



LESI – IP Valuation Certificate Project

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LESI Winter Planning Meeting 2022



IP Valuation Certificate - Project Details

Project team

- **Project Director: Levente Pethő (Hungary)**
- **IP Valuation Committee supervision**
- **Project members**
 - Veronique Blum (France), Sean Moolman (South Africa), André Gorius (France)

Project goals

To create an IP Valuation Certificate, which

- Gives a unified identity to IP Valuers
- Is widely recognized and accepted by Industry and Authorities
- Leverage: open to IP specialists and non-IP specialists (R&D, CTO office, TTO, Accounting, ...,)

Project Strategy

Creation and operation of the new certificate through partnering with an existing system and recognized brand (AICPA)

- Global survey made among LESI members to assess needs and attitudes. Results and insights to be published to the membership (pending action).
- A dedicated entity is needed to start and operate the certificate - 'Association' identified as the ideal legal form. LESI is a strategic partner and sponsor as an institutional member of the Association.
- Doing a pilot first, to gain market feedback and traction, establishing partnership (with AICPA) after. The pilot also means significant development in completion of training materials and other resources – better position with the partnering organization.



Progress in 2021

- **Ongoing discussions with AICPA on the timing of product development on their side**
- **Preparations to establish the Association in France**
 - Learning program fine-tuned
 - Training material development
 - Assembling trainers
 - Preparation of first pilot training in France
 - Legal, admin and marketing tasks
 - Financial plan
 - Certification system (requirements, exams, recertification, etc.)

IPVC Pilot in France – Content (3 Blocks – 60 hours)

Chapter	Module
1.1 Why Value IP	Reasons for valuing IP
	Role & value of IP in innovation and business
1.2 Understanding the key features of Intellectual Property - IP Due Diligence (<i>qualitative method 1</i>)	General introduction
	Patent, Utility model
	Trademark, design Software and data
	Know-how and trade secret
	Copyright works (other than software)
	<i>Individual / group exercise(s)</i>
1.3 Qualitative analysis of IP (<i>qualitative method 2</i>)	Legal, IP law aspects
	Technological aspects (of course not all IP is of technological nature)
	Business and environmental aspects
	<i>Individual / group exercise(s)</i>

Chapter	Module
2.1 Financial concepts and theories required for valuation (<i>quantitative methods 1</i>)	Value vs price
	Time value of money, perpetuity
	Compounding & discounting
	Discount rate
	NPV & IRR
	Tax (incl depreciation) & TAB
	<i>Individual / group exercise(s)</i>
2.2 Valuation approaches & methodologies under certainty (<i>quantitative methods 2</i>)	Cost
	Market
2.3 Valuation under uncertainty (<i>quantitative methods 3</i>)	Income
	<i>Individual / group exercise(s)</i>
2.3 Valuation under uncertainty (<i>quantitative methods 3</i>)	Introduction to uncertainty
	Heuristics criteria
	Risk-adjusted NPV - Adjusting discount rate
	Sensitivity analysis
	Scenario analysis
	Monte Carlo simulation
	Real Option approach
	<i>Individual / group exercise(s)</i>

Chapter	Module
3.1 Defining the engagement (<i>practice 1</i>)	Standards of value (e.g., fair market value, fair value — financial reporting, investment value, intrinsic [fundamental] value)
	Premise of value (i.e., going concern and liquidation)
	Relationship between purpose of the valuation and the value definition and premise of value <i>Individual / group exercise(s)</i>
3.2 Valuation process (<i>practice 2</i>)	Overview of valuation process & main steps
3.3 Considerations for specific applications/purpose of IP valuation (<i>practice 3</i>)	Professional standards
	Specific applications/purposes <i>Individual / group exercise(s)</i>
3.4 Input data and assumptions for valuation (<i>practice 4</i>)	Market research & sources of information
	Benchmark data
	How to estimate market size, do sales projections, estimate costs <i>Individual / group exercise(s)</i>
3.5 Contribution of qualitative assessment to the valuation model (<i>practice 5</i>)	Useful life of IP assets
	How to quantify risks <i>Individual / group exercise(s)</i>



Next Steps for 2022

- **Establishing the Association**
- **Marketing of the pilot training**
- **Completing the first pilot in France in Q2 2022**
- **Potential second pilot in another EU country in Q4 2022**
- **Partnership agreement with LESI**
- **Starting common product development with AICPA (integrating the certificate into their product portfolio)**