

## When to value your IP?

Our clients often ask “when is it a good time to undertake an IP valuation exercise?” We asked IP valuation specialists Inngot to provide some top tips.

Dehns has been working with IP rating and valuation specialists Inngot to assist companies who have an interest in finding out how much ‘hidden value’ may be missing from their balance sheet.

Martin Brassell is CEO of Inngot. Having recently co-authored the influential Banking on IP report for BIS and the Intellectual Property Office, he has some thoughts to offer on the ‘top three’ times when valuation makes particularly good sense.

### 1. Raising finance

- Whilst mainstream lenders don’t generally appreciate the value of IP, there are many other sources of finance that do, particularly equity funders of all shapes and sizes.
- Banking on IP confirmed that business angels are always interested in the role of IP in freedom to operate and barriers to entry, as are venture capital companies.
- Specialist forms of lending like venture debt, pension-led funding and asset-based finance also take key intangible assets into account.
- Having a realistic idea of IP value provides an excellent ‘conversation starter’ for negotiation, especially for high growth companies who may be reinvesting profits and thereby understating their true worth.

### 2. Portfolio assessment

- Effective international IP protection strategies usually don’t come cheap.
- Understandably, boards and shareholders have a strong interest in ensuring that IP rights represent value for money, but to assess this, they need to be able to make decisions based on future potential not just current performance.
- Valuation helps to show that properly protected IP is a value-producing asset, not a sunk cost.
- In addition, benchmarking value across different elements of a portfolio enables better-informed decisions to be made about prioritisation, where this is necessary.

### 3. Planning an exit

- Companies are generally acquired in order to gain control over their intangible assets, not their fixed ones.
- Also, where a company is acquired, international reporting standards require the buyer to take a view on what identifiable non-physical assets that business owns, and how much value should be placed on them.
- In both cases, value is very much on the minds of both seller and buyer.
- An impartial indication of the value that might reasonably be placed on these assets can prove to be a valuable negotiating tool.

## Case Study

Dehns worked with Philip Shadbolt, Managing Director of Zeta Automotive, to overview the company’s IP portfolio and produce a valuation report.

He said: “The valuation offered by Inngot is very easy to use and offers an excellent tool in order to gain true value from the IP that we have invested in. The resulting report is professional and defensible.”

## Contact Us

Please call us on:  
01865 305100 (Oxford)  
020 7632 7200 (London)  
01273 244200 (Brighton)  
0113 246 9820 (Leeds)  
or email [mail@dehns.com](mailto:mail@dehns.com)