



MANAGING IP AS AN ASSET

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IP Trademark, Copyright & Licensing Counsel Forum
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INTRODUCTIONS



Introductions - **Richard Raysman**, Partner, Holland & Knight

Panel - **Donald A. Gammon**

Vice President & Assistant General Counsel,
JP Morgan Chase

Kevin Patterson

Senior Counsel, IT Sourcing and Operations,
General Electric Capital Corporation

Moshe Malina

Chief Patent Counsel & General Counsel, Citi Group

David Vance Lucas

Legal Strategist, former Senior Vice President,
General Counsel, Intergraph Corporation

Managing Intellectual Property as an Asset

*Part bond - part lottery
ticket.*

CAPABILITY



Developing an in-house role that's savvy and strategic

- Identify active industry participants
- Benchmark industry practices
- Access Relevant Market and IP environment
- Weigh current economic factors
- Determine regulatory requirements
- Evaluate litigation and licensing

GOALS

How to affect change and leverage IP assets

- Define the business purpose
 - Revenue, defense, competitiveness, R&D
- Establish strategic goals
 - Income generation, operational freedom, shareholder value
- Generate a mission statement
 - Intended scope, purpose, targets and customer/market effects

STRUCTURE

The role of IP in company value creation

– Shareholder value

- Organic growth, enforcement or strategic positioning

– Tiered organizations

- Parent, IP Holding and Operating Companies

– Administrative services agreements

- Organization, services, licensing and flow of funds between companies

– Corporate policies and procedures

- IP policies for proprietary rights, open source, protection and licensing

VALUATION



Considerations when valuing IP as assets

- Industry standards and practices
- Industry margins and % of royalty
- Commercial reasonableness
- Macro economic realities
- Time value of money, ROI
- Enforceability
- Foreign filings and rule of law

THE “BOND”

How to craft the best protection package

- IP protection best suited to the business
 - Internal/organic IP
 - Inorganic/acquired IP
 - Domestic US vs. Foreign Filings
- External licensing and protection programs
- IP as part of a corporate strategic business plan

THE “BOND”

IP protection best suited to the business

- Budgeting and business
- In-sourcing
- Outsourcing
- Available automation
- Trademarks, copyrights, patents and trade secret portfolios
- International associates, organization and

THE “BOND”

Organic IP

- Policies and procedures
- Alignment with operations
 - Oversight and financial responsibility
- Development incentives
 - Addressing multijurisdictional inventor rights
 - Access to inventors
- Valuation and reporting
 - Documentation and tracking

THE “BOND”

Inorganic IP

- Acquisition via M&A or brokerage
 - Policies and procedures
 - Alignment with operations
 - Research tools and processes
- Oversight and financial responsibility
 - Integration with organic IP
 - Valuation, documentation and tracking
 - International coordination

THE “BOND”

External IP licensing and protection programs

- Licensing models
 - Running royalty, Lump sum, Subscription
- Licensing terms
 - Industry standards and course of dealing
 - Cross licensing
 - Foundry and “have made” rights
 - Exhaustion – downstream markets

THE “BOND”

IP as component of Corporate Strategic Business Plan

- R&D
- Compliance
- Marketing
- Budgeting
- Benchmarking
- Domestic and foreign markets

IP ENFORCEMENT



THE “LOTTERY TICKET”

- How should you monitor?
 - Effects on operations
- How often to search?
 - Pre-licensing / litigation diligence
- Where to file/how to file?
 - Strategic planning and tactical execution
- Shareholders/customer considerations
 - Unintended effects

IP ENFORCEMENT



THE “LOTTERY TICKET”

How should you monitor? - Effects on Operations

- Anticompetitive effects
 - Misappropriation
 - Imitators
 - Offshore /grey markets
- Oversight and accountability
 - Minimize operational distraction
- Align revenues, costs and taxation

IP ENFORCEMENT



THE “LOTTERY TICKET”

How often to search? - Pre-licensing / litigation diligence

- Deconstruction of IP claims
 - Charting infringement
 - Claim contentions
- Defenses /Invalidity
 - Prior art searches
- Remedies
 - ROI valuation of targets

IP ENFORCEMENT

THE “LOTTERY TICKET”

Where to file/how to file? - Strategic planning and tactical execution

- Choice of forum
 - Domestic, foreign, administrative
- Selection of trial counsel
 - Use of local counsel
 - Utilization of experts
- Available productivity tools and automation
 - E-Discovery requirements, trial tools and

IP ENFORCEMENT

THE “LOTTERY TICKET”

Where to file/how to file? - Strategic planning and tactical execution

- Financial risk assessment
 - Small companies can have great IP
 - Emerging company revenues vs. mature sales
- Legal risk assessment
 - DJA’s
 - Counter claims

IP ENFORCEMENT



THE “LOTTERY TICKET”

Shareholders/customer considerations

- Unintended effects
- Public disclosures
 - Reg FD and Sarbanes Oxley
- Stock valuation
 - Derivative actions
- Competitiveness
 - Disclosures to competitors

IP ENFORCEMENT



THE “LOTTERY TICKET”

International IP considerations - Complexity

- Variety of filing requirements
- Limitations on remedies
- Differences in inventor rights
- Differences in the rule of law
- Risks of judicial corruption and local prejudice
- Competitiveness and mandatory licensing