Session 4:

Introduction to Licensing, Franchising, & Merchandising
Purpose

- IP assets can be commercially exploited by individuals and businesses to bring value to the rights owner.

- The rights in IP can be commercialised in various ways including through licensing, franchising and merchandising.

- In this session trainers will learn the basic concepts of licensing, franchising and merchandising and their relevance to business competitiveness.
Outcomes

• Understand commercialisation of IP assets within the context of innovation
• Explain the key differences between licensing, franchising and merchandising
• Understand and be able to explain how licensing, franchising and merchandising fit within a business model
• Understand and explain the key terms in each of these means of exploiting business IP assets
• Design and implement IP-related training programmes
Topic 1: Introduction to IP Commercialisation
IP Management and Commercialization Strategy

• It is important to convey that IP commercialisation does not occur in isolation but must be integrated into a wider business strategy

• Developing the strategy will help the business to:
  • Define the IP assets owned
  • Develop a plan for how to protect and exploit those assets on a commercial basis
IP Management and Commercialization Strategy

Key points to consider:

• Understanding the business and how it creates business assets
• Conducting an IP audit to define and categorise these assets
• Determine the value of these assets to the business and the potential for creating value for other businesses
IP Management and Commercialization Strategy

Key points to consider:

• Is there any other use for the IP to generate revenue/value for the business

• What are the best, or most appropriate, options for exploiting the business’s IP – licensing, merchandising, franchising, selling, enforcing, use
IP Management and Commercialization Strategy

Steps for Commercialisation:

- Market Analysis
- IP Audit
- IP Valuation
- Financing and Raising Capitals Using IPRs
IP Management and Commercialization Strategy

Steps for Commercialisation:

• Market Analysis
  • At what stage does a business conduct a market analysis?
  • All the markets where the new products/services will be commercialized – Geographically and within the product market
Steps for Commercialisation:

• Market Analysis – Consider
  • Value of your IPRs
  • Customer discovery – know the customer and the potential for growth in the market
  • Competing products
  • Trends – future of the market
Steps for Commercialisation:

• Market Analysis – Consider
  • Competitors
  • Potential partners
  • Value chains and logistics
  • National and international legal framework
Steps for Commercialisation:

• IP Audit—Recap
  • Systematic review of all IP owned and used – registered, unregistered, under license etc.
  • Identifies all intangible assets owned
  • Determine the overall value of your company
  • Assess any risks in current business practices
  • Helps to develop management strategies to increase income
  • Identifies compliance with contractual agreements
  • Protection and enforcement
IP Management and Commercialization Strategy

Steps for Commercialisation:
• IP valuation
  • Assess and quantify the economic value of IP assets
  • To determine the current and future/potential economic benefits
  • Determine the monetary value of your IP rights
IP Management and Commercialization Strategy

Steps for Commercialisation:

• IP valuation - Why
  • Entering into a contract that includes the sale, licensing or franchising, merchandising IP Assets
  • M&A; spin-offs, joint ventures, donating IP
  • In case of dispute or litigation
  • To attract investors or obtain a loan – securitization
  • Taxation, estate planning etc.
IP Management and Commercialization Strategy

Steps for Commercialisation:

• Financing and Raising Capitals Using IPRs
  • Speaks to obtaining capital based on IP assets

• The IPRs are used as collateral for the business to obtain Funds

• IP securitization – selling future cash flows based on IPRs
1. IP Management and Commercialisation Strategy. [www.betterbusinessfinance.co.uk](http://www.betterbusinessfinance.co.uk)
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**Revision history**

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