

WHY AN INNOVATION-BASED BUSINESS SHOULD CONSIDER IP AUDIT?

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IP RIGHTS DO NOT ASSURE QUALITY

MISCONCEPTION



HAVE A PATENT ON MILK PRODUCT

HAVE COPYRIGHT IN A BOOK

HAVE TRADEMARK FOR A WATCH

HAVE INDUSTRIAL DESIGN FOR A PHONE

What items have patents ?

Bottle opener

Chinese character input method and device

Construction materials made of rubber

What items have copyrights ?

Motion Pictures

Software

Company Documents

Paintings

What items have trademarks ?

adidas

Lenovo

可口可樂

Starbucks

What items have trade secrets ?

Recipe of COCA COLA

Chemical Formulas and Processes

Customer Lists

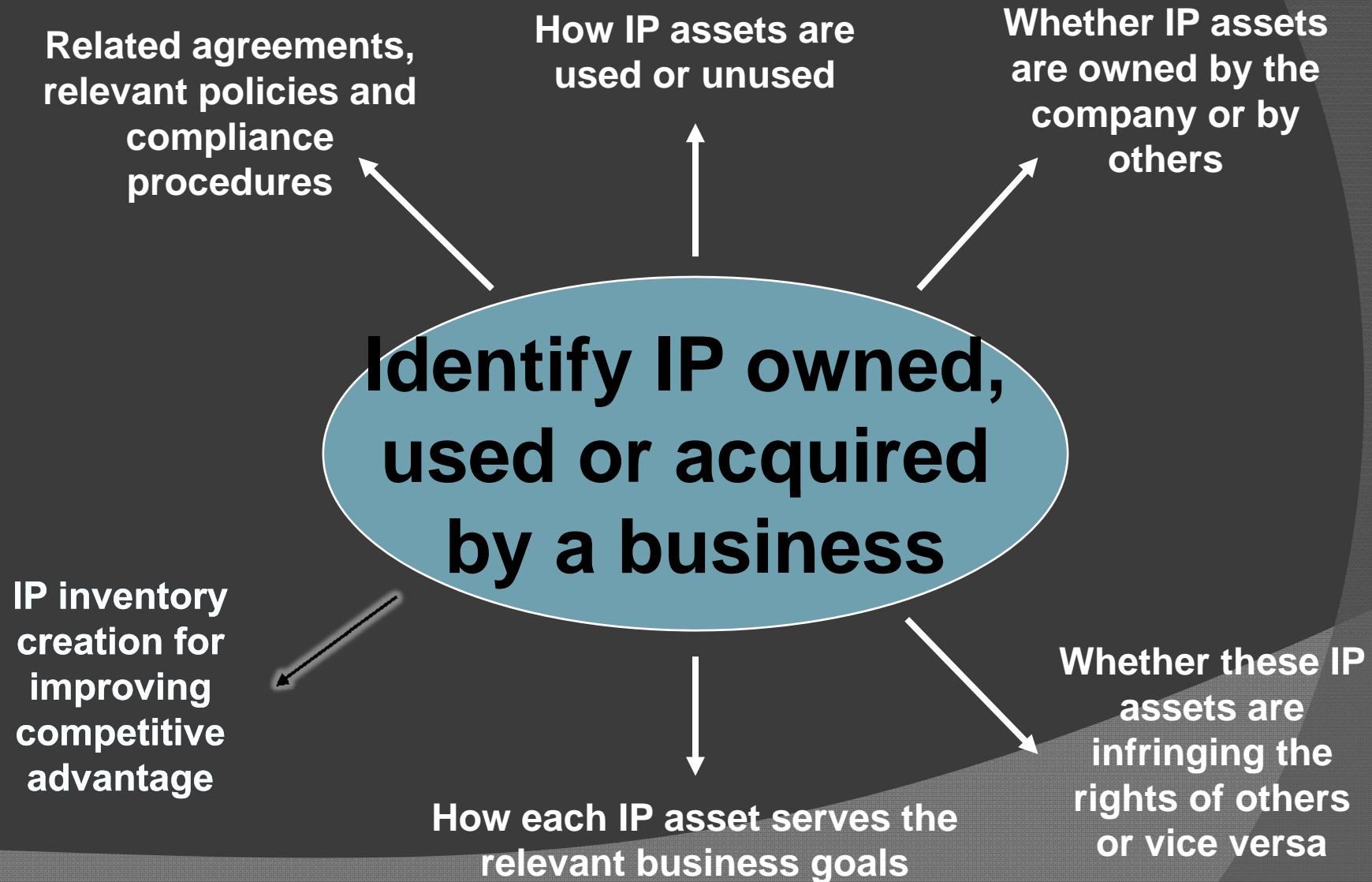
Capturing IP Value

- ◎ COCA-COLA
 - Brand Value: USD 77.8 million
- ◎ GOOGLE acquired MOTOROLA
 - USD 12.5 billion plus
 - 17,000 patents
 - USD 735K per patent
- ◎ LENOVO acquired MOTOROLA MOBILITY
 - USD 2.91 billion
 - 2,000 patents + brand and trademark portfolio
- ◎ IBM: building an IP licensing business
 - 50,000 active patents

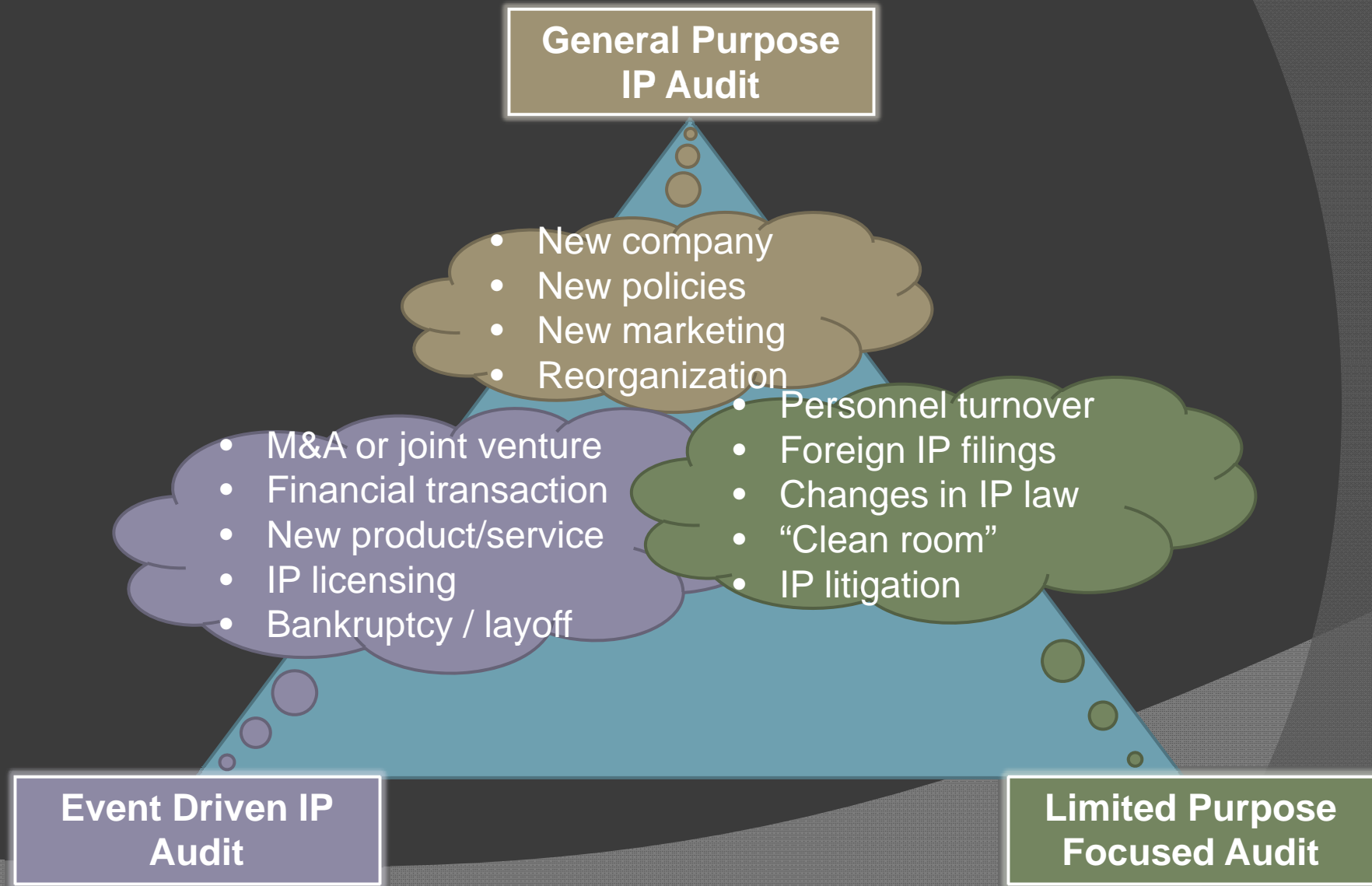
IP War

- ◎ Apple/Samsung in US
 - Apple wins the lawsuit against Samsung in US
 - Samsung to pay USD 1 billion in damages
 - Patents: user experiences and interfaces
 - Design: outlook of the phone and icons

Mismanaged IP ● Intangible Business



Type of IP Audit



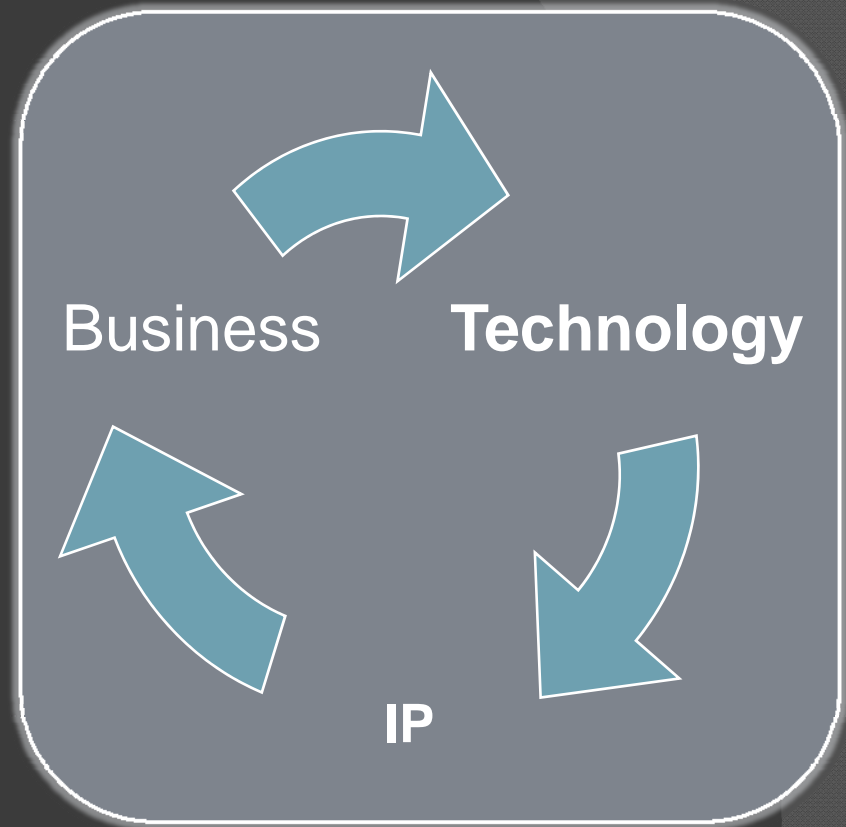
IP Audit Team

Board of Directors:

CEO
CTO
CIPO

Internal Staff Members from:

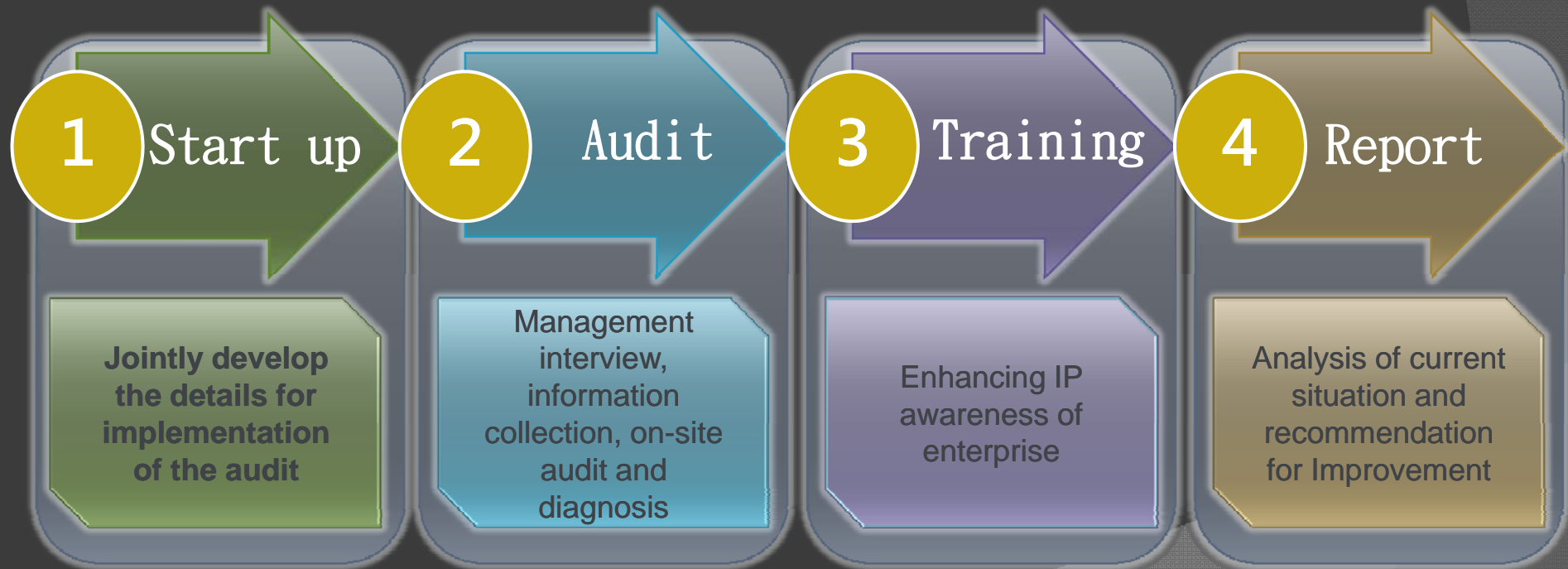
Administration / Legal
Engineering / R&D
Marketing
Human Resources



External Expertise from:
Business Management
Technology
Legal

Preparing for an IP Audit

- Clarity about the purpose



Preparing for an IP Audit (Continue)

- ⦿ Background research
 - Internal and external relationships
 - Business strategy
 - Importance of IP assets
 - Status of IP management
 - IP disputes
 - Financing
- ⦿ Prepare for an IP audit plan

Conducting an IP Audit

- ◎ A checklist
 - Innovation-Knowledge Enterprise IP Management Practice DB44/T 797-2010
 - Enterprise Intellectual Property Management GB/T 29490-2013
- ◎ Auditing contracts/agreements for:
 - Licensing
 - Assignment
 - Employment and independent contractor
 - Joint venture & collaboration
 - R&D grants

Conducting an IP Audit (Continue)

- Auditing IP assets for:
 - Identification and recording
 - Determining ownership and legal status
 - Detecting infringement
 - Creating and maintaining IP
 - An example:

Type of IP Asset	IP Registration No.	Title & Legal Status	Product Life	Extent of Use	Importance	Income / Value (\$)

After Completing an IP Audit

● IP Analysis (Categorizing)

- IP assets that are important to your products and services

Group 1



- IP assets that have potential but not necessary to your company

Group 2



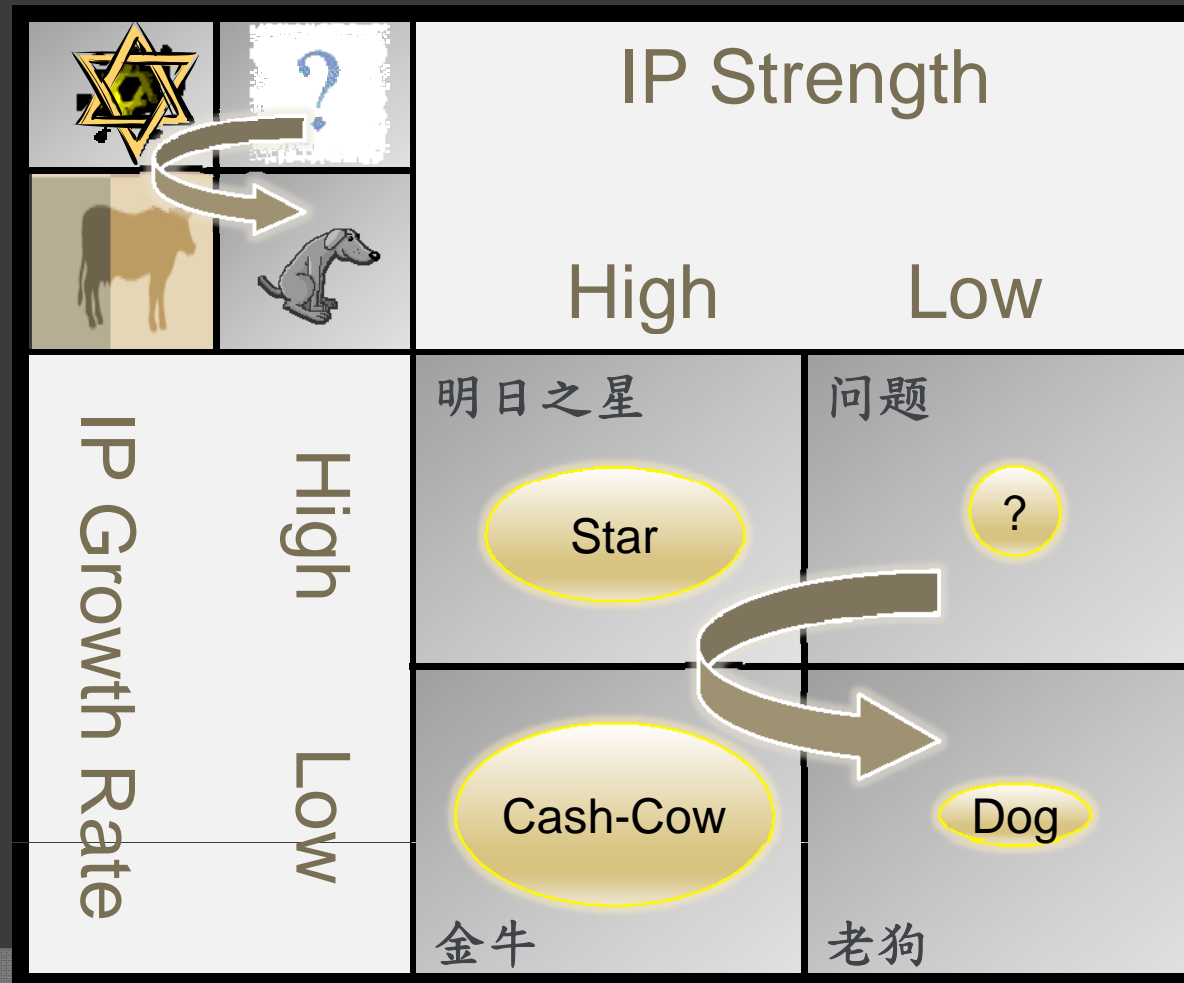
- IP assets that have no value to your company or anyone else

Group 3



After Completing an IP Audit (Continue)

- Evaluating IP Assets (BCG Matrix for IP Assets)



After Completing an IP Audit (Continue)

- Overall review on IP assets and IP Policy (SWOT analysis of IP Strategy)

		Environmental Factors	
		<u>O</u> ppportunity	<u>T</u> hreat
Relative Strength of IP	<u>S</u> trength	<u>SO</u> strategy: Offensive	<u>ST</u> strategy: Offensive-defensiveness
	<u>W</u> eakness	<u>WO</u> strategy Defensive-offensiveness	<u>WT</u> strategy: Defensive

After Completing an IP Audit (Continue)

- ① Preventing or being prepared for litigation
- ① Business strategy formulation
- ① IP asset management infrastructure
 - Formation of IP asset management team
 - Creating an IP culture
 - IP policy monitoring

Thank You !!!