



IP Portfolio and strategy check-up

The status of intellectual property rights and the strategies for their protection must regularly be reviewed

Every company knows that portfolios of intellectual property rights (IP) must be continuously maintained – hardly possible in the busy day-to-day business of legal departments. At least once a year, however, a comprehensive internal or external audit is a must. While this requires some effort it also enables entities to identify risks, eliminate them and thus remain competitive. In the medium and long term, money is saved – and even further revenue can be generated.

February 2019, Dr. Gösta Schindler

The IP portfolio “spring cleaning” aims to achieve the same goal as the spring cleaning in the household: dusting, tidying up, sorting out. Gaining a new overview over the company’s IP assets allows for optimization and thus strengthening of the portfolio. In this way, companies save money and often generate new streams of revenue, as IP that is no longer needed for own purposes can be sold or licensed out.

The following questions will help to carry out a first spring cleaning of your portfolio. On the basis of your answers, you can then design or revise your IP management strategy for the current year – or an even longer period:

1. Dusting the IP portfolio

- Is the status of the entire corporate IP clear? Is there a central, up-to-date record of all IP?
- What IP is up for renewal (where and at what cost)?
- Is there a central and up-to-date record of all IP-relevant contracts (licenses, delimitation agreements, R&D contracts, cease-and-desist letters, ...)?

2. Cleaning up the IP portfolio

- Which IP is currently in use?
- Which IP is not used (anymore) – and since when?
- Is of the IP properly documented and are important key figures (e.g. geographical and quantitative usage data) easily accessible?
- Which contracts regarding which IP exist with whom? Are the contractual obligations fulfilled and is the fulfilment documented?

3. Sorting out

- Is there IP that refers to products/services that the company no longer offers? Is there a likelihood that these products/services will be taken up again at some point?
- Are all IP-related contracts still relevant? Are contractual obligations mute due to the abandonment of IP, through expiration of time or otherwise? Who should be informed?

4. Structure and strategy

Much has already been achieved with the answers to these questions. Even a single ambiguity within the step of “dusting” must result in rapid action. If you don’t know your portfolio, you won’t know whether there are risks or where they lie. It will then not be possible to advise management, develop a proactive strategy for IP exploitation and ensure compliance, for example with existing contractual obligations. This situation endangers the success of the company and must be ended. If required, external consultants can provide interim support as an outsourced legal department. They set up basic structures which the company can then continue to use independently.

Tidying up and sorting out sounds annoying. As in the household, however, it can also generate pleasure: It is not unusual to rediscover one of the company’s traditional brands or the founder’s first patent. Perhaps this could be the starting point for a new edition of “retro” products or an image campaign that highlights the brand’s tradition? If the overview shows that a large number of IP is protected in a region where the company has not been active for a long time, there is potential for efficiency increases: It may be worthwhile to stop maintaining the IP in order to save costs. However, if trademarks have been successful in the area concerned, they may still be usefully monetarised through licensing – even if they cannot be used for one’s own purposes.

A look at the contracts is also important: Maybe delimitation agreements have in fact become obsolete, maybe the conditions underlying cease and desist declarations have changed and they can be cancelled. Licence conditions may be outdated or the licence relationship may be lived differently than the contract provides for. A contract update may be necessary. If the persons involved in the original contracts have left the company, it also makes sense to discuss things with the (new) colleagues: What contractual obligations is the company bound by and how are these to be taken into account in the current business?

In the best case, spring cleaning is done quickly. If, however, inconsistencies or perhaps even problems appear, quick action can now be taken.

Can we support you?

We are happy to analyse and optimise your IP management with you. If you lack the resources for professional IP management, we are also available to you as an “external in-house team”. You will also benefit from our expertise as IP litigators. We secure the IP of your company and actively defend it if necessary.

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