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MANAGING FOR SUCCESS

How to Realize Top Value From Intellectual Property

Many companies seek to protect their inventions by filing for patents with the federal government. But once you obtain a patent, the real work begins.

"If you've invested a lot of money in R&D to get the patent grant, you still face the continuing investment of ongoing patent fees," said Jim Pohlman, vice president of CPA Global, an Alexandria, Va.-based provider of intellectual property support services.

He advises business owners to conduct an annual portfolio review of their patents. This involves tracking the status of breakthrough innovations to determine "what you've got and what else you can potentially do with it," he says.

Track Your Rival's Patents

Assessing your patents periodically helps you spot opportunities to monetize what you've already developed. By taking stock of trends and technological advances in your industry, you may decide to squeeze more short-term revenue from your invention.

"It may be applicable now but in a few years a new technology can replace it," Pohlman said. "A proper review might lead you to take full advantage of it now."

By reviewing your patents, you can also benchmark your innovations against your rivals. The U.S. Patent and Trademark Office provides an online database that allows you to search all patents after examiners complete their research and approve an application.

Studying competitors' patent applications and grants enables you to track the evolution of fledgling inventions. A single innovative design or technology can breed a slew of related breakthroughs.

"You can map patents visually within a certain technology and apply other analytics to score or rank groupings of patents," Pohlman said. "That might lead you to design around a really strong patent and come up with five or six similar ones so that you create a firewall."

Value Assets Wisely

To maximize the value of your

patents, Pohlman proposes a menu of options. Start by identifying patents you can sell to another company for an immediate cash infusion or hold until your promising invention "is ready for prime time," he says.

For your most valuable patents, you'll want to protect them so that they continue to drive revenue growth. In other cases, you might decide to abandon a patent to save the high renewal fees (both within the U.S. and possibly other countries).

It's easy to grow emotionally wedded to an invention, even if it doesn't translate into dollars for your company. If you meet with your R&D team to weed through your patents to determine which ones to sell or abandon, your employees may express reluctance to part with their cherished innovations.

"Often, internal employees who had something to do with creating the invention insist that they're all still good," Pohlman said. "An independent voice can help you value these assets more accurately."

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