

The Importance of Valuation of Intellectual Property

Valuation of intellectual property rights is part of the good management of intellectual property within an organization. Indeed, knowing the economic value and importance of the intellectual property rights you create and develop assists in the strategic decisions to be taken on the assets, but also facilitates the commercialization and transactions concerning intellectual property rights.

There many business situations where valuation is required:

- **Valuation of a company for the purposes of a merger, acquisition, joint venture or bankruptcy.** To know the value of companies it is essential to know the value of their intellectual property. Our services include early-stage valuations- you only get one chance in front of investor- it is important to put you best foot forward for the funding gap to commercialize the early stage concept from external investors.
- **Negotiations to sell or license intellectual property rights.** As in other business transactions, organizations negotiating agreements to sell or license intellectual property rights commonly have to agree on a price. Knowing the value of the intellectual property right is essential to reach such an agreement, but also to make sure the parties are engaging in a good deal.
- **Support in situations of conflict, such as court proceedings or alternative dispute resolution mechanisms (such as arbitration).** In scenarios of conflict, quantification of damages is often a necessary step of the process. The correct valuation of the intellectual property right at stake is therefore essential to guarantee a fair recovery of the damages.
- **Fund raising through bank loans or venture capital.** Valuation of the intellectual property to be used as security for bank loans or to attract venture capital and investors is essential. Indeed, several studies reveal that, in particular, owning patents and a proper IP management play a crucial role in the decision of venture capitalists.

At Frier Levitt we specialize in the valuation of pharmaceutical, medical device, and biologic intellectual property for a variety of purposes including capital projects, mergers and acquisitions, litigation support, investments, tax matters, and financial reporting.

Our team includes seasoned Intellectual Property attorneys. We have the technical capability to perform the work using complex valuation methodologies and the credibility to defend our work. We deploy IP knowledge to create smart value for clients. Please **contact us** for details about our Intellectual Property Portfolio Analysis services.

