License Your Valuable Assets

Hosts: Claudia Tapia, Chairperson, 4iP Council & Dana Colarulli, Executive Director

Presenters:
Eszter Szakács, Attorney-at-Law and Partner, Danubia Legal
Dr Anke Nestler, Managing Director and Partner, VALNES Corporate Finance GmbH
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Who is LESI?

The Licensing Executives Society International (LESI) is an umbrella association of 33 national and regional Member Societies in more than 90 countries serving more than 7000 individuals.

- Provides a global platform that enables businesses, professionals, and industry players to network, learn, encourage IP transactions and understand licensing, amongst licensing professionals around the world.
- Provides leadership on key issues important to licensing professionals in companies, firms and other organizations
- Maintains an international and diverse board where women prominently serve in the leadership
- Offers a variety of meetings, conferences, webinars and certifications to inform and educate professional – both in person and now virtually too!
- **Save the Date:** Annual Meeting May 2021 – a global (virtual) conference

LESI: Advancing the Business of Intellectual Property Globally
Today’s session will focus on the third in a series of Business Briefings published by LESI in May 2020: *License Your Valuable Assets*. 

- Written specifically for SMEs, useful for all.

- For those involved in the business of IP for the first time, these briefings provide critical information that may help your enterprise to be successful.

- The three briefings are written by LES members who are experts in their subject and active in licensing in various markets throughout the world.

www.lesi.org/publications/business-briefings
Today’s presenters

Eszter Szakács, Attorney-at-law and partner at Danubia Legal in Budapest

Dr Anke Nestler, Managing Director and Partner at VALNES Corporate Finance in Germany

LESI Business Briefing: License Your Valuable Assets
LESI Business Briefings – Licensing Your Valuable Assets

Part A

Eszter Szakács – DANUBIA LEGAL
What are we going to discuss?

- What is a license – why do we need them?
- How do you prepare? – finding IP, finding partner, negotiations
- Types of license
- The nuts and bolts of a license agreement
- The legal stuff you need to consider
- Determining the best financial outcome
- Royalty rates
What is an IP license?

- The permission granted by the licensor to the licensee to use a specified intangible asset, under agreed conditions

What IP can be the subject of an IP License Agreement?

- Patents
- Trademarks
- Copyright
- Registered design
- ... and more

Why license? - pros and cons for the Licensor

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
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<tbody>
<tr>
<td>Generates cash flow</td>
<td>Creates competition</td>
</tr>
<tr>
<td>Geographical expansion</td>
<td>Monitoring difficulties</td>
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<tr>
<td>No production investment risk</td>
<td>Loss of control</td>
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How do you prepare for an IP License Agreement?

Finding your IP
- Identify your IP
- Be sure you have the right to license

Finding a partner
- Market power and expertise
- Financial stability

Protecting confidential information
- Careful in disclosing your IP in negotiations
- NDA is crucial
Types of License

- Sole License
- Exclusive License
- Non-exclusive License
The Nuts and Bolts of a License Agreement

- Licensed Rights
- Licensed Product
- Term and Territory
- Payment
- Sub-license
- Infringement
The legal stuff you need to consider

- Diligence
- Improvements
- Warranties
- Indemnities
- Antitrust
LESI Business Briefings – Licensing your Valuable Assets

Part B

Dr. Anke Nestler – VALNES Corporate Finance GmbH
Determining the Best Financial Outcome

What is a license fee?

- A consideration for granting of an IP right
- The ‘rent’ for a defined use of an intangible asset

What to consider when choosing the fee structure?

- The nature of the asset
- The split of risks and opportunities

Types of license fees

- Fixed fee
- Royalty
- Fixed fees + Royalty
Royalty Rates

Why is royalty base so important?
- Informative value
- Net sales is often the preferred royalty base
- ‘Royalty-bearing portion’

Why not just use an ‘industry typical royalty’?
- Every contract is unique
- Each party should do its homework
- Royalty databases as a non-deterministic benchmark

What makes Standard Essential Patents (SEP) so special?
- Only FRAND licensing
- Regulation ‘guides’ contracting
Contacts

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Next webinar: **The Value of Standard Essential Patents and the Level of Licensing**

Presented by:

- **Bowman Heiden**, Co-Director, Center for Intellectual Property (CIP), Chalmers/UGOT/NTNU; Visiting Professor, UC-Berkeley.

- **Jorge Padilla**, Senior Managing Director, Compass Lexecon.

- **Ruud Peters**, CEO, Peters IP Consultancy B.V.; Former Chief IP Officer and Executive Vice President at Koninklijke Philips N.V.

Research paper has just been published.

28th January 2020, 7am PST | 10am EST | 16.00 CET.

Registration is open. Save your seat on www.4ipcouncil.com.