

Intellectual Property Management

There is clearly more to IP management than simply providing a production line for the generation of patents, trademarks and agreements. A few of the many issues facing those charged with managing an organisation's IP portfolio are outlined in this guidance note, whilst there is a separate discussion note on patent management.

Signs of a well managed IP portfolio:

- Where needed, simple and clear IP management processes are in place, e.g. a system of document markings, processes for approving the release of information, and systems to monitor third party patent/trademark filings.
- The utility of the IP portfolio is routinely reported to an executive committee, and any SWOTs identified are used to inform the organisation's business strategy/decision making.
- The IP function is highly visible, involved in key business decisions, has a supportive management chain, and is able to access the full range of IP expertise it needs.
- The organisation has a clear licensing strategy, which identifies markets and technology areas where licensing opportunities are to be pursued.

IP Management Processes : The areas where processes are needed will vary from organisation to organisation. In general, small organisations - provided they have a well integrated and visible IP function - will have less need for formal processes. However, the following are two examples of processes that may add value to any organisation:

1. Processes designed to ensure sensitive information is identified and managed, by:
 - Providing guidance that enables the sensitivity of information to be quantified, and thus avoid the under, or over, use of restrictive markings.
 - Providing a clear and flexible system of labelling.
 - Providing a clear approval route for sanctioning the release of information - ideally making use of an electronic system to track and record approvals.
 - Providing clear instructions on how sensitive information is to be handled.
2. Third party patents and trademarks should be regularly monitored, both as a source of market intelligence and also to help ensure third party intellectual property rights (IPRs) are not infringed. Here, a formal process can add value if it ensures that; responsibilities are clear, search parameters are appropriate and regularly updated, and that the results are both reviewed and responded to in an appropriate manner.

Risk Management : Organisations should decide how they will address the risk, and manage any mitigating actions, connected with the infringement of third party IPRs:

- In addition to patent and trademark monitoring, Freedom-to-Operate¹ reviews can be conducted to help identify infringement risks, and organisations

¹ If an organisation commercially exploits, sells or offers to sell a product or service in violation of a third party's valid IPRs, then it has committed an act of infringement. A Freedom-to-Operate review seeks to proactively identify third party rights that could present a legal obstacle to the deployment of a given product or service. This task is typically carried out at a key point in the product or service's life-cycle and updated at appropriate intervals. These reviews can be expensive to perform, but once an organisation has reviewed its core technologies, then individual projects need only be concerned with reviewing their new innovations.

therefore need to make a risk-based decision on the circumstances under which, and the depth to which, reviews of third party IPRs are carried out. Appropriate triggers and requirements should then be embedded in decision-making processes such as project approval and bid-no-bid processes.

- ② Uncapped IP liabilities can be created by a range of agreements ranging from sales to confidentiality agreements. Indeed there are markets and circumstances in which they cannot be avoided. An organisation should establish a clear policy on the IP warranties and guarantees it will seek and give, together with a clear framework of delegated powers.

The IP Function Itself :

- ② Many IP functions struggle to maintain secure access to all the expertise needed for the; prosecution of patents / trademarks, drafting of agreements, and handling of litigation. In larger organisations achieving the right balance between in-house and external specialists is a difficult balancing act, as is maintaining the networks needed for mentoring and the peer review of work. In smaller organisations there will be no choice but to rely on private practice, and here the dependencies need to be carefully and actively managed.
- ② The reporting line for the IP function is clearly important, and here there are often a number of credible options. Whichever option is chosen, management must be supportive by ensuring that a) specialist IP input is provided into key business activities, b) sufficient resources are available to maintain the necessary pool of IP expertise, and c) effective linkages are maintained between the IP function, other legal disciplines, and the commercial and technical functions.
- ② Unless the IP function is visible, it will not have sight of innovations that need to be protected, or all the commercial issues requiring their input. Significant resources need to be directed at achieving the right visibility, and establishing a network of non-qualified IP contacts within the operating business is an option available to larger organisations.

Intranet Site : An intranet site addressing IP (and ideally knowledge management) is an important asset for many organisations. Ideally it should describe:

- ② Basics about IP and knowledge management.
- ② Roles and responsibilities.
- ② Processes that should be followed.
- ② Templates and crib sheets that can be used to help people discharge their responsibilities and implement processes.
- ② Sources for help and further information.

Licensing : A few organisations manage to generate significant income from the licensing of IP, and this has shifted the expectations of many senior management teams. It is IP&AM's experience that the realisation of these opportunities does not result from audits commissioned to uncover hidden licensing opportunities, but instead from business strategy, where a decision is made on which markets are to be exploited directly and which via licensing.