Intellectual Property and Innovation Management by Small and Medium-sized Enterprises – The Importance of IP Audits

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6th-8th November 2019
Harare, Zimbabwe
Presentation outline

- Intellectual property and Innovation
- Intellectual property audit process
- Conclusions
Intellectual Property and Innovation

Innovation means doing something new that improves a product, process or service. Many innovations can be protected through intellectual property (IP) rights.
Intellectual Property and Innovation

- Many times SMEs innovate without knowing.
- Lack of recognition of said innovation.
- Innovation not seen as IP.
- VALUE NOT MAXIMIZED.
How does an SMEs manage its IP assets effectively?

(a). Must **Recognize** that IP assets are **business assets and must be**
- accounted for,
- managed
- effectively exploited

(b). Must carry out **intellectual property audit (IP Audit)**
Intellectual Property Audit

Where you are

Taking stock of IP Management

How to reach there

Extract the full value be

Capitalize on potential of IP Assets
IP Audit Process
IP Audit Process includes

1. Determining the actual IP assets owned by company
2. Identifying potential IP assets for the company
3. Examining contracts and agreements is IP included
4. Reviewing Policies - is IP included, what of employees
5. Formulating business strategies based on the findings
i) Identifying Company’s IP Assets: List of IP Assets

- List down all the IP Assets of the company (Actual and potential)
- IP Assets are either technologically or institutionally based
- For each of the listed IP assets determine the following:
  a) Status of ownership
  b) Protection-level and type of protection given
  c) Value - Know the value so that you are not shot changed
  d) Commercialization
  e) Enforcement
i) Identifying Company’s IP Assets: **List of IP Assets**

- **Technologically Based IP Assets:**
- **Actual IP Assets**
  - Patents,
  - Trade Secrets,
  - Industrial Designs,
  - Software,
  - utility model,
  - integrated circuits.
  - New plant variety
i) Identifying Company’s IP Assets: **List of IP Assets**

- **Technologically Based IP Assets:**
- **Potential IP Assets**
  - New product, process, or formulations, apparatus, unique package
  - Small improvements to existing technologies, a new use to existing products
  - Unique shapes, patterns, packaging
  - A variety of plant
i) Identifying Company’s IP Assets: List of IP Assets

- **Institutionally Based IP Assets:**
  - Company’s brand,
  - product brand,
  - trademarks,
  - customers’ lists,
  - distribution channels,
  - quality marks,
  - Copyright
  - Business method

*In general the value of intangible assets (IP) is underestimated by SMEs*
i) Identifying Company’s IP Assets: Current status of existing IP Assets

**IP Protection**

- Are IP Assets already protected?
- If **Yes**, through which IP right? **Are they still valid**?
- In which **countries**?
- If **not**, determine the best strategy for your company in protecting the IP Asset:
  - (patents, ID, Trademarks, copyrights, trade secrets etc)
- Protect it
i) Identifying Company’s IP Assets: Current status of existing IP Assets

- Determine Current commercialization strategy
  - Being used
    - By Who, how?
  - Underutilized, why?
  - Unused? Any potential?
  - Obsolete
i) Identifying Company’s IP Assets:

**IP Enforcement**

Determine enforcement strategy in place

Is actions against infringers worthwhile

Need to develop a policy on IP enforcement

Identify possible infringer
Positive Effects of IP Audit to a Company

- Protect your IP Assets thro IPRS
- Business strategy inclusive of IP
- Enterprise position in the market
- Knowledge of your IP Asset value
- Develop Contracts with companies interest
Positive Effects of IP Audit to a Company

- Cost reduction on obsolete IP Assets
- Improved bargaining in mergers and acquisition
- Increased revenue thro licensing
- Develop Institutional policies on IP
- Develop Contracts with companies interest

IP Audit