

INTO THE UNKNOWN



How do you protect IP from bankruptcy?



Into The Unknown

Experts go deep into the subject of insolvency with **Johnny Chan** to see what the key problems are and what IP owners can do to minimize the impact.

Do you ever wonder, in the event an insolvency proceeding involves treatment of an IP license between a domestic and a foreign entity, which national bankruptcy laws should be applied? Should this depend on the choice of law clause in the license or the physical location of the entities or the assets involved?

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Our view is that the national bankruptcy laws of the place where entity that has gone into bankruptcy proceedings is incorporated should apply.

- Mark Hargreaves, partner,
AJ Park, Wellington

It is the choice of law clause in a license which determines the appropriate insolvency laws to apply. "Assuming that, under applicable private international law (conflict of laws) principles,

the choice of law clause in a particular contract is effective as a valid choice, that law will govern the interpretation and enforcement of the contract, but only as between the parties to the contract," says Gregory Ross, a partner at Eakin McCaffery Cox in Sydney. "However, that is a very separate issue to broader insolvency issues, including choice of the appropriate jurisdiction

for insolvency proceedings, relating to a party to a contract."

"The answer to the question more depends upon whether the insolvency proceedings relate to the licensor or licensee, the nature and location of the IPRs, of the party the subject of the insolvency problem, what legalities apply to them in the jurisdiction handling the insolvency and other jurisdictions in which the IPRs might subsist and be the subject of licenses or other granted use rights," adds Ross.

Insolvency proceedings are generally jurisdictionally-based so, accordingly, the real issue is determining where the proceedings are to be instituted and, once that is done, normally the law of that place would govern most aspects of the case, Ross says. "However, with all

courts being jurisdictionally limited, administration of assets of an insolvent entity outside the jurisdiction can raise international implications which have to be addressed on a case-by-case

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basis.”

Australian insolvency law also allows a liquidator to “disclaim” property and contracts, including IPRs and related contracts, so that too may need consideration in a given situation, says Ross.

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If the bankrupt company is a foreign company, how the IP license will be handled depends on whether that company is the licensee or licensor and the relevant laws and regulations of the country in which it is domiciled.

- Christine Chen, partner,
Winkler Partners, Taipei

In New Zealand, which laws will apply depend on which party has gone into bankruptcy proceedings. “Our view is that the

national bankruptcy laws of the place where entity that has gone into bankruptcy proceedings is incorporated should apply. We do not think that which laws apply to the bankruptcy of an entity should depend on the choice of law clause in the IP license,” says Mark Hargreaves, a partner at AJ Park in Wellington. “The governing law of the license would continue to govern the interpretation of that contract, but should not govern the whole bankruptcy of the entity.”

“It seems that the whole bankruptcy needs to be handled under the same law and that all parties who are handling or have handled the bankrupt entity need certainty about what law applies,” Hargreaves adds. “The law should be chosen based on where the entity concerned has been incorporated, or the case of an individual where the individual is ordinarily resident. This seems a clearer basis for deciding what law would apply than where the assets are physically located.”

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According to Article 42 of the Act Governing the Choice of Law in Civil Matters Involving Foreign Elements in Taiwan, (1) IPRs are governed by the law of the place where the protection of the

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rights are sought (*lex loci protectionis*), and (2) any IPR created by an employee in the performance of his/her duties is governed by the law applicable to the contract of employment, says Ruey-Sen Tsai, a partner at Lee and Li in Taipei.

Taiwan's national bankruptcy laws, which apply in the case of an IP license dispute between a foreign and domestic company in insolvency proceedings, will depend on (a) which of the two companies is bankrupt; and (b) whether the bankrupt party is the licensor or licensee.

Taiwan's bankruptcy law will apply automatically if a Taiwan entity and property is involved. If the Taiwanese company is bankrupt, regardless of whether they are the licensee or licensor, Taiwan's bankruptcy law will be applied, says Christine Chen, a partner at Winkler Partners in Taipei. "If the bankrupt company is a foreign company, how the IP license will be handled depends on whether that company is the licensee or licensor and the relevant laws and regulations of the country in which the foreign company is domiciled."

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The former licensee can establish a new license only by negotiation and agreement with the new owner.

- Takenori Hiroe, patent attorney,
Hiroe and Associates, Gifu-City

In Vietnam, the law chosen by the parties as provided in the license agreement shall be applied, says Steven Jacob, a foreign lawyer at Indochine Counsel in Ho Chi Minh City. "National bankruptcy laws will be applied for insolvency proceeding and the physical location of the insolvent enterprises or the assets involved shall be the ground for determination of the competent court for handling the bankruptcy proceedings."

Is the License Still Valid During Insolvency Proceeding?

Under Australian law, the ability for a licensee to continue using IP after insolvency affecting the license depends primarily upon the terms of the contract. The contract might deal differently with an insolvency of the licensor and/or the licensee, says Christina Cavallaro, an associate at Eakin McCaffery Cox in Sydney. "If, as a consequence of insolvency, there is an effective termination of the license, from the perspective of the licensor no longer being able to license the IPRs to the licensee, then the licensee would necessarily have to obtain a new license. If so, the following questions [which do not necessarily have any easy answer] arise," she says.

1. If the termination of the license is caused by some default of the licensor, does the licensee have some right of damages against the licensor? That necessarily very much depends on the terms of the contract?

2. In that situation, where would the licensee source an alternate supplier of the relevant IPRs and would any additional license fees incurred in having to negotiate a license with

someone else be properly recoverable from the original (now insolvent) licensor?

3. Even if in that situation damages are legally and conceptually recoverable, would it be worthwhile in context of an insolvency even to try?

If the terms of the contract provided a right to the licensor (whether an automatic and/or "drop dead" right or upon notice) to terminate the license so far as concerns the licensee and that right is validly exercised to terminate the license, then the licensee would, have to obtain an alternate license if it wished to continue using relevant IPRs, Cavallaro adds. "If the licensee is insolvent, it is likely to be the case that the original licensor, having terminated the original license, would have nothing further to do with the licensee other than, perhaps, in the absence of some guarantee of relevant license fees, and even then the licensor would probably want to consider whether it is commercially prudent to continue to allow the relevant rights to be used by an entity having insolvency issues."

There is an increasing move towards a policy of assisting insolvent entities to resurrect themselves to trade on and/or to facilitate a sale of the business as a going concern, where possible. It is interesting to note that there are proposals in Australia for "drop dead" (*ipso facto*) termination provisions based on insolvency to be rendered unenforceable, Cavallaro says. "This is in the interests of better realization of assets from an insolvent business and/or to facilitate resurrection and restoration to business operations."

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In Japan, the underlying IPRs are not terminated when the licensor has gone insolvent. The rights continue to be effective when an insolvency proceeding goes on. On the other hand, the license is terminated when the contract is terminated (by cancellation or expiration of the contract). This applies equally during the insolvency proceeding, says Takenori Hiroe, a patent attorney at Hiroe and Associates in Gifu-City. "However, there are restrictions on the right of the bankruptcy administrator to cancel the contract. Accordingly, since the patent continues to be effective during the insolvency proceeding and the license is terminated, the (former) licensee can no longer use the underlying IPRs after the termination of the contract. Use of the IP is an infringement."

The (former) licensee has the right to counter a new owner of the underlying IPRs and can retain the rights of the license against the new owner (an exclusive license needs to be registered at the patent office, while a non-exclusive license does not). "However, when the license is terminated, the licensee loses this right. This right does not enforce a new license between the licensee and the new owner or obligate such, having nothing to do with an establishment of a new license contract. The licensee is not given any legal right to acquire a new license," Hiroe says. "Therefore, the (former) licensee can establish a new license only by negotiation and agreement with the new owner."

During an insolvency proceeding, the licensee may still continue using the licensed IPRs in Taiwan, Tsai says. "But the insolvency or bankruptcy administrator is entitled to terminate the license, [and] once the license is terminated, the licensee cannot continue using the IPRs."

Generally, license agreements will contain a clause to the

effect that they can be terminated unilaterally in the event the other party is declared bankrupt, Chen says. "When a license is terminated during an insolvency proceeding in Taiwan, the licensee cannot continue to use the underlying IPRs. The former licensee will not have a claim to obtaining a new license."

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- Ruey-Sen Tsai, partner,
Lee and Li, Taipei

In Vietnam, the termination of an effective IP license agreement during an insolvency proceeding shall be supervised by the

administrator, or in accordance with the decision on bankruptcy of the competent court, Jacob says. "In the event the license is terminated, except for otherwise agreed upon by the parties or provided in the agreement, the licensee is unable to continue using the underlying IPRs. The (former) licensee may have a claim to obtaining a new license depending on the agreements on termination of the license between parties during the insolvency proceeding."

Splitting the Siamese Twins

If IPRs that are jointly owned by two parties have been licensed to a licensee by one or both of the joint owners, and one of the joint owners becomes insolvent, how would the license be treated during insolvency proceeding? Could the license be terminated even if this would result in termination of an agreement between the solvent, joint rights owner and the solvent licensee?

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This is a complicated question which very much depends on how the laws of the particular jurisdiction handle the implications of "joint" ownership, the types of IP, the terms of any "joint" ownership contract and the terms of the relevant license under which the jointly-owned IPRs

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licensed by one or both of the licensors, says Ross.

If a common law-style joint tenancy of IP exists, then death or insolvency severs the joint tenancy, potentially putting contractual arrangements at significant commercial risk. Tenancy-in-common-type joint ownership is probably less problematic and

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One has to be very careful in creating joint ownership provisions for IPRs, so as best to avoid acrimonious disputes and problems. Joint tenancy-type joint ownership can be very problematic.

- Gregory Ross, partner,
Eakin McCaffery Cox, Sydney

can allow for greater flexibility if properly documented, Ross says. "The short point is that one has to be very careful in creating joint ownership provisions for IPRs, so as best to avoid acrimonious disputes and problems – joint tenancy-type joint ownership can be very problematic in the absence of a detailed agreement dealing with who can and cannot do what with and without the other 'joint' owners and what the impact of a insolvency is."

During insolvency proceedings, the bankruptcy administrator would discuss the transfer of the share in the underlying IPRs of the insolvent with the solvent joint rights owner, resulting in registration of the change of ownership in the name of the solvent joint rights owner. On the other hand, for a license contract based on the underlying IPRs of the insolvent, in a case where the subject rights are a non-exclusive license or a registered exclusive license, the bankruptcy administrator cannot cancel the contract by his or her authority, and thus the license is still valid.

"In other words, the bankruptcy administrator may choose to either cancel the contract made with the insolvent licensee or fulfill obligations," Hiroe says. "However, the bankruptcy administrator cannot cancel the contract when a legal countering condition such as the existence of a license. Therefore, even when the underlying IPRs have become the assets of the solvent joint rights owner, the license set by the insolvent continue to be effective. The licensee can work this license against the underlying IPRs of the solvent joint rights owner and the solvent joint rights owner has to admit the licensee's work," he says.

In cases where both of the joint rights owners have entered into a license contract, the license does not become invalidated by agreement to terminate the license contract between the

solvent joint rights owner and the solvent licensee alone. "As set forth above, during the insolvency proceeding, the bankruptcy administrator cannot cancel the license between the insolvent and the licensee by the authority of him/herself and the license of the insolvent is still validated. The license is cancelled if the bankruptcy administrator consents to the proposal to cancel the contract made by the licensee when the contracts with the solvent joint rights owner and solvent licensee have become terminated," Hiroe says. "In this case, only the underlying IPRs remain the subject for the bankruptcy administrator to transfer or dispose."

Security Precaution

To ensure the enforcement of the license agreement between licensor and licensee in case of insolvency, it is advised that the agreement contains an insolvency provision, says Hendra Widjaya, a partner at Inter Patent Office in Jakarta. "Such provision shall regulate in event of insolvency and the agreement between the licensor and licensee remains valid. The rights and obligations of the parties according to the agreement

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shall then be fulfilled."

The creation by the licensor of a dedicated IP holding company can usefully protect the ownership of its IP if the operating company becomes insolvent or claims are otherwise brought against it. "In the case of a licensee, the creation of a security interest in the licensed IP can be a useful protection against the insolvency of the licensor, provided that the security interest has priority over any other security interests granted by the licensor (for example, to its bank) and is registered on the Personal Property Securities Register," Hargreaves says. "This is only

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Inter Patent Office, Jakarta

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likely to be a practical option if the licensee is the only licensee. For the licensor, it can be useful to consider obtaining title to any good created under the license. In New Zealand, the creation of such an interest would be security interest, so that same concerns about ensuring priority of the security interest apply."

Hargreaves says lawyers at her firm do not think that in New Zealand the registration of a license against any registered IP would be of significant practical benefit. "Registration on the

relevant IP register does not constitute constructive notice of the license and would not necessarily prevent any licensed IP being sold to a bona fide purchaser for value without notice of the existing license," Hargreaves says. "Registration of a license is useful in certain circumstances, but the creation and registration of a security interest would give more benefit to a licensee."

The inclusion of a restriction on the assignment of the IP license without the other party's consent can be useful in an insolvency situation, as it prevents the license from being transferred without consent, Hargreaves adds. "This can give the non-transferring party some negotiating power in any sale of the insolvent party's business, and prevent the IP license from being transferred to an undesirable party."

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Licensees should also monitor the financial position of licensors. In addition, the licensee could take security over the IP.

- Debby Lim, partner,
Shook Lin & Bok, Singapore

From the licensee's perspective, a licensee could consider getting the licensor to establish a company solely to hold relevant IPRs without any liabilities for critical IPRs. This will reduce the risk should the licensor become insolvent, says Debby Lim, a partner at Shook Lin & Bok in Singapore. "In software development, a source code deposit or escrow arrangement may be helpful. Licensees should also monitor the financial position of licensors. In addition, the licensee could take security over the IP. It will also be helpful to register the IP license as generally any party who acquires the IP is deemed to have notice of the license and acquires the IP subject to the license. Sub-licensees may also wish to protect themselves against the insolvency of their immediate licensor. They may do so by ensuring that they have step-in rights in the event that the immediate licensor becomes insolvent."

From the licensor's perspective, the judicial management or liquidation of a licensee will give rise to a right to terminate the license in most cases. "That said, the licensor may wish to consider whether it wishes to allow the judicial manager or liquidator to continue using the license (in exchange for royalty payment) and then subsequently allow a new purchaser to take over the license. Where the licensor has concerns as to the identity of its licensee (for instance, where the licensee does not want its competitors to end up as its licensee), the licensor may wish to ensure that the license cannot be assigned without its consent," Lim says. "A change of control provision could also be drafted into the license, to allow the licensor to terminate the license where the control of the licensee is transferred to a third party."

The Power of the Bankruptcy Administrator

With regard to a bankruptcy administrator's ability to adopt,

assign, modify, or terminate an IP license, there are aspects of the law that should be improved to limit the administrator's power, particularly the proposals in Australia for amendment of the law to prevent "drop dead" termination provisions in contracts, including IP licenses, to be rendered unenforceable in context of insolvency, says Cavallaro.

The Singapore government is seeking to become an Asian IP hub, which would entail encouraging companies to enter into license agreements. Licensing is discouraged if it may be terminated against the will of the licensee in the event that the licensor becomes insolvent. Under Singapore law, liquidators may disclaim onerous contracts. A contract may be considered "onerous" if it is unprofitable or gives rise to a liability to pay money or perform any other onerous act.

"We could look towards other jurisdictions that are more developed in terms of protecting the licensee's rights to use the IP where the licensor is insolvent. Under the US Bankruptcy Code, licensees are given special protection and may elect to retain their rights to the licensed IP in return for continuing to make any royalty payment," Lim says. "Similarly in Canada, the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act restrict a licensor's ability to disclaim a license."

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It can be difficult for a court to find a bankruptcy administrator who specializes in both bankruptcy and IP. In addition, Taiwan's bankruptcy law does not regulate a bankruptcy administrator's choice to decide whether to continue or terminate an IP license in the event of insolvency. Similarly, as Taiwan's law does not regulate the basic principles of handling executory contracts, a bankruptcy administrator usually chooses to sell the debtor's property by way of auction or sale in order to avoid further legal complications arising. "This practice is arguably not a suitable means of appropriately handling IP in insolvency cases," Chen says. "Given the above, and in reference to relevant laws in Germany and the US, we would recommend that Taiwan's current bankruptcy law to be revised in two aspects: the basic principles of handling an executory contract should be added, and where the licensor becomes insolvent, the licensee should have the right to choose whether to continue the IP license or require compensation based on the timing of the licensor's declaration of bankruptcy." AIP



IP Valuation 101

HOW

Lawyers across Asia talk with **Johnny Chan** about IP valuation, discussing everything from its range of cost, methods – and the aftermath of not doing any.

More and more Chinese companies are spending the time, effort and money to do IP valuation. “With the continuous build-up of intellectual property rights, many companies have tried to monetize their IPRs for earning capital,

including foreign non-practicing entities, have begun to dig gold in this market. They buy IP portfolios and sell them to those who are eager to obtain IP to support their marketing in either China or abroad.”

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Many IP operation companies, including foreign non-practicing entities, have begun to dig gold in this market. They buy IP portfolios and sell them to those who are eager to obtain IP.

- Xiaojun Guo, patent attorney,
CCPIT Patent & Trademark Law Office, Beijing

IP operation companies refer to those companies monetizing their IP assets by buying, selling, cross-licensing, financing, etc., or by promoting these activities between others as agents, and normally refers to those not having actual industrial products or services.

The Chinese government is promoting IP operation, especially of patents, Guo says. “Some IP operation companies have said that they can earn from IP valuation and operation in China now.”

Valuation is also becoming increasingly popular in Taiwan. “However, there is no established standard, and it is still at a blurry and undefined stage as everyone seems to utilize different approaches,” says Ruey-Sen Tsai, a partner at Lee and Li in Taipei. “To better promote valuation, we would first have to establish and regulate our laws regarding this area,

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making pledges, doing IPOs, and for licensing and assigning,” says Xiaojun Guo, a patent attorney at CCPIT Patent & Trademark Law Office in Beijing. “Many IP operation companies,

and once we reach a more defined stage, everyone will become more confident and learn to trust it.”

It is also becoming popular in Thailand, albeit slowly. “Most

valuation is done by large companies, as SMEs don't see the value due to the enormous expense," says Poondej Krairit, head of Dej-Udom & Associates' IP department in Bangkok. "The government should help promote it better."

IP valuation is hot in Vietnam. According to Articles 35 and 37 of the Law on Enterprise No. 68/2014/QH13, IP value may be used as contribution capital in an enterprise, and such value shall be valued by founding shareholders or professional

each valuation," says Hendra Widjaya, a partner at Inter Patent Office in Jakarta. "Generally, every company in Indonesia can afford IP valuation."

But in Taiwan, it all depends on the quality of the consulting firm, the purpose of the valuation and the scale of the IP or enterprise; the cost may range from US\$10,000 to US\$20,000 or even higher, Tsai says. "Since the costs for valuations vary significantly, it is hard to conclude whether SMEs can afford it, but they can ask smaller, boutique firms for estimates first."

In Sri Lanka, valuations are generally conducted by accountants, and the cost of doing so would depend on the value of the asset; it is impossible to estimate how much an IP valuation would cost, Wilson says. "This would be a matter for negotiation between the valuation provider and the IP owner. Micro and small enterprises might be unable to afford professional valuation fees as there is no scheme or subsidy available."

Thailand is also an expensive place to conduct IP valuation, and SMEs generally cannot justify a clear return on investment with it, Krairit says. "To lessen

the expense, a company can choose to only do a valuation for specific assets instead of the whole portfolio. For example, it could just do a valuation of one house brand, but not all the sub-brands."

Methodology

There are three methods to conduct IP valuation: cost, market and income.

The cost approach is based on the economic principle of substitution. This principle states that an investor will pay no more for an asset than the cost to obtain, by purchasing or constructing, a substitute asset of equal utility. This means that

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Shareholders are also jointly responsible for damages caused by false IP valuation.

- Steven Jacob, foreign lawyer, Indochine Counsel, Ho Chi Minh City

evaluation organizations, and the IP used as contribution capital when establishing an enterprise shall be agreed by founding shareholders, and, if the IP is valued higher than the actual value at the time of capital contribution, the founding members are jointly responsible for additional contributions, says Steven Jacob, a foreign lawyer at Indochine Counsel in Ho Chi Minh City. "Shareholders are also jointly responsible for damages caused by false IP valuation."

On the other hand, jurisdictions such as Sri Lanka do not really welcome IP valuation. "There are several legal difficulties in creating a security interest over or in respect of IP as an asset class," says John Wilson, managing partner at John Wilson Partners in Colombo. "IP valuation is therefore not an area in which there is a great deal of interest."

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Affordability

The cost for IP valuation varies greatly amongst different valuation companies. "Some may charge one thousandth of the total value of the relevant portfolio and some charge less or significantly more than that. But generally speaking, it seems that the costs are affordable for even SMEs," Guo says. "In China, although some IP firms do valuation for clients, most are done by asset evaluation companies, because valuation involves not only the legal aspect, but also the technical and economic aspects."

The range of cost also depends on the complexity of the work. "As IPRs are non-tangible assets, valuation is commonly done by appraisal, and appraisals have their own standard of procedures in determining the value. They will conduct research on economic aspects of the IP, and to some extent other aspects such as the goodwill, past transactions and remaining period of rights, with certain approaches depending on the purpose of



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the value of an intellectual property is no greater than the cost to obtain the asset, says Riffat Chughtai, a partner at Remfry & Son in Karachi. "Cost can be measured by purchasing the asset today, by replacing the asset with a substitute or by reproduction of the asset. In measuring direct costs for materials, designs,

marketing, legal, personnel and engineering; soft and indirect costs such as development time; overhead costs; and percentage of profit for the developer of the asset, etc., are considered.”

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- Poondej Krairit, head of IP,
Dej-Udom & Associates, Bangkok

The market approach is based on the economic principle of competition and balance. It concludes that in a free market, supply and demand factors will drive the price of an asset at the balance/equilibrium point. “It is applied when a marketplace exists and comparable transactions are found,” Chughtai says. “When accurate data is available, this approach is considered a direct method for valuing IPRs.”

The income approach is widely adopted. “It is based on the assumption that the value of a piece results from the financial benefits that can be generated and estimated into the future,” Chughtai says. “This method estimates the fair value of IP by discounting the future economic benefits of ownership at an appropriate discount rate.”

Best Buy

The main focus a company must consider before doing valuation is to determine the purpose of the valuation, i.e. whether it will be for acquisition or an annual financial report. It will consequently affect on the methods to be used through the valuation process by the appraisal, says Widjaya.

It also depends on different situations: (i) how unique is the asset; (ii) how much verifiable data is available; (iii) what is the context and purpose of the analysis; and (iv) estimation or conclusion of the analyst based on earlier experience. “Appropriate calculation is necessary to ensure the accuracy of IP valuation from the angle of taxation authorities whose revenues are generated by transfers of IPRs, auditors of public companies, investment bankers, financiers, ordinary bankers, and fact finders (in litigation),” says Chughtai.

How a company evaluates IP depends on what kind of value is required. For example, the purpose of internal management will require an internal value, while sale or licensing will require a market value – which may or may not be equal. “It is important to choose the appropriate valuation method in each individual case. Valuation is only possible if it can be identified and differentiated from other assets – each IP should be valued individually. The type of value in an internal market and the type of value result in the qualitative/quantitative method is determined by the purpose

of the valuation,” Chughtai says. “Different valuation approaches are required for various audiences such as prospective investors, internal management, etc. The appraiser may have expertise in

a particular field of valuation, and this can influence the method choice. The date of valuation will also influence the methods used. Methods used for business purposes can be generally divided into two groups, quantitative and qualitative methods. Quantitative methods tend to calculate the monetary value including cost, market, income and price. Qualitative methods provide a value guide through the rating and scoring of IP based on factors which can influence its value.”

Consequences of No IP Valuation

According to the experts Asia IP spoke with, the worst value gap for those who have not valued their assets compared with those who have could be significant.

One big disadvantage to not valuing assets is that an accurate licensing or

royalty fee cannot be set, which limits long-term projections, Krairit says. “And for franchises, this allows franchisors to just set the value that they want, which may or may not reflect the market value.”

The worst value gap for IP holders who have not valued their assets compared with those who have occurs where the right holder experiences some financial difficulty or legal issue such as bankruptcy. “In these circumstances, all properties of the bankrupt party must be valued in order to, for example, assess the extent that their debts can be repaid to creditors. Brand value and the actual market value of IPRs are extremely important in this regard, as the value of a brand can be relied upon as property in order to secure loans,” says Christine Chen, a partner at Winkler Partners in Taipei. “The greatest risk facing those who have not valued their assets is that, in the event of potential bankruptcy, their assets may be severely under-valued, thus greatly increasing the risk of falling into bankruptcy. Failure to value assets prior to becoming distressed may also foreclose some opportunities to use the assets to secure additional financing.”

Nevertheless, IP valuation can be a double-edged sword, “specifically for newly-established enterprises or enterprises that just created some IPRs, as the valuation results sometimes may not truly reflect the potential values,” says Tsai. AIP

