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WORLD INTELLECTUAL
PROPERTY ORGANIZATION

**WIPO NATIONAL WORKSHOPS ON ASSESSMENT
AND VALUATION OF INVENTIONS AND RESEARCH RESULTS
FOR TECHNOLOGY TRANSFER AND COMMERCIALIZATION**

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ASSESSMENT AND VALUATION OF INVENTIONS AND RESEARCH RESULTS

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INTRODUCTION

Technology and Economic Growth

1. The last decade has witnessed sweeping economic changes all over the world. The developing countries, in particular, have undergone a major paradigm shift. Restrictive policies with respect to controls on trade and industry, foreign investment and technological collaborations have been discarded. As country after country has liberalized its economic regime, new competitive pressures have come into play.
2. This period has also seen the successful conclusion of the GATT negotiations of the Uruguay round which extended from 1986 to 1994 and which, for the first time, included also an Agreement on Trade Related Aspects of Intellectual Property Rights (known as the TRIPS Agreement). The signing of the Final Act by 116 nations at Marrakech in Morocco on 15 April 1994, acclaimed as the most comprehensive trade deal in the history of mankind, has led to the formation of the World Trade Organization (WTO).
3. As new opportunities open up, the critical role of technology as a driver of economic progress has been widely acknowledged. Neo-classical economic theory attributed growth in output to increase in the factors of production, namely, labor and capital. Recent studies and experience show that contribution of raw materials, and in many cases of labor, has steadily declined in providing competitive edge to the products: their percentage in overall costs has reduced.
4. This is perhaps best reflected in micro-processor technology where raw material content has steadily fallen to an insignificant proportion of its price but the intellectual component has increased. Also the value addition in most new products comes basically through intangible components, including technology.
5. The recent economic achievements of many countries have not sprung from their natural resources. Malaysia's prosperity, for example, is no longer based on tin and rubber. Countries rich in natural resources, on the other hand, for example oil producing countries of Middle East, are not the great economic powers.
6. Economic progress requires a constant stream of new ideas and products to improve quality of life, regardless of whether the innovation is a simple gadget or a sophisticated invention. Today it has become evident that innovation and creativity bring competitive advantage to companies and nations. Per capita economic growth of countries is driven increasingly by innovation, not by aggregate capital investment per se.
7. We are witnessing an increased inter-dependence in global trade and technology as costs and risks of developing new products and processes increase. Strategic alliances between companies such as licensing agreements, joint ventures, mergers, acquisitions and cooperative R&D agreements are proliferating, cutting across national borders and cultures. Alliances seek to learn and acquire from each other technologies, products, skills, and knowledge that are not available to other competitors. New relationships between enterprises are setting new standards in making it easier to do business together.

Growing Role of Intellectual Property Rights (IPR)

8. The new economic forces have significantly increased the role of intellectual property rights (IPR) in economic growth and competition. Intellectual capital is increasingly being recognized as been among the most important asset of many of the world's largest and most powerful companies.
9. Intellectual capital is often of considerable value because it is unique. It comprises, inter alia, patents for inventions, trademarks, industrial designs, utility models, appellations of origin, integrated circuits topographies, copyrights, but also know-how, trade secrets, proprietary technology, talents, skill and knowledge of the work force, training systems and methods, customer lists, distribution networks, quality management systems, etc.
10. Intellectual capital is the foundation for market dominance and continuing profitability of many leading corporations.
11. Intellectual capital is often the key objective in mergers and acquisitions and knowledgeable companies are increasingly using licensing routes to transfer these assets to low tax jurisdictions.
12. Licensing agreements and joint ventures are based on IPR assets. They are a powerful tool to face the competitive market forces in addition to the traditional techniques of inventory management, human resource development and total quality management. The new financing techniques, leveraged buy-outs, and mergers too have led to emphasizing the role of intellectual property portfolios in companies. IPR are being pledged as security for loans and assessment of the real worth of businesses increasingly require valuation of their intellectual property portfolio.
13. At the corporate level there is an increasing awareness that active and full control over technology, new products and processes secures the way to competitive advantage. The focus is on innovation and invention based design. Analysis of product life cycle reveals their falling contribution as they mature. The upgrading of these products and the introduction of new ones, the planning from commercial launch to withdrawal from market, demands well-planned innovative technology inputs.
14. As nations and companies elaborate their new strategies, where technological superiority determines success, the question of assessment and valuation of intellectual property rights (including inventions, industrial designs, trademarks, know-how, trade secrets, etc.) assumes increasing importance.

PROPERTY AND INTELLECTUAL PROPERTY

15. Transfer of technology and R&D results is not simply a matter of acquisition: it is not merely transfer of capital or handing over of the blue prints or framing of legal agreements. Technology has to be 'created' and tested before it is transferred and then assimilated and upgraded. R&D results have to be translated into applications. This process starts with innovation and ends with innovation.

16. The neo-classical economic theory assumed the technology progress essentially as an exogenous phenomenon. Current understanding of economic growth is at variance with this view which regards technology as a 'free good.' It is now widely acknowledged that technological progress occurs precisely as a result of entrepreneurial activities in anticipation of profits from innovations. A sound patent system contributes to the transfer of technology and research results by providing a legal environment which is conducive to encouragement of technology transfer and application.

17. Before discussing the question of valuation and assessment of patented inventions, it is useful to recall some of the basic concepts of property, including intellectual property.

⇒ **Movable Property:** The owner has the legal and exclusive right to use his property. The owner may authorize others to use his property but only one person can use it at a time.

⇒ **Immovable property** (such as land and buildings): There are limits to the use of such property, for example, the requirements to be fulfilled when constructing a building. Here also only one person can use it at a time.

⇒ **Intellectual Property:** represents the creations of the human intellect. Intellectual property relates to information which can be incorporated in tangible objects and reproduced in different locations and can be used by several persons at the same time. Like the movable and immovable property, intellectual property is also characterized by limitations of law, for example, limited duration in the case of copyrights and patents.

VALUATING INTELLECTUAL PROPERTY RIGHTS

18. Valuation of inventions and R&D results is necessary to estimate the value of the company's intellectual property portfolio. Furthermore, it is essential to working out the cost of technology for transfer purpose. Risk affects valuation analysis, corporate valuation must reflect risk and, most importantly, risk should reflect value.

19. Valuation is not easy. There is no agreed formula, or a common approach, to the valuation of technology, R&D results, know-how or intellectual property rights in general. It is easy to predict a person's contribution to a society when he or she is grown up and we can evaluate the usefulness of that person's contribution by ascertaining age, education, work experience and accomplishments but valuation of inventions is like predicting the future contribution of a child, if not that of a new born baby. Indeed, many inventions need not have immediate economic benefits to be valuable. Embryonic technology often needs further development before its actual value is realized.

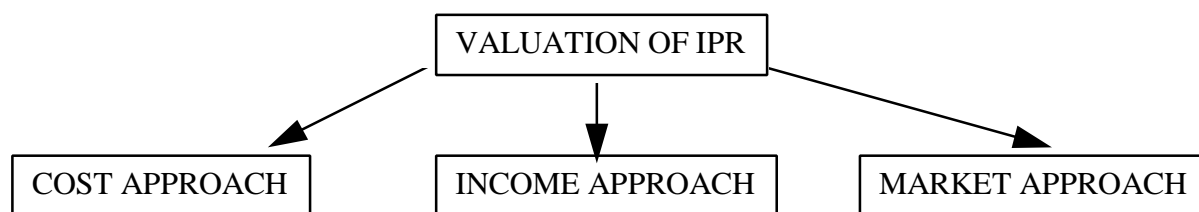
20. This has led some people to believe that valuation of inventions is not amenable to scientific treatment and could be based more on 'gut feeling' and intuition than on precise calculations.

21. One of the key factors affecting a company's success or failure is the degree to which it effectively exploits intellectual capital and values risk associated with chemicals and substances.
22. In order to value intangible assets or intellectual property, it is absolutely necessary to address the question of economic life. The two concepts are inextricable.
23. Management needs to know the value of the company's brands, other intangibles at risk for the same reasons as they need to know the underlying value of their tangible assets. To make sure that such values are maintained.
24. Some questions that have to be answered when assessing IPR
- What IPR are used in the business?
 - How are IPR protected?
 - What is the value of IPR (as a whole and separately)?
 - What is the level of risk related to IPR (infringement third party's rights, infringement by others)?
 - Who owns IPR?
 - Could somebody sue me or could I sue somebody?
 - How can IPR be transferred or exploited?
 - What is the net present value of damages claims (corporate, environmental, personal)?

Approaches to Valuation

25. In recent years many serious attempts to develop models to evaluate inventions have been made, including using mathematical methods (e.g. to work out equations which supposedly help in determining the invention's true value).
26. A fundamental principle of valuation theory is that the value of any asset or liability is the present value of future economic benefits or losses that can be anticipated to accrue to the owner of that asset or liability.
27. The ultimate measure of the value of an invention, however, is that a buyer is willing to pay and that the seller is willing to accept the price. In reality, we need to combine scientific methods with those of market forces.
28. Since value can be defined as the present value of future benefits to be derived by the owner of a property, a valuation needs only to quantify the future benefits and the calculate their present value. These future benefits may take
- ⇒ the form of income, as in the case of a security or investment real estate or royalties derived from intellectual property licensed to others;
 - ⇒ in the form of service, such as the production of goods by process equipment or manufacturing machinery;
 - ⇒ in the form of use, such as mineral reserves or residential occupancy, or
 - ⇒ in the form of enjoyment, as in the case of fine arts or jewelry.

29. There are three accepted valuation methodologies:



Cost Approach

30. The cost approach is used to estimate the value of the asset by ascertaining the amount required to replace the asset: In other words, the cost approach seeks to measure the future benefits of property by quantifying the amount of money that would be required to replace the future service capability of the property in question. This is usually defined *as cost of replacement*. The assumption underlying this approach is that the price of new property is commensurate with the economic value of the service that the property can provide during its life.

31. One must quantify any reduction from the brand new state, taking into account the physical, functional and economic life of the asset.

32. This method is broadly based on cost to the buyer for replacing or finding an alternative solution. When applying the cost method, one must calculate the expenses which could occur if the technology would have to be redeveloped (or redesigned). This could involve the expenses (including the uncertainty of success) to create a new invention which would be better than the existing technology; the cost to find an alternative invention to serve the same purpose; or the cost (including uncertainty) of 'inventing around' a particular patented invention. Among the components of the cost approach are:

- the cost of reproduction
- the cost of replacement
- the depreciation cost
- the original cost
- the book cost.

33. In relation to IPR, costs are usually not depreciated as they are written off in the year in which they are incurred. The book cost, which is the original cost less depreciation, is therefore not usually used in preparing an economic evaluation of innovation.

34. There are several factors in valuation of inventions which ultimately get embodied in technology transfer agreements. The compensation is often not solely related, if at all, to the value the invention has to the success of the licensee. Expenses incurred in transfer of know-how is one such example. Among other difficulties in putting a cost to these elements is the importance of actual time when the development began. The valuation is usually based on the historical costs and depends largely on the accuracy of financial record keeping.

35. Principal disadvantage of the cost approach lies in the correlation of cost with value. A major danger in using the cost approach to evaluate inventions is that not all development based on inventions lead to successful products. A number of inventions, duly backed by engineering effort, do not lead to ultimate market success. How should these costs be included in the cost base for the successful products? How should we apportion the failed product development costs to the cost of successful inventions?

Income Approach

36. The income approach steps away from the cost of constructing, creating or inventing a new property and focuses on a consideration of the income producing capability of the property. The underlying theory is that the value of property can be measured by the present worth of the net economic benefit (cash receipts less cash outlays) to be received over the life of the property. This concept is well described by Campbell and Taylor:

It has often been stated, but bears repeating, that assets (whether bricks and mortar, land, equipment or corporate shares) are only worth in the open market what they can earn, and the true measure of worth is the assets' earnings when related to the risk inherent in the business situation.

IAN R. CAMPBELL AND JOHN D. TAYLOR, "VALUATION OF ELUSIVE INTANGIBLES," CANADIAN CHARTERED ACCOUNTANT, MAY, 1972, P. 41.

37. When applying the income approach, one should not forget the "time value of money" - that a dollar to be received in future is less worth than a dollar to be received immediately.

38. The present value of a cash offer is obvious, and the comparison between two different cash offers can be made without difficulty. However, what is the present value of \$300,000 to be received in one year? And what do we need to know about the situation in order to calculate it? The first consideration we must address is how confident we feel that the payment will be made, in full and on time. If the calculation is made on the basis of an interest rate of 4% then the result would be that the present value of the right to receive \$300,000 in one year is \$ 288,256, at 15% it would be \$258,453* .

39. The three essential elements of the income approach are:

- The amount of the income stream that can be generated by the property
- An assumption as to the duration of the income stream
- An assumption as to the risk associated with the realization of the forecasted income

* Table showing the present value of the right to receive \$300,000 in 1, 2, 5 and 10 years

	1 Year	2 Years	5 Years	10 Years
@ 4%	\$288,256	\$276,972	\$245,701	\$201,230
@ 15%	\$258,453	\$222,659	\$142,370	\$ 67,564
@ 25%	\$234,241	\$182,896	\$ 87,062	\$ 25,266

40. These three elements can be related to one another by means of a simple formula:

$$V = I/r$$

where

V = Value of the income from the property

I = Net income derived from use of the property (income less expenses); and

r = Capitalization rate reflecting all the business, economic, and regulatory conditions affecting the risk associated with employing the property and achieving the prospective earnings.

41. A time is assumed over which the invention will generate income. A risk is also assigned to predicted income. In spite of due diligence and caution, no one can eliminate the uncertainty associated with forecasting the future. Thus it is reasonable to assume that, in commercialization, an invention is likely to fail. The chances are further increased in the face of rapidly changing technologies. The value of an asset is the present value of its future stream of economic benefits.

42. Some important considerations in the income technique are:

- **The Net Cash Flow** takes into account costs of doing business, keeping in mind the additional capital investment needed. The net cash flow includes the amount of future benefits, the potential for benefits; and, the duration over which these benefits will be accrued.
- **Profitability** aggregates the costs, such as wages, raw materials, sales and other overheads.
- **Competition:** The strategies of competitors can influence the cash flows and must be taken into account. A unique product will command a high price. Where there is competition, gross margins will be lower. Competition, price cutting will probably result.
- **Capital requirements** can reduce the amount of future net cash flows due to demands on cash for new assets.
- **Actual value:** Inventions are often in nascent stage of development. They may need further inputs and application before they produce economic benefit.

* The discount rate takes into account the following:

Inflation: the rate of inflation diminishes the value of future economic benefits and must therefore be taken into consideration.

Liquidity: Inventions, during their early days do not provide the benefit of quick conversion into cash.

Real interest: This is the return on investment after foregoing the alternative opportunity of the invested funds.

Risk premium: This is the return investors expect for the assumption of risk.

43. In determining the value of intellectual property rights, the cost of the original research and development is usually not included. They are necessary but irrelevant as regards calculating the value. Many millions of dollars can be spent upon R&D, but if the final product does not have any application, it will have no value.

44. The income accounting technique is suitable where the outcome of inventions can be evaluated fairly accurately in terms of cash income. Where it is not possible to give specific value to the commercialization of invention, this system is not useful as it leads to assigning arbitrarily value to intellectual property.

45. The income method presumes that expected sales income sets the value. A typical calculation in the income method is to estimate the market potential of the technology, predict a portion of the market size that a company could realistically expect to capture and then to assess a royalty on the sales to work out the total value of the technology.

46. The income approach is best suited for the appraisal of the following:

- Contracts
- Licenses and royalty agreements
- Patents, trademarks, and copyrights
- Franchises
- Securities
- Business enterprises

47. The income approach indicates fair market value directly and without intermediate calculations involving the three forms of appraisal depreciation.

Market Approach

48. The market approach is the most direct and the most easily understood appraisal technique. It measures the present value of future benefits by obtaining a consensus of what others in the marketplace have judged it to be. Here, 'fair market value' is taken as the amount at which the IPR (invention, trade mark, know-how, etc.) profitability would exchange hands between a willing buyer and willing seller. Equity is viewed as an exchange in which neither party gains an advantage in terms of the sale.

49. There are two requisites for the market approach:

- i) an active, public market, and
- ii) an exchange of comparable products.

50. The residential estate market is a good example of a market where these conditions are usually present. There is generally some activity in this market in a given area, and selling, asking, and exchange prices are public. Of course not all residential properties are similar, but given enough activity, reasonable comparisons can be made. Where these optimal market conditions do not exist, using this approach involves more judgment, and may become a less reliable measure of value.

51. The market approach depends on what others have paid for similar technology and relies on the concept of 'prevailing industry standards.' The difficulty with industrial property valuation is that one does not always know what others are paying for similar technology since such sales or licensing statistics are not as readily available. Nevertheless, there are 'industry norms' which licensing/acquisition professionals generally know.

52. The market approach is rarely used for the valuation of intangible assets and intellectual property, largely because of the absence of the following conditions.

Active Market

53. The ideal situation is to have a number of property exchanges to use in this analysis. One sale does not make a market. There are, for example, publicly-traded common stocks in which only a few shares are traded in a year. Their exchange price has much less validity as a measure of their value than, for instance, General Motors stocks, in which thousands of shares are traded each day.

Public Market

54. To be useful, the exchange consideration must be known or discoverable. The prices of common stock in the primary exchanges are known in minute detail. For other types of property, it becomes more and more difficult to discover the exchange price. Even with real estate, the published price may be misleading due to financial arrangements between buyer and seller that are not made public. Transactions between businesses, such as the sale of a plant, product line, subsidiary, know-how, patent or trademark may be very difficult or impossible to evaluate because competitive pressure motivates the participants to keep the details confidential.

Adjustments for Comparability

55. The best of all worlds for an appraiser is to find, for a specific property, an arm's-length sale of an exact replica property, across the street, the day before the appraisal. Unfortunately this does not happen with enough regularity to eliminate the need to make adjustments when the "comparable sales" are not exactly comparable. Real estate appraisers continually grapple with the problem of quantifying differences in property, so that the location, amenities, zoning, size, shape, and topography of comparable sales can be equated to the subject and thus provide an indication of value.

Adjustment for Time

56. Sometimes it is necessary to utilize sale information that is not contemporaneous with the appraisal. In this case, the appraiser must adjust for price changes over time, and this may necessitate a separate study of changes in property value in the subject area during a recent period of time so as to develop some specialized indices to use in the adjustment process.

57. Where there is enough and reliable information about the sales of properties that are similar to the subject, the market approach can be the best method to measure value. As the number of “comparable sales” or the information about them dwindles, or when the lack of comparability makes adjustment speculative, then this approach ceases to be useful.

58. The market approach is most effective for:

1. Real estate
2. Machinery and equipment in general use
3. Vehicles
4. General-purpose computer software
5. Computer hardware
6. Liquor licenses
7. Franchises
8. Valuation of capital stock or other types of securities
9. Valuation of an entire business enterprise.

59. The market approach is least effective for:

1. Special-purpose or unique machinery or equipment
2. Most intangible assets and intellectual property rights
3. Properties highly restricted by zoning, environmental restrictions or other forms of regulation.

60. The market approach takes the analyst right to the “bottom line” of fair market value. The assumption is that other buyers of comparable property were willing, had knowledge of all relevant facts, and struck a deal that was fair and, therefore, represented fair market value at that time and for that property. The market measures and adjusts for all forms of appraisal depreciation: physical, functional, and economic.

61. In conclusion one can say that the cost, income and market approaches are tools of valuation and virtually all types of property can be valued using them. The analyst should consider the use of all three for every property because a comparison of the values resulting from each will either confirm the conclusions or highlight inconsistencies that should be investigated.

Practical Methods

62. What are the practical ways to value an invention? When possible, the financial aspects should be the primary basis for a business evaluation: i.e., the revenue potential and the cost. But just as important is to judge the probability of success. In the context of university research useful checklists have been developed which allow consideration of several categories to evolve an overall picture. The purpose of such checklists is to give one a general idea of the economic potential of inventions or research results. One such checklist, based on a checklist used at Stanford University, is shown in the Annex

Valuation for Commercialization of Technology or Inventions

63. When valuating intellectual property rights it is essential that the assessment of all aspects of the transfer is seen in the whole context of the venture. Some of the considerations in respect of technology valuations are:

Size: Is there a market for the product of the technology?

Scale: Is the scale of operation of the technology appropriate to that market

Maturity: Is the technology market proven or is it new which will require further development?

Obsolescence: On the other hand, is the technology stale which is about to be supplemented by new developments?

Environment: Can the technology be operated satisfactorily in the licensee's environments, both climatic and cultural?

Suitability: Is the technology appropriate for the infrastructure which is available e.g. power supply, telecommunication, transport, waste disposal etc.?

FORMS OF COMPENSATION

64. The relation between licensing fees or royalties and the technology cost embodied in inventions is often not simple. A license fee or royalty should always be expressed in relation to a stated base, for example the sale price or manufacturing cost.

65. Usually royalty payments are not based on carefully worked out technology costs. They are more an outcome of what the licensor can extract to the maximum. 'A *reasonable royalty*', according to one US Federal Court judgment, 'is the amount a person, desiring to manufacture, use, or sell a patented article as a business proposition, would be willing to pay as a royalty and yet be able to make a reasonable profit.'

66. The other area of concern is the ways in which monetary compensation is decided. A license usually includes royalty payment by the licensee. For exclusive licenses, the licensee acquires the sole rights within the specified territory. It may call for an initial payment followed by a minimum annual guaranteed amount of royalty. The minimum payments are included as an incentive for the licensee to promote the active use of the licensed technology, product, etc.

67. Royalties, on the other hand, may reduce if the licensee can offer some rights which are of interest to the licensor. In this case, a cross-license may be entered either free of royalty or with royalty at reduced rates. Other arrangements which influence valuation of invention for purpose of commercialization may include a 'most favored licensee' clause, or some technology rights in favor of the licensor and a right of the licensee to grant sub-licenses.

68. The calculation of value of inventions in the context of currency exchange fluctuations also needs to be appraised. The currencies need to be specified and compensation received preferably at quarterly intervals.

69. Costs related to commercialization of invention would include also costs of the so called 'show-how,' that is, demonstrating to the future user the working of the invention (or technology, research result) and successfully transferring the product and know-how for successful commercialization.

70. The ingenuity of financial specialists in setting up compensations in license or technology transfer agreements is vast and they finally determine the value assigned to inventions. Some of the options are:

- An upfront payment
- Stage payments
- Payments pro rated to licensee sales
- Guaranteed minimums
- Payment for services of licensor's staff
- Payments for training of licensee's staff
- Amount of expenses incurred in traveling and subsistence of licensor's staff
- Payment for the services of outside professional experts, such as patent agents and lawyers
- Payments for continued information exchange

71. Some of these methods are just as creative as the inventions they attempt to value for commercialization.

CONCLUSION

72. Some of the methods outlined in this presentation highlight various pathways of valuation intellectual property rights, including the valuation of inventions and research results for purpose of commercialization. They point out the variety of options available in working out financial compensation as a part of overall technology transfer, or a merger and acquisition, or even the privatization of enterprises.

73. Reliance on costs as a basis for valuation of intellectual property rights can become misleading as the amount spent to develop know-how or to impose a trademark on the market is usually not the same as value of that know-how or trademark. Adequate return needs to be based on value, not on cost. This includes consideration of the potential income, an estimate of the risk involved, realization of that income, cost of obtaining the income, time value of money and the duration of the license.

74. Return on sales is the common approach but also has the weaknesses that the licensor's own market experience often overlooks the value and the investment risk associated with the new know-how.

75. None of the different ways of valuation of intellectual property rights are sufficient in all cases to provide a correct indication of the fee for commercial exploitation of the efforts. The theory and the established practices, however, provide guidance in arriving at equitable value of IPRs. The increasing role of technology in economic growth and the growing transfer of IPR for competitive performance within and across borders makes this an important issue.

[Annex follows]

WIPO/AVI/PH/97/2
ANNEX

CHECKLIST FOR EVALUATION OF INVENTIONS

(based on a checklist prepared by Dr. Katherine Ku,
Director, Office of Technology Licensing, Stanford University, California, USA)

Invention Title:

Field of Technology (IPC class/Subclass):

Inventor(s) Name :

Address:

Contact telephone, fax, e-mail, etc):

Owner of the Invention (if different from the inventor, eg. company):

REVENUE POTENTIAL	OVERALL ASSESSMENT	(+)	(-)	(0)
What is the stage of Development	<ul style="list-style-type: none"> . Idea . Drawings/Formula Recipe . Prototype . Pre-Industrial Use . Regular Production 			
Are Commercial Applications Identified	<ul style="list-style-type: none"> . First Use . Follow on Opportunities . Multiple Fields of Use . "Hot List" Fields 			
What's the Competition	<ul style="list-style-type: none"> . How happy are Customers with current Solutions . Are alternative Technologies progressing . Number of related Patents/Patent Activity . Number of related Inventions/Disclosures 			
Essential Licensees	<ul style="list-style-type: none"> . Are Sponsors interested . Number of Potential Licensees . Is the Industry predisposed for Licensing (+) or against Licensing (-) 			
Who will derive Value	<ul style="list-style-type: none"> . End Customers . Licensees/Sublicensees . Other Users (specify) 			
Is the Patent/Licence Enforceable	<ul style="list-style-type: none"> . Enforceable - Yes or No? . Distinguishable from Alternative Approaches - Yes or Partly No? 			

Notes: (-) Unfavourable - Don't pursue
(+) Favourable - Pursue
(0) Neutral

CHECKLIST FOR EVALUATION OF INVENTIONS

(based on a checklist prepared by Dr. Katherine Ku,
Director, Office of Technology Licensing, Stanford University, California, USA)

Invention Title:

Field of Technology (IPC class/Subclass):

Inventor Name :

Address:

Contact telephone, fax, e-mail, etc):

Owner of the Invention (if different from the inventor, eg. company):

PROBABILITY OF SUCCESS	OVERALL ASSESSMENT	(+)	(-)	(0)
Track Record of Inventor	<ul style="list-style-type: none"> . Previous Successes (please list and give assessment (+) or (-) or (0)) 			
Who are the Champions	<ul style="list-style-type: none"> . Industry support . Inventors/Scientists . Customers 			
Is this Project Within a Hot List Field	<ul style="list-style-type: none"> . Government . Venture Capital . Industry 			
Does it Build on Previous Successes	<ul style="list-style-type: none"> . An Extension of a Related Commercial Success . Do Markets, Channels, Customers already exists? . Have manufacturing Processes been proven 			
What Stage in Development Process	<ul style="list-style-type: none"> . Working Prototype/Mass Produicable . Proof of Concept . Analytical Work . Idea 			
Relationship with the Industry/Discipline	<ul style="list-style-type: none"> . Networks with Industry . Networks with Academics . Technology well understood 			

Notes: (-) Unfavourable - Don't pursue

(+) Favourable - Pursue

(0) Neutral

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(based on a checklist prepared by Dr. Katherine Ku,
Director, Office of Technology Licensing, Stanford University, California, USA)

Invention Title:

Field of Technology (IPC class/Subclass):

Inventor Name :

Address:

Contact telephone, fax, e-mail, etc):

Owner of the Invention (if different from the inventor, eg. company):

COST	OVERALL ASSESSMENT	(+)	(-)	(0)
Administration	<ul style="list-style-type: none"> . Time available to file for Protection . Complexity/Complications 			
Licensing	<ul style="list-style-type: none"> . Receptivity of Potential Licensees . Number of Potential Licensees . Nature of License Terms (Industry Standards) . Monitoring/Maintenance required 			
Patenting	<ul style="list-style-type: none"> . Financial Support from Sponsors/Licensees . Interrelationships with other Patent/Prior Art . Geographic Coverage . Complexity of Concept/Prosecution 			
Enforcement	<ul style="list-style-type: none"> . Easy to determine Infringement? 			

Notes: (-) Unfavourable - Don't pursue
(+) Favourable - Pursue
(0) Neutral

Date Patent & Literature Search Completed _____

Associate Initials & Date _____

[End of Annex and of document]