



ip

Visibility On The Invisible:

Intangible Asset Insurance

<https://iip.com.au>

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Over 80% of the value of most companies now reside in intangible assets. It comes as no surprise to learn that an intangible asset is the opposite of a tangible asset. As it's not physical, an intangible asset tends to be "unseen". This creates problems for companies as they look to identify, protect and manage them. It's much easier to deal with physical things – but that doesn't mean it's more important.

Intangible assets is an umbrella term that includes both intellectual property (e.g. patents, trademarks, designs, copyright) and intellectual capital (e.g. know-how, trade secrets, research and development, strategy and market Intelligence). Each type of intangible asset needs to be identified before it can be protected and then subsequently valued. Figure 1 provides a broad overview of the different types of intangible assets.

As each type of intangible asset is protected differently, the risks associated with them differs. This risk includes infringement, loss of rights and loss of confidential information. By identifying intangible assets, the risks of these assets can be determined; for example how the assets could be lost or diminished in value. A further major advantage of identifying intangible assets is that they can then be valued. Placing a value on each type of intangible, in conjunction with determining their risk value, enables a company to have a much better idea of the overall risk in loss of intangible assets. As with many things in business, the greater your visibility, the greater your maximum leverage.

Intangible asset insurance is one of leading way to reduce the risks associated with intangible assets. It primarily covers the cost of expenses arising from IA related legal disputes, such as costs associated with patent infringement or breach of contractual obligations in relation to confidential information.

The use of intangible asset insurance forms part of intangible asset risk management as it helps to shift the risk off your balance sheet. Any business looking to protect their value should consider identifying and protecting their intangible assets, and mitigating their overall risk by using intangible asset insurance.

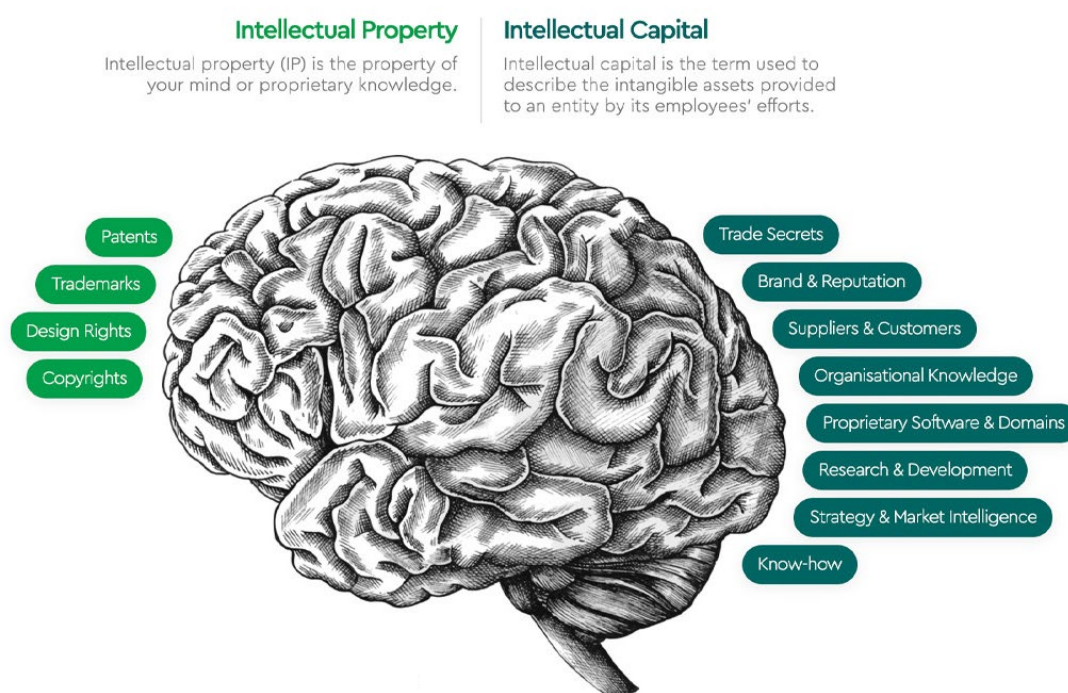


Figure 1. The different types of intangible assets.

The value of intangible assets (IA)

Intangible assets account for a significant amount of the value of today's companies. As intangible assets play a major role in generating value for companies, especially given the push towards knowledge-based economies, it's important these assets are properly accounted for. By way of example, in 1975 intangible assets accounted for 17% of the value of S&P 500 companies, but in 1995 this raised to 46%. In 2018, intangible assets accounted for a massive 85%¹ as illustrated in Figure 2 below. This increase in intangible asset value resulted in a change in the types of largest companies in the world (see Figure 3).

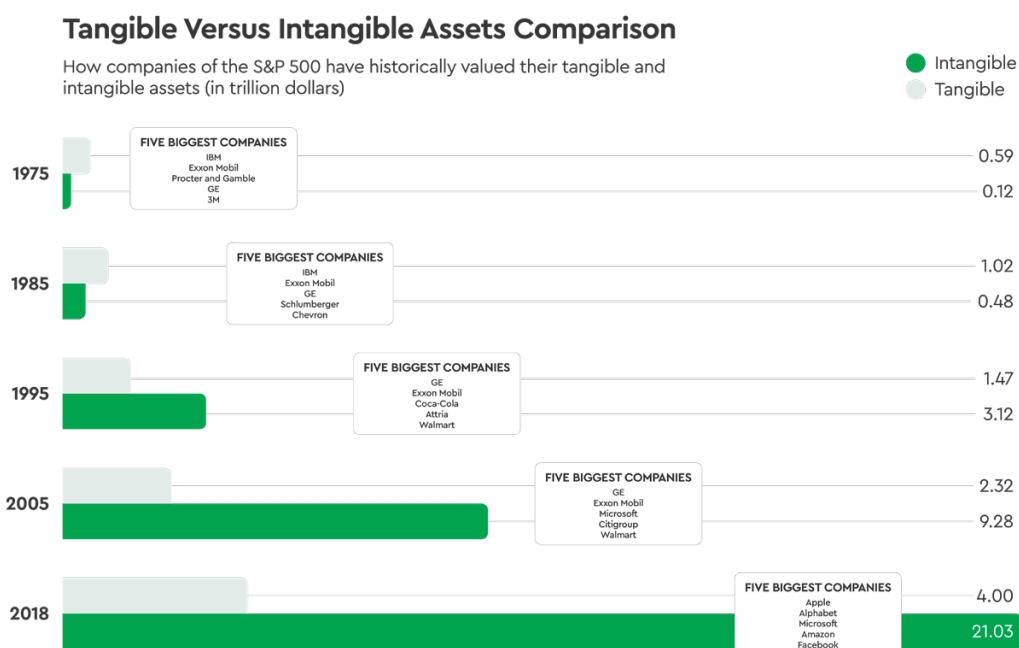


Figure 2. The shift in asset type over the past 45 years

The rise of intangible asset value is directly linked to the ease of scalability. Scalability refers to an organisation's ability to continue operations and grow with increased demand in the market. A company is scalable when sales volumes begin to expand significantly, and the company can maintain or increase profit margins. Factors like globalisation and the prevalence of the Internet and digitisation have enabled intangible assets to grow in a way that simply wasn't possible in the past.

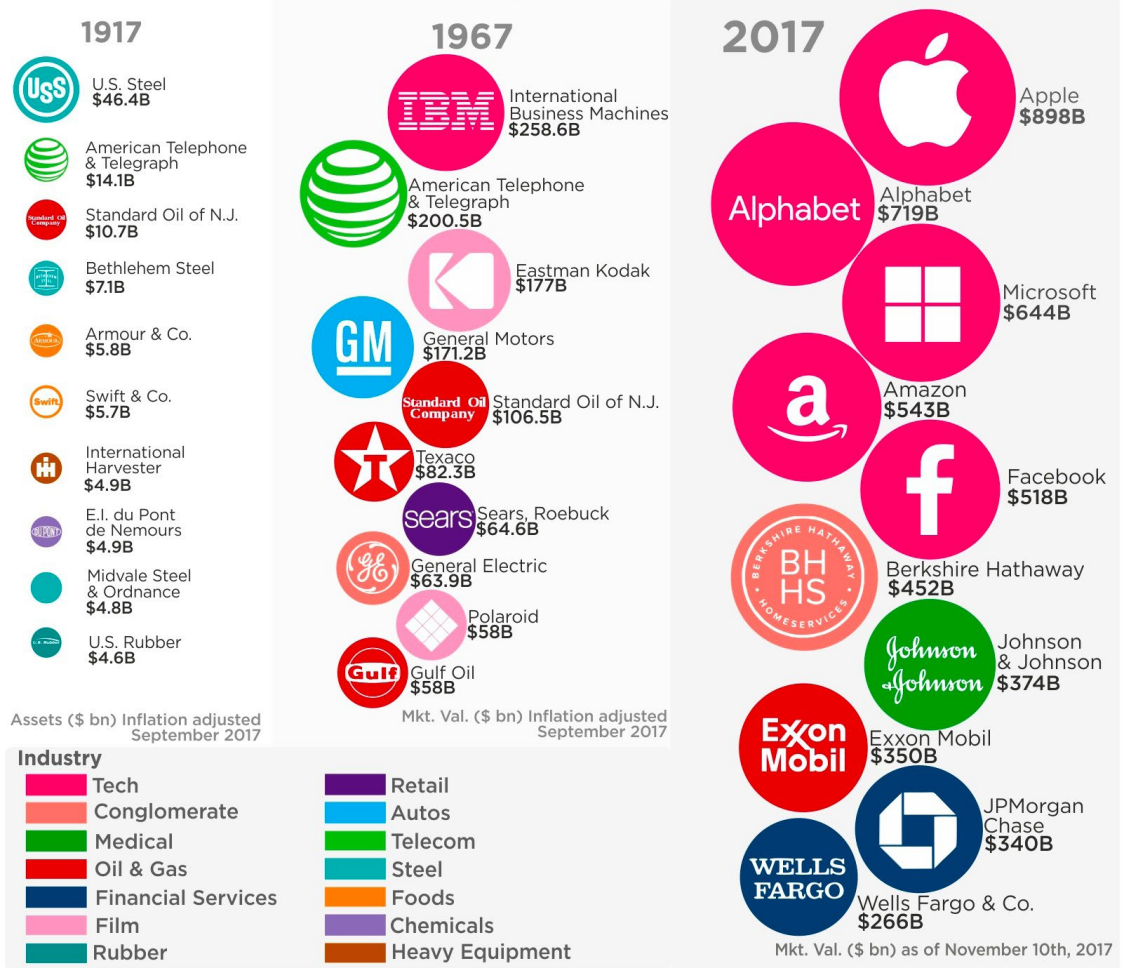
Value is now heavily vested in the things we cannot touch and see. Indeed, many companies today, especially technology companies, do not produce any tangible product, yet their net value places them in some of the most valued companies in the world. The difficulty in accounting for intangible assets is they are often unseen and not well understood. In contrast, tangible assets, such as land and equipment, tend to be easily accounted for.

Most intangible assets are not reported on balance sheets because accounting standards do not recognise them until a transaction has occurred to support their value. An issue with this is that companies can exist without ever knowing what their true value is or where their value is generated. Not knowing the true value of a company makes it difficult to understand and account for what assets exist, and, perhaps more importantly, take steps to mitigate the risk of losing these assets.

Value is created in many ways with intangible assets but, much like tangible assets, intangible assets are not all created equally. This means that each intangible asset within an organisation must be accounted for and protected separately. Further, intangible assets are not always used in the

1. Financial Statement Impact of Intellectual Property & Cyber Assets: 2020 Aon-Ponemon Global report

100 Years of America's Top 10 Companies



Source and Article:
<https://howmuch.net/articles/100-years-of-americas-top-10-companies>
<https://forbes.com>

howmuch.net

Figure 3. The changing business types for the top 10 companies in the USA over the past 100 years.

same way within an industry. For example, two competitors may leverage their intangible assets differently making their risk profile to loss of intangible assets different.

Even without knowing it, many organisations generate valuable intangible assets. Worse still, organisations knowingly develop intangible assets but choose to ignore or undervalue their value. Figure 4 below outlines some of the more common misconceptions surrounding IA.

Misconceptions



Key Takeaways

- Every business has intangible asset value of one kind or another. They are largely misunderstood.
- Intangible value rarely shows up on the balance sheet and when it does, it's often understated.
- Intangible value should show up in enterprise (share) value, but it is likely understated there as well.
- Because they are difficult to describe and value, businesses are not maximising their strategic and financial value.
- But there are clear steps to maximise their value for a financing or to imply drive shareholder value.

Figure 4. Misconceptions about intangible assets.

What are Intangible Assets?

Tangible assets are physical assets; intangible assets are the opposite and account for assets that are not physical. This simple definition has unfortunately been misconstrued, leading to a misunderstanding of what an intangible asset is. The term “intangible asset” is a broad umbrella that includes many different types of assets. Intellectual property is a term often used in place of intangible assets, but it is important to realise that intellectual property is only one type of intangible asset. In its broadest sense, intangible assets can be grouped into two: intellectual property (IP) and intellectual capital (IC).

This breakdown is generalised and depending on context some of these assets may differ. In particular, trade secrets are shown as a form of IC, but can also be considered as a form of IP. For example, instead of protecting technology using patents, an organisation may elect to protect the technology using trade secrets.

IP can be broken down further into registered and non-registered IP. This is illustrated in Figure 5 below. Registered IP includes patents, trademarks and designs, and unregistered IP includes copyright and unregistered trademarks. If trade secrets are considered as forming IP, trade secrets are an unregistered form of IP. Depending on the jurisdiction, trademarks can be protected through other avenues, such as under the Australian Consumer Law for passing off.

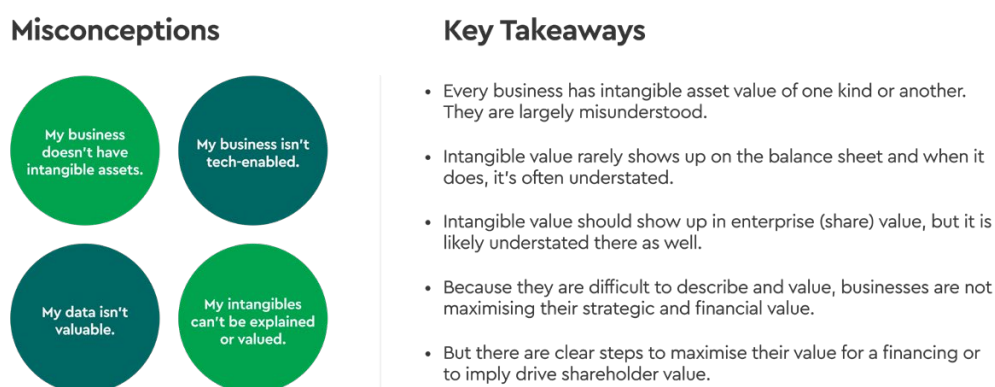


Figure 5. The breakdown of IA into the different forms of IP and IC.

An important distinction with registered and unregistered IP rights is the onus of proof during infringement. In general, for registered IP rights, the burden of proof is on the alleged infringer to show they do not infringe the right, but for unregistered IP rights the burden of proof is on the owner to show that a third party infringes the right. This subtle but significant difference can affect how the IP is enforced.

IC can also be broken down into structural capital and human and relational capital. An outline of the different types of IP and IC are provided in Table 1.

One of the biggest benefits of capturing and owning IA, such as IP, is that its value does not necessarily depreciate like tangible assets. Because IAs do not always follow a linear relationship between cost and value, it's possible to generate a higher return for a smaller investment in comparison to traditional tangible asset classes. The value of an intangible asset can increase dramatically over time with extra usage, due to the benefits of networking and expansion. For example, the most successful companies which have scaled tremendously while being primarily founded on intangible assets include Google, Uber and Facebook. These companies have radically transformed the traditional business model to a modernised version where most the company value can be ascribed to its intangible assets.

Table 1. Summary of each type of IP and IC

IA Type	Afforded Protection
Patent*	Protects an invention which can be a physical thing, the way something works, a way of doing something, a composition or formulation, the way something is made or prepared, or the way things are combined.
Trademark*	Identifies the brand owner of a product or service by using a recognisable sign, design or expression.
Design*	Protects the visual form of a product, such as the shape, configuration, pattern or ornamentation of an object.
Copyright	Protects original expression of an idea in the form of a creative work, but not the idea itself, and gives its owner the exclusive right to make copies of the expression.
Trade Secrets	Any confidential information, including secret formulas, processes, and methods used in production.
Proprietary Software	Software for which the software's publisher retains intellectual property rights, which is usually copyright of the source code but can sometimes patent rights.
Brand and Reputation	How a brand is viewed and perceived by customers, stakeholders, and the market as a whole, and it is the culmination of ideas and emotions associated with the brand.
Research and Development	Activities undertaken in developing new services or products or improving existing ones.
Critical Suppliers and Customers	Key relationships and agreements. Exclusive Government contracts for example.
Organisational Knowledge	The collective knowledge and abilities possessed by the people who belong to an organisation.
Strategy and Market Intelligence	Knowledge attributed to decision making in positioning the organisation in a market and knowledge of the market. Market intelligence can include datasets and consumer information.
Know How	Practical knowledge on how to accomplish something and is a component in the transfer of technology, co-existing with or separate from other IP rights.

* denotes the IA is a registered IP right.

It's important to realise that the development of a new product often involves the use of IC but that the product may be protected using IP. For example, an organisation may decide to develop a new product based on market intelligence, and a research and development (R&D) team using know-how and organisational knowledge develops the product that can then be protected by a patent. Part of the research and development may include licencing in technology (think critical suppliers and customers). This interrelation of the various types of IA often makes it difficult to delineate the perceived value of each type of IA, and interactions within an IA network can often lead to an unconscious devaluation of the IA.

To determine what type(s) of IAs an organisation may have, IA identification is required. Identification of IAs can be an involved process which goes beyond the scope of the subject of this paper. Suffice to say the identification of IAs can be difficult – if it were not, organisations would already be recording and valuing their IA. IA identification often requires more than one specialist to examine what assets a company may have. For example, a patent attorney is best suited to determine what technology (i.e. inventions) can be protected by patents, a trademarks attorney is best suited to determine how best to protect a brand, and an intangible asset manager may be best suited to codify and leverage organisational knowledge.

Irrespective of how the IAs are determined, they need to be valued to assess their respective risk exposure. The three main approaches to valuing IA are the income approach, the market approach, and the cost approach. This is further outlined in Figure 6 below. Placing a value on IA often requires consultation with the entities that first identified the IAs.

Income approach	Estimates for future cash flows and discounts them. An issue with this approach is that it can be hard to distinguish IA cashflows from overall cash flows.
Market approach	Uses recent transactions of similar or identical assets. An issue with this approach is that it can be difficult to find suitable comparisons, if at all.
Cost approach	Estimates based on the cost to replace or develop the asset. An issue with this approach is that it often ignores the amount, timing and duration of future economic benefits and the risk of performance.

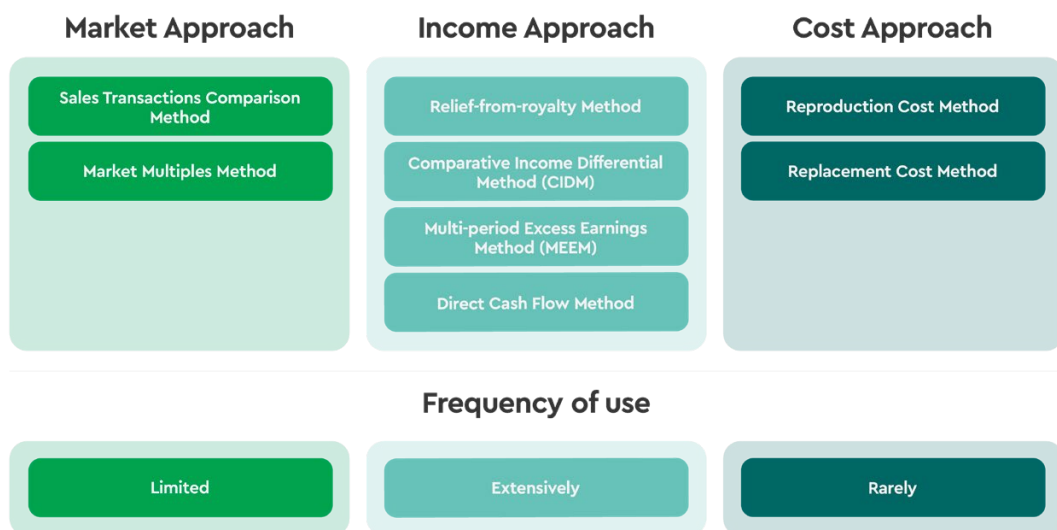


Figure 6. Three broad approaches for estimating fair values.

Although the process of IA identification and valuation can be involved, its outcome provides a much clearer picture of what assets and organisation has, their value, and most importantly how to protect and leverage these assets for commercial gain. Kodak invented and patented the original digital camera, yet they filed for bankruptcy in 2012 due, in part, to the rapid rise of digital cameras. Understanding what IAs an organisation has and how to leverage them sets up future revenue streams and growth.

Associated risks of IA

Much like tangible assets, intangible assets have associated risks. This risk profile depends on the type of IA and how it's used. Risks associated with IA can be viewed from an owner or a third-party perspective. For example, an owner may lose ownership of an asset, such as a patent being found to be invalid, or a third party could infringe a registered IP right.

Table 2. Explanation of the risk for each type of IP and IC:

IA Type	Explanation
Patent	<p><u>Owner</u>: If found to be invalid it cannot be enforced, which means the monopoly right is lost. Any licensing of the patent also falls away as a license cannot be used to control the use of an invalid patent.</p> <p><u>Third-Party</u>: Infringement of patent rights resulting in litigation.</p>
Trademark	<p><u>Owner</u>: Poor management means the trademark is not "used" and registration is revoked, or the trademark has become a term of the trade to describe the brand, product, or service.</p> <p><u>Third-party</u>: Infringement of registered trademark, or proceedings for passing-off and misleading and deceptive conduct for non-registered trademark.</p>
Design	<p><u>Owner</u>: If found to be invalid it cannot be enforced, which means the monopoly right is lost. Any licensing of the design then falls away as a license cannot be used to control use of an invalid design.</p> <p><u>Third-Party</u>: Infringement of design rights resulting in litigation. .</p>
Copyright	<p><u>Owner</u>: Loss in ownership means others can replicate or use the expression.</p> <p><u>Third-Party</u>: Infringement of copyrights resulting in litigation.</p>
Trade Secrets	<p><u>Owner</u>: Once a trade secret is no longer secret, for example by unauthorised disclosure by an ex-employee, it is irrevocably lost and cannot be further protected e.g. by patents.</p> <p><u>Third-party</u>: Unauthorised acceptance and use of third-party confidential information, either knowingly or unknowingly, such as from information disclosed by a new employee.</p>
Proprietary Software	<p><u>Owner</u>: Like a trade secret, closed source proprietary software can be kept secret.</p> <p><u>Third-party</u>: Unauthorised acceptance and use of third-party proprietary software, either knowingly or unknowingly.</p>
Brand and Reputation	<p><u>Owner</u>: Public opinion can change how a brand and reputation is perceived. In the digital age, public opinion can quickly cause permanent damage to a brand and reputation.</p> <p><u>Third-party</u>: If associated with the damaged brand, the brand of the third party may also be damaged by association.</p>

Research and Development	<p><u>Owner</u>: Information about past and future R&D activities, what works and what does not and why, is all confidential information that could be used by a competitor if information about the R&D was disclosed.</p> <p><u>Third-party</u>: Unauthorised acceptance and use of third-party confidential information, either knowingly or unknowingly.</p>
Critical Suppliers and Customers	<p><u>Owner</u>: Information about suppliers and customers is typically confidential information that could be used by a competitor if information about the suppliers and customers was disclosed.</p> <p><u>Third-party</u>: Unauthorised acceptance and use of third-party confidential information, either knowingly or unknowingly.</p>
Organisational Knowledge	<p><u>Owner</u>: Information about an organisation is typically confidential information if it pertains to trade secrets and how they are managed, proprietary software, R&D, know-how strategy and market intelligence, and is confidential information that could be used by a competitor if information about the suppliers and customers was disclosed.</p> <p><u>Third-party</u>: Unauthorised acceptance and use of third-party confidential information, either knowingly or unknowingly.</p>
Strategy and Market Intelligence	<p><u>Owner</u>: Confidential information about a market, what the market drivers are, how the organisation and their competitors fit within the market, and where the organisation strategy and market is heading could be used by a competitor if the confidential information about the strategy and market intelligence was disclosed.</p> <p><u>Third-party</u>: Unauthorised acceptance and use of third-party confidential information, either knowingly or unknowingly.</p>
Know How	<p><u>Owner</u>: Know-how is often organisation-specific and is part of confidential information and is of value to competitors. Loss of know-how is like loss of trade secrets.</p> <p><u>Third-party</u>: Unauthorised acceptance and use of third-party confidential information, either knowingly or unknowingly.</p>

Infringement of IP occurs when a third party uses the right without authorisation. IP rights need to be enforced by the owner, so the owner should keep a watch out for any infringing activities. Once an infringing activity is identified, the allegedly infringing party is put on notice which is either followed by a cease and desist notice or a letter of demand. Depending on the parties, the next step is generally a period of back-and-forth, negotiation and/or mediation. If the parties cannot arrive at an agreeable outcome, court proceedings are commenced.

Contrary to popular belief, only a small number of patents (i.e. < 2%) are ever litigated. For example, from 2006-2012, in the US there were 23,014 patent litigations, which represents only about 0.7% of the number of patents filed (3,331,170) during the same period. However, despite the relatively low number of patents litigated compared to the number of patents filed, the costs of being a party to infringement can be significant, even if the dispute is settled before reaching the courts. In some instances, the cost of defending accusations of infringement can be material enough to present issues of bankruptcy.

IC is not formally infringed per se and instead is generally only lost. For example, once a trade secret is made public the secret is lost and, in principle, the value associated with the secret is also lost to the public. The key with IC is understanding where risks can arise from. The two main avenues of risk with ICs come from either within an organisation, or from the outside.

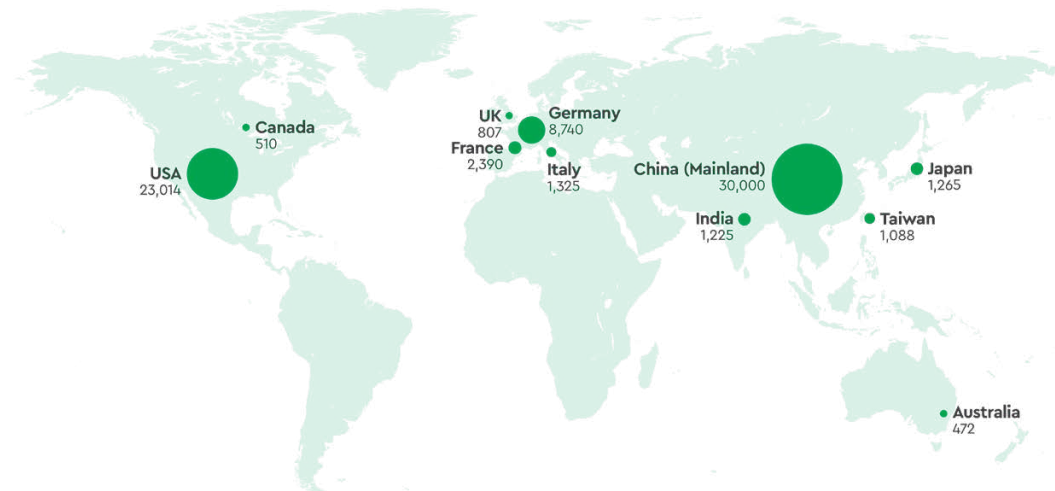


Figure 6. Patent Litigation by territory 2006-2012

The Inside Threat

One of the biggest risks to IC is not from the outside, but from within. Most companies constantly leak key intangible assets, such as confidential information.

As the world becomes more open and connected, information is becoming harder to keep secret without proper protocols and controls. Trade secrets are examples of lucrative knowledge or know-how that is not available to the public. Two common examples of trade secrets are KFC's secret chicken recipe and Coca-Cola's recipe.

One of the difficult decisions a business needs to make is determining when and how to use trade secrets – the alternative to trade secrets is often patents which by nature requires full disclosure to the public.

Despite the value of trade secrets, they are susceptible to being lost. If a trade secret is made public, it is no longer confidential and protectable. Ex-employees carry a wealth of knowledge about their previous employer's IC and non-disclosed IP. If employment contracts do not clearly outline ownership of confidential information and how confidential information is to be treated, this may allow for leakage of confidential information to external parties.

An example of leakage of confidential information is Anthony Levandowski who was ordered to pay US\$757,000 in restitution and a fine of US\$95,000, and who has also been sentenced for 18 months imprisonment, for stealing trade secrets in relation to a self-driving car technology from Google and distributing this knowledge with Uber.

Conversely, any employer who recruits and hires an employee away from their competitor should also be wary of any confidential information the new employee may bring across with them. The new employee may distribute confidential information to the new employer in breach of their previous employment contract, and this may expose the new employer to risks of unauthorised use of confidential information.

The Outside Threat

Threats from within are potentially the riskiest but also easiest to manage. On the other hand, threats from the outside can be harder to manage, though on average they are likely to be less risky.

Counterfeiting Counterfeiting has become a significant problem and is steadily growing. Counterfeiting has become a US\$917 billion industry per year for the exchange and trade of illegal goods. Counterfeiting can have serious implications on an organisations ability to maintain a positive reputation and generate revenue due to diluted market shares.

Draining Capital via Litigation Competitors initiating litigation to drain the company's capital reserves so they can merge and acquire the enterprise for its technology is another type of threat. Hostile takeovers are a strategic way for large companies to access newly developed technology from smaller companies in the same field without developing the IAs themselves

Agreement Exploitation Companies with high demand for their IAs may license their technology out to third parties to manufacture, use and sell. This is often done in exchange for a royalty payment. One of the risks with licensing out IP rights is that the third party may use the technology outside the scope of the agreement. This can result in the owner of the IA having to initiate litigation against the third party, such as for patent infringement..

Agreement Exploitation Companies tend to have key employees in various roles to support company structures. The value that these key employees have in the company needs to be understood and protected. If the role or contribution a key employee makes is not identified and documented, especially if the employee is erroneously not identified as a key employee, this may make it easier for a competitor to poach the employee. Such a situation could have adverse effects on company structures, for example, the cost of recruiting and training to replace the employee to maintain the company structure.

What is IA Insurance?

IA insurance is a policy which covers the costs arising from IA related legal disputes. This typically provides cover for cases of IP infringement, relating to patents, trademarks, copyright and trade secrets, and cover for loss of profits stemming from a loss of rights such as loss of confidential information, for example, a large dataset of customer data. Companies purchase IA insurance to protect themselves from potential litigation costs associated with infringement allegations, loss of profits, and to leverage their positioning in negotiations. For example, enforcing a patent where the patent owner has insurance covering costs of litigation can serve as a strong negotiation position.

In the past, IA insurance packages lacked commercial interest due to limited awareness of their availability amongst IA holders. A Patent Litigation Study by PwC in 2015 revealed that the average cost of patent litigation in Australia was AU \$2,000,000. For most SME's, if they were to experience legal costs in this price range it could lead to bankruptcy, insolvency or agreement settlement. All undesirable outcomes.

The type of insurance coverage required depends on the IA risk profile. It may be that a company requires different types of coverage to protect different aspects of the company.

Table 3. Main types of IA Insurance Coverage

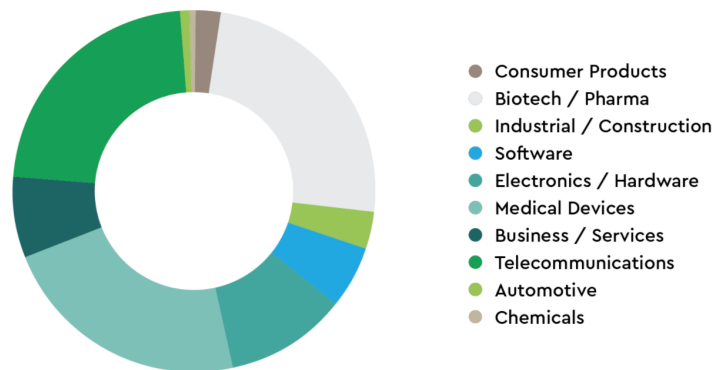
Coverage Type	Events Covered
Defence Coverage	Legal cost for defending accusations of infringement of third-party IP rights.
Pursuit Coverage	Legal cost for enforcing IP rights against an alleged infringer.
Contractual Indemnity Coverage	Monetary payment for the loss of income incurred from a contractual termination.
Loss of IP Rights Coverage	Monetary payment for the loss of IP rights in the event the IP rights are invalidated. This policy may repay the insurer all accumulated costs incurred from gaining and maintaining IP rights.
Loss of IP Rights Coverage	Monetary payment for any loss of profits associated with an injunction imposed on IP rights.

Table 4. Some notable patent litigation:

Case	Summary
Marvell Technology v Carnegie Mellon University (2009–2016)	Marvell Technology Group, a manufacturer of consumer semiconductor products agreed to pay \$750 million to end a 7-year IP infringement case with Carnegie Mellon University for the infringement of multiple hard drive disk patents owned by Carnegie.
Paice v Toyota Motor Corporation (2001–2007)	Paice, a company located in Baltimore, sued Toyota Motor Corporation after it allegedly infringed patents surrounding hybrid technology. The 6-year lawsuit led to Paice reaching a licensing agreement with Toyota Motors for 23 of Paice's patents. Paice now licensees its hybrid technology to Ford, Toyota, and Hyundai.
Apple v Samsung (2011–2018)	Samsung settled a 7-year dispute with Apple after infringing on Apple's design and utility patents. The lawsuit ended with Samsung's final payment to Apple amounting to \$539 million for damages.

Table 5. The medium damages awarded from the top ten industries from 1995 to 2014 for patent litigation in the US.

Industry	Medium Award (in US\$)
Biotech / Pharma	\$21.4M
Telecommunications	\$19.7M
Medical Devices	\$19.4M
Electronics / Hardware	\$9.5M
Business / Services	\$6.2M
Software	\$4.9M
Industrial / Construction	\$2.8M
Automotive	\$0.7M
Chemicals	\$0.4M



A PwC study in 2015 identified that the pharmaceutical, biotechnology, telecommunications and medical devices industry were linked to the highest medium damages awards in the United States for patent litigation. Overall medium damages awarded for all industries is approximately \$5.4M. As risk premiums are calculated on a pro-rata basis, industries with an on average higher medium damages awarded will require greater premium payments to access the program. It is important to note that the study occurred in the United States, therefore the figures may be inclusive of punitive damages.

Risk Management

The ability to assess the likelihood of risk enables you to implement better risk management practices.

There is a broad misperception that infringement of IP can be easily avoided by changing the infringing activity by a small amount. Unfortunately, this is not always true. Further, even if a company secures IP rights, they may still be infringing third-party IP rights. For registered IP rights, the risk of infringement can be assessed using a freedom to operate search.

For non-registered IA, the risk is the loss of the asset, such as a trade secret being made public. Internal risk, therefore, generally stems from having correct employee contracts, systems, and protocols to prevent leakage of information.

As an example, if a company has an R&D program that accounts for 60% of its IA, and if the employees of the company are not properly bound by confidentiality and IP clauses in their employment contracts, there is a strong risk that the structure, knowledge, know-how and personnel could end up at a competitor. In this example, the risk can be reduced if an IA audit is performed to identify gaps in protection.

Assessing the risk of infringement and/or loss of IA is vital because it can help to reduce IA insurance premiums.

Managing IA risk is done in four steps:

1. *Identify the IA* -> 2. *Assess the risk* -> 3. *Manage the risk* -> 4. *Transfer the risk*.

1. Identify IA

As simplistic as it sounds, the most important step towards managing any form of risk is identification. You cannot protect what you do not know you have. A company needs to identify its intangible assets including third-party commercial relationships such as licensing agreements. Until all intangible assets have been recognised and accounted for it is difficult to manage their vulnerability and risk exposure.

2. Assess the risks

The next step is to analyse the potential risks underlying each of the identified IAs. Understanding the financial implications for each asset if risks occur is crucial and the threat level of each risk should be quantified. Assessing the risks and hazards can assist organisational decisions on strategies to proactively approach risk management. Considering potential risks for each intangible asset, the probability of each risk, and the potential consequences enables an organisation to deeply consider how they will tackle each situation if it were to transpire.

3. Manage the risks

Knowledge of certain practices to minimise and manage risks effectively provides a competitive advantage. The following are ways an organisation can manage its risk exposure:

Organisational Policies	It is crucial that employment contracts clarify any discrepancies regarding ownership of IA created during working periods. Having clearly defined terms and conditions on confidential information and the disclosure of information is critical to avoid issues at a later period.
IT Security	With the advancement of technology, cyber risk has become more relevant than ever. With hackers persistent in committing data theft, having strategies to protect your network and data is essential. Whether it's segmented networks or multi-layered firewalls, organisations must be prepared to deal with potential cyber threats.
Training	Communicating the importance of and the different types of IA to employees enables them to proactively consider methods of IP protection, which can decrease the probability of employees unintentionally leaking IP.
Continuous Monitoring	An IA portfolio requires regular check-ups to assess their underlying health. When an IA portfolio is neglected it can threaten the health of the organisation. Regular reviews conducted internally or externally by professionals who specialise in IA identification and management can make a significant difference in preserving the value of the portfolio.

4. Transfer the risks

Businesses should always look at ways to transfer risk wherever economically viable. When the cost of transferring the risk is cheaper than dealing with the consequences, it's essential to seek ways to involve cost-effective third parties to mitigate and remove the risk.

Conclusion

This report discusses the different types of intangible assets, the risks threatening IA, the growing need for IA Insurance and IA risk management.

From our experience as IA specialists, we encounter many misconceptions about IA that need to be avoided.

Some of the common misconceptions include:

We don't have any IA	This is very wrong: all companies have IA. Even if you don't hold registered intellectual property rights, things like know-how, client relationships, and reputation significantly influence the operations of your business and should never be underestimated.
The data we collect isn't valuable	We live in the age of information. If you collect any data that is not publicly available, widely known, or free, your data is of value to someone. Just because you cannot see the value in your data doesn't mean it isn't valuable.
Our intangible assets can't be valued or explained	It may be the case that your IAs can't be valued or explained from your perspective, but IA specialists can see the unseen and are experts in identifying, protecting and leveraging IA value.

Recognising these misconceptions can remove any hindrances affecting your businesses performance and enable you to value your IA. Organisations which actively identify the value of their IA portfolio and pursue ways to protect their IA differentiate themselves from their competitors.

IA related disputes are costly and can tarnish an unprepared company, potentially spiralling it into insolvency. With IA insurance you have the advantage of being able to defuse IA conflicts and fund expensive litigation costs. IA insurance will enable companies to commercialise their IA with a protective barrier, mitigating their risk exposure. This will lead to more R&D, greater technological advancements, and better commercial outcomes.

If you are serious about mitigating risk and transferring intangible asset risk off your balance sheet, you should strongly consider IA insurance.