

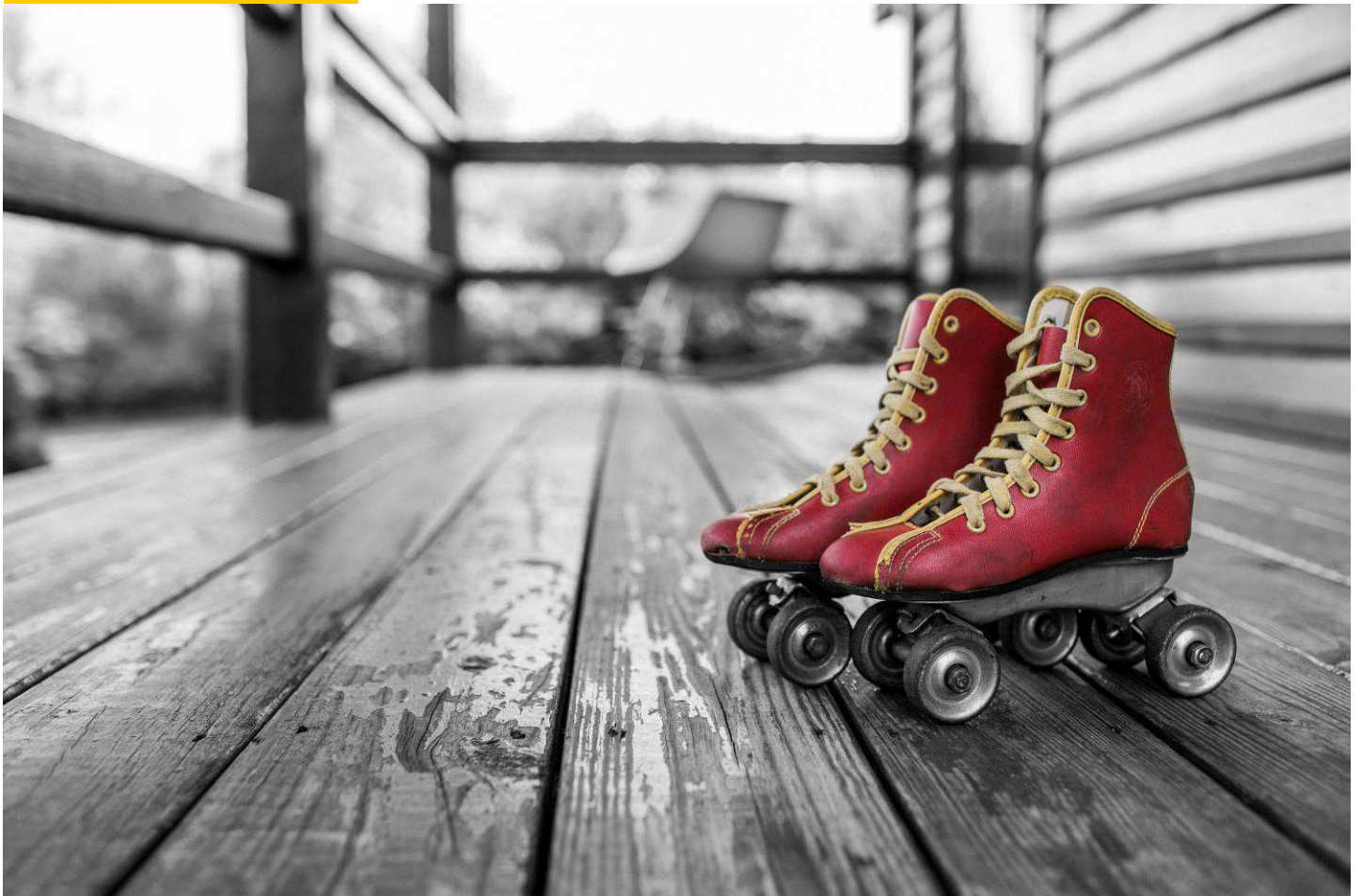
CUBICUB



# PROTECTING R&D INVESTMENTS

Strategic use of IP to protect the investments made in R&D and new product development

January 2016



# STEPS TO STEM THE TIDE OF VALUE LEAKING FROM YOUR BUSINESS...

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Organisations that do not control their IP (generation, capture, management and exploitation) risk investments in R&D and building deliverables that are not commercially attractive. Poor IP management leads to leakage of competitive advantage, real or spurious litigation or loss of product revenues.

It is vital for organisations to review their current IP strategy and IP processes, benchmark themselves against best practice and set an ambition for embedding appropriate best practice IP management and exploitation processes.

## How do the IP risks align with the product development risks?

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.

## What can be done to 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 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?

## Where is the magic sauce?

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.

While avoiding third party IP is not possible a fundamental step in managing your own position is to understand where in your value chain the “magic happens”. All businesses apply intellectual assets as the foundation of how they add value. Understanding where, how and by whom the value creation is done means that the associated IP can be identified and protected.

Further, once that IP is identified it can be valued and managed accordingly – either as a purely internal asset, or leveraged in negotiations with suppliers and customers.

## IP tightly aligned with business needs?

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.

- Can you quantify the IP risks associated with your products?
- Do you have 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 IP or have other criteria that you might use when looking at acquisitions?

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.

What IP do we currently have and how does it add value to our products?

How good are the processes to identify , capture and manage IP?

Are we protecting the right things in the right ways?

Does the IP strategy align with the business strategy and create competitive advantage?

Can we control knowledge leakage to customers and the industry?

Do our contracts, restrictive covenants and NDAs protect our interests?

How will we protect ourselves if we adopt outsourcing, licensing or other partnering vehicles?

Can we fill gaps in the portfolio to support future product lines?

Do we know who our competitors, suppliers and partners are and how we compare with them?



Cubicubuc 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.

Cubicubuc supports its clients by:

- providing confidential and independent technical services to evaluate IP assets
- performing IP audits, patent mining and landscaping exercises
- supporting 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 Cubicubuc's expertise can help your organisation manage and exploit IP, please contact us now: [info@cubicubuc.com](mailto:info@cubicubuc.com)

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