



# Capacity Building for Entrepreneurship Centered Around Trees Outside Forests

**Module 1: Prelude to Entrepreneurship**

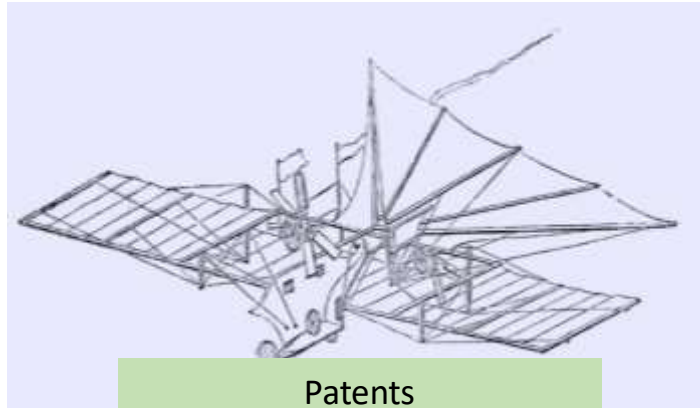
Lecture 3: IP management in Business

# Intellectual Property (IP): An Introduction



- According to **World Intellectual Property Organization (WIPO)**, **intellectual property (IP)** refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.
- IP is protected in law by, for example, patents, copyright and trademarks, which enable people to earn recognition or financial benefit from what they invent or create.
- By striking the right balance between the interests of innovators and the wider public interest, the IP system aims to foster an environment in which creativity and innovation can flourish.

## Types of Intellectual property



Patents



Copyright



Trademarks



Industrial designs



Geographical indications



Trade secrets

# Intellectual Property (IP)



## Patents

A patent is an exclusive right granted for an invention. Generally speaking, a patent provides the patent owner with the right to decide how - or whether - the invention can be used by others.

Copyright is a legal term used to describe the rights that creators have over their literary and artistic works. Works covered by copyright range from books, music, paintings, sculpture and films, to computer programs, databases, advertisements, maps and technical drawings.

## Copyright

## Trademarks

A trademark is a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises.

An industrial design constitutes the ornamental or aesthetic aspect of an article.

## Industrial designs

## Geographical indications

Geographical indications and appellations of origin are signs used on goods that have a specific geographical origin and possess qualities, a reputation or characteristics that are essentially attributable to that place of origin.

Trade secrets are IP rights on confidential information which may be sold or licensed.

## Trade secrets

# IP Management



Intellectual Property (IP) management is the strategic and systematic handling of intellectual property assets within an organization. Intellectual property includes creations of the mind, such as inventions, literary and artistic works, designs, symbols, names, and images used in commerce.

## IP Management Stages

- 1. Identification:** Recognize all forms of intellectual property within a business, whether created in-house or acquired from external sources.
- 1. Protection:** Implement measures to safeguard IP rights, such as filing for patents, registering copyrights and trademarks, and using non-disclosure agreements.
- 2. Commercialization:** Determine how to extract value from IP, whether through licensing, joint ventures, partnerships, or direct exploitation.
- 3. Enforcement:** Actively monitor and enforce IP rights to prevent infringement and unauthorized use by others.

# IP Management Process



- Creating and maintaining a well-documented IP management process adds significant value to business activities.
- Along with serving as a knowledge source for internal and external stakeholders, a functional intellectual property management process identifies, protects, and retains the intangible product and its value.



# IP Strategy



- An effective IP strategy must identify assets and align their value with the company's commercial goals. It's also imperative to understand competitors' assets and to gain knowledge about different intellectual property rights and infringements.
- A standard intellectual property strategy aims to protect, enforce, and manage assets. There are four basic IP strategies that organizations can build upon to suit their business objectives.
- **Risk minimization:** This focuses on building diverse IP portfolios and cross-licensing. Risk minimization is used by businesses looking to avoid litigation.
- **Cost reduction:** This is the most common strategy implemented by companies. It maintains assets and their effectiveness while cutting unnecessary costs.
- **Value approach:** Organizations seeking to profit from the direct use of intellectual property leverage this strategy.
- **Tactical approach:** This prioritizes the nature and direction of IP-based competition and strategic patenting. It involves shifting the focus of research and development (R&D) activities and rethinking existing partnerships with customers and relevant parties.



# Negotiations and Right Protection



## **Administer and conduct negotiations**

Even though the IP process is no longer siloed to the legal department, legal service providers still play an integral role in managing assets. Turn to experts and commercial partners who can administer relevant agreements and assist in conducting necessary negotiations.

## **Understand IP rights and infringements**

Intellectual property is essential to a business as it acts as a way to recognize, support, and promote the company's products and culture. It is imperative to protect intangible ideas and assets to extract value and invest in innovation and creativity.

Provide internal resources so employees are well versed in the different types of business assets (patents, copyrights, trademarks), associated IP rights, and potential violations by third parties.



# IP Valuation



- Even though IP assets are intangible, the process of IP valuation is necessary to be able to sell, license, or use the assets in the commercial space. Every IP asset has a value attached to it that enforces respective IP rights, internal asset management, and overall financial operations.

**Direct valuation.** The value of an intangible asset is directly derived from the IP rights that owners have over goods and services. An IP asset is quantifiable if:

- It can generate some form of measured economic value.
- It enhances the value of associated assets.

**Future valuation.** IP asset valuation can also be viewed through the lens of future benefits that they may provide to the owner and authorized users. The future value of intellectual property is derived from:

- Direct exploitation of the asset by integration within the product.
- Selling and licensing to an external source.
- Making it difficult for others to use the asset by reducing substitution threats.

## 1. Prerequisites needed to value an IP asset:

2. Must be identifiable, recognizable, and created at a specific point in time.
3. Should have physical evidence proving its existence (contracts, registrations).
4. Can be legally transferred and enforced.
5. Possess a distinct income stream isolated from other assets.
6. Can be sold independently.
7. Can be destroyed or terminated at a specific time.

# Methods for IP asset valuation



- Valuating any kind of asset requires time and effort, along with comprehensive research of the economy, market prices, and factors that affect the valuation process directly.

There are three main ways to value IP assets:

- 1. Income method:** This technique values the asset based on the expected income and adjustments made to its present-day value. It is the most common method of valuation used by businesses. The income method is considered the easiest to implement for assets that carry positive cash flow.
- 2. Market method:** This method works on comparing similar IP assets based on the transfer price paid for each. This is a simple method since it is based on the market comparison. It is often used for approximate values of royalty rates and taxes.
- 3. Cost method:** This establishes the intellectual property asset's value by calculating the cost of a similar or exact asset. The cost method is useful when the IP is prone to easy duplication or its economic benefits cannot be quantified clearly.

All intangible assets can provide tangible economic benefits to their owners in an ideal world, but this is often not the case. Some assets cannot be listed on company balance sheets, but changes in their stock prices reveal their value.

# Top 5 intellectual property management software



- Intellectual property management systems assist businesses in tracking patents, copyrights, trademarks, and other intellectual property.
- A common use of this technology can be seen in legal firms; experts use the software to manage all types of IP data. Additionally, new and ongoing filings can be documented along with keeping an eye on legal violations and infringements.

To be included as a software solution within this list, a product must:

- Provide tools for managing intellectual property like trademarks, patents, copyrights, and associated legal rights.
- Assist in the intellectual property lifecycle, including filing and contract renewals, disclosure agreements, and payment processing.
- Offer features relating to legal disputes resolution or enforcement actions involving clients' intellectual property.

## **1. IP-folio**

IP-folio is a cloud-based IP management system that creates and manages corporate IP portfolios. It improves portfolio visibility and facilitates collaboration across global teams.

The software has complete integrations with the Intellectual Property Awareness Network (IPAN), including patent annuities and trademark renewals.



## 2. Alt Legal

Alt Legal is an IP an automated docketing solution for United States Patent and Trademark Office (USPTO) and Canadian Intellectual Property Office (CIPO) deadlines. The technology also has one-click reporting, smart email templates, calendar syncs, Trademark Electronic Application System (TEAS) integrations, and a §2(d) trademark watch for all §2(d) office references.

## 3. PATTSY WAVE

With built-in IP business logic, PATTSY WAVE increases operational efficiency, reduces risk, and improves accuracy. Its signature single-screen design makes the integrations with DNS and Anaqua Services a powerful combination.

## 4. AppColl

AppColl is a cloud-based patent and trademark management system that helps firms and multinational corporations create and file patent applications cost-effectively. Its product, Prosecution Manager, increases productivity while reducing the risks of running a corporate IP group.

## 5. DocketTrak

A high-performance cloud-based intellectual property docket reminder system, DocketTrak manages patents and trademarks.

It connects to the USPTO, CIPO, Australia (AU), and Europe (EU) offices and provides real-time event updates and deadline reminders. Its Patent Application Information Retrieval (PAIR) Connect feature imports patent records for effective record management.

# Best Practices in IP Management



- **Consistent review** of the various elements of the IP strategy is important in order to ensure its smooth application. This is necessitated in the long run as it creates a systematic and cost-effective system for the business.
- Regardless of how solid your IP strategy is, make it a point to review the various focus areas, associated steps, and key action items regularly. Consistent review and feedback loops make a process seamless, cost-effective, and more efficient in the long run. Since IP assets are an integral part of a company's growth, evaluating strategies and plans helps decide which assets are underperforming and which require more attention.
- **Employ data metrics** to streamline IP asset decisions and increase efficiency. The information offered by data metrics can prove extremely valuable at each step of the IP creation process.
- **Staying alert** and taking necessary precautions for IP protection can save you from costly legal mistakes. Using non-disclosure agreements, treating pending patents as trade secrets, and safeguarding patent-related documentation like source codes, product catalogs, etc., are all part of the overall strategy of IP protection and must be adhered to.
- **Automation** is key to keeping a tab on your IP assets. Various software and tools are available in the market that can help you keep track of patent applications, IP violations, etc., in minimal time and with reduced human effort.

# Risk Management of IP



- The assets may be intangible, but the risks are real and serious if not identified and mitigated. Companies that deal with intellectual property must plan for risks and allocate necessary resources to comply with the legal and regulatory measures.
- Although intellectual property has long been seen as a legal issue dominated by IP law firms, there is a collective rethinking of the subject due to its strategic importance and impact on businesses.
- Companies view IP assets as a business problem. They are more eager nowadays to understand the process behind asset valuation and litigation practices to further innovation and creativity.
- Risk management strategies are also witnessing a change as many organizations are turning to cloud-based IP management software to improve financial efficiency, ensure data security, and increase profits.
- Regardless of company size or the number of its intellectual properties, businesses must prioritize the need for both internal and external knowledge on the vast subject matter of IP assets. They play a significant role in the overall growth and profitability of a company.
- Using the right kind of risk management strategies, planning for risk mitigation, and aligning business goals with the right standards and policies for IP asset management are key to success in the market.

# Conclusions



- Intellectual Property management is a dynamic and multifaceted process that demands careful consideration and planning.
- Effective management can lead to increased competitiveness, revenue generation, and protection against infringement.
- In today's innovation-driven landscape, businesses that prioritize and execute comprehensive IP strategies position themselves better to thrive and contribute to advancing knowledge and technology.
- IP assets hold immense value for businesses in terms of finance and credibility, as well as offering an edge over competitors.
- IP management has become an essential tool that protects these assets and contributes to long-term economic benefits for startups and big businesses alike.
- Seeking the services of professional IP management firms is thus an investment that will help businesses maximize their IP portfolio and achieve greater success.