INTELLECTUAL PROPERTY
AUDIT

The Role of Intellectual Property and Innovation in Economic Growth
Regional Seminar
September 22-24, Zagreb, Croatia
Topics to be Covered

• What is an IP Audit?
• When do we do an IP Audit?
• What are we trying to figure out?
• Who does it?
• What is the role of WIPO?
## What is an IP Audit?

<table>
<thead>
<tr>
<th>Private Sector</th>
<th>Public Sector</th>
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<td>• Assessment of the actual and potential intellectual property assets of the company</td>
<td>• Assessment of the infrastructure and preconditions for IP asset development and management relevant for regional cooperation, national economy, scientific and research institutions, government institutions and infrastructure to support</td>
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When do we do an IP Audit?

Private Sector

- Before a significant acquisition of a technology or product
- In the early stages of a technology company’s formation to address IP strategy
- In mergers and acquisitions
- During development of a major new product
- In the process of change or new development in the law
When do we do an IP Audit?

Public Sector

When we want to define strategic policies to:

- Respond to the new global market demands/globally based competition driven by ideas and innovations
- Develop knowledge based economies on the regional and/or national level
- Commercialize R&D inventions
- Optimize return on R&D investment
- Promote more efficient and effective use of government IP resources in the public interest
Public Sector IP Audit

What are we trying to figure out?
What are we trying to figure out?

Trends and patterns that relate to IP assets:

• Plans, Strategies, and Policies relating to IP
• Market Identification and Strategy
• Clusters and Targeting
• Human Capital Development
• Professional Education in IP
• Brain Drain and Brain Gain
• SME Policies and Use of the IP System
• Incentive and Innovation Promotion Laws and Programs
• University and R&D Center Programs and Support
• Licensing
• Funding, Venture Capital Financing
What are we trying to figure out?

Plans, Strategies, and Policies Relating to IP

Is there currently:

- intellectual property strategy, plan, or policy?
- “innovation plan”?
- strategy, plan or policy for research and development (R&D) or science and technology?
- strategy, plan or policy for industrial development or economic development?
- Examples - Australia, Slovenia, Hungary, Japan
What are we trying to figure out?

Market Identification and Strategy

• Is there market definition (where the new technology, product or creative work will be made, used, distributed and commercialized)?

• Do the specialized export development or promotion agencies/institutions focus on the use of the IP system for improving access to the markets?

• Is there regional/sub-regional trade in IP and/or IP-based goods and services?
What are we trying to figure out?

Clusters and Targeting

- “Clusters” - groups of related companies, suppliers, services and institutions often geographically proximate
- Is there any “cluster” in your country/region?
- Identification of “clusters” with competitive advantage
- IP Asset development
- Human resource development
- Focusing on targeted objectives (economic development priorities)
What are we trying to figure out?

Human Capital Development

- What is the level of basic education?
- What trends may be observed in science and technology education?
- How does the educational system relate to the “Clusters” (that may be identified by IP Strategies or Policies)?
What are we trying to figure out?

Professional Education in IP

- Do you have IP trained personnel (patent agents, licensing experts, trained enforcement personnel)?
- Is there strategic understanding of IP and its relationship to development of knowledge based economies among decision-makers?
- Do you have technology management?
What are we trying to figure out?  

Brain Drain and Brain Gain

• Is there a “Brain Drain” problem?
• What are the policies, programs, research grants to combat or reduce the problem?
• Are there the ways to attract key professionals from abroad?
What are we trying to figure out?

**SME Policies and Use of the IP System**

- Is there government support to help enterprises integrate strategic IP plans and policies into their business plans and corporate planning?
- Are there invention disclosure programs?
- Awards for inventions?
- Technology incubation programs?
- Government support for SMEs to use the IP system nationally and in other countries?
What are we trying to figure out?

Incentive and Innovation
Promotion Laws and Programs

• Do policies and programs to support creativity, inventiveness and innovation exist?
• Is there awareness about the importance of IPR ownership and exploitation of IP Assets? Grants of IP ownership?
• Are there financial incentives for IP asset development and commercialization?
What are we trying to figure out?

University and R&D Center
Programs and Support

- Do any local Research Centers (RCs) including, universities, institutes, R&D centers currently own any patents? Trademarks? Other IP?
- What is the current status of IP assets development, management and use in these RCs?
- Do universities and research centers have IP Policies?
- Are there Programs and policies to support RCs regarding the protection and exploitation of their research results?
- **Australia** National Policy Framework and Principles of IP Management for Publicly Funded Research
What are we trying to figure out?

Licensing

• Existence or level of development of licensing as a business practice in the regional/national/institutional level

• Do universities and institutions of higher education in the country/region have the infrastructure support to license IP?

• Are there currently any trademark licensing programs involving local entrepreneurs in cultural industries (e.g. branding)?

• Do publishing industries in your country distribute works of authorship using distribution licenses?
What are we trying to figure out?

Funding, Venture Capital Financing

- Existence of funding sources for financing and providing credits for IP rich but tangible asset poor enterprises in the region/country
- Are there government funding facilities targeted at financing for SMEs and research start ups in technical fields?
- Are there any guarantee programs for investments in R&D based enterprises?
- EU Get2Growth Initiative
What are we trying to figure out? Affordability, Security and Ease of Use of IP System.

• Is the IP system affordable and easy to use for inventors, research institutions, small businesses, non-profit institutions, etc?
• Is there any financial assistance to potential users?
• Do potential users of the IP system have confidence in the security of information that is deposited in the IP Office?
• The “Patent Application Fund” (PAF) of Singapore
What are we trying to figure out? Role of IP Administration and IP Office in IP Strategy

• Are there IP outreach programs from the IP Office to research centers, universities and institutions of higher education in your country?

• Does the IP Office offer value-added information and advisory services, including IP audits and assessment, IP strategic counseling, patent drafting services, patent and technical information services, and outreach programs for new users?

• Does the IP Office coordinate with government officials responsible for SME programs?

• Example - Indonesia Restructuring IP Administration Project
What are we trying to figure out?

Public Awareness of IP

- Do you have IP mass communication programs (radio, TV, newspapers, special magazines and publications, etc.) addressed to the general public in order to make IP and its role in economic development more understandable?
- Are there public awareness programs that explain invention and creativity as national assets that are communicated in schools and workplaces?
- Do teaching/training programs of engineers, scientists, economists, lawyers and managers provide an insight into the use of the IP system?
Who does it?

Private Sector
- Usually it is undertaken by law or consulting firms
- Guiding principle - commercial interest

Public Sector
- Specialized governmental institutions /State Auditor/
- Ad hoc governmental bodies /Inter-Ministerial and expert working groups/
- Contracted external experts
- Guiding principle - public interest
What is the role of WIPO?

- Support
- Guide
- Facilitate communication with other International Organizations, international experts and international private sector
- Help in evaluation
- Participate and assist in follow up activities
What is IP Audit Tool?

- Designed by the Secretariat of the WIPO
- Flexible tool / adaptable to particular situations
- Envisaged as a first step in the process of strategic policy definition
- Form - series of questions designed to ascertain trends and patterns that relate to IP asset development and management
  - organized in topical parts
  - each part contains a brief explanation of the subject, as well as illustrative examples of practices and policies of several countries