

Get the most value by actively managing your firm's IP



When was the last time you evaluated your intellectual property assets? Often, those assets — which may include domain names, patents, trademarks, copyrights, technology licenses, non-disclosure agreements, confidential information, and the like — result rather haphazardly during rapid company growth. Your intellectual property should provide your company with a solid competitive advantage, such as by protecting a revenue stream, distinguishing your goods and services, or fencing out a competitor. You expect a solid return on other business assets; expect no less of your intellectual property. Here's a basic three-step process for actively managing those assets to ensure that they advance your company's strategy.

First, identify and organize your intellectual property. You'll want to coordinate this process across your company. Go beyond your engineering and technology areas to pull in intellectual property from other units, such as marketing, manufacturing and finance. Don't forget to identify the confidential information most important to your business, which may include software code, blueprints, unpatented technology, customer lists, know-how and manufacturing processes. In organizing your intellectual property, you may find it most useful to group those assets around products, services, core technologies, business practices and other key business drivers. That may make it easier to develop the business case for your intellectual property strategy.

Second, evaluate the quality and sufficiency of your intellectual property with respect to those key business drivers. Consider forming a committee of representatives from various business units of your company to provide

different perspectives. Start by reviewing the intellectual property directly related to your revenue-generating products and services. They may be covered by one or more patents, carry the company brand, include creative designs and embody confidential information.

With respect to patent rights, check for gaps in patent coverage, remaining patent life, the adequacy of patent markings, and ownership. Evaluate whether to maintain patent filings. If you do business in foreign markets, or plan to, do not forget the foreign aspect of your patent strategy. You may want to monitor competitor's patents, and ensure that your competitors' products and services do not infringe your patents.

Your company's brands symbolize your customers' feelings and beliefs about your company, and those are well worth protecting. Make sure that you've obtained trademark registrations for names and logos. Your marketing team should select strong marks, and comply with your trademark use policy. Be sure to keep an eye on the marketplace — you may find knockoff products bearing your trademarks, or find that your marks risk "genericide."

The creative works that you've identified — whether designs, video, advertisements, code, brochures — should bear your copyright notice. If your company develops software for internal or external use, check to make sure that you really do own it, and determine how best to protect the code. That determination will likely depend on the purpose and shelf life of the software. If you license third party software, ensure that the scope, territory, duration and monetary aspects leave room for your business to grow and change. Make sure that your use of open-source software does not compromise proprietary code.

On the Internet

A word about your Web site: You've probably put a great deal of thought and money into your Web site, so ensure that the company owns and controls it. Your Web developer

may not be around forever. Put a copyright notice on your Web site, too, across all pages. Likewise, make sure that your brand appears consistently throughout the Web site. Keep Web site terms of use and privacy policies consistent with the myriad data security and privacy laws.

Employees and consultants should be made aware of the value of innovation and confidential information to your business, and should sign appropriate inventions and confidentiality agreements. Control access to confidential materials, and mark them "confidential."

Your intellectual property inventory may contain orphan assets unrelated to your products and services, or are otherwise unproductive. Maintaining intellectual property can be expensive, so consider how to best dispose of those assets. For example, non-core patents could generate revenue if packaged and licensed to an enterprise better positioned to use them. Or, find a partner to jointly develop nascent technology that would otherwise languish on a shelf.

Finally, act! Fill gaps in your patent and trademark portfolio. Solidify ownership. Don't wait until after key innovators and developers leave. Bring your intellectual property notices up to date. Sell or license out non-core technologies. Go after infringers. Dispose of unproductive assets to save maintenance fees. Collateralize or securitize intellectual property assets to gain access to capital. Nurture a culture of innovation and establish processes to capture the new ideas generated across your company at all levels.

By going through this process, you'll notice other benefits, as well. You may become better aware of risks arising from competitors' intellectual property. Your company will be more sale-ready. Conversely, you'll be better able to evaluate acquisition targets. Shareholders won't find wasting assets. Actively managing intellectual property can be a complex endeavor, but that's the best way to squeeze the most value from those assets.

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