

## IP AUDIT

The objectives of IP Audit are:-

1. To determine what are the sources of competitive edge that form the core competencies of an enterprise and whether these core competencies are adequately protected by the enterprise.
2. To determine whether the enterprise has set up a IP management system to capture all critical IP generated by the employees and prevent potential leakage of valuable trade secrets.
3. To ensure that the enterprise enjoys freedom to operate its sphere of business operation and has also put in place an internal monitoring system to manage legal risks associated to third party IP rights.

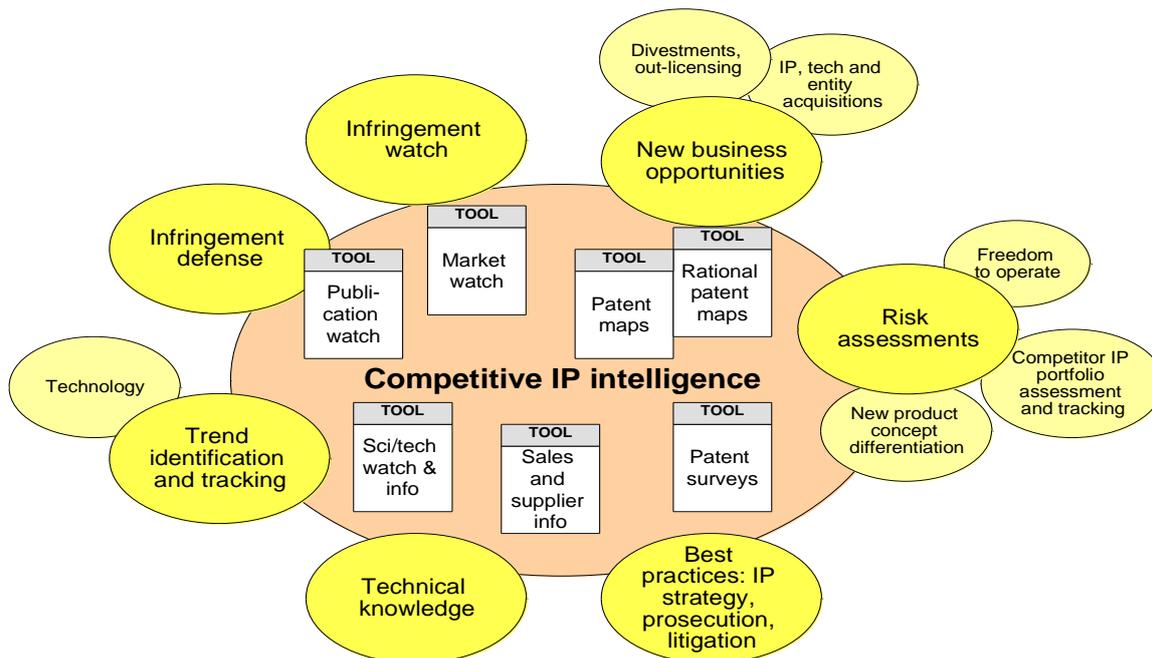
Overview:-

IP Audit requires a two-pronged approaches. Firstly, the enterprise will undergo an internal review of its IP protection system and portfolio of IP assets. The internal review exercise will examine whether these IP protection system are adequate to capture the internally generated IP rights and keep the core competencies of the enterprise in its key markets. Secondly, the enterprise will be encouraged to adopt a monitoring system that vigilantly carries out an external review of the IP positions held by other market players in order to minimise the risk of IP infringement.

Methodology:-

Under the internal review process of the IP Audit module, we shall carry a thorough review of the enterprise's business model to find out where is the source of competitive advantages. To attain sustainable competitive advantage, the enterprise will need to ensure that these core competencies are, to the extent permissible by the law, fully protected and owned by the enterprise in its key markets.

During external review process, we shall advise the enterprise to set up a IP monitoring system that carries out an external reviews of the IP positions held by other market players in order to ensure that there is freedom to operate and the risk of IP infringement of competitors'/ third party's IP rights can be minimised. The competitive IP Intelligence obtainable from various sources can summarised by the diagram below:-



Identifying patent risks and opportunities are essential for developing a business strategy in today's knowledge economy. From analysis of the relative strengths of our own patents vis-à-vis competitors' patent, we can devise an appropriate strategy ( as suggested by the table below) to manage our risk in a ever competitive marketplace.

	Own Patents	Competitors' Patents	All Patents
Own Products	Risk of not fully covering your innovations Risk of competitors designing around your patents	Risk from competitors	Risk of patent infringement (freedom to operate)
Competitors' Products	Opportunity to assert your patents	Identifying weaknesses in competitors' patent portfolio	Opportunity for acquiring key patents not held by competitors
Competitors' Patents	Patenting around competitors' patents	<del>XXXXXXXXXX</del>	Assessing competitors' strengths and weaknesses
All Patents	White space analysis to identify unexplored areas	Assessing competitors' strengths and weaknesses	<del>XXXXXXXXXX</del>

At the end of the IP Audit exercise, the enterprise will know what are the key value extraction points in their business model. Recommendations will be made on how these sources of competitive advantage can be effectively owned/protected under of IPR system. The enterprise will be encouraged to establish an external IP intelligence gathering system to ensure there is sufficient freedom to operate for the business in the market place.