

### What is an IP Audit?

An IP Audit gives you an overview of the IP owned and/or used by your company.

### Why do you need an IP Audit?

An overview of your IP will enable you to determine how important your IP is for your business and what is the value to your business. An IP audit is especially important when deciding to expand the business outside your home market.

- Once you have audited what your IP is it will enable you to manage your IP to maximise value and competitiveness by enabling you to create an IP strategy that works for your company in the short and long term.
- Such a strategy would include determining the extent to which your IP should be registered. Your IP filing strategy should reflect your business needs and take into account both domestic and worldwide strategies. Depending on your company's products and business plan, as well as financial constraints, it may be worth considering also filing certain IP outside of your core markets, taking into account the increasing spread of piracy and counterfeit production of goods.
- Registration ensures legal protection and the ability to enforce as well as reap the financial benefits of licensing your IP to others.

### What would be included in an IP Audit?

IP assets you need to consider include any registered and unregistered trademarks, copyrights, designs or patents as well as licenses to third parties, and licenses from third parties. For more information about the types of IP please go to the 'Finding your way around IP in China' section. You may also consider elements such as work manuals, databases, recipes, franchise agreements, publications, product/process know-how, marketing materials and more. For an example of issues to include in an IP audit please visit the following website: [http://www.wipo.int/sme/en/documents/ip\\_audit.htm](http://www.wipo.int/sme/en/documents/ip_audit.htm)

### How do I carry out an IP Audit?

The first question to be answered is whether your company has IP? No matter the line of business that your SME is in, it is almost certainly in the possession of, or generating, some kind of intellectual property, whether it is a trade name, confidential information or other type.

To carry out an IP audit consider the following aim to create an overview of all IP used in your business, acquired, used and owned in your business by:

- Outlining all of your company's business activities, including areas such as sales, marketing, manufacturing and any other activities.
- For each of those business activities, make an overview of all types of products delivered by your company, including not just the products themselves but also which types of printed material, designs, logos, trade names, product names etc. that you use in your marketing, consumer and other communications.
- List all known specific technology that goes into making your product, whether the technology is yours or licensed to you by someone else. Make a list of all affiliated companies and business partners that you are currently working with and who may be using your technology to produce your company's products either by license or otherwise.

### Examples of questions to ask during your IP Audit

- Does your business use a name or logo?
- Do you use any information in your business that you regard confidential? (For example, product formulas, pricing information, financial data etc.)?
- Do you use product names in your sales process?
- Does your company create processes or design tools, machines, graphics, advertising?
- Are your products or packaging unique in some way compared to competitive products?
- Does your company have a website and do you use flyers, catalogues and similar materials?

**What is the value of my IP?** Issues to consider include: the contribution the asset makes to the business, the license value and the amount invested to develop the asset. Also consider how much you would be willing to invest to enforce against infringement. To come up with an accurate assessment of value, you may also consider discussing with an experienced financial advisor or IP lawyer.

**Consider if you need professional help** Once you have an overview of the various IP assets in your company, in order to decide on the appropriate way to protect it, consider enlisting the support of an IP professional. It is advisable to ensure that the IP professional you choose possesses knowledge of your technical field and is willing to take into account the resource constraints that are often faced by SMEs. Information on finding the right IP lawyer is available in the **'Finding the Right Lawyer'** section.

## Assess your IP

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