

## LEVERAGE: INCREASING BUSINESS VALUE THROUGH AN ECONOMICAL INTELLECTUAL PROPERTY PROGRAM

The value of a business can be doubled with a proper portfolio of patents. The valuation enhancement is not just for large conglomerates with teams of in-house lawyers or patent collections rivaling the size of the Library of Congress. Judicious development *and use* of patents can be economical and effective.

The elements of an economical and effective patent portfolio include the following:

- Focus on a few high-quality patents on key technologies;
- Build an application early in the development process, refine it with a more focused intermediate application, and file a ‘final’ one centered on the commercial embodiment;
- File patent applications on both the process and as many potential product applications as can be envisioned;
- File patent applications for possible novel design-arounds of the process and the products; and
- Keep pushing the research and development group to supersede or design-around your own patent.

To minimize the costs of a patent portfolio while maximizing the portfolio’s impact, Brooks Kushman recommends two graphical ‘metrics.’ The first graph illustrates the stage of development of a new product or process. It is desirable to have an ongoing flow of innovations reaching the market. The graph also suggests when it may be a good time to assess when an intermediate patent application should be filed.

