

Using IP Valuation to Generate Business Value

- Business of IP Asia Forum -

Tim Heberden
IP Valuation Director, Griffith Hack



IP value: low visibility



Tangible Assets
<40%

IP
approx. 2%

Royalty Receipts: Total Trade*

US: 5.1%
HK: 0.1%

* WIPO/ INSEAD:
Global Innovation Index 2014



Patents & tech:
US\$5.5B



Brands:
US\$10.3B

Patents:
US\$1.67B

Damages

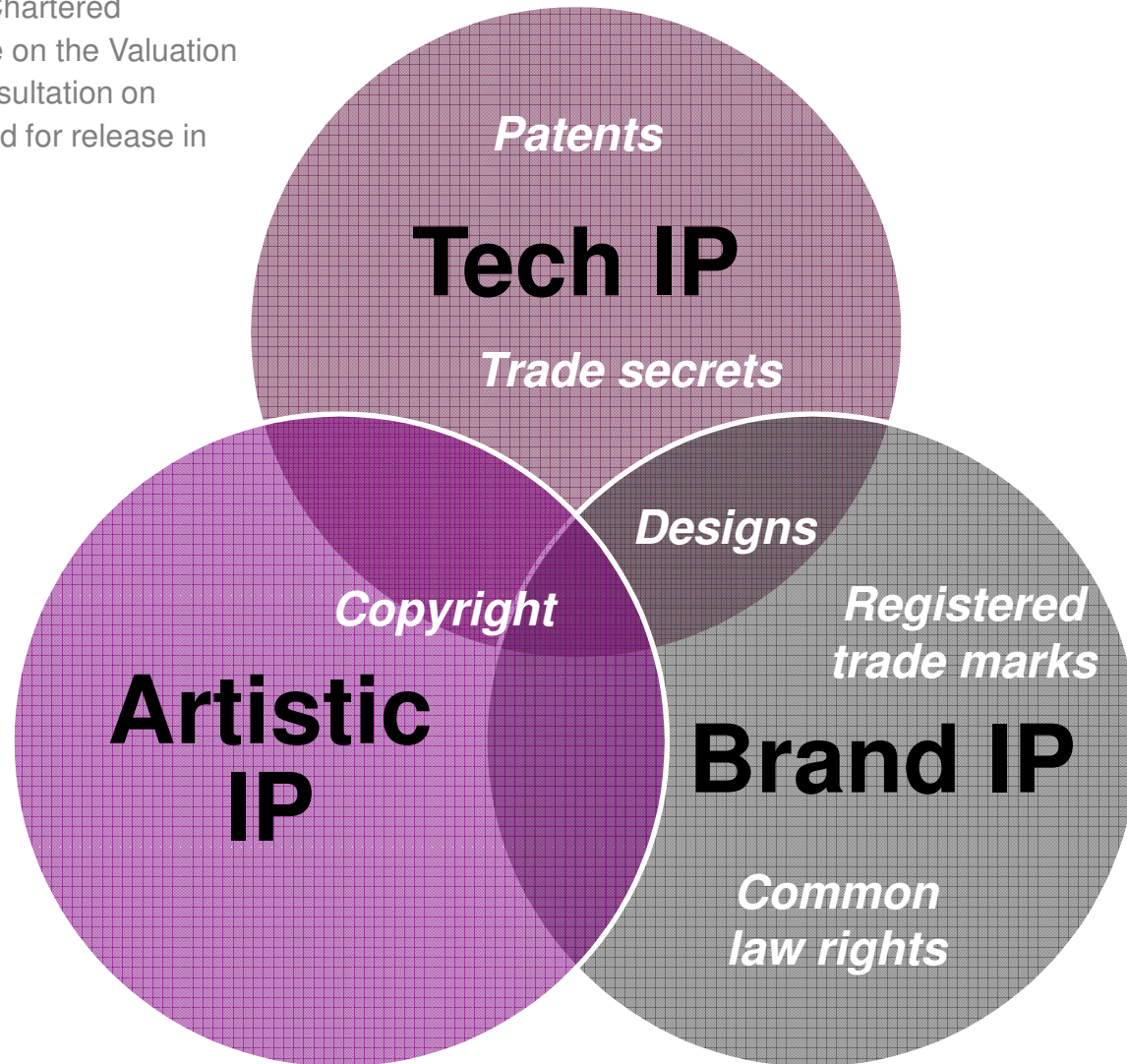


Applications of IP valuation

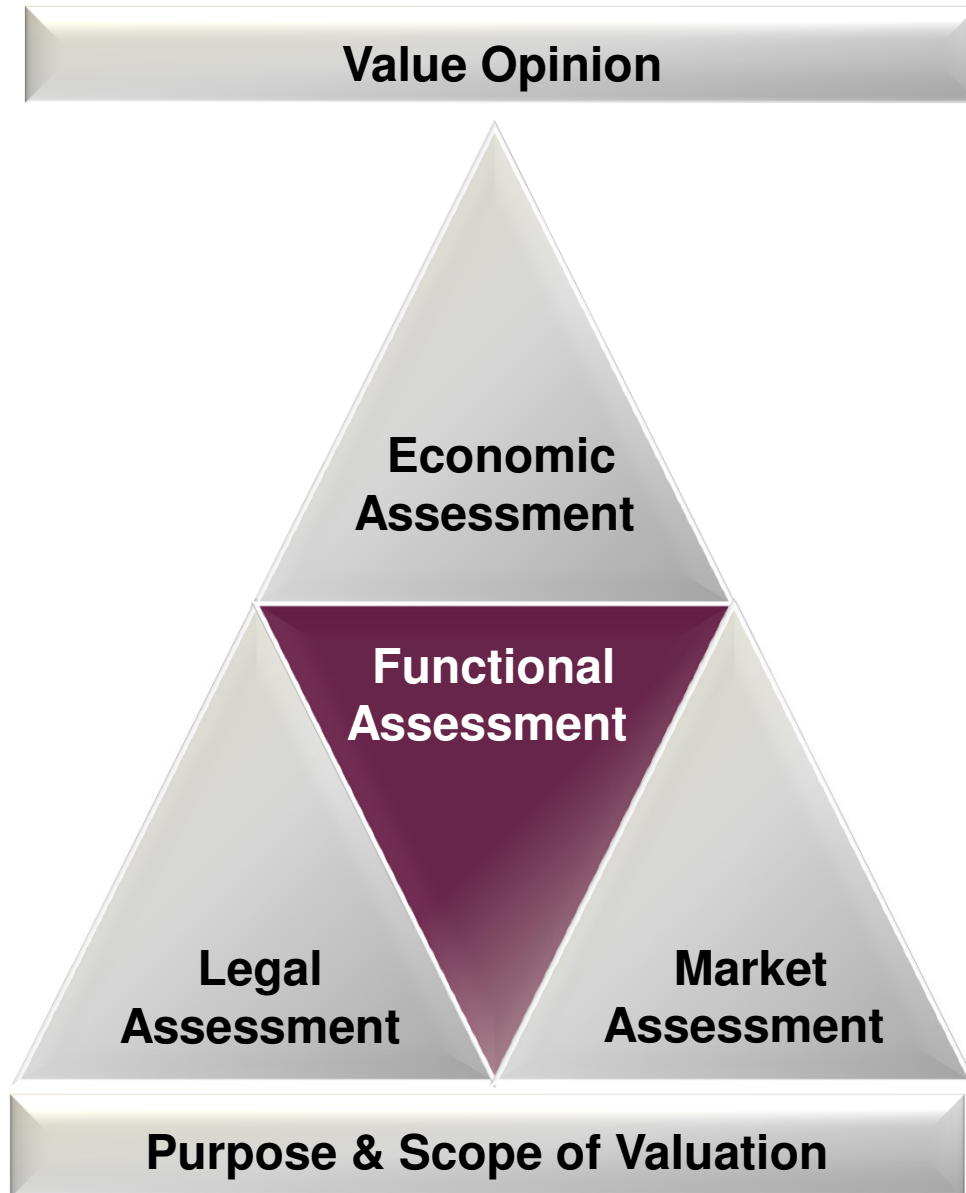


RICS Guidance Note on IP Valuation: groupings of IP

The Royal Institution of Chartered Surveyors' guidance note on the Valuation of IP will go to public consultation on 18/12/14 and is scheduled for release in March 2015.



Components of an IP valuation

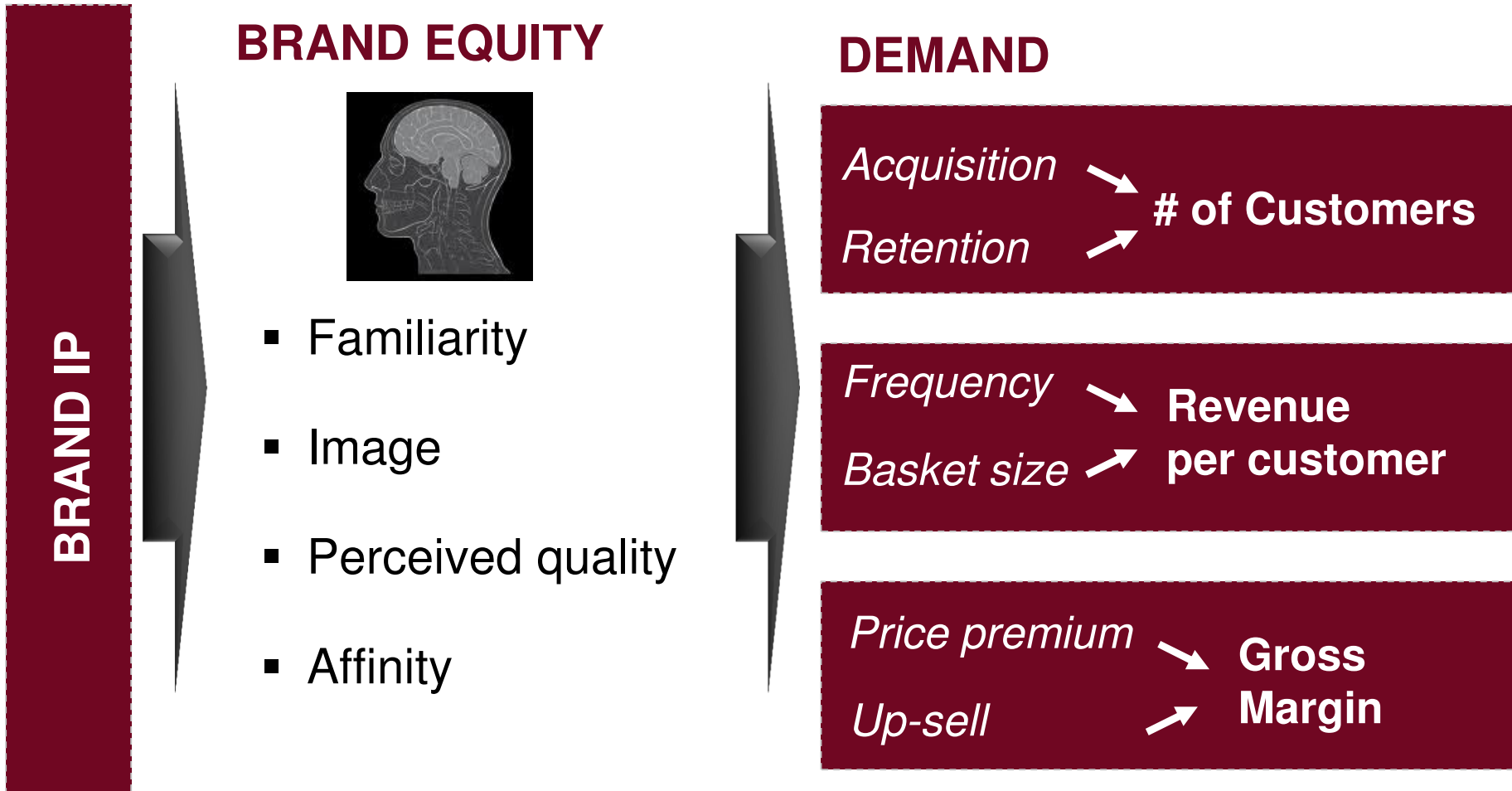


Legal characteristics - Brand IP

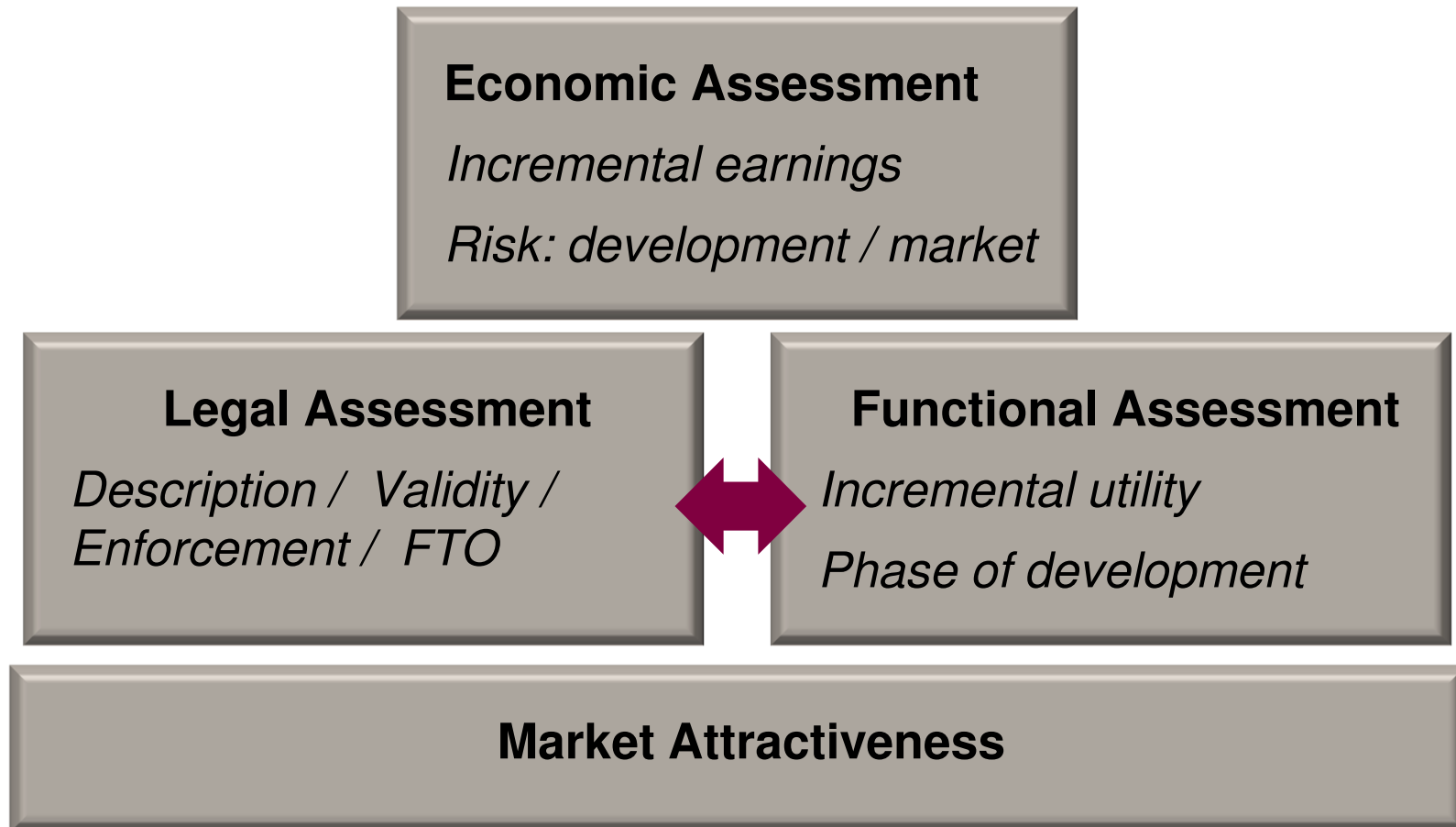


- Registered trademarks
- Unregistered trademarks
- Copyright in logo
- Designs?
- Brand guidelines?
- Recipe & brewing guidelines?

Functional characteristics - Brand IP



Tech-IP: functional, legal & economic characteristics



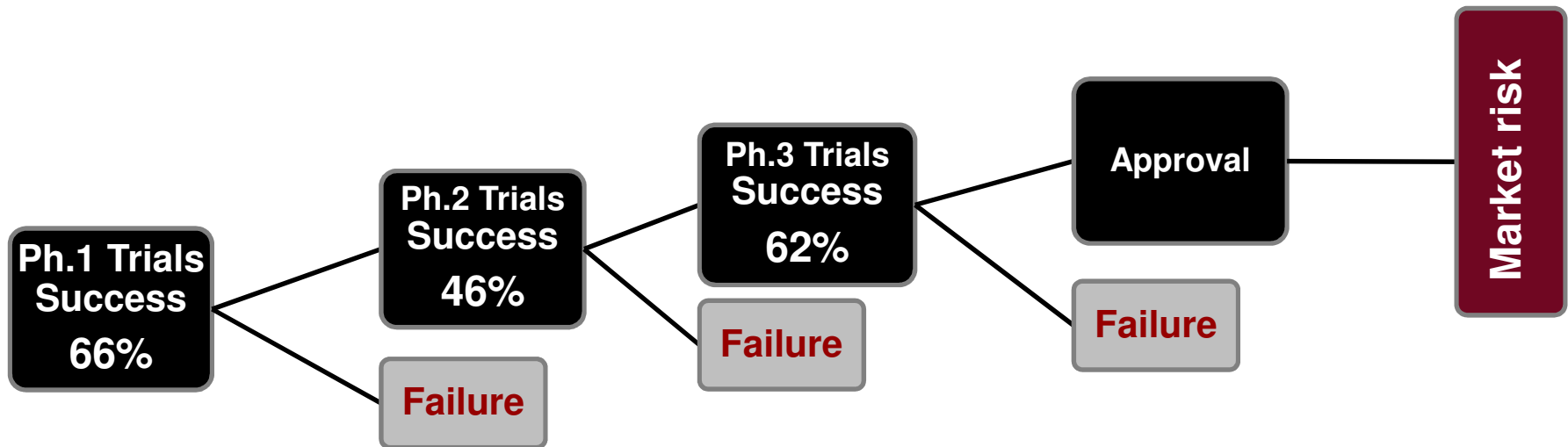
Tech-IP: development risk



Estimated time to market: 7 years



Cumulative probability of market entry 15%



Impact on methodology and assumptions

Market Approach

Comparable sales

Benchmarking adjustments

Cost Approach

Replacement cost

+

Opportunity cost

-

Obsolescence Provision

Income Approach

Future earnings

Risk

Useful Life



Maximising competitive advantage through intellectual property

| creation | protection | valuation | monetisation |

www.griffithhack.com.au

Tim Heberden

tim.heberden@griffithhack.com.au

+61 2 9925 5919

+61 405 121820