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How to Create an Effective IP Strategy for Your Business

Want to protect the most valuable assets your business owns?
Find out how to design and implement an effective IP strategy here.

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Intellectual property is just as valuable as any other asset your company owns. If it's what makes your company stand out from its competitors, it's probably the most valuable asset your business owns.

Running your business requires meticulous planning and organisation. One thing that may fall by the wayside, is your Intellectual Property. In this guide, we'll give you an introduction to Intellectual Property and why having a good strategy is one of the best things you can do for your business.

What is Intellectual Property?

Intellectual Property (IP) is an intangible asset that can be protected by law. However, this is only effective if you take the right steps to protect it. Also known as the 'asset of the mind', if your business creates a unique idea, product, or design, it is important to develop a strategy to protect it and stop another business from using it. This will give your business a competitive advantage and drive revenue opportunities.

Types of IP include:

- Trade marks
- Patents
- Designs
- Copyright

What valuable IP can do for your business

Having protected IP will give your business a competitive advantage and drive revenue opportunities. Your competitive advantage will be driven by having a brand, name, product or logo that is unique. Uniqueness will mean that clients won't soon forget your business and even better, instantly recognise your IP and associate it with your business. Familiarity leads trust, which means customers will be more likely to choose your brand over that of your competitors. Your IP will increase your opportunities to raise revenue through the effect it will have on customers, but also any licensing you may provide in the future.



Why does my business need an IP strategy?

If your business has an asset that can be legally owned, it is worth developing a strategy to protect it. Many businesses have a limited budget for IP protection, which means that it can be neglected. This means that it is essential to establish a clear strategy that identifies the costs, risks, and benefits of IP protection. Your strategy should be ten-fold, and include multiple ways to ensure that your business is protecting its IP.



Identify your IP

Firstly, you must consider what assets need to be protected. Think about what makes your business unique and differentiates you from your competitors. You can ask yourself what you want your business's popularity to be built on – is it the uniqueness of your product? Or is it the way you brand a product that's already on the market? Either way, understanding what IP assets have the potential to become valuable will require you to think long-term. Your IP may not be valuable yet, but the more successful your business becomes over time, the more your IP's value will grow.



Search existing databases

Secondly, you can search databases to check if your IP asset[s] infringe on the rights of another party for the following:

- Trade marks
- Patents
- Designs
- Plant breeder's rights

In addition to giving you the 'green light' to commence strategising for your brand, this will also protect you from any future legal claims. Beyond damaging your IP assets, facing legal action on the front can burn huge holes through the finances of your business.



Register your IP

Formally registering your IP assets can be an important element of your IP strategy. Having your IP registered means that you can take legal action if it's infringed by someone else.

Registering can be costly and time consuming for small businesses, but it provides the most comprehensive protection for your IP. If you plan to take your business into the future with your current IP assets, affording your IP legal protection is the only way you'll be able to enforce your legal rights. You can apply for trademarks, patents, designs and plant breeder's rights online.



Keep it a secret

A serious risk to your business can be revealing your trade secrets to others. Although most businesses are mindful not to release these secrets to the public or their competitors, there are many other sources that could use your information. To protect you from having your information exposed, a **Non-Disclosure Agreement (NDA)** will prevent signatories from revealing your information. Providing a Non-Disclosure Agreement (NDA) to employees, contractors and third-parties is an effective way to protect your IP. Additionally, it may help you to prove whether there has been a breach of your IP.



Carry out an IP Audit

IP assets have increasingly become a currency of business. An audit is a great way to assess the value of your IP portfolio. You can start by creating a schedule of your registered IP. It is recommended that you involve a lawyer with IP knowledge to review your strategy. From this, you can determine what should be protected and how effective your strategy is.



Enforcing an infringement

Finally, an essential part of your IP strategy is knowing how to take action if someone does infringe upon your IP. Above all, an infringement can cause reputational damage as well as reducing your market share. An initial step may be issuing a **cease and desist** letter to the infringing party. However, if the issue persists you may then consider mediation, arbitration or litigation options.

Conclusion

In short, Bill Gates argues that it is “imperative” for a company to “formulate strategies that capitalise on and maximise the value of their company’s intellectual property assets”. Your IP is a focal point of your business’s identity, and if this is jeopardised, the value of your business as a whole may come into question. Following these steps will help your business design and implement an effective IP strategy that will save you time and money in the long run.

Moreover it is recommended that you obtain the advice of an Intellectual Property Lawyer to determine what steps you need to take to ensure your business is protected.

Unsure where to start? Contact a LawPath consultant on 1800 529 728 to learn more about customising legal documents and obtaining a fixed-fee quote from Australia’s largest legal marketplace.