

## IP Advisory



### Deep value creation for media companies through Intangible Asset Management

Media companies have an enormous opportunity to capitalize on the intangible assets they create. These include intellectual property (IP) rights such as copyrighted content, patented online and mobile delivery methods, trademarks and trade secrets, and other assets such as data, brand reputation, strategies, and customer and business relationships.

For conglomerate media businesses innovating across multiple domains, there is always a clear need to be agile, innovative and aware of developments in interrelated fields. When they create new content - or subscription services, platforms or delivery methods - their portfolios of intangible assets grow and encompass a complex array of creative works, innovations and designs. Ongoing management and critical assessment of these portfolios against established and disruptive rivals is essential to ensure necessary protection and monetization.

Major media firms should conduct detailed portfolio analyses to understand what is most valuable to them and why. Licensing of content is an essential business strand, and they must examine opportunities and carefully consider transaction execution.

Meanwhile, co-development of platforms can be critical in confirming customer access to content on multiple devices. These collaborations require clear contract terms around who owns IP and how it can be used. Increasingly, the lines between content creators, licensees, platform developers and inventors of new delivery systems are blurring.

# Six Essential Actions and Considerations



## INNOVATION PLANNING

Active monitoring, evaluation and protection of intangible assets is essential to generating value from products and services being developed, especially when multiple parties are involved. Media businesses need effective operational processes to identify, assess and capture rights, and to monitor and grow them, including protecting trade secrets. Detailed evaluation helps to confirm innovation consistently matches strategy. Meanwhile, mapping innovation to expenditure and income streams can unlock tax breaks in countries with incentives around research and development, and patents.



## COMPETITIVE INTELLIGENCE

Media companies should be keenly aware of their competitors' intangible assets to understand their own IP positioning, business opportunities and potential risks due to insufficient protection. Comparative copyright and patent positioning provides a knowledge of space for new content and platforms, commercialization, and rights filing and acquisition. It provides a clear understanding of financial and operational freedom risks from rights exposure, while informing a powerful direction of travel in a fast-changing arena.



## PORTFOLIO EVALUATION

Regular IP portfolio reviews equip media businesses with a clear value assessment of each of their assets. Detailed evaluations mean rights can be viewed in terms of business alignment, defensive value against infringement lawsuits, and the potential for cost reduction or revenue generation. Decisions can be taken around each right, including whether a patent should be renewed completely or in specific countries, retained only for defensive purposes, abandoned, or used for cross licensing or monetization.



## RISK MITIGATION

Unmanaged IP risk can restrict freedom to operate in strategically important markets, with rivals demanding royalties or attempting to block platforms or content. Companies with effective risk mitigation can potentially avoid lawsuits by monitoring the filing and litigation activities of competitors. Searches can also unveil high-risk patents owned by Patent Assertion Entities that buy rights just to monetize them, and highlight existing forms of inventions known as prior art which can help build a defensive arsenal.



## MONETIZATION

Following portfolio reviews, IP divestment, licensing, and technology transfers can be executed as part of an IP strategy to generate revenue from under-used and non-core assets. Objective data is essential for media businesses aiming to successfully license or sell assets, while understanding of value for price setting and negotiation purposes can be supported by market and rights analytics. In addition to revenue generated, savings can be realized from having a more streamlined asset portfolio that matches a core strategy.



## TRANSACTION EXECUTION

Buying, licensing and selling intangible assets requires an in-depth understanding of the nature of assets, target media markets, price arguments and deal structures. Potential sellers and buyers can be identified with a market outlook, helping confirm they are approached with qualitative arguments. Media companies armed with a detailed value assessment, and a reasonable price backed by data, are much more likely to effectively close transactions. Having a clear deal evaluation framework and specialist knowledge of IP transaction executions, including valuation legal and tax matters, is imperative.

# Services

Businesses across the media sector seek Deloitte’s strategic IP advice, market and analytics capabilities, and transaction experience, to help them address these essential steps, consistently unlocking value from intangible assets and managing IP related risks.

Deloitte’s IP Discovery program enables companies to identify what is valuable, while competitive intelligence analysis reveals rival patent positioning and market developments, such as content licensing or digital delivery approaches. Portfolio evaluation services help confirm businesses understand their assets’ value, while risk mitigation analyzes freedom to operate and resulting steps. Deloitte enables businesses to monetize selected intangible assets, bringing parties together in a trusted framework to effectively collaborate or execute transactions.

## IN PRACTICE

A high-growth media distribution and royalty management platform company in the music industry was seeking to raise debt funding to support future growth. Our team was engaged to assess the company’s IP estate including its patents, copyright protected software and content licensing agreements, to provide value indications to the lender in making its loan and IP asset securitization decision.

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