



**Understanding Intellectual Property Audit**

# **Introduction to an IP Audit**

# Understanding IP Audit – Introduction

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Intellectual Property Rights (IPRs) hold great importance for your business and ensuring protection as well as maximising their commercial value and potential as assets can be vital.

An IP audit can help uncover opportunities to capitalise on the value of your IPRs and assist with protecting your ability to enforce them.

## **What is an IP Audit?**

An IP Audit is a review of your IPRs conducted by a legal professional specialising in IP law.

IPRs include trade marks, copyright, designs and patents, as well as certain associated rights. As part of an IP Audit, we can review the relevant information provided by you and revert to you with our conclusions and recommendations. The scope of our audit can be tailored to your individual needs and the applicable fees will depend on this.

Most frequently, the results of an IP Audit allow to:

- Identify existing registered and unregistered IPRs
- Identify existing commercial contracts with an IP element (such as IPR licenses) or recommend putting them in place
- Provide recommendations regarding the above areas going forward
- Recommend procedures and practices to adopt with a view to achieve effective IP management and monitoring, and in turn, improved protection of IPRs
- Recommend procedures to adopt in response to an IPR infringement, and to limit risk in respect of the same
- Recommend IPR management and protection employee training

## **Do you need an IP Audit?**

An IP Audit can prove invaluable in a variety of situations. It can be particularly useful in the following circumstances:

- Business need to identify/organise/record IPRs internally in a clear, consistent manner
- Potential upcoming assignments of IPRs
- Licensing or transfers of IPRs
- Mergers and/or acquisitions of businesses owning IPRs
- Rounds of investments into businesses owning IPRs
- Business expansion
- Restructuring of a wider group of companies.

Identifying your IPRs can show their registration status and the resulting scope of their protection. IP Audit can also flag up which protected rights may be close to expiry or rights that may not have the adequate protection in place or no protection at all. This could leave you exposed to infringement and risk third parties taking unfair advantage of your IPRs. An IP Audit can include recommendations that will help minimise such risks.

Furthermore, addressing any issues identified as part of an IP Audit is a great way of reducing the risk of them arising at a later stage and becoming barriers in corporate and commercial transactions or leading to costly business disputes further down the line.

Depending on the scope of your instructions, an IP Audit can also help you identify current infringements of your IPRs by third parties or infringements of third-party IP rights occurring on your part, and take appropriate steps to rectify them.

It is also a very helpful exercise if you own a wider portfolio of IPRs but are uncertain in respect of its content and status, for example as a result of the relevant information and records not being kept centrally.

This, in turn, can give you the opportunity to see the real value of your IPRs and highlight ways of commercialising and maximising it. For example, your company may own IPRs that are not being currently used and opportunities for licensing or assignment could become an additional source of income for your business.

An IP Audit can include a variety of recommendations depending on the scope of the audit and the relevant factual circumstances.

### **Next Steps**

After completion of an IP Audit, we can assist you with carrying out certain recommendations included in it, subject to your further instructions.

If you would like to find out more, please do not hesitate to get in touch with a member of our IP team who would be happy to assist. Please see our contact details below:

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