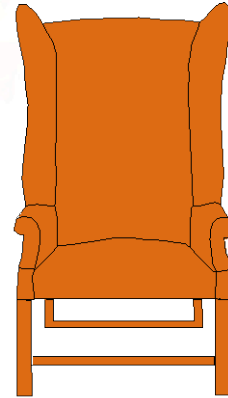


FIRST CHAIR



UNITING LEGAL COMMUNITIES TO RECOGNIZE EXCELLENCE

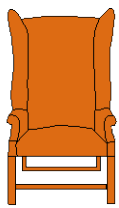
How Roche Manages IP Spend

Containing Costs and
Maintaining Quality



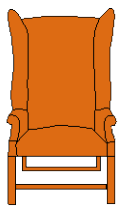
Roche

- World's largest biopharmaceutical company and the number one supplier of in vitro diagnostics
- In 2016, Roche spent \$10 billion on R&D
- IP rights protect the innovations that are reflected in Roche's products and services
- All IP rights are important to Roche, but the most important IP rights for Roche are patent rights due to what patent rights protect (inventions) and their exclusive nature
- Roche has major research sites in the US, Switzerland, Germany and China



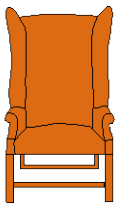
Roche Group Patents

- A global group extending over Pharma and Dia
- Patent Leadership Team (PLT)
 - Sets standards and provides guidance and oversight
 - Establishes policies, procedures, and guidelines
 - Cost management and Quality are within the PLT charter
- Cost management and Quality
 - Cost conscious, not cost driven
 - General Expectations
 - Roche Retainer Letter
 - Outside Counsel Policies
 - Vendor List



General Expectations

- Expertise
- Experience
- Attentiveness
- Timeliness
- Professionalism
- Alignment (understands desired outcomes)
- Partnership (we are in this together)
- Communication



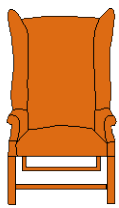
General Expectations

- Clarity
- Honesty and Frankness
- Likability
- Cost Efficient (Fee Arrangements)
- Effective
- Practical
- Thoughtful
- Thorough
- Good Judgment



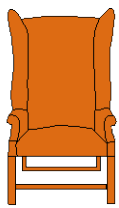
Outside Counsel Policies

- Case Manager
 - Defines the scope of the project
 - Defines deliverables
 - Sets target budget
 - Approves all significant strategic, tactical and settlement decisions
 - Sets expectations of updates from outside counsel (at least quarterly)
 - Expects drafts of important documents provided in advance for timely review



Outside Counsel Policies

- Expects copies of final documents
- Litigation matters
 - Expects projected litigation expenses going forward (revised every quarter)
- Staffing
 - Case manager approves staffing and staffing changes
 - Only one attorney attends meetings, teleconferences, depositions, motions, negotiations, and hearings unless additional staff is pre-approved by the case manager
 - No charge is expected for training or educating lawyers



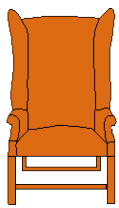
Outside Counsel Policies

- Representation of the Company
 - Expect outside counsel to conduct themselves in a professional, civil and courteous manner
 - Expect outside counsel to not comment publicly on any Company matter and bring all media inquiries immediately to the attention of the case manager
- Fees
 - Unless the case manager has agreed to a different arrangement, all work shall be billed by the hour at agreed-upon billable rates



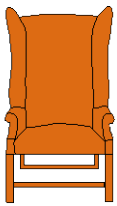
Outside Counsel Policies

- Any hourly rate increase must be communicated to the case manager at least 30 days in advance of the increase
- Expectation of volume discounts
- Reimbursed expenses
 - Costs and disbursements substantiated by third party invoices
 - Charges for copying, messengers and faxes shall be at cost and must be reasonable
 - Reasonable travel expenses reimbursed
 - Rules regarding charging attorney time during travel



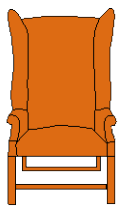
Outside Counsel Policies

- Ordinary overhead of the law firm is not reimbursed
- Extensions of time filed with the PTO are not reimbursed unless caused by Roche
- Invoicing
 - Monthly billing through rules based spend management software (electronic billing)
 - Detailed description of tasks performed and the appropriate task code



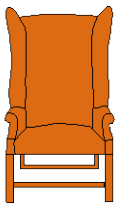
Outside Counsel Policies

- Litigation
 - Organize the case by stage of the case or case schedule
 - Anticipate motions and filings listed and budgeted
 - Anticipate discovery and depositions on both sides
 - Potential experts identified by name or category
 - Update quarterly
 - Revised statements
 - Comparison of actual to budgeted
 - Staffing



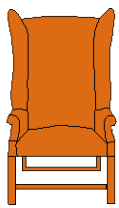
Outside Counsel Policies

- Right Team
 - Limited changes
 - Changes in the team reduce knowledge of the case and increase cost
 - Too many lawyers is inefficient and costly
- Fees
 - Basic Philosophy – We pay for the job (or result) and not how much time you spend on a matter
 - We need to know and trust the lawyers who work with us



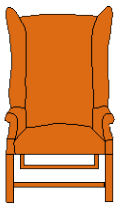
Outside Counsel Policies

- Alternative Fee Arrangements
 - Fixed Fees
 - Fee Caps
 - Traditional retainers
 - Contingency arrangements
 - Pure contingency
 - Fee cap plus bonus
 - Expenses (as opposed to fees) are on a menu



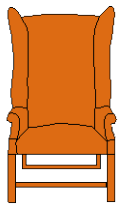
Dos and Don'ts

- Do – focus on what matters to the ultimate business goal
- Don't – counsel with the goal of eliminating risk
- Do – comply with our outside counsel policies
- Don't – surprise us with unexpectedly high bills, research projects that were not authorized, or attorneys that were not authorized
- Do – be open and candid
- Don't – delay communication of bad news or any significant development, not even to get more information



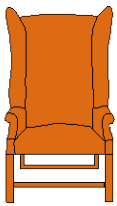
Dos and Don'ts

- Do – review bills before you send them
- Don't – nickel and dime us
- Do – provide lessons learned
- Don't – second guess or assign blame
- Do – give our matter full attention when billing
- Don't – check email, text messages, or take personal calls during meetings



Vendor List

- Vendor Name
- Vendor Country
- Locations
- Roche Site
- Preferred Vendor
- Annual Spend
- Legal Expertise
- Technical Expertise
- Billing Guideline



Vendor List

- Last Review
- Next Review
- Last Tariff Review
- Q-Rating (Green Yellow, Red)