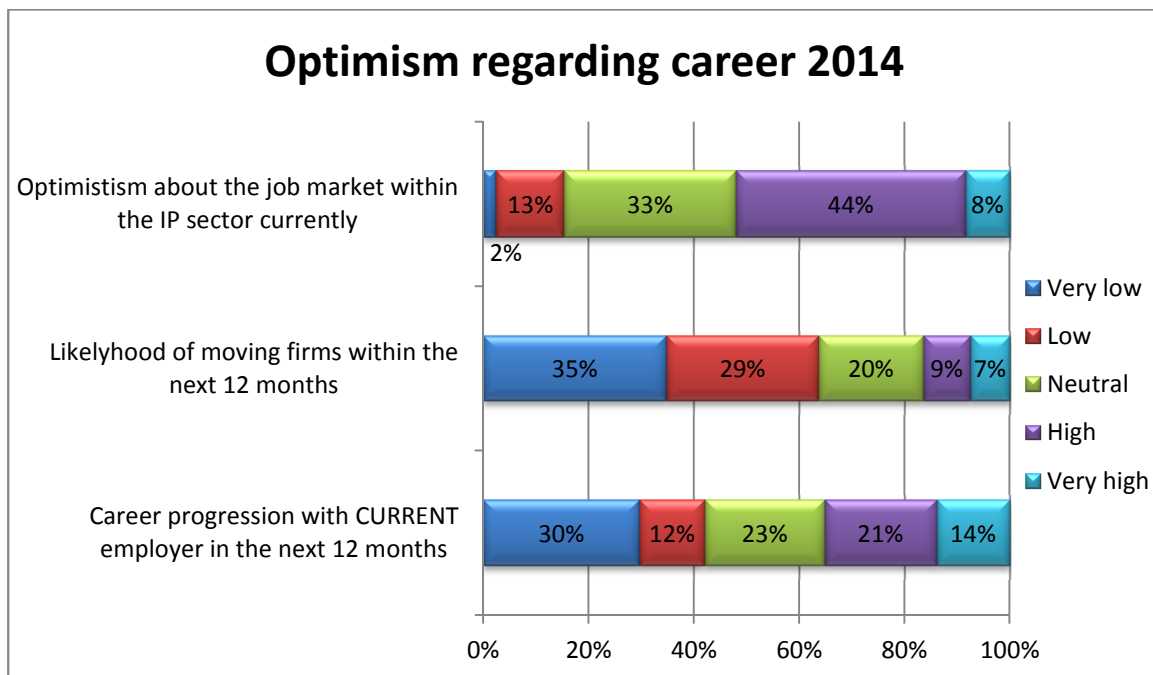
4.3 Outlook

This year the survey also addressed outlook with questions pertaining to respondent's optimism regarding their careers within the IP sector in the coming 12 months.



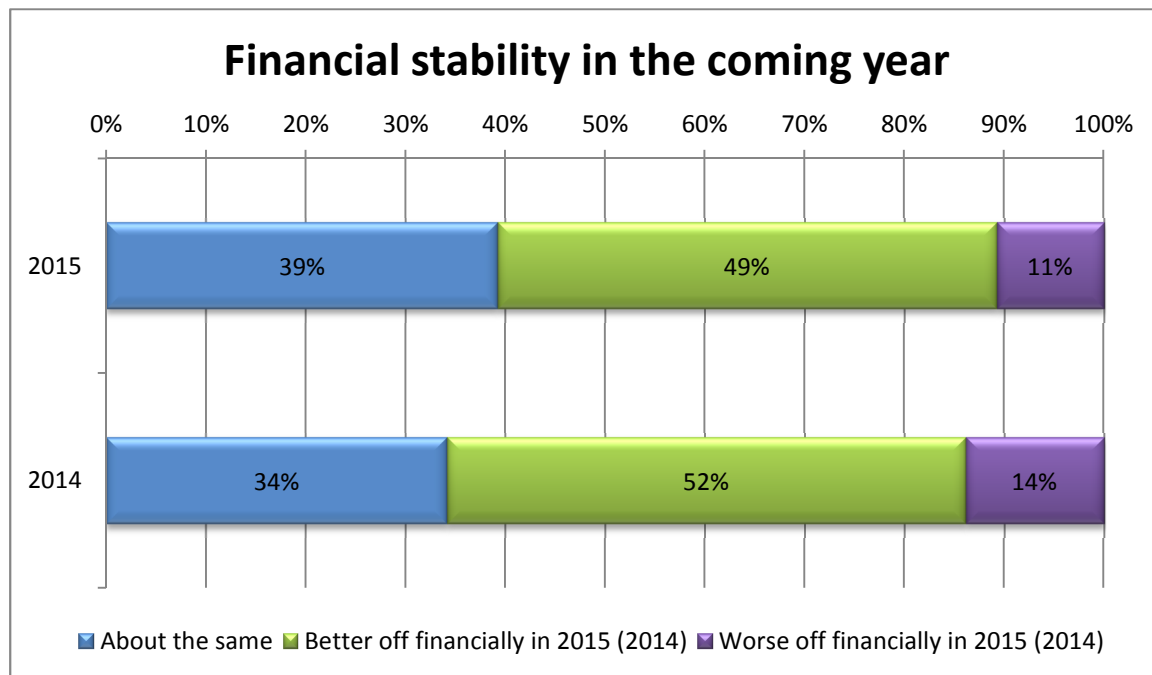
Graph 4.3.1

We have included last year's equivalent graph below for comparative purposes only.



Graph 4.3.2

The graph below demonstrates respondent's feelings of financial security in 2015 compared with 2014.



Graph 4.3.3

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 companies without access to this information. Moreover, none of that information is available to employees (our candidates) to better enable them to understand their 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.felloows@felloowsandassociates.com.

AUTHOR PROFILE

Michele Fellows is a Chartered Management Accountant with nearly 20 years' experience. She is a founding partner of Fellows and Associates heading up Fellows Business Consulting 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 and in a variety of industries and sectors. This includes running her own promotional company in South Africa for 4 years.

Fellows Business Consulting can help 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.

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