

“Of course you have a plan for your business. You also need an IP strategy that supports it. It is never too early in the life of a company to consider how to make the most of your intellectual property assets.”

Intellectual Property Audit

By Peter McDermott

Conduct an IP audit, that is, a review of the IP assets owned, used or acquired by your business.

- o Schedule periodic renewed audits.

What research do you want your team or IP counsel to perform to determine the IP landscape, such as on-line searching or other investigation for:

- o Potentially applicable patents of competitors or others
- o Existing third party trademark rights
- o Existing contractual obligations (to others) of your planned suppliers, consultants or joint venture partners

Regarding each IP Asset now in hand:

- o Is any form of IP protection already in place? Would you expect IP protection or additional form(s) of IP protection be useful in the marketplace?

Regarding each IP Asset to be developed:

- o Identify the forms of IP you believe are potentially applicable for its protection in order to obtain competitive advantage.

What records need to be maintained during development of that particular asset to support its IP protection?

- o What management review process is now in place or will you put in place for determining which developments warrant the expense of IP protection?

What record keeping will be needed to support the management review process?

See the lecture discussion regarding focusing IP protection budget, particularly in the case of patent applications, on technology developments at the intersection of (i) technical feasibility, (ii) apparent patentability, and (iii) commercial interest or significance.

- o Determine the potential importance or usefulness of a strong trade name and product trademark (or service mark) as a differentiator or marketing tool in your market space.

For each trademark planned for use, consider where it falls on the strength-of-protection spectrum

from generic (not protectable) to fanciful (strongest potential protection). Experienced trademark counsel should be consulted.

If a stronger trademark is needed, outline actions planned to identify, protect and implement the new mark.

Regarding each IP Asset to be acquired, such as by outsourcing, in-licensing or purchase:

- o What is the scope of rights you expect to need in the information or technology? (Consider here the materials and lecture dealing with licensing.) Will you want or need exclusive rights? Might rights only in a defined market space be sufficient? Could the rights be time limited or should they be permanent?
- o What value would you plan to offer to reduce the price of acquiring the IP asset?
 - Supply contract?
 - Technology exchange?
 - Equity investment?

*Note - You will want to consult IP counsel to confirm the soundness and completeness of an IP strategy and to consider the budgetary and personnel resources likely to be needed to implement the strategy.

*Note - As your business plan evolves, your IP strategy must be reviewed and, if necessary, revised to remain synchronized.

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