

## Intellectual property (IP) audits

An Intellectual Property (IP) audit is a systematic review of the assets owned, used or acquired by a business.

It allows a business to gain a clear picture of their IP portfolio and associated risks and imperfections (if any), and may uncover under-utilised IP which can then be used and capitalised on by the business going forward. An IP audit also enables a business to devise and/or improve policies and procedures to ensure key IP is maintained and improved.

IP audits should be performed regularly and periodically. A business which understands its IP is often in a far better position to attract buyers and investors since it can answer more capably the inevitable questions concerning what IP rights it owns.

#### **Key contact**



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### Step 1 Initial considerations

#### Scope

- has the aim of the audit been established?
- which organisations or business units should be covered?
- which product or services should be covered?

#### Cost

 will vary depending on the size of the organisation and the amount of IP to be reviewed.

#### **Key contacts**

 who in the business is best placed to assist the IP auditor with an understanding of the business and its IP?

# Step 2

Identify the IP rights owned and used by the business – best accomplished by working through a questionnaire.

The aim of this is to:

- capture all readily identifiable
- review any relevant licences used or granted by the business
- determine who owns the IP and whether the business has the appropriate rights to use it
- identify whether there are any problems that need addressing or disputes that need resolving.

## S<sub>tep</sub> 3 Written report

Final step is to produce a written report, tailored to the business, setting out key findings and recommendations.

In particular the report should include:

- a list of the IP rights owned and used by the business
- strengths and weaknesses of each
- recommendations on how the business can improve its position
- suggestions as to what remedial actions are required (if any) to fix any imperfections in the IP
- suggestions as to any policies and procedures to be created and/or improved upon concerning the IP.