

Report of the 2016 Salary Survey of the IP Profession

Hosted by Fellows and Associates

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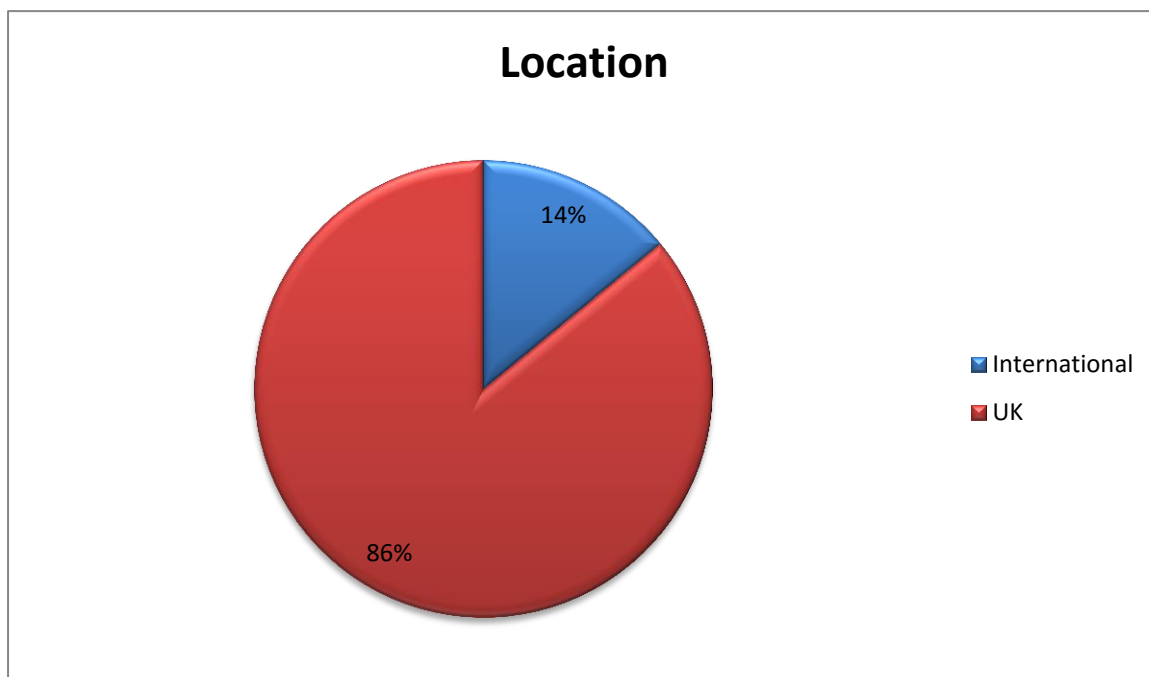
1. Introduction

This report presents data from a salary survey of the Intellectual Property profession which was collected between the 15th of December 2015 and the 29th of February 2016. 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+ and Twitter were utilised to promote the survey. An overview of the survey questions and answer options can be found in Appendix I.

2. The Sample

A total of 228 respondents began the survey with 202 completing it (an increase of 7.4% on last year). Any financial information quoted by respondents in a currency other than GBP was converted to GBP using XE.com as of 16.03.16 at 11.40 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.

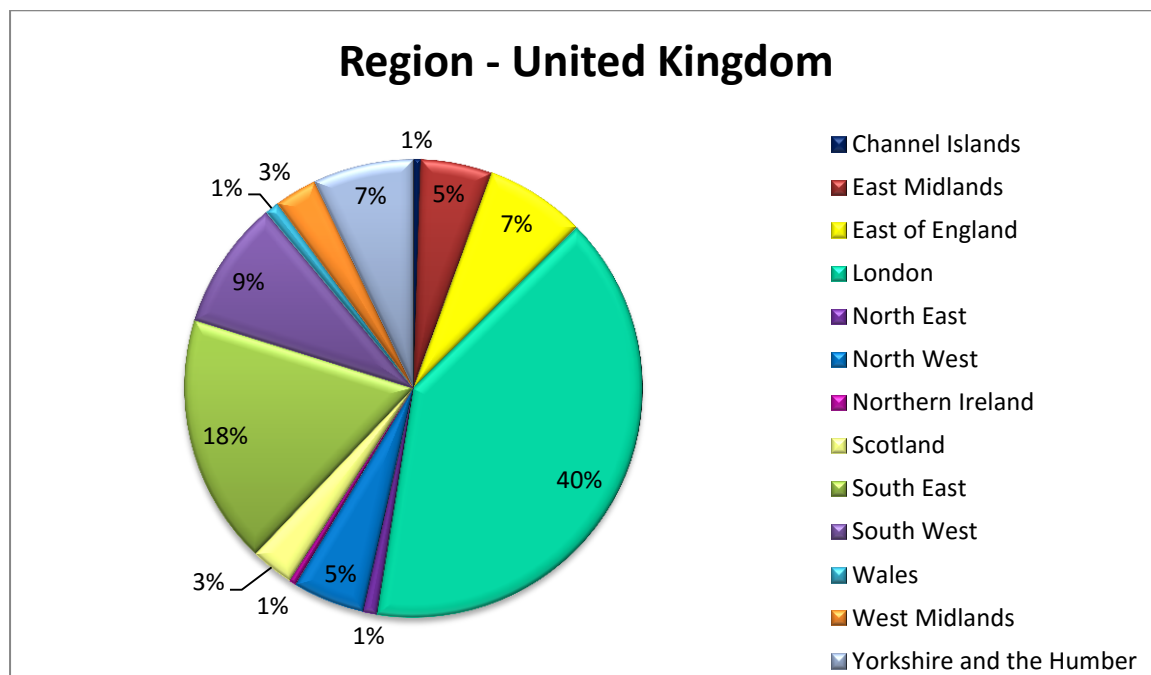
2.1 Location



Graph 2.1.1

The international respondent rate has again increased by 1% (2015: 13%, 2014: 12%) but has stayed broadly consistent over the years.

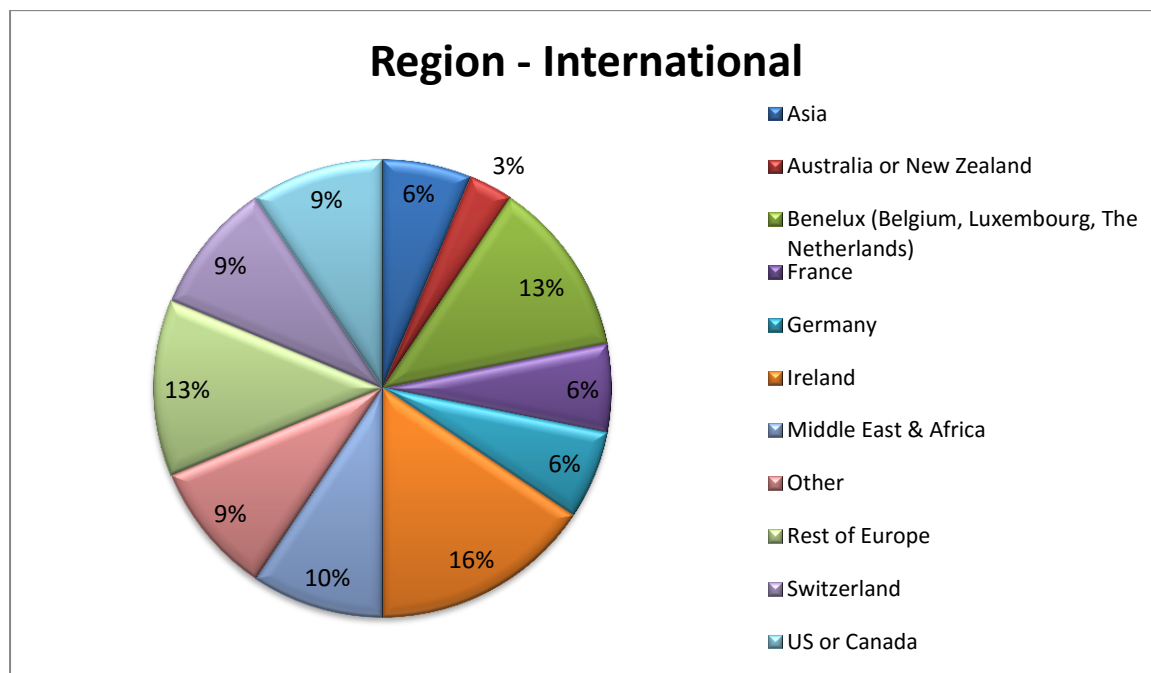
The data was then analysed to show the breakdown of the various UK regions:



Graph 2.1.2

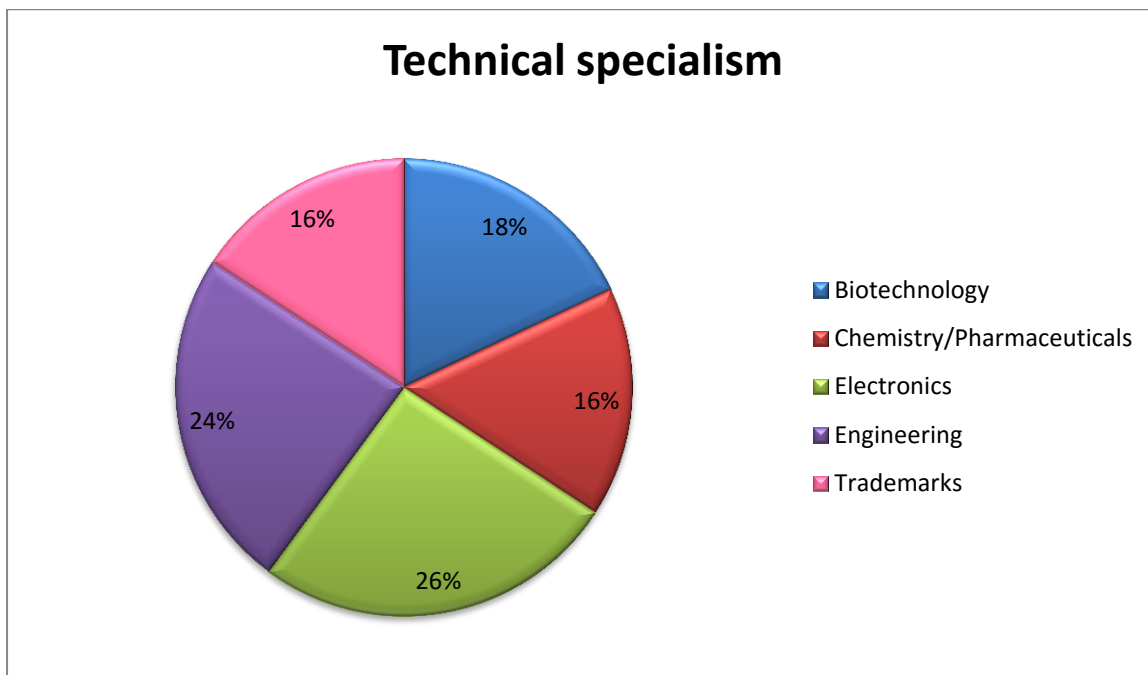
We acknowledge the colours in the above graph can be a challenge to differentiate. Please read in a clockwise direction from the “12 o’clock” position to assist.

International respondents came from the following countries:

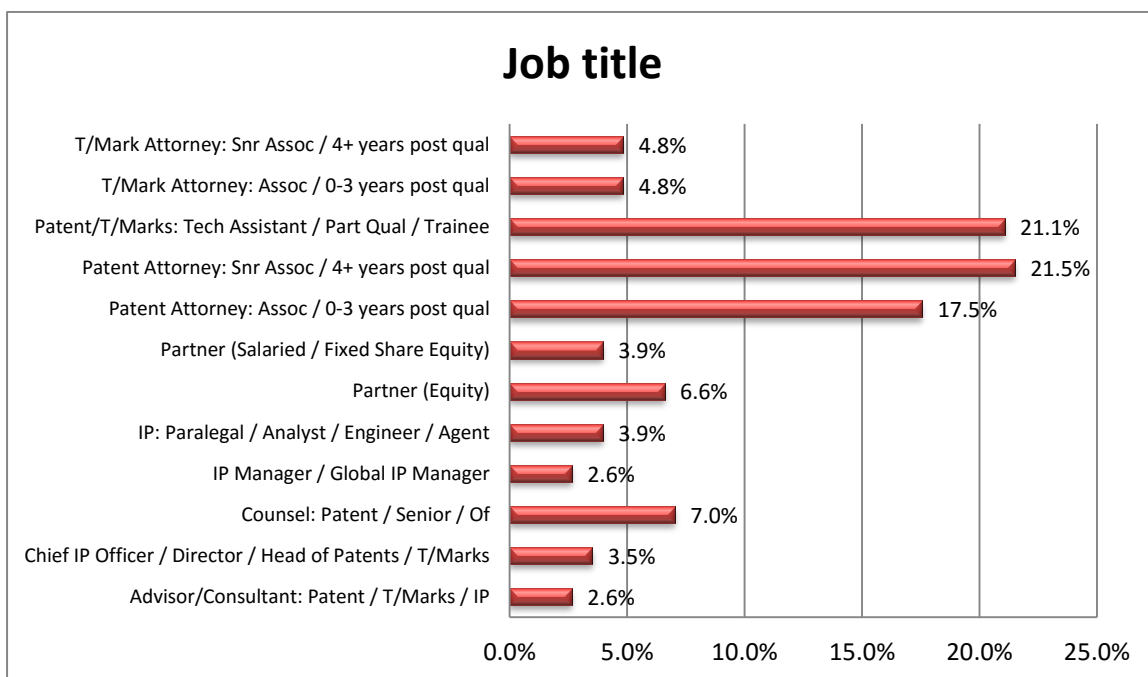


Graph 2.1.3

2.2 Technical specialism and title

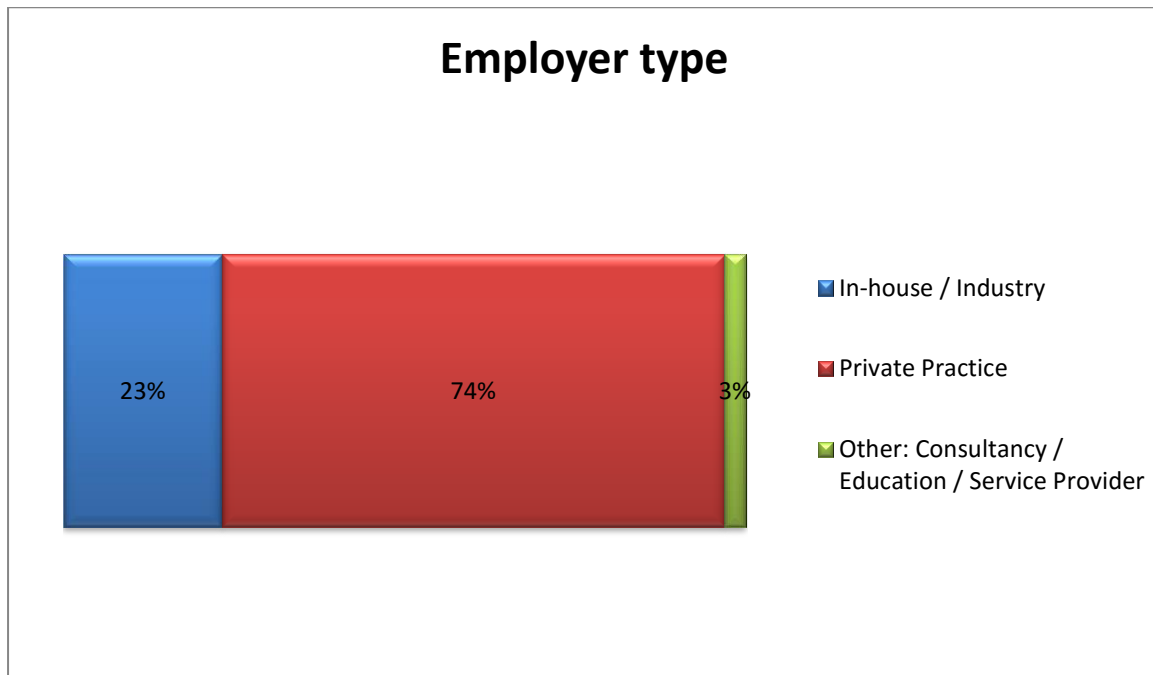


Graph 2.2.1



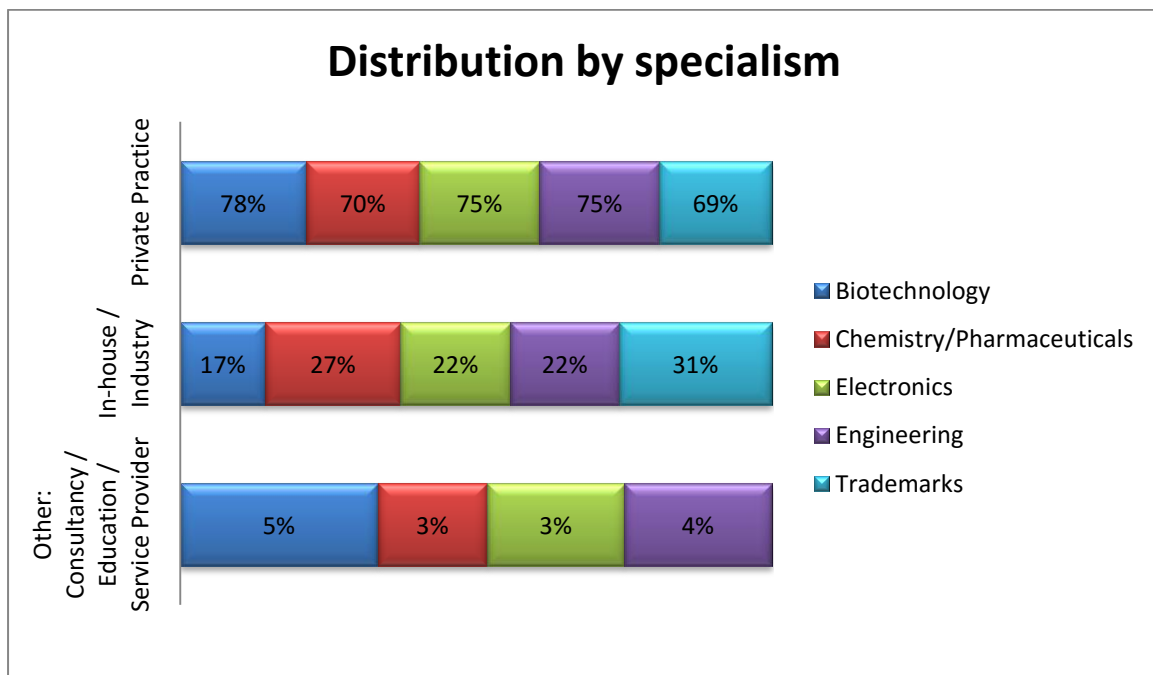
Graph 2.2.2

2.3 Employer type



Graph 2.3.1

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

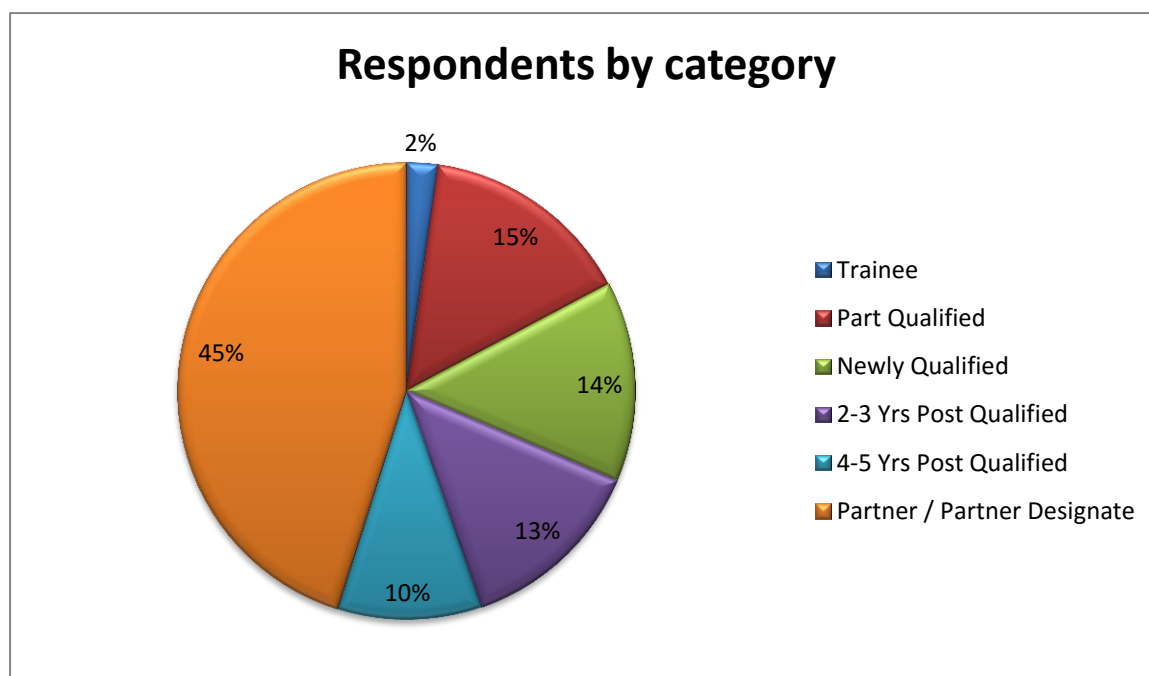


Graph 2.3.2

2.4 Qualifications

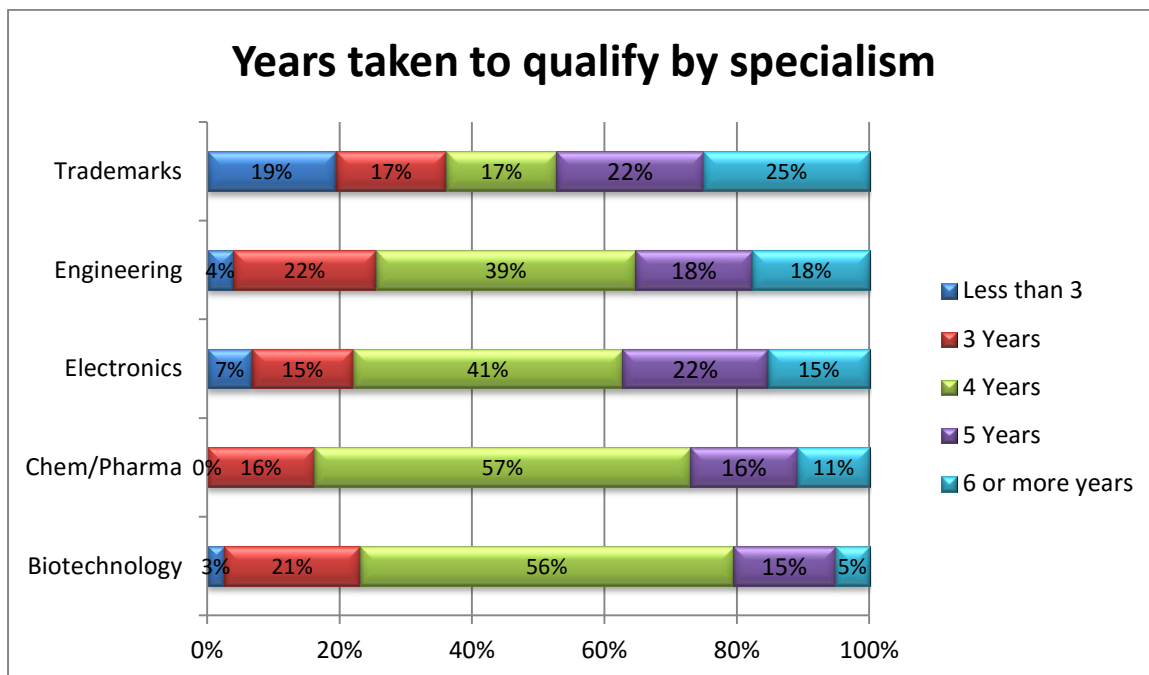
As the definition of a part qualified attorney varies across firms, and the time it takes to qualify differs between individuals, this report has classified the year in which a respondent obtained their first qualification as follows:

Category	Year 1st Qualification Obtained
Trainee	2019 or Later
Part Qualified	2017, 2018
Newly Qualified	2015, 2016
2-3 Years Post Qualified	2013, 2014
4-5 Years Post Qualified	2011, 2012
Partner / Partner Designate Level	2010 or Earlier



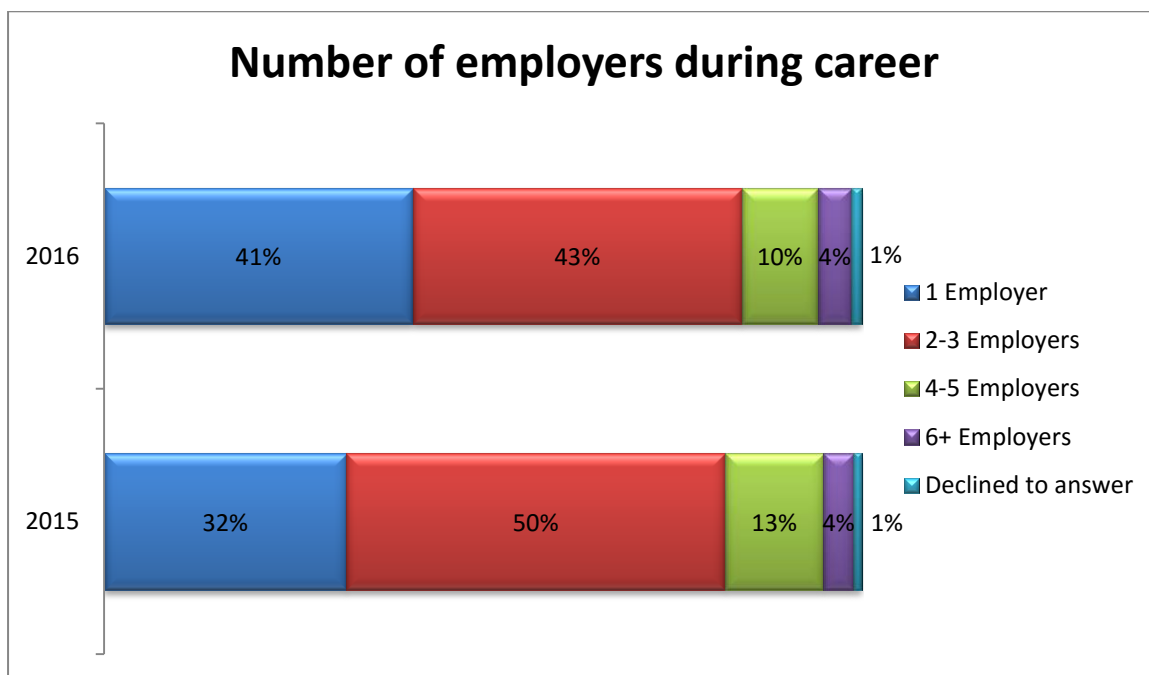
Graph 2.4.1

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. This data was determined by taking the year the respondent stated as having started in the Intellectual Property sector and subtracting it from the year they stated as having gained their first qualification.

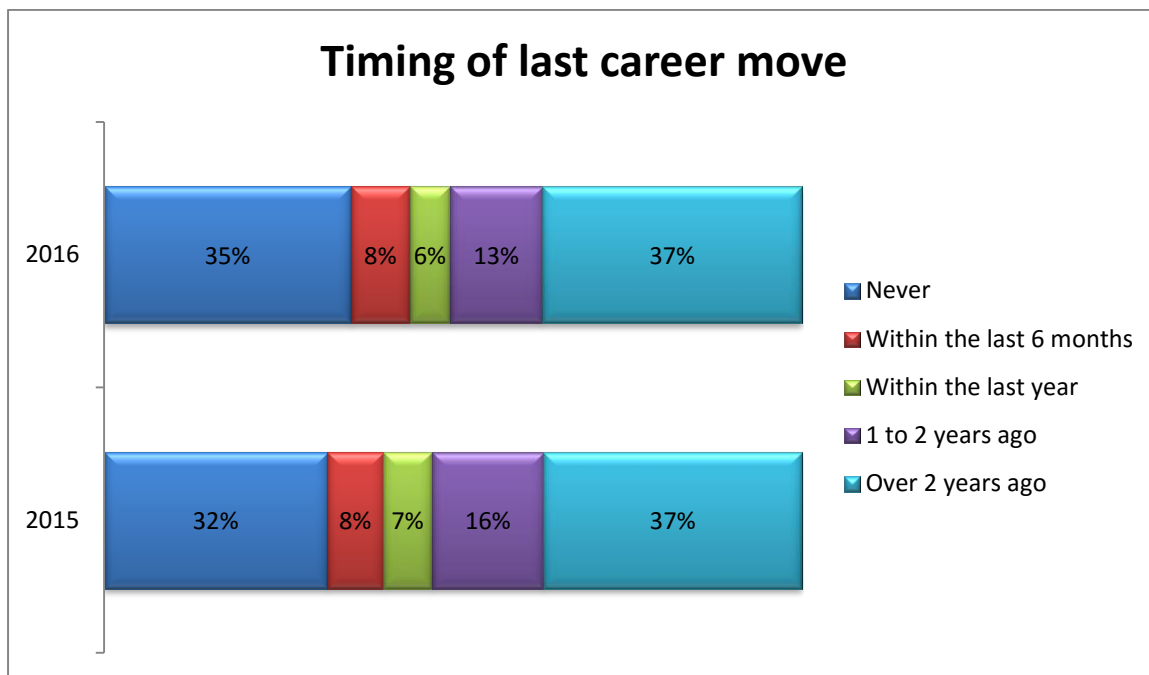


Graph 2.4.2

2.5 Working environment

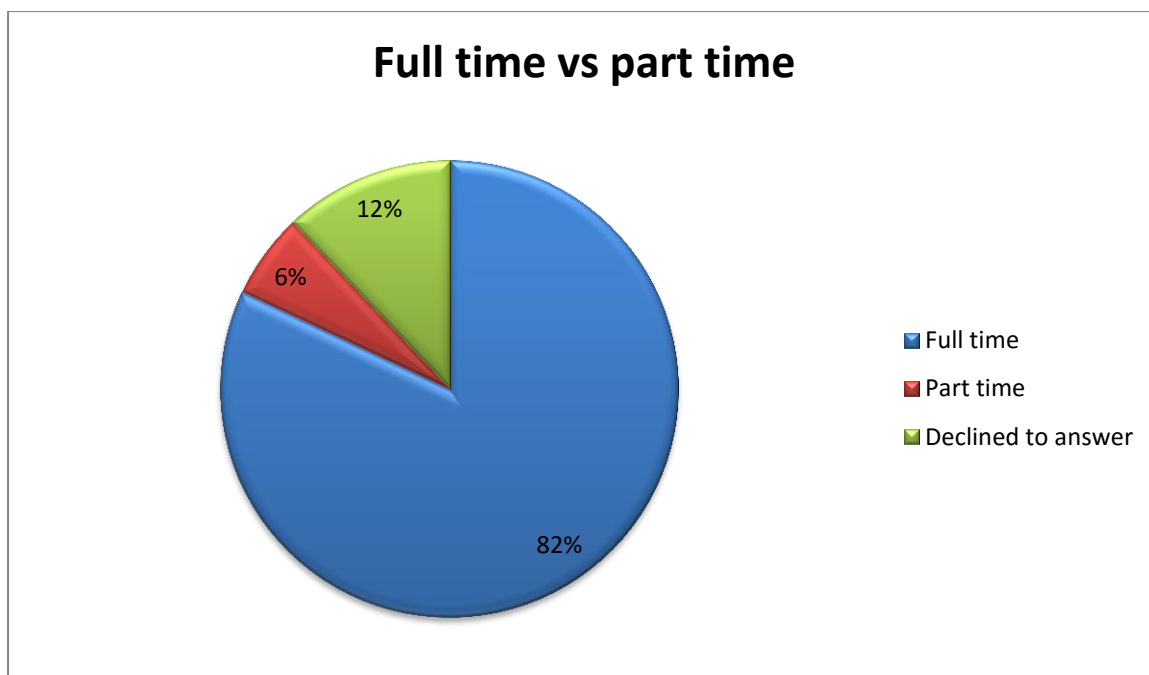


Graph 2.5.1



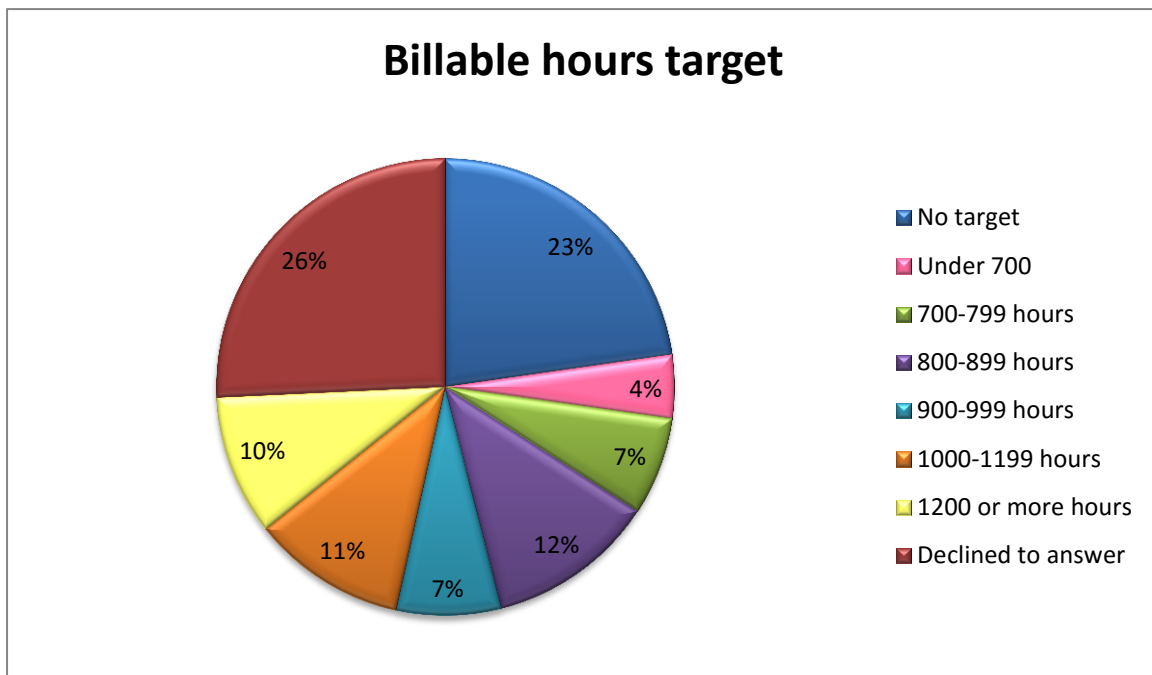
Graph 2.5.2

This shows that 14% (2015: 15%) of respondents have moved within the last year. In contrast to 2015, the data this year shows a higher proportion of respondents with just the 1 employer to date, which is predominantly explained by an increase in the percentage of respondents at trainee and part qualified level to 17% (2015: 12%). The rest is down to the individual histories of the respondents that choose to participate each year.



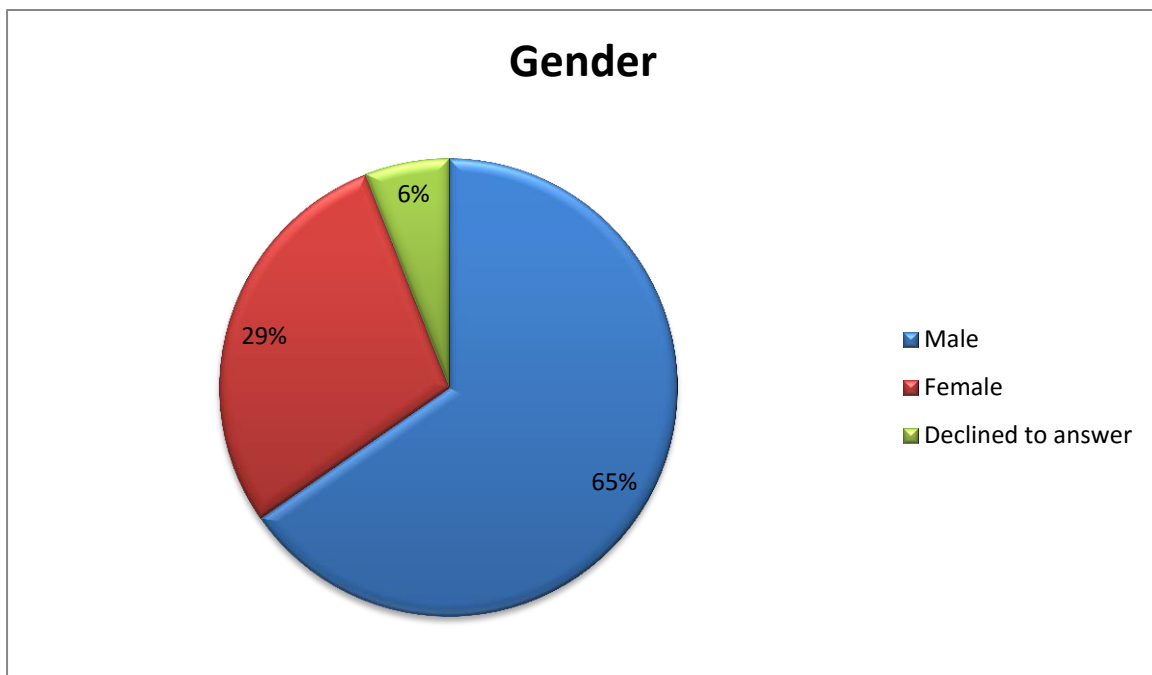
Graph 2.5.3

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



Graph 2.5.4

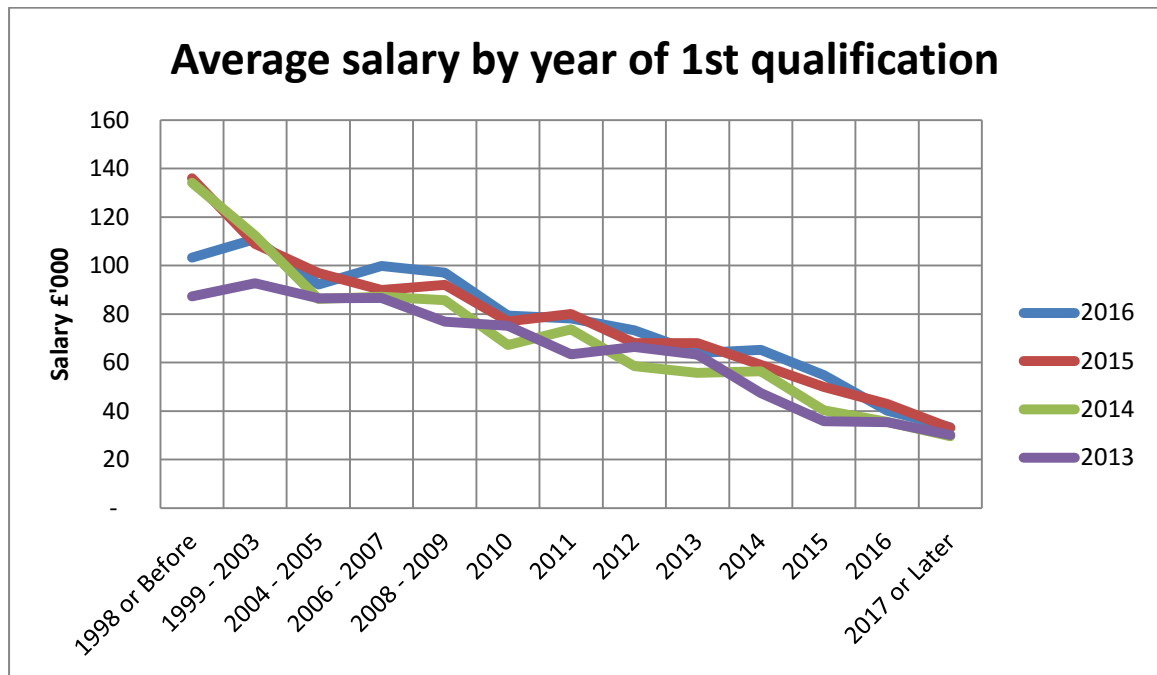
2.6 Gender



Graph 2.6.1

3 Salary Information

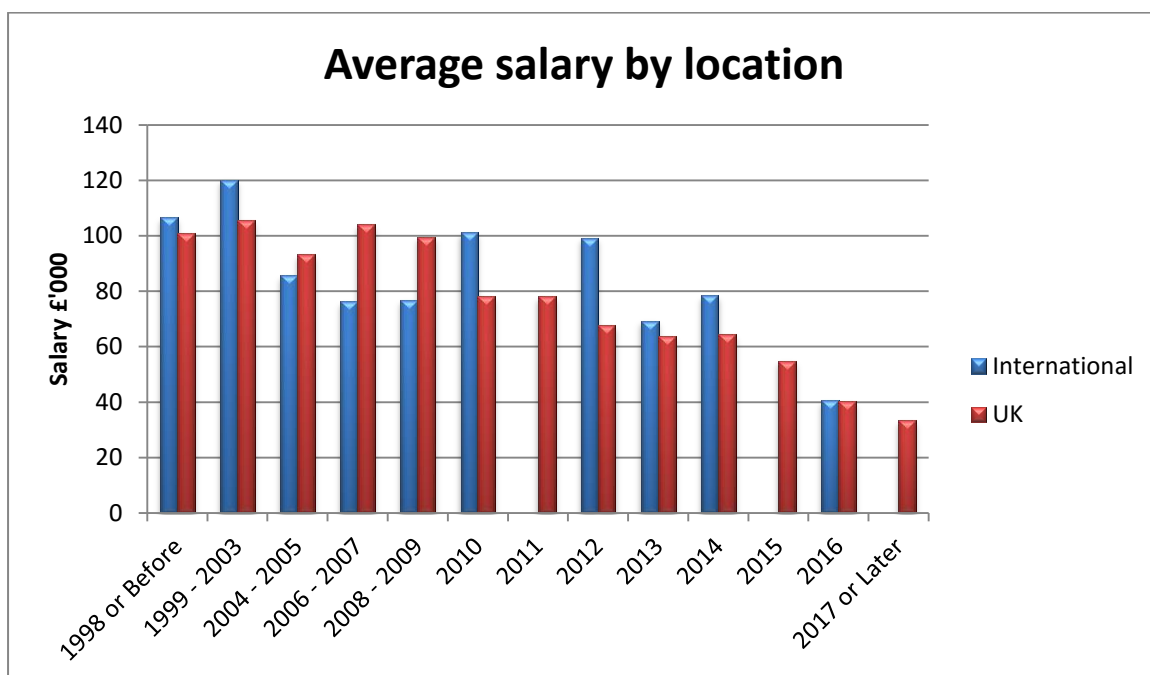
3.1 Qualifications



Graph 3.1.1

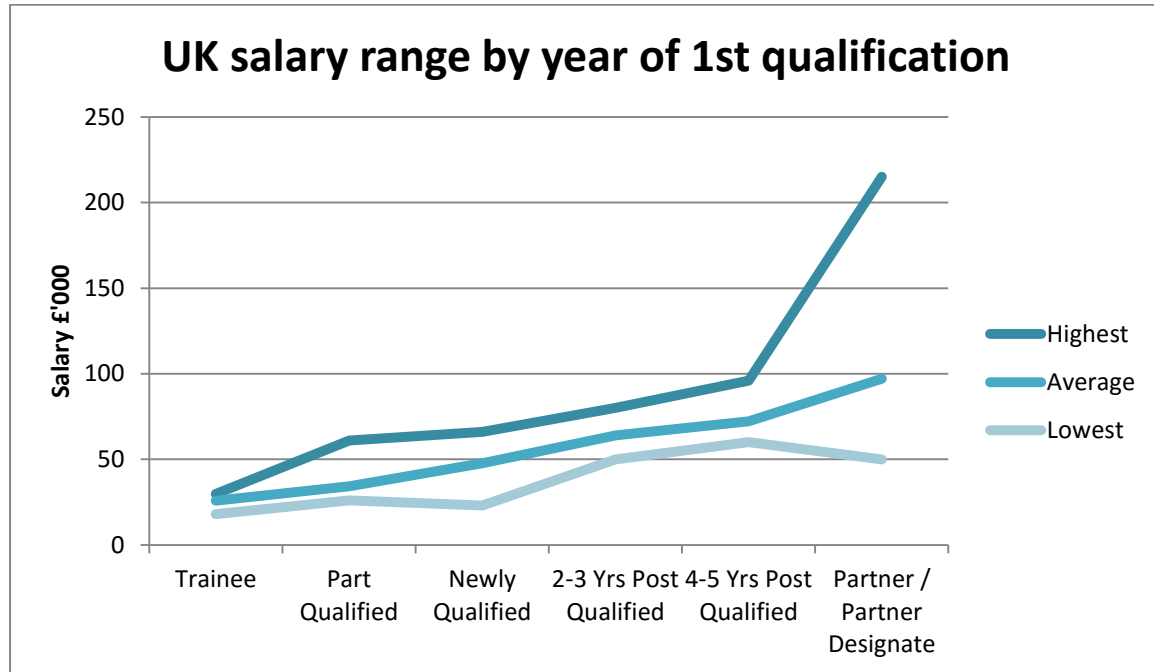
The market has flattened slightly in the past year due to a decrease in candidates actively seeking a new position.

3.2 Location

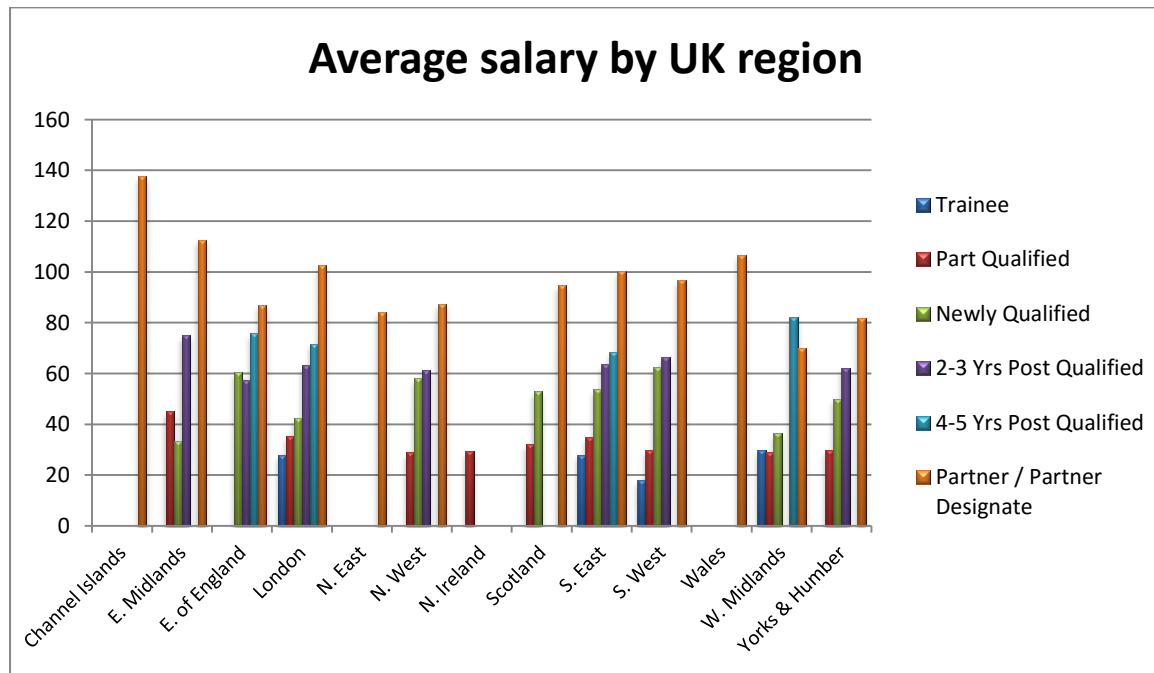


Graph 3.2.1

The UK appears to lag behind its international counterparts with regards to base salaries for newly qualified respondents up to the point of early Partnership status. For the first time however, those with significant experience towards the senior Partnership level are faring better on the international playing field. It is important to recognise that this survey only provides a limited view but it continues to support the anecdotal evidence that Fellows and Associates has gathered over the years.



Graph 3.2.2

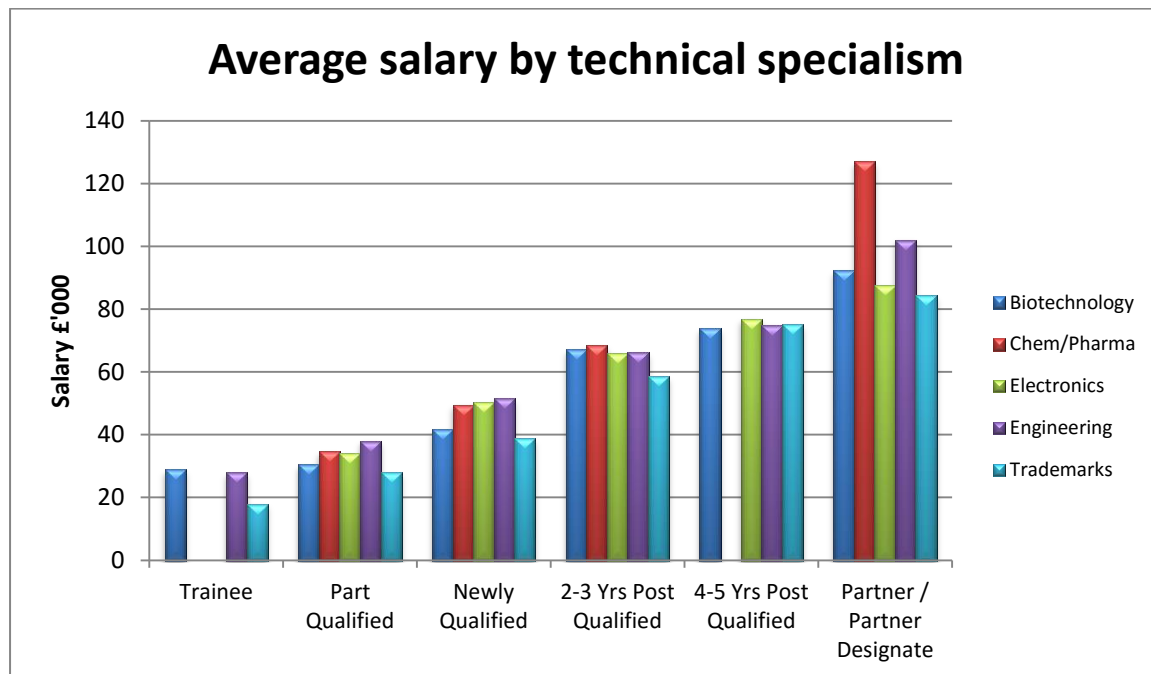


Graph 3.2.3

Participation was limited in certain regions, perhaps reflecting the lack of firms in the area. Although there is some variation, salaries remain broadly similar across the regions.

3.3 Technical specialism

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



Graph 3.3.1

In our effort to continually improve upon this report, we have also depicted the above graph in table form.

Average salary by specialism						
GBP £' 000	Trainee	Part Qualified	Newly Qualified	2-3 Years Post Qual	4-5 Years Post Qual	Partner/Partner Designate
Biotechnology	28.9	30.6	41.8	67.2	73.9	92.4
Chem/Pharma	-	34.6	49.5	68.4	-	126.9
Electronics	-	34.1	50.4	65.8	77.0	87.6
Engineering	28.0	38.1	51.6	66.3	75.0	102.1
T/Marks/Copyrights/Design	18.0	28.0	38.9	58.6	75.2	84.3

Graph 3.3.2

3.4 Salary guide

These figures are based on data 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).

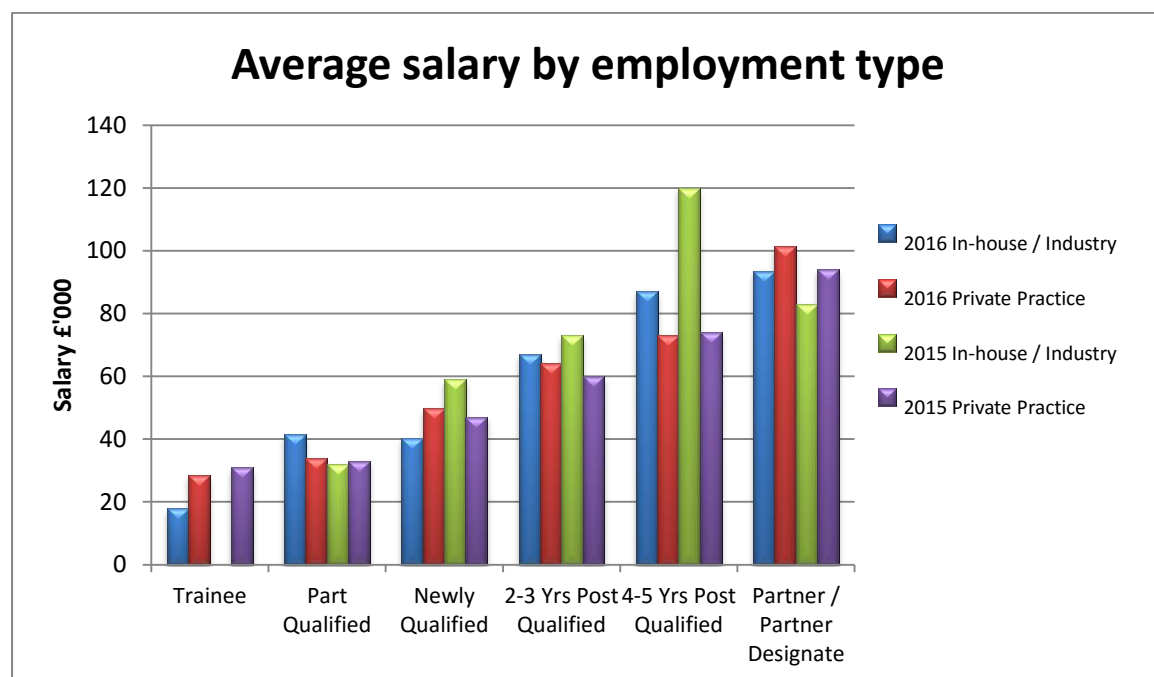
In previous years we have shown that specialism has had an impact on expected salary for a patent attorney but we feel this is simply not the case at the moment, with all disciplines attracting the same pay bracket at each of the experience levels.

Salary range achievable on moving positions						
GBP £' 000	Part Qualified	Finalist	Newly Qualified	2-3 Years Post Qual	4-5 Years Post Qual	Partner/Partner Designate
Patent Attorney	36-45	50-57	60-65	70-80	80-100	110-140

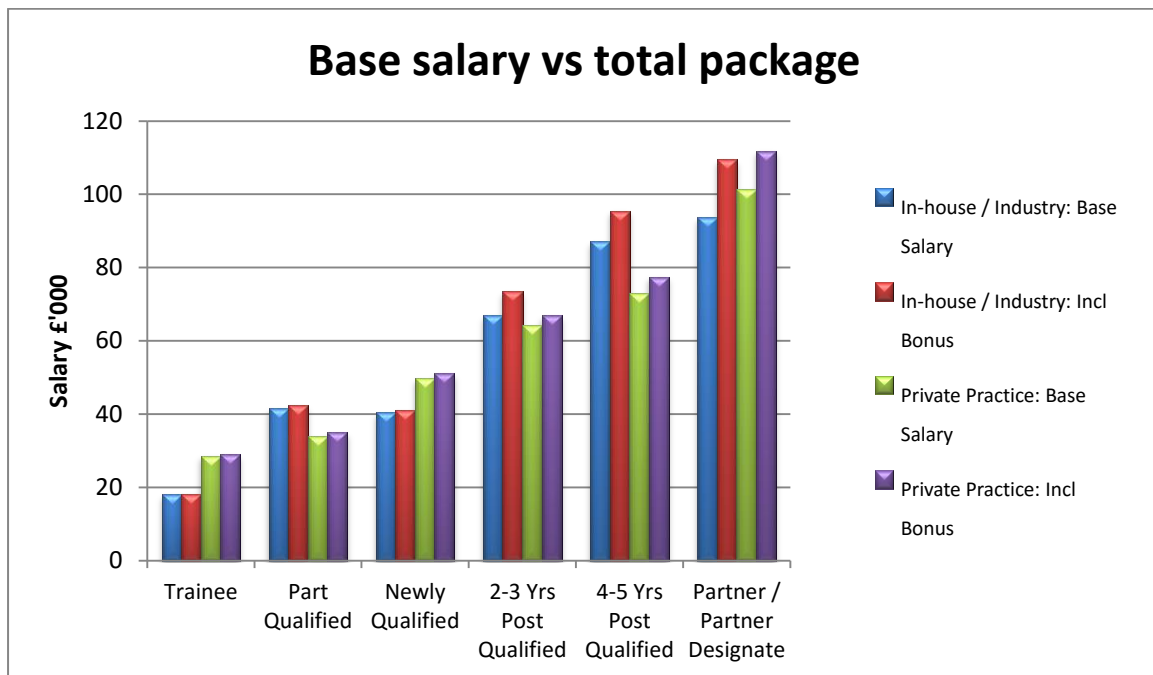
Graph 3.4.1

We are unable to speculate on salaries for trade mark attorneys given the lack of activity and placements made in this area over the past year. Thus, we shall let the survey data speak for itself.

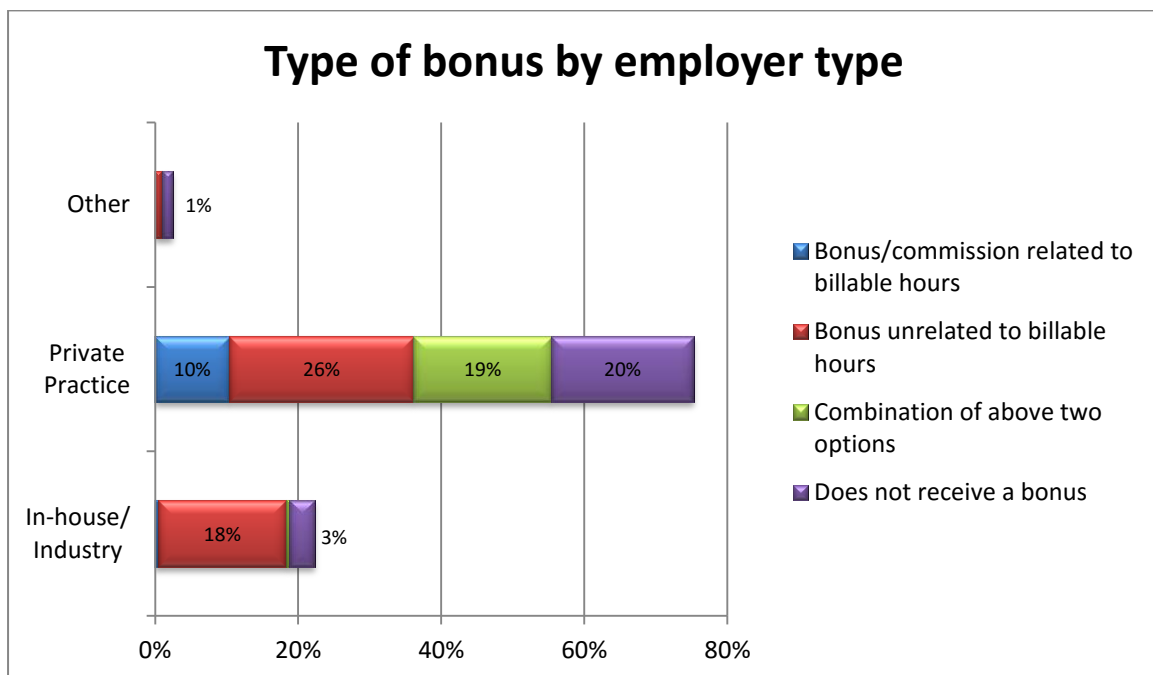
3.5 Employer type



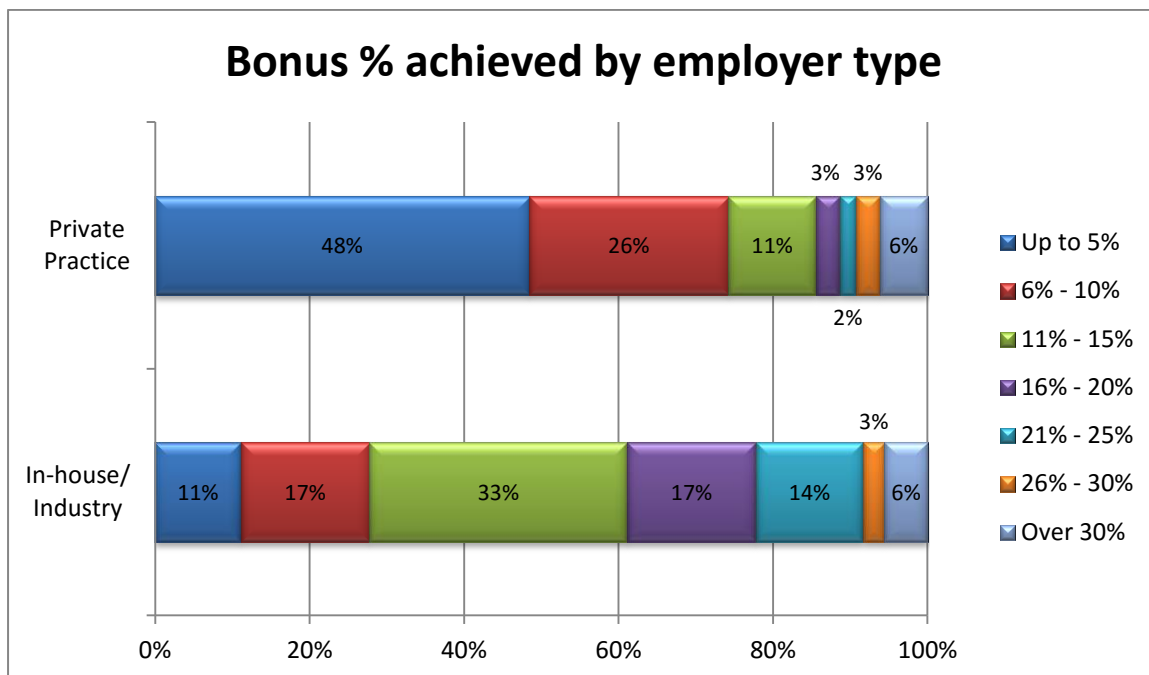
Graph 3.5.1



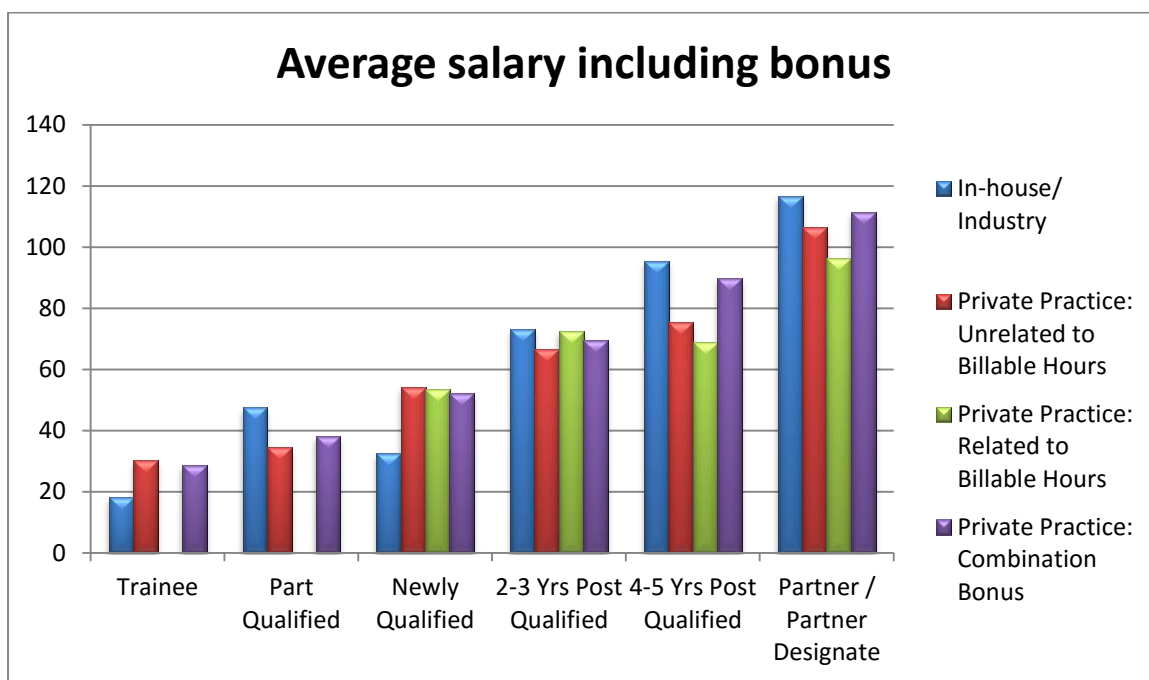
Graph 3.5.2



Graph 3.5.3



Graph 3.5.4



Graph 3.5.5

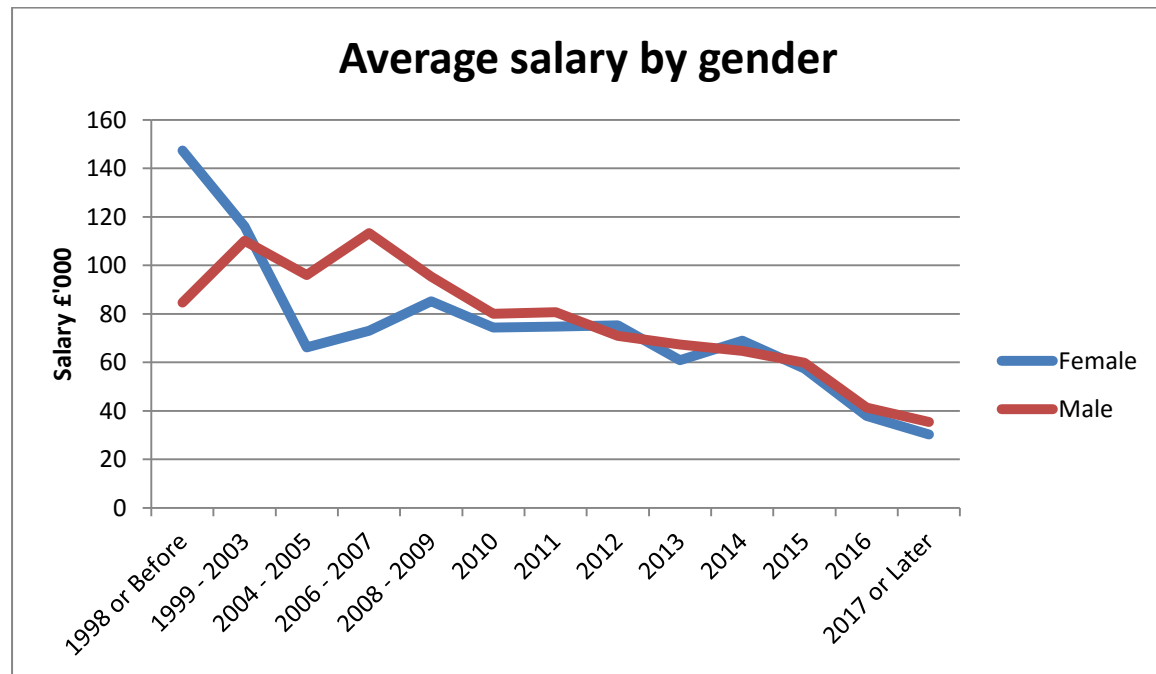
3.6 Earnings above £100k

A total of 27 respondents (13.4% of the population surveyed, 2015: 11%) earned more than £100k per annum.

Respondents earning over £100k pa	In-house / Industry	Private Practice	Other: Consultancy / Education / Service Provider
Average Salary	124,000	155,000	138,000
Number of Respondents	10	16	1

Graph 3.6.1

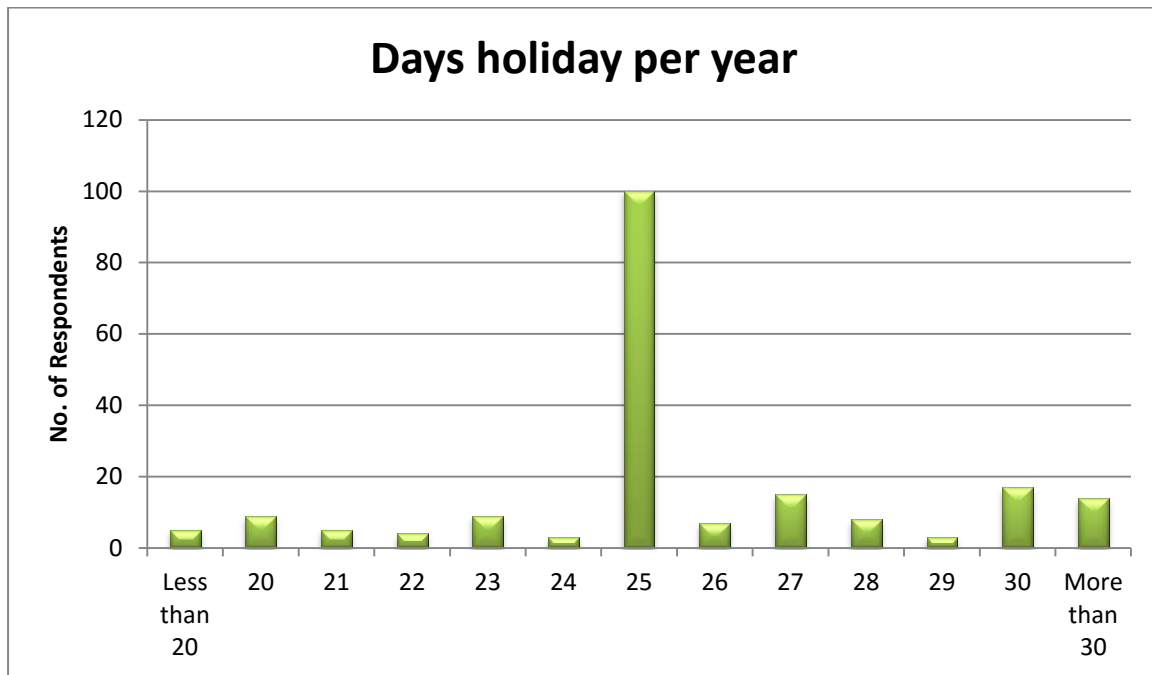
3.7 Gender



Graph 3.7.1

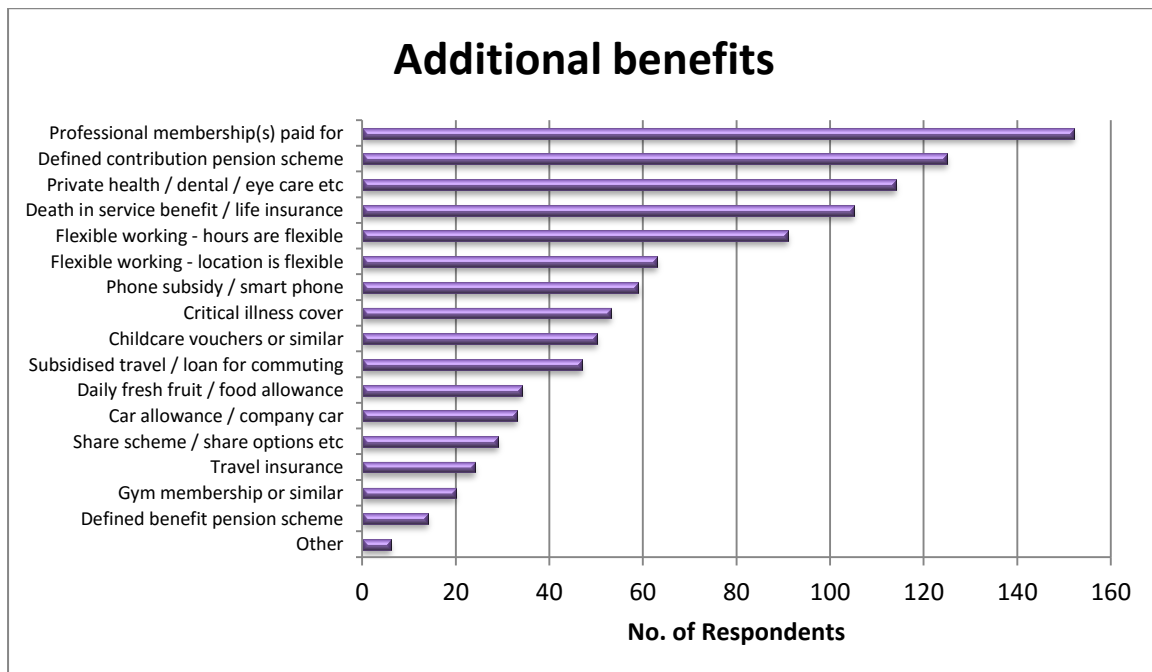
The graph represents 94% of the respondents as 6% declined to answer the question of gender. This result is solely within the confines of this sample which was skewed in favour of male respondents (2.3:1 ratio).

3.8 Additional benefits



Graph 3.8.1

50% of the respondents receive 25 days holiday per year, with 25% receiving more than 25 days annual leave (7% receiving more than 30 days), and 18% receiving less than 25 days.



Graph 3.8.3

“Other” included: members’ club membership and regional living allowance.

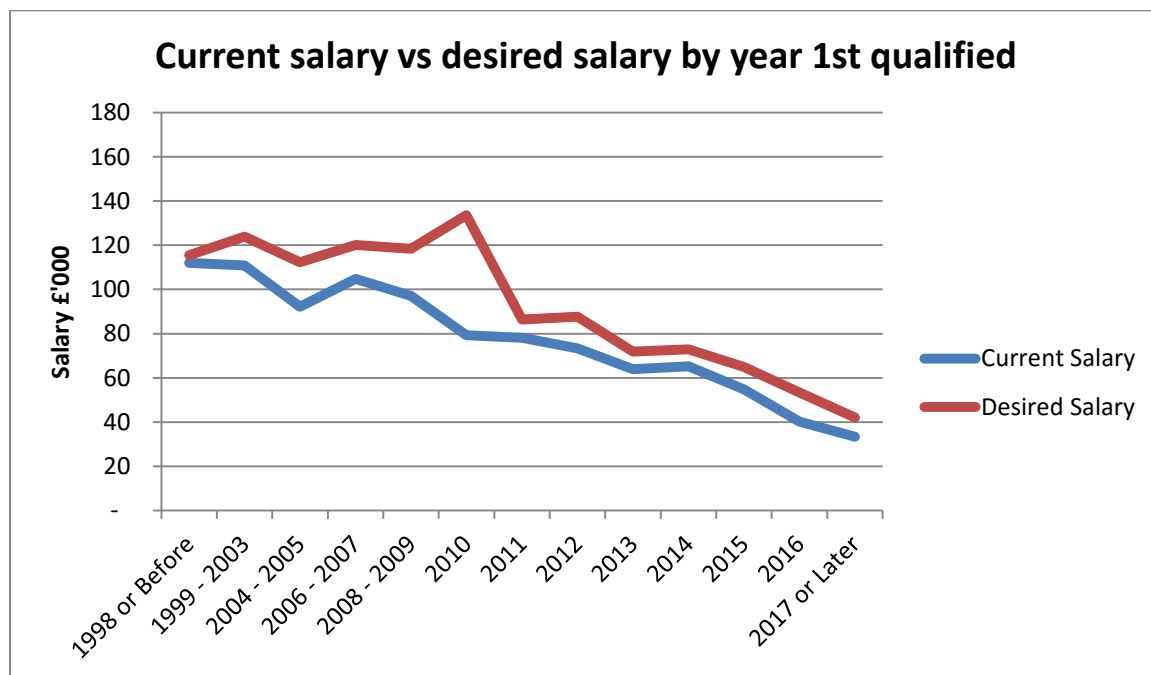
75% of respondents have their professional memberships paid for with 56% receiving private healthcare of some variety, as well as 52% receiving life insurance or a death in service benefit. A

substantial number, 69% (2015: 70%), of respondents receive a pension of some sort, of which 7% (2015: 13%) have the elevated status of receiving a defined benefit pension (final salary scheme).

4 The Future

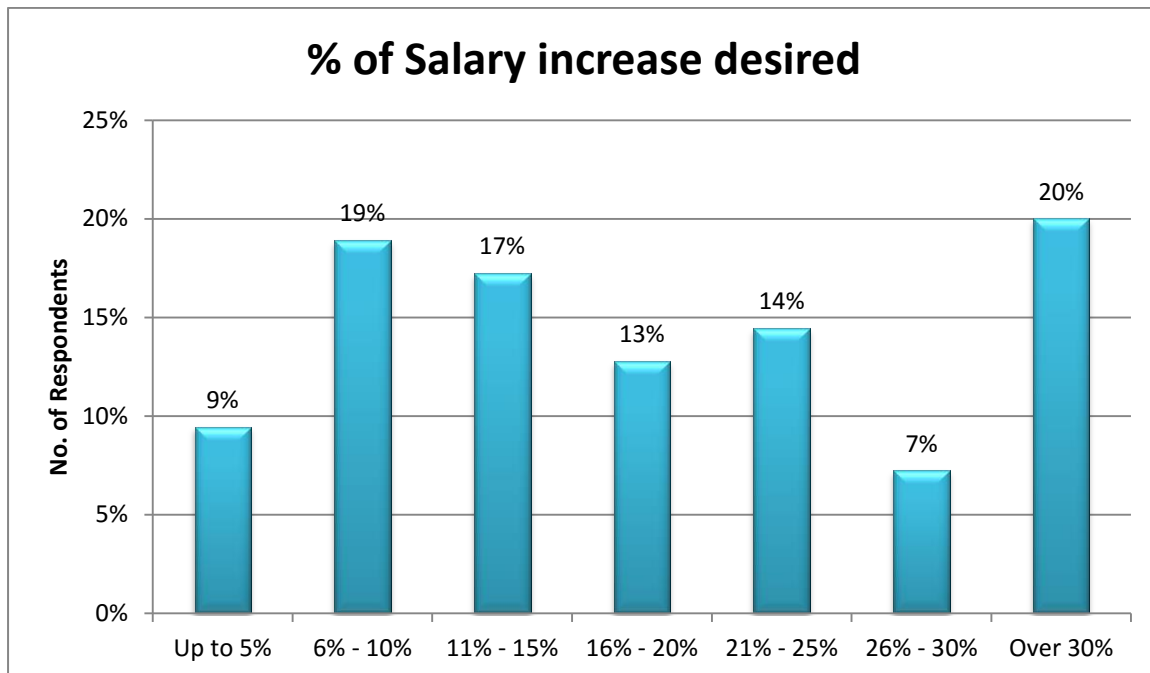
4.1 Desired salary increase

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

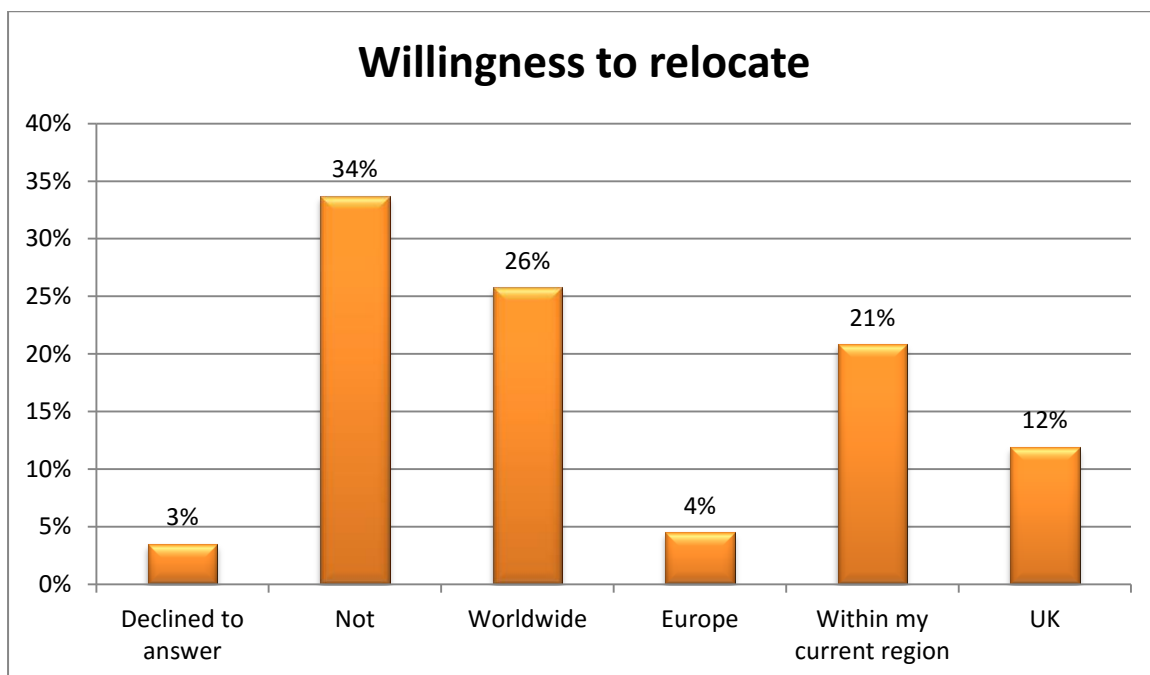
The spike at 5-6 years' post qualified experience is at a time when individuals are beginning to consider Partnership and as such this impacts on their salary expectations. The average salary increase sought continues to be over 20% of current salary (2016: 28.3%, 2015: 23.5%, 2014: 22.2% and 2013: 20.2%).



Graph 4.1.2

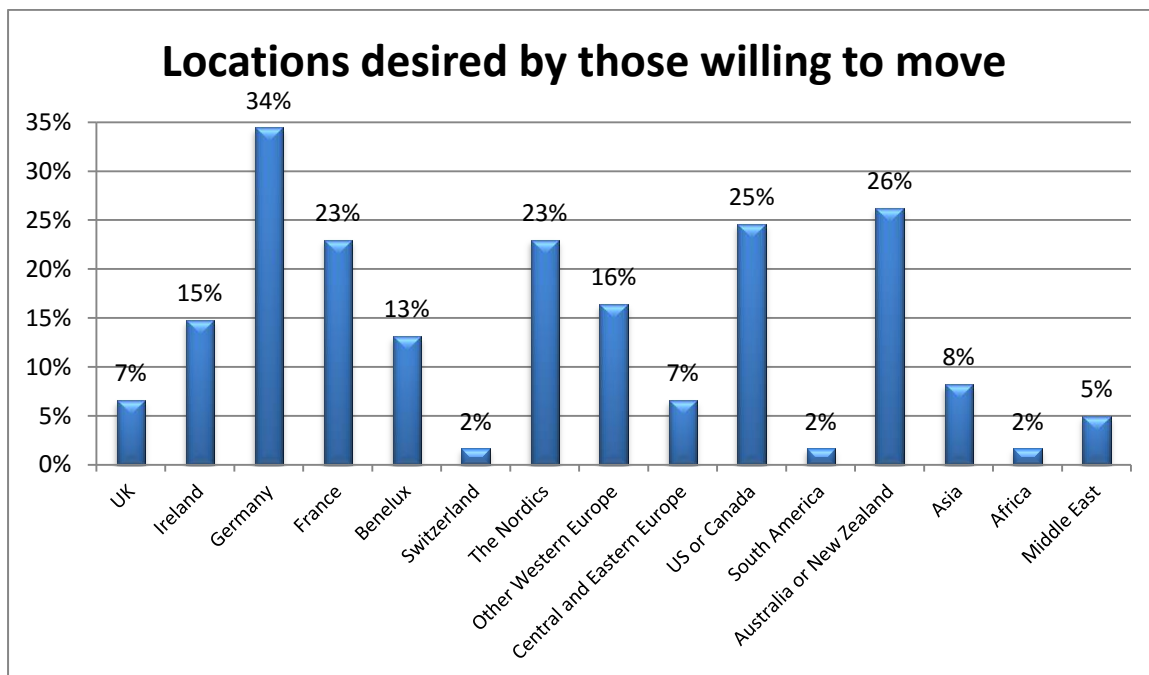
4.2 Willingness to relocate

63% (2015: 68%, 2014: 70%, 2013: 73% and 2012: 76%) of respondents indicated that they would be willing to relocate to obtain their desired salary. Once again, the overall appetite for moving has diminished, which may be down to the increased flexibility firms are willing to provide with regards to remote/flexible working conditions. 26% of respondents would consider an international move.



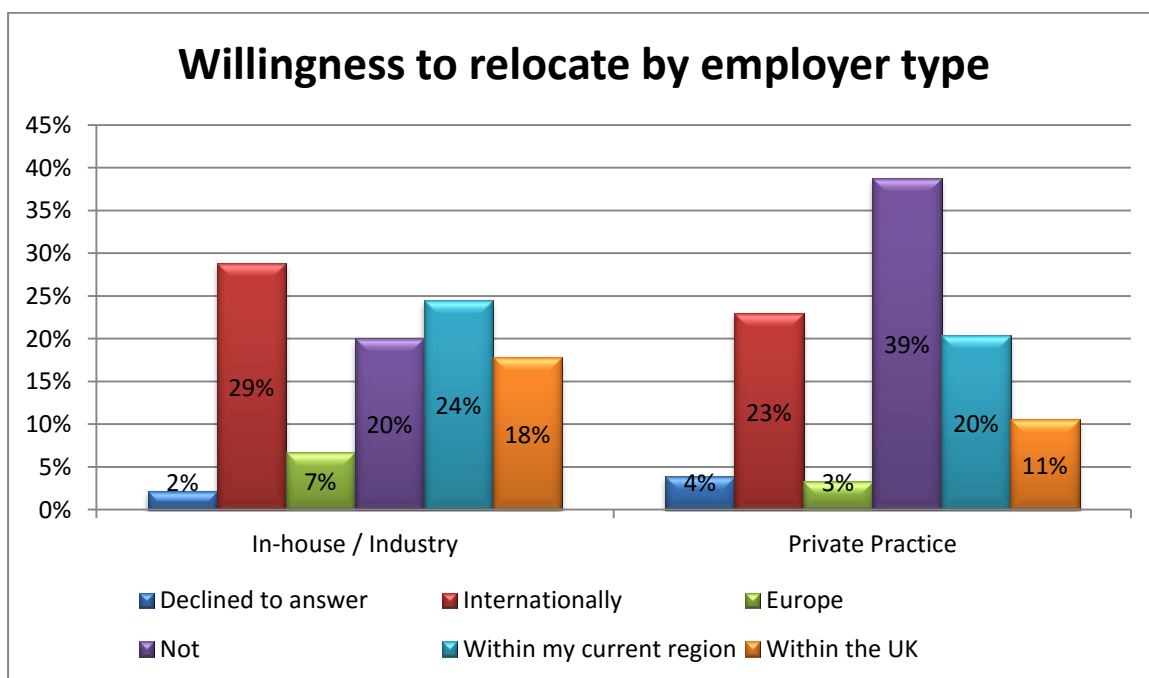
Graph 4.2.1

Some respondents expressed that they would be willing to relocate to a variety of locations whilst some were very specific with regards to where they would consider a move to.



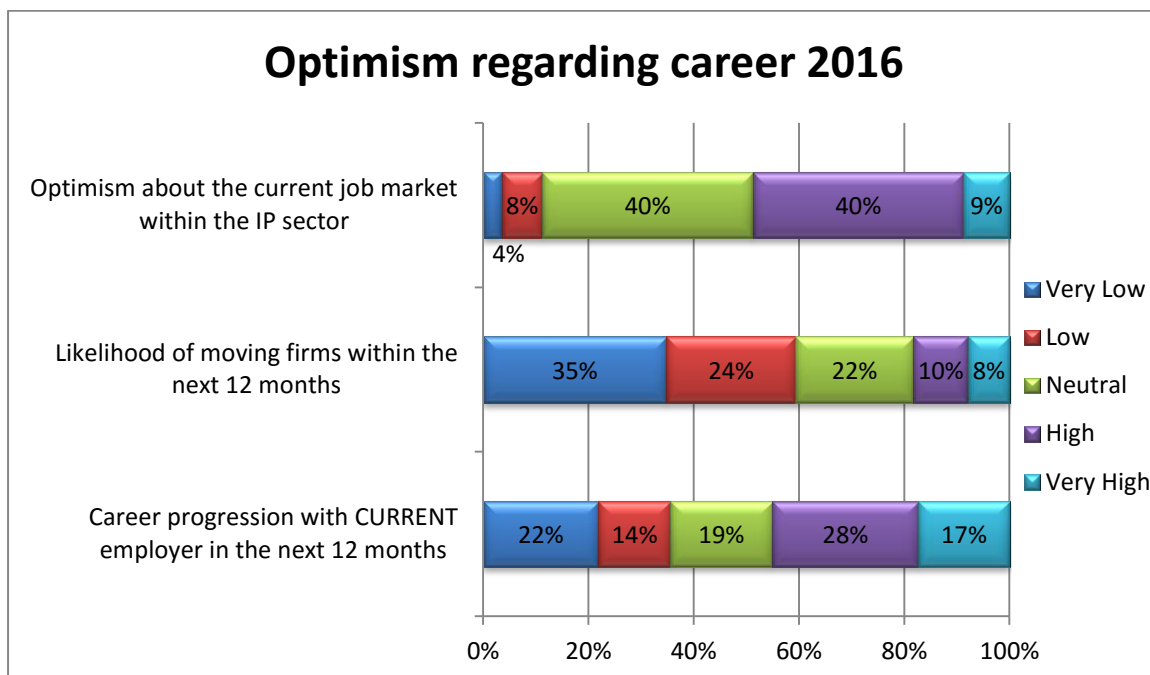
Graph 4.2.2

78% of those working in industry are willing to relocate versus only 59% of 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.



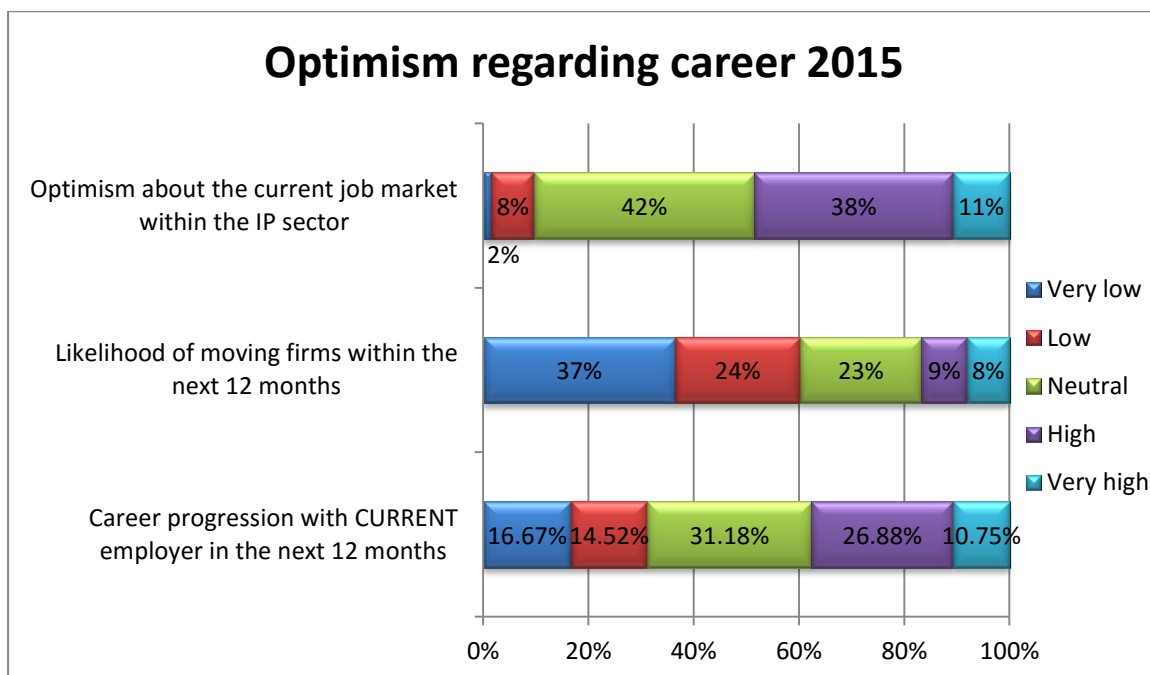
Graph 4.2.3

4.3 Outlook



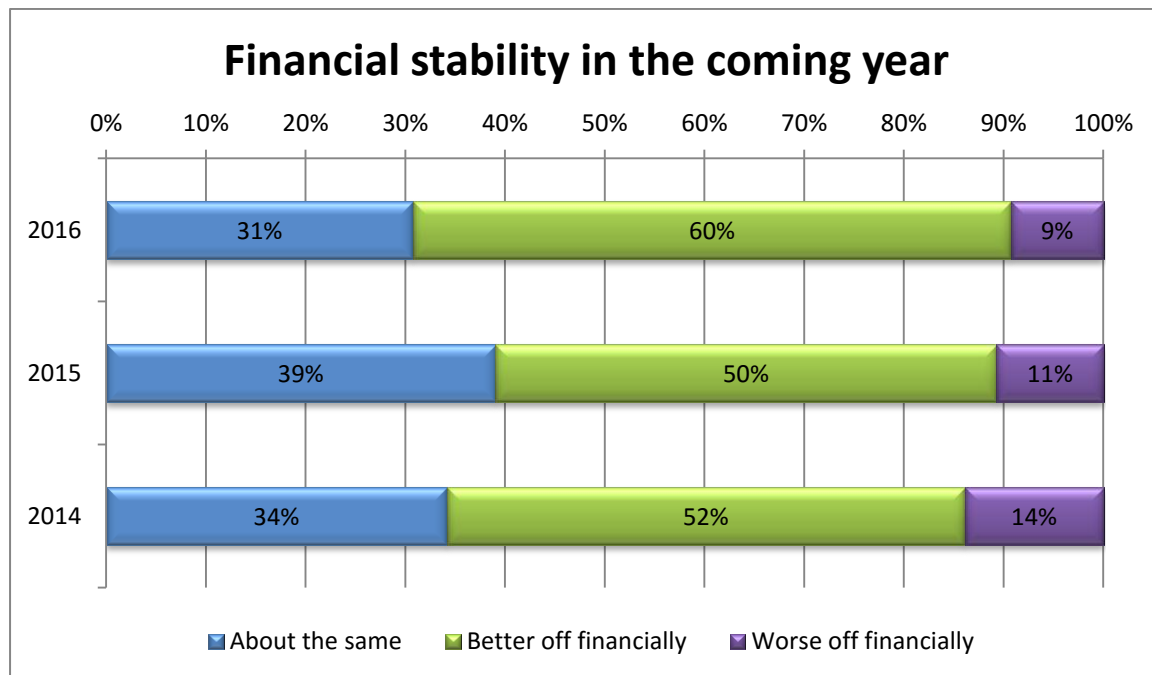
Graph 4.3.1

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



Graph 4.3.2

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

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