



WHITE PAPER

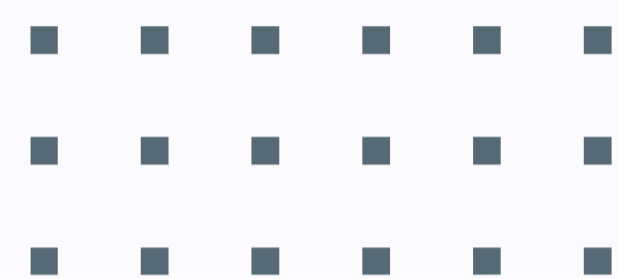
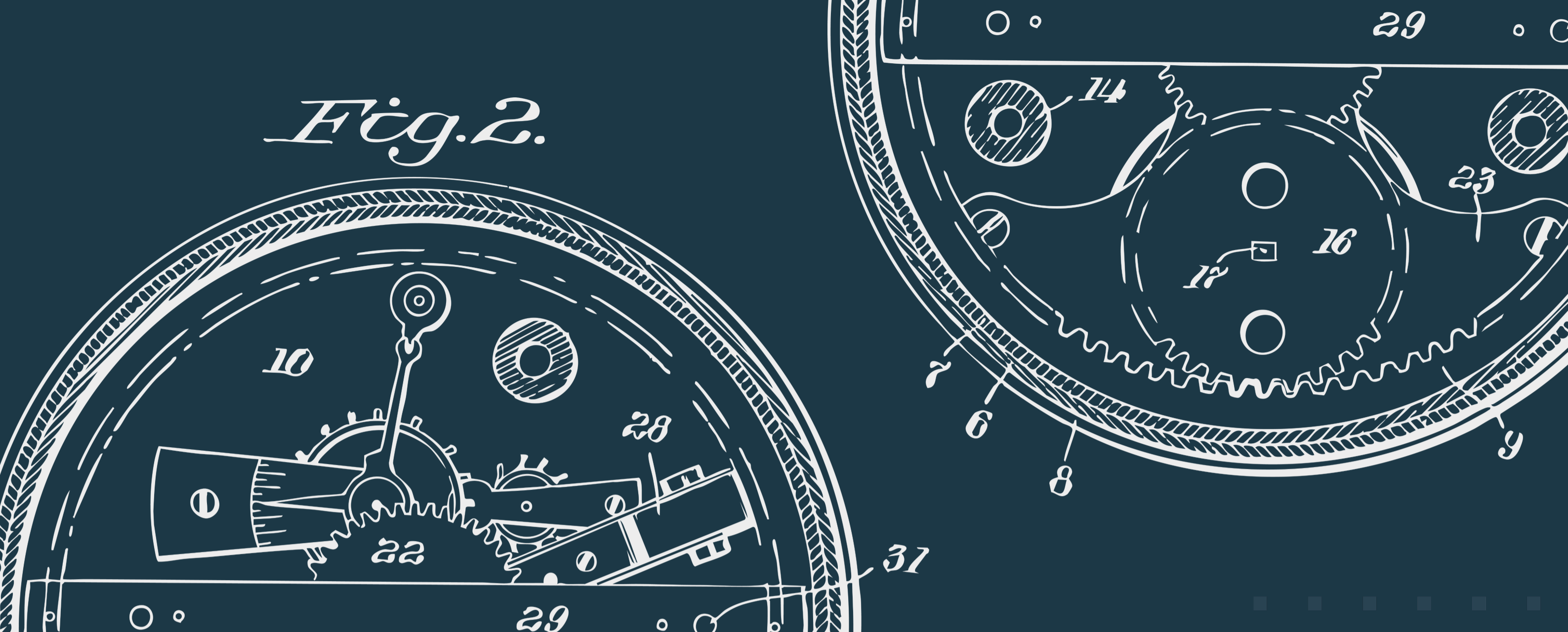
The Real ROI of AI in Patent Practice

Moving From Time Saved to Quantum Value

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Introduction

The debate over whether artificial intelligence (AI) belongs in daily patent practice is effectively over. AI adoption into patent workflows increased from 57% in 2023 to 85% in 2025¹, and the profession's focus has shifted accordingly. The question practitioners are now asking is harder and more consequential: what is the value gained from what AI actually delivers?

That return on investment (ROI) question is often answered in economic terms of hours saved, but those estimates fail to convey AI's strategic value or new workflows that didn't exist before AI adoption. Patent practice turns out to be a particularly revealing window into this question; the precision of patent workflows and the prevalence of flat-fee structures make the relationship between AI investment and outcomes unusually clear – and what patent practitioners are discovering has implications well beyond IP.

The profession has been asking the wrong question about AI value. Time saved and cost reduced are real, but they provide a narrow lens for measuring ROI. Research shows that efficiency gains are often absorbed rather than converted into commercial value, making time saved alone a self-limiting measure of AI's worth.

The firms seeing the greatest competitive advantages resulting from their adoption of AI are those who can best answer the following question:

What are we capable of now that was simply not possible before?



PART 1

Reframing ROI: The Iceberg Beneath the Traditional Model

An Industry at an Inflection Point

The financial foundations of the traditional law firm model are weakening even as headline numbers look strong — and patent practice is not immune.

The BigHand 2026 Annual Law Firm Report chose an iceberg for its cover image deliberately². The visible portion – headline revenue growth, rate increases, strong top-line performance, all look strong and reassuring. What sits below the surface of the water tells a different story. This survey of more than 800 senior finance and legal professionals revealed that, although 96% of firms increased their standard hourly rates in the past year, 89% of firms reported higher write-offs in 2025 with 88% of firm respondents expecting further write-off increases throughout 2026.³ Profits have grown, but BigHand's report clarifies this is due to higher prices instead of better performance.

BigHand does not mince words, warning that an “impossible equation” is leading the industry toward a “write-off apocalypse.” Almost every firm responding to the survey (99%) intends to raise billable targets next year.⁴ That would be fine if demand for legal services were strong, but 64% of firms also reported a decline in their billable hours last year.⁵

These financial pressures are further stressing an industry also experiencing major structural changes due to AI adoption. The traditional firm model – a senior partner brings in work executed by layers of junior attorneys and associates – is getting disrupted across the patent workflow. Prosecution and opinion work, office action responses, patent drafting, and portfolio analysis historically delegated to associates and third-party providers are now increasingly being handled by AI tools.

The result is a legal industry with a business model resembling a Penrose triangle: the structure appears stable, but only if viewed from one limited perspective. Technology often prompts the need to completely redefine the value proposition of entire industries. Organizations that completely change their business model because they see something better on the horizon often succeed and thrive (think Apple killing its iPod business with the iPhone, and Netflix creating a streaming service rendering its video mail service obsolete).⁶ Businesses that expect their legacy models to continue working profitably in markets completely upended by technological change tend to close their doors for good (think Blockbuster holding onto its brick-and-mortar video rental model as streaming services emerged).

The Impossible Equation

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¹ Arun Hill and Gloria Sweeney, “The Evolution of AI in IP: What Has Changed,” The Patent Lawyer (CTC Legal Media, December 9, 2025), <https://patentlawyermagazine.com/the-evolution-of-ai-in-ip-what-has-changed/>.

² BigHand. 2026 Annual Law Firm Report: The Profitability Inflection Point. (2026), <https://www.bighand.com/en-us/resources/whitepapers/2026-annual-law-firm-finance-report/>.

³ Id., 6.

⁴ Id.

⁵ Id.

⁶ Patrick Fuller and Heather Nevitt, “State of the Industry – The Reckoning” (keynote address, Legalweek 2026, New York, NY, March 12, 2026); Stephen Embry, “Legalweek Final Keynote: An Industry Still Whistling Past The Graveyard?” Above The Law, March 13, 2026, <https://abovethelaw.com/2026/03/legalweek-final-keynote-an-industry-still-whistling-past-the-graveyard/>.



The ROI Framework the Profession Has Been Missing

Time saved is a real metric — but it is the wrong primary metric, and patent practice illustrates why.

The legal profession has defaulted to efficiency as its primary ROI narrative, and the reason is straightforward – it’s easy to measure and easy to report. Take for example the recent testimony of U.S. Patent and Trademark Director John Squires at an agency oversight hearing before the House Judiciary Subcommittee on Intellectual Property. Detailing several AI solutions being implemented into the agency’s patent and trademark examination workflows, Director Squires focused on their impact in automating tasks and creating efficiencies in reduced contract dependencies and more foreign prior art being made of record.⁷ Director Squires noted one AI tool in the trademark space reduced examiner time spent assigning international classification codes on applications from months to seconds.⁸

But improved efficiency only tells a very limited part of the story. Sure, AI is certainly enabling tasks to be completed faster; matter throughput is increasing and workflows are streamlined. Those gains are real. However, these efficiency gains are being absorbed, not converted to value. Only 31% of firms report seeing their pricing models change due to AI adoption, according to data published in the BigHand 2026 Annual Law Firm Finance Report.⁹

Instead of measuring the ROI of AI adoption in hours saved, a more useful framework sorts AI’s value into three categories¹⁰:

- **Quantity:** AI’s value in terms of hours saved completing work tasks. Time saved and more output are the traditional metrics for assessing ROI, and are important, but they aren’t the sole measure.
- **Quality:** The value accrued from improved work output enabled by better uses of data. AI solutions aren’t simply saving time, they’re enabling attorneys to complete work more accurately with fewer revisions.
- **Quantum:** The value of new ways of working that were impossible prior to AI. Patent firms are finding that they have capabilities that previously did not exist thanks to their use of AI solutions.

The Quantum portion of this ROI framework considers impacts that weren’t even imagined when AI solutions were adopted. Patent practice has a particularly clear vision of the Quantum story. The ability to run a real-time patentability assessment in a client meeting, for example, is not a faster version of a slower workflow; it is a workflow that previously did not exist given the confines of tools that existed prior to AI.

To further underscore the need to move beyond Quantity as the primary ROI, firms focusing their AI narrative on realized gains in efficiency have created an unintended problem that is difficult to get around. Clients can’t help but wonder “if you are so much more efficient, why isn’t this reflected in our bills?”.

⁷ John Squires (Director of the U.S. Patent and Trademark Office), testimony before the House Judiciary Subcommittee on Courts, Intellectual Property, Artificial Intelligence, and the Internet, 119th Cong., 2nd sess., March 25, 2026, 4, <https://judiciary.house.gov/sites/evo-subsites/republicans-judiciary.house.gov/files/evo-media-document/squires-testimony.pdf>.

⁸ Id., 10-11.

⁹ BigHand. 2026 Annual Law Firm Report, 14.

¹⁰ Madhav Srinivasan (Panelist). “AI Workshop–Beyond the Balance Sheet: Rethinking ROI for AI in the Legal World.” Panel discussion at Legalweek 2026, New York, NY, March 9, 2026.



Clients can't help but wonder "if you are so much more efficient, why isn't this reflected in our bills?"

For clients – particularly in-house IP teams managing large portfolios on fixed budgets – this conversation is already happening. Framing AI's value purely in terms of efficiency is not just incomplete; for many firms, it has become commercially dangerous.

This conversation is also related to a gap identified in the BigHand 2026 Report. Instead of being converted into commercial value, efficiency improvements are actually increasing margin pressures in pricing models built on time.¹¹ By itself, the use of AI does not erode margins.¹² Those pressures arise because efficiency gains are not translated into a demonstrable value narrative.¹³

Framing AI's value purely in terms of efficiency is not just incomplete; for many firms, it has become commercially dangerous.

Rather than framing pricing discussions and internal performance expectations around time, the proper measure of AI's value must account for the full range of outcomes enabled by AI. But when firm directors and heads of practice groups are asked whether AI has improved firm results, the most common answer among them is, "I'm not sure,"¹⁴ providing stark evidence of this gap between a firm's AI use and its understanding of AI's value proposition.

The Senior Attorney Is Back in the Room

The most significant shift AI is driving in patent practice is structural, not technical.

The traditional patent prosecution model was built around delegation by necessity. Senior partners are typically responsible for overseeing and reviewing, and rarely are they present at every stage of the workflow. Office action responses and other prosecution tasks pass through layers of associates and third-party service providers before they reach the principal attorney. This produces a broken telephone effect – work is slowly completed in fragments that are many steps removed from the attorney holding both the client relationship and the greatest amount of technical / strategic knowledge.

AI is collapsing the pyramid created by the traditional fee structures. Senior patent attorneys can now justify being present and engaged at every stage in ways that simply were not economically possible before.

Take the example of real-time patentability assessments. Patent practitioners employing AI tools are able to assess legal patentability standards and run structured AI-assisted analyses while inventors are in the room, arriving at go/no-go opinions in meetings that historically were limited to gathering invention disclosures. That's a workflow that AI has unlocked. Senior attorneys who previously delegated prosecution support and other billable workflow tasks, traditionally reserved for lower cost resources, are increasingly doing this work directly themselves. This shift is showing up in usage data across AI platforms; where junior attorneys were once the heaviest users, senior partners are increasingly the most active ones.

¹¹ BigHand. 2026 Annual Law Firm Report.

¹² Id.

¹³ Id.

¹⁴ Oz Benamram, "SKILLS Survey Results" (slideshow presented at the Strategic Knowledge & Innovation Legal Leaders' Summit, New York, NY, March 12, 2026), 4-5.



Besides collapsing the delegation pyramid, this new workflow fundamentally changes the client experience. Patent prosecution work is completed with fewer handoffs, on faster timelines, and with direct access to the most experienced practitioner throughout the process, not just during review or oversight. This is translating into increased business for firms that can properly communicate this new paradigm. Senior partners like Peter Finnie at Potter Clarkson LLP are telling clients, “You get me, not my junior” – that is the real differentiator, particularly for in-house teams that have long suspected they were getting associate-level attention for partner-level fees.

AI solutions are designed to amplify expertise, not replace it. So, the value of these tools naturally scales directly with the depth of technical and legal knowledge of the person using them – which means that senior patent attorneys are the highest leverage users, not the last adopters.

**“ You get me,
not my junior ”**

- Peter Finnie, Senior Partner at Potter Clarkson LLP

PART 2

The Patent Practitioner's New Value Proposition

Winning Patent Business Differently

The secret to business development is the ability to have a more productive conversation about AI, not simply using AI to be more productive.

Client conversations around AI have swiftly gone from skepticism to expectation. And increasingly, transparency about the usage of AI tools is becoming part of the sales pitch. Sophisticated in-house teams are asking which AI tools their outside counsel use as a standard part of their selection process. The old business proposal based on firm heritage and track record is currently giving way to client pitches built on demonstrated workflow capability. It's not “we use AI” that is winning business; it's “this is how we use AI to serve you better” that is.

Client pressure is also intensifying from the in-house side. Routine prosecution support that was previously delegated to outside counsel is now being handled by in-house patent teams using AI tools. The work that does still go to outside counsel is being unbundled and scrutinized more carefully than ever before.

The implications for smaller patent boutiques are acute. Their value proposition was often built on being the affordable option for routine prosecution.

Now that proposition is being eroded from both sides – in-house teams are gaining capacity by increasing their AI capabilities, and larger firms can now offer senior attorney involvement at a cost point that was previously impossible.

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⁶ BigHand. 2026 Annual Law Firm Report.

⁷ Id.

⁸ Id.

⁹ Oz Benamram, “SKILLS Survey Results” (slideshow presented at the Strategic Knowledge & Innovation Legal Leaders' Summit, New York, NY, March 12, 2026), 4-5.



So, where does that leave law firms? Is there a race to the bottom on the horizon or are there signals akin to the iPhone or video streaming that ought to be considered?

The next decade gives patent practitioners a genuine window to redefine their value proposition before the market does it for them. Clinging to legacy models because they worked in the past is not a strategy – it's a costly delay.

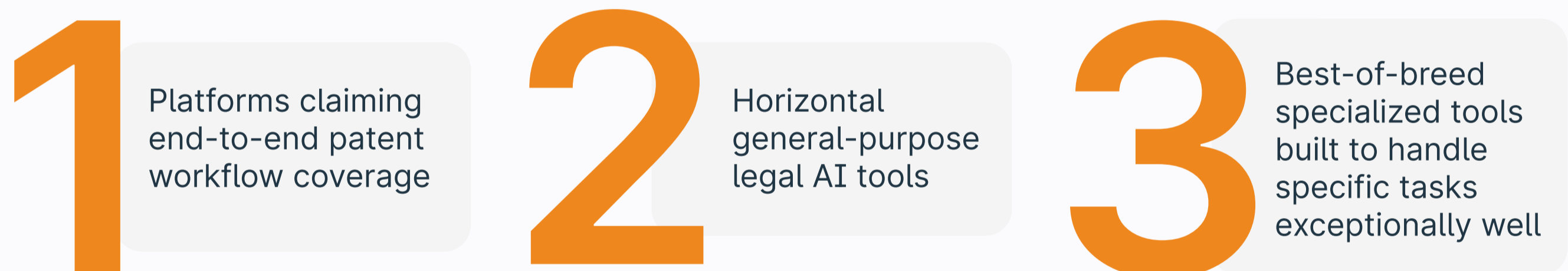
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Communicating value through use of AI is increasingly critical. What services does the firm offer - or *could* it offer - that an AI-enabled in-house team cannot replicate? Answering that question requires getting specific. The x-factor that only outside counsel can provide is not obvious, and it will look different for every firm. The firms that articulate it clearly, and can communicate it to clients, will build relationships that are very hard to displace.

The Hidden Costs of AI Implementation

Most firms are budgeting for the subscription; few are budgeting for what comes next

The market for patent-specific tools has fragmented into three broad camps:



Each has genuine merits and real trade-offs. For a firm trying to make a considered purchase decision, the sheer volume of options – many of which overlap in positioning, if not in capability – makes even candidate selection an almost insurmountable task.

Whichever category a firm is evaluating, implementation costs are routinely underestimated. Tools that require significant configuration, whether to adapt a general-purpose platform for patent-specific workflows or to integrate a specialist tool into existing firm infrastructure, carry overhead that rarely appears in the initial cost analysis. Prompting, verification, quality control, and ongoing maintenance are real costs; they simply accrue after the purchase decision rather than before it.

Most conversations about AI adoption focus on the cost of the tools; they rarely account for the cost of figuring out what Quantum actually looks like for their specific firm. This cannot be a knowledge management exercise; nor can it be delegated to a technology committee or resolved by a training session on buttons and features. Reaching the level of AI-enabled capability that changes what a practice can offer clients requires senior attorneys – the ones with decades of experience and deep client relationships – to get their hands dirty.

They need to spend real, unbillable time working with these tools themselves understanding when a result that looks complete is missing something critical, recognizing when an output has the right structure but the wrong strategic instinct, and developing a feel for where the tool's judgment can be trusted and where it quietly fails in ways that only deep practitioner experience can detect.

This is also why change management in AI adoption has to come from the top. Senior attorneys who have done this work – who understand what the tools can and cannot do from their own direct experience – are the only ones positioned to set realistic expectations, supervise effectively, and make credible claims about what AI has unlocked for their practice. Firms where AI adoption has been pushed down to associates a technology team tend to stay in the Quantity bucket. The Quantum category requires the most experienced people in the room to be the most engaged ones.

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This is not an argument for or against any particular category of tool. It is an argument for honest accounting. The total cost of AI implementation in patent practice includes the upfront investment of senior attorney time, the ongoing overhead of quality evaluation, and the sustained effort required to keep pace with technology that is evolving rapidly. Firms that account for all of this from the start are in a much stronger position to measure – and communicate – the ROI they are actually achieving.

PART 3

What Gets Measured, and the Elephant in the Room

What ROI Actually Looks Like in Patent Practice

The metrics that matter in the AI era don't show up in a prosecution time-tracking report.

The real litmus test for gauging the return on investment for AI implementation is not whether those AI tools are paying for themselves each quarter. The test has become whether the way you now practice, and the way your clients expect you to practice, could reasonably be sustained without it. This infrastructure test is the true measure of ROI for AI solutions in legal practice.

Much like how patent practice offers a clear vision of the Quantum portion of the proposed ROI framework, this infrastructure test is particularly tangible for patent firms. For example, if a firm has built its patent preparation and prosecution workflow around AI-assisted search, drafting and office action response tools, and real-time client engagement, iteration, and decision making is now part of the “x-factor” story they are selling to clients, and that capability disappears, the service model collapses. At that point, the AI tool is no longer a productivity enhancement – it becomes load-bearing infrastructure for the firm.



Several new value-based metrics have emerged that reflect the transformative impact of AI in patent practice. These novel forms of analyzing practice effectiveness have grown to include portfolio quality scores, prosecution efficiency ratios, grant rates relative to prior art complexity, and client retention on portfolio mandates. These metrics reflect AI's impact on practice not in the outmoded measure of hours per application, but in accurately reflecting AI's impact on the quality of outcomes.

The growing conversation around alternative fee arrangements (AFA) is directly relevant. Client demand for AFAs in patent prosecution has been building for years, and AI is only accelerating that demand. Patent firms that have built the data infrastructure to price fixed-fee prosecution confidently – because they understand their true costs and efficiency profile – are better positioned than those firms that are still negotiating from hourly time records.

Within three years, the patent profession will look back on the obsession with hours-per-application the way we look back on other outdated metrics. At that point in time, the patent practices that best positioned themselves for success will be those that asked and answered the question: "What are we now capable of providing to our clients that simply was not possible before?" Answers to those questions, and the ability to communicate those answers to new potential clients, compounds into competitive advantage.

What are we now capable of providing to our clients that was simply not possible before?

The Training Problem Nobody Is Solving

If senior attorneys are doing more of the work themselves, what happens to the associates who were supposed to learn by doing it?

The changing model by which junior attorneys have traditionally been trained is one of the most consequential impacts of AI in legal practice, yet it is one of the least discussed. The question is raised and the profession unilaterally shrugs – many punting off what to do with juniors for a later time. There is little consistency amongst firms and even law schools – some provide AI tools to juniors, trainees, and students, others prohibit their use entirely, with a rich spectrum existing in between. Juniors have always developed expertise through repetition and supervised doing. They learned the practice by writing office action responses, running prior art searches, and drafting claims. They would perform this work under close supervision early in their careers and then, gradually, with increasing autonomy over many years.

AI is disrupting that developmental model at its base. The way that this is happening benefits firms in the short term: senior attorneys are doing more of the work themselves, completing the work using fewer layers of labour resulting in better client outcomes. But this leaves a skills gap downstream of the senior partner where the waters of traditional career development are stagnating. If associates are not doing the work, they aren't

developing the judgment that made them valuable in the first place, or learning valuable skills that would make them promotable down the road.

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¹⁵ LexisNexis. The mentorship gap report. (2026), <https://www.lexisnexis.co.uk/insights/the-mentorship-gap/index.html>; Dylan Brown, "AI as thinking partner: training junior lawyers without weakening judgment," Future of Law (blog), LexisNexis, Feb. 18, 2026, <https://www.lexisnexis.co.uk/blog/future-of-law/ai-as-a-thinking-partner-how-mid-law-firms-can-train-junior-lawyers-without-weakening-judgment>.



There is an optimistic counter-narrative developing. Some law students now have access to AI tools from day one of their 1L year. And some legal technology thought leaders are predicting a shift toward a 1:1 model where every junior attorney has an AI thought partner.¹⁵ Rather than developing professional skills through menial delegation, juniors could theoretically do more sophisticated work earlier with AI as their support layer.

However, to properly support the development of their junior attorneys in this new AI-driven work model, the patent profession may need to consider a fundamentally different model altogether – something closer to a true internship or apprenticeship. If the tasks that used to train juniors are now automated, then either juniors should be tasked with repeating those tasks manually to build the underlying skill, accepting deliberate inefficiency in service of attorney development, or juniors should shadow their senior attorneys to directly learn the trade at the level where it is now being practiced. This work would naturally have to be non-billable, in stark contrast to the current law firm model.

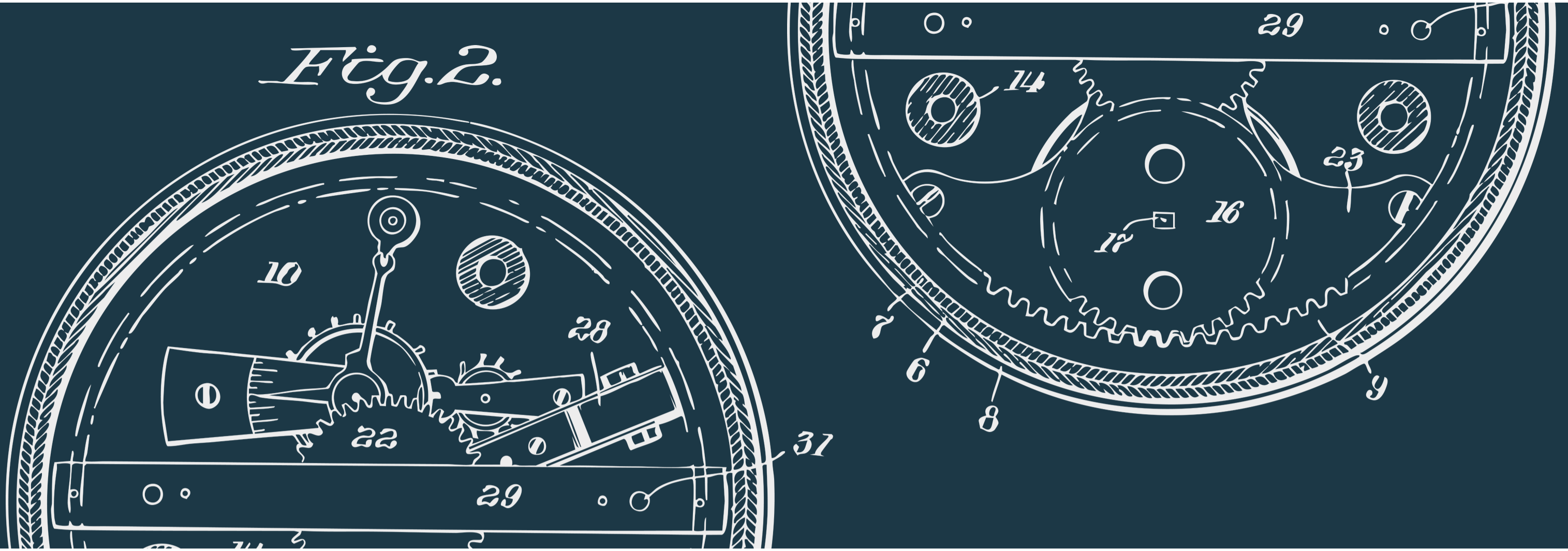
Whichever training pathway firms find themselves drawn toward, the current model is not sustainable. Billing juniors at rates tied to work that AI handles better and faster is providing fewer opportunities for skill development while the model is simultaneously growing commercially unfeasible. An uncomfortable corollary to this rule has emerged: if associate billing targets exist to generate revenue rather than develop talent, the profession needs to be honest about that, because AI is making the distinction between the two visible.

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This situation is particularly acute in patent practice. The technical depth required to be a genuinely excellent patent attorney takes years to build. There is no shortcut to understanding the relevant science, learning to understand the context of prior art documents, drafting patent applications effectively, and developing instincts that inform prosecution strategy. The question AI is forcing the patent profession to answer, uncomfortable though it may be, is whether the current economic model still creates the conditions for effective attorney development, or whether the structure for training junior attorneys needs to be deliberately redesigned.



Fig. 2.



Conclusion

The Window Is Open, But Not Forever

A call to reframe, not just adopt — with particular urgency for IP practitioners.

The iceberg on the cover of BigHand's report is a useful image to revisit here. The visible portion - the headline numbers, the rate increases, the productivity gains from AI adoption - looks encouraging. What sits below the waterline is the question this paper has been asking throughout:

is the profession capturing the full value of what AI actually makes possible, or just the part that is easiest to see and measure?

AI is raising the bar on expectations in patent practice specifically. Patent work is more concrete and outcome-driven than most areas of law, making the impact of AI unusually observable compared to other practice areas. The clarity cuts both ways, however. The opportunity is more visible, and so is the competitive risk for firms that fall behind.

The firms and practitioners who will thrive the most are not necessarily the ones who adopt the most AI tools into their practice arsenal. They will be the ones who asked the right question and built their client proposition around the AI-powered capabilities that were previously impossible given legacy tools and hourly rates. In-house IP teams have a similar question to ask themselves in counterpoint: What does outside patent counsel offer that our own AI-enabled team cannot replicate? The answer to that question - for both sides - is where the next decade of patent practice gets decided.

AI raises the floor - what patent practitioners build on that foundation is entirely up to them.

AI is upending traditional practice models, but the result is opportunity, not an apocalypse. Technology is providing a genuine chance to deliver a fundamentally better service - a service that is more senior, more continuous, more responsive, and more precisely matched to the needs of the client. Business pitches grasping this new paradigm win patent mandates, lead to improved client retention rates, and build practices that aren't just relevant, but necessary.

The window is open, but it will not remain open forever. AI raises the floor - what patent practitioners build on that foundation is entirely up to them.

