

Opportunity evaluation and Disposal of non-core assets

Background:

Danisco, a Danish multinational biotechnology company wished to identify whether it could extract value from an extensive patent portfolio of approximately 30 patent families, which represented a number of non-core business fields. The portfolio represented a significant investment in terms of historical costs, ongoing patent management and recurring annual costs.

Objectives:

The company wanted a detailed technical, commercial and IP landscape analysis of the patent portfolio to identify:

- patents which could be out-licensed or sold
- patents for which there was no value and which could be allowed to lapse
- potential licensing partners and routes to market for the patents with value

Following on from this initial work the company wanted business development support to market the opportunities to potential licensees or patent purchasers, negotiate term sheets and draft licensing/assignment contracts leading to the completion of revenue generating deals.

Danisco recognised that this required working with a specialist IP commercialisation partner with the right technical knowledge who could understand the complexities around the commercial ownership and patent landscape, and who had the commercial contracts in the relevant business field to complete deals.

Most importantly the company wanted a partner who could provide the clear evidence to back up the difficult internal decision on whether abandoning patents was the best commercial outcome or whether this would be giving up future value.

Approach:

IP Pragmatics assisted the client to design and prioritise the patent analysis based on its initial review of the patent portfolio. Using a combination of desk research and direct market intelligence IP Pragmatics provided a report and presentation which identified the key opportunities and those patents for which markets were limited. This evidence was based on analysis from recent licensing and regulatory changes in the market. The report made clear recommendations on patents to drop (saving significant future patent cost liabilities).

A marketing strategy was then developed with the company and executed for patents where potential markets were identified. IP Pragmatics carried out direct market contact with key sector players using personal contacts in both the in-licensing and research sides of each targeted company and a worldwide spread of contacts.

Finally IP Pragmatics provided term sheet negotiation and licensing contract services, working in close collaboration with the company's in house business development and legal functions.

Opportunity evaluation and Disposal of non-core assets

Results:

The patent landscape and commercial market assessment, backed up from direct market feedback from relevant sector contacts worldwide provided the clear evidence that the majority of the portfolio had limited or no value.

Business development resource was focussed on those parts of the portfolio that did have potential value resulting in one patent family being sold and the remainder abandoned:

- Generating new revenue;
- Allowing considerable future cost saving (estimated at more than \$0.5m); and
- Releasing internal resource to focus on core areas.

The key learning points for Danisco were the need to have the process driven by up to date market knowledge and that when combined with understanding of the IP landscape this allowed for clear decisions to be made even when this involved difficult decisions such as abandoning patents.