

The Role of a Corporate IP/IA function

It has become a truism amongst almost all economic observers that a modern company has >75% of its value tied up in “intangible assets”.

Of this, a small amount is held in “traditional” IP, such as Patents, Trademarks, Designs, Trade Secrets, etc. The vast majority will however comprise even more intangible items, such as know-how, strategy, ideas, people, communication, culture, branding, perception, etc.

Given the complexity, then, can all these intangible assets (IA) ever be managed by companies in a commercially and strategically effective way?

The answer: in simple terms, the following six simple steps.

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Stage One: Groundwork

The first is perhaps the most difficult Stage. The agent of change (IP Manager, CIPO, Consultant, Project Manager, etc) will effectively spend a period determining what the current state of intangible assets actually is within the business and what needs to be done, both practically and culturally, to begin redefining IP as a net contributor to the business. (NB: during this period it may seem to the outside observer that very little is actually being accomplished.)

- Evaluate all current processes for creation, documenting, use and commercialization of IP, no matter how casual or rudimentary
- Compile a list of all persons involved in any way in the above
- Discover what Senior Managers have to contribute, individually and through their BUs, to the IP function
- Identify the potential hurdles to the creation of an effective IP function
- Initiate the “nuts and bolts” aspects of IP capture and management (central repository for data, internal counsel, external counsel, landscaping, FTOs, specialist service providers, reporting lines, etc)
- A timeline for milestones in the future of the IP function

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Stage Two: Culture-building

Building on the basics:

- Implementation of a framework of rules, regulations and policies designed to provide IP governance and encourage a culture of invention and utilization
- Education across the company, particularly at Senior Management level
- Awareness of the value of an innovation culture
- Actively and vocally celebrating innovation “wins”
- Actively and vocally rewarding innovation of all kinds

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Stage Three: Optimization

With the basics in place, there is an opportunity for cohesion and long-term successes:

- Continuing education and awareness programs;
- Investigate and learn from other companies with successful IP functions
- A solid program for near, medium and far-term IP protections
- Encourage a cycle of creation, review, re-deploy
- Formal, periodic IP reviews for go/no-go on IP projects
- Invention rankings and ratings
- IP landscaping
- Choosing protection methods extremely carefully
- Always consider the value of no protection/publishing
- Competition analysis
- Costs transparency
- Understanding of lifetime costs
- Optimizing IP portfolio management
- Creating a multi-jurisdictional policy of protection/enforcement

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Stage Four: Intangibles

Intangible Assets, which are not traditional IP, will nevertheless require consideration and management by the IP function:

- Creating the IP brand inside the company
- Visualization of all intangible assets
- Valuation of all intangible assets for balance sheet purposes
- Unprotected IP
- Ideas
- People
- Strategy
- External branding and perception of the company
- Data protection

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Stage Five: Best practice

The adoption of routine best practices in relation to IP:

- Recording discipline, re: invention
- Use of landscaping tools
- Investment area analysis
- Disclosures
- Trade secrets policy
- NDAs in relation to all commercial agreements
- Maintaining an intangible assets/IP assets inventory
- Employment and external contractor relationships
- Options for no-protection and/or Open Source/Open Innovation

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Stage Six: Where the buck stops

The role and ongoing responsibilities of a CIPO:

- IP is constantly evolving, requires regular scoping of the role
- Appropriate KPIs
- Budgets/staffing
- All IP-centric company communications
- Team and external resources
- Ensuring IP is and remains a net contributor
- Creation of effective reward structures
- Board IP education
- Maintaining IP and intangible asset management as central to the company's overall strategy and success

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