



Monetizing IP

Most business professionals understand the importance of their intellectual property (IP). Protecting IP is critically important in all stages of business development, but getting the most monetary value from your IP is a different matter, and one that is not often seriously considered by the IP owner.

Every legitimate business has some form of intellectual property. Some IP is not very significant and is useful only to the owner, but in other instances, IP has potential value to someone else if use of it is available. If the IP owner does not want to make its IP available to others, the IP can have value to the owner for use to support access to capital.

What is Intellectual Property?

Before discussing monetization of intellectual property, it is necessary to identify the meaning of IP. Intellectual Property is any of the following: patents; trademarks; copyrights (e.g., drawings and computer codes); "brand" (e.g., names, logos, or jingles often associated with a trademark); designs (e.g., technical specs for a product); domain names/website addresses; trade secrets (e.g., method of doing or implementing or information that is known only to a select few people); and other (e.g., goodwill).

Monetization of Intellectual Property

There are many ways to generate revenue from (monetize) intellectual property other than direct use of the IP by the owner. Monetizing includes: licensing to a third party for specific or limited use (allowing the IP owner continued use of the IP); contribution of IP to a joint venture for co-development and shared benefit; sale of IP with or without a license of it back to, or reserved use of it by, the IP owner; securitization and collateralization;

and spin-out to form new business. All of these means of monetization require careful review and properly prepared agreements.

IP is a valuable business asset, and like any valuable asset, it needs management for:

- Identification
- Further enhancement or creation
- Continued protection
- Sound and creative commercialization

If your IP is underutilized, you may want to consider opportunities to monetize. If you need assistance, there are firms who specialize in selling



and licensing IP, domestically and internationally. These firms may know a potential user of your IP or suggest opportunities for your IP that you are unaware of. Finally, keep in mind that some IP is considered "dead" to the owner, but it may have a new life if available to someone else.

If you have questions, or would like to discuss opportunities for your business, contact your CPM Business Law Attorney today!