

Intellectual Property Assessment



What is an Intellectual Property Assessment?

An Intellectual Property Assessment (“IPA”) is a necessary step in making the most of an enterprise’s intangible assets, such as know-how, trade secrets, brands, works of authorship and inventions. An IPA determines what intellectual property is owned, whether the intellectual property is properly protected, and how the enterprise currently manages its intellectual property and other intangible assets.

Why is an Intellectual Property Assessment needed?

There are many reasons to conduct an IPA. Intangibles, including intellectual property, comprise a larger share of most enterprise’s total value than any of its tangible assets. An enterprise cannot afford to ignore its most valuable assets in today’s globally competitive environment.

An IPA may be used as a first step toward better managing of an enterprise’s intangible assets, to prepare an enterprise for new investment, strategic buy-out, merger or strategic acquisition, to identify risks of liability to others, to target development of new innovations or to evaluate branding opportunities, to reduce annuity and renewal costs, to leverage a security interest in intangible assets, and to develop an out-licensing program.

How is an Intellectual Property Assessment conducted?

In-house or outside intellectual property counsel must be engaged in each phase of the IPA in order to facilitate the process. Typically, an IPA is divided into four phases:

- 1 Identify the purpose and goals.
- 2 Aggregate documents and information necessary to complete the IPA.
- 3 Review and catalog all intellectual property assets, encumbrances, liabilities and current processes for IP management.
- 4 Report the IPA to management

How is an Intellectual Property Assessment used?

The answer to this question depends on the purpose and goals of the IPA. The IPA may solely be a first step in developing a culture of innovation and putting processes in place to capture intangible assets and to identify assets to be developed as intellectual property, whether for protecting core business assets, product lines, service design elements, or for leveraging a security interest, increasing value of a sale, or licensing to others. Alternatively, the purpose of the IPA may be more narrow, such as preparing for merger and acquisition. In this case, the IPA may be used to identify weaknesses that can be addressed in advance of third party due diligence, such as correcting chain of title, or acquiring a license or assignment of third party rights.

What is the Role of Intellectual Property Counsel?

Intellectual Property Counsel facilitates the IPA by senior management and coordinates the IPA team that should include key innovators and authors, corporate legal counsel and senior executive “champion.” IP Counsel provides expertise and

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access to the tools and reports that are necessary for defining goals, collecting information, cataloging intellectual property assessments and preparing reports tailored to the objectives of the enterprise.