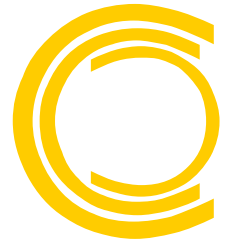


CUBICIBUD



QUESTIONS FOR THE BOARD?

Maximising the value of Intellectual
Property with pragmatic IP strategies

April 2016



CAN YOUR BOARD ANSWER QUESTIONS ABOUT IP?

We regularly hear that modern businesses are based on intangible assets, with as much as 80% of company value coming from intangibles. Yet most IP is not reflected on the balance sheet, and so the dilemma drives CEOs and boards to focus on the “old” metrics of tangibles, potentially neglecting what drives the business.

Boards should therefore at least be able to clearly communicate answers to the following questions:

- How does our IP contribute to P&L?
- Are we using IP to protect our investment in R&D and new product developments?
- How does our IP strategy protect our position for today and tomorrow?
- Do we manage IP risk sufficiently well, and are we prepared to react to threats and opportunities?

How does our IP contribute to P&L?

Implicit in this question is do you know what IP you own. Do you have a record of patents? Do you have a register of trade secrets? Do you have a database of know-how?

When was the last time your business did an IP audit?

An IP audit in itself is unlikely to provide any business benefits. Unless you've categorised those into core, non-core, not-used; created a monetisation strategy for the non-core, allowed some to lapse, licensed or sold others, then it's a passive list.

The results must be used for something, whether that's identifying gaps in existing portfolios or risks from competitors, or establishing a monetisation programme to sell unused / non-core assets.

Are we using IP to protect our investment in R&D and new product developments?

How do you know that the IP you have protects your investment in new product development? Unless links are formed between R&D and IP which are actively managed and tracked it is likely that as product developments progress gaps will inevitably form between the state of the IP and the R&D. These gaps will become risks to the product and the business is not managed.

Do you understand how you can use IP to influence relationships with suppliers, customers, and competitors?

Placing a value on your IP allows you to use it as leverage in commercial negotiations with suppliers and customers. IP valuation is an art not a science, but having no concept of value exposes the business to lost opportunities where IP could have contributed.

How does our IP strategy protect our position for today and tomorrow?

Do you have an IP strategy? When was it last reviewed, and by whom?

Do you make financial provisions for new business cases for future licensing costs?

Do you understand the IP landscape relating to your core and non-core technologies?

Who are your real competitors and where do the IP threats come from? How do you plan to mitigate / manage these risks?

Understanding your own IP and that of the main players in the landscape gives you valuable business intelligence to spot trends, to identify weaknesses and to build IP ahead of product roadmaps – maximising the value from your R&D.

Do we manage IP risk sufficiently well, and are we prepared to react to threats and opportunities?

Can you quantify the IP risks associated with your products?

Do you have an items relating to IP in your risk register? How are they managed?

What is your appetite for IP acquisition? Do you understand how to value acquisitions or other criteria that you might use when looking at growing your portfolio?

It is impossible to develop modern, complex products without infringing IP. The key challenge is to understand who owns that IP and what they will do with it – this is IP risk management.

It is also inevitable that you will find gaps in your own IP, which may represent threats of assertion from competitors; or they may represent opportunities to acquire IP from third parties.

A full and clear view of the IP landscape allows your business to develop contingency plans based on an understanding of the associated risks. IP audits, patent landscaping, competitor analysis, IP strategy development are all useful tools, but we believe they must be deployed in a manner that ensures they are fully aligned with the business strategy and product roadmap.

IP must not be dealt with as a parallel activity, void of context, and for this reason we encourage C-level engagement with the topic.



Cubicub Limited is an independent technical consulting firm specialising in matters relating to Intellectual Property.

We believe good IP management allows business to protect its competitive advantage; to generate returns on R&D investment and to secure investment and finance. Modern businesses neglect their IP assets at their risk as poor IP management gives away value and reduces barriers to entry for competitors compromising the organisation's capabilities.

To manage IP well business must adopt a combination of commercial, legal and technical expertise – but always with a pragmatic focus to actively manage and exploit the IP.

Cubicub supports its clients by:

- providing confidential and independent technical services to evaluate IP assets
- performing IP audits, patent mining and landscaping exercises
- developing IP strategies to support commercial negotiation, licensing and litigations
- providing independent technical expert reports

We work with businesses ranging from smaller start-ups to mature multinationals; from early stage invention capture through to exploitation and monetisation of IP assets.

To discuss how Cubicub's expertise can help your organisation manage and exploit IP, please contact us now: info@cubicub.com

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