

IP is dead. Long live IP (reputation)

A corporation's reputation is underpinned by the IP it owns and manages. And as reputation is now established as a major issue for boardrooms, investors and the media, that is great news for IP professionals

By **Nir Kossovsky**

In the 14 months since this magazine published the article "Reputation is the new IP" (*IAM* issue 37), the public's fascination with things "reputation" has increased. Alas, this has been to the relative detriment of things "intellectual property" (Figure 1). And yet this is good. Because once you get below the surface, reputation is the consequence of business processes – the intangible IP assets that enable a company to be innovative and capture the value of its innovations; operate ethically, safely, securely and sustainably; and deliver quality products and services. Which means that the public – including the media – increasingly cares about the consequences of what a company does with its IP.

Understanding the opportunity that these facts create for IP practitioners, over this same period *IAM* has published five management case studies illustrating in financial terms the relationship between reputation and intellectual property. This article marks a milestone in this reputation series and, appropriately, takes pause to review and re-examine lessons learned.

Johnson & Johnson epilogue

In January 2010 (*IAM* issue 39), we presented a case study of the most famous example of reputation management

– Johnson & Johnson's (NYSE:JNJ) 1982 management of a supply chain security crisis. In that case study, we challenged the widely held belief that PR saved the day for Johnson & Johnson. Rather, we argued, the company built into its enterprise value significant reputation resilience years earlier when General Robert Wood Johnson enshrined for the company a moral constitution, the Credo.

A moral constitution

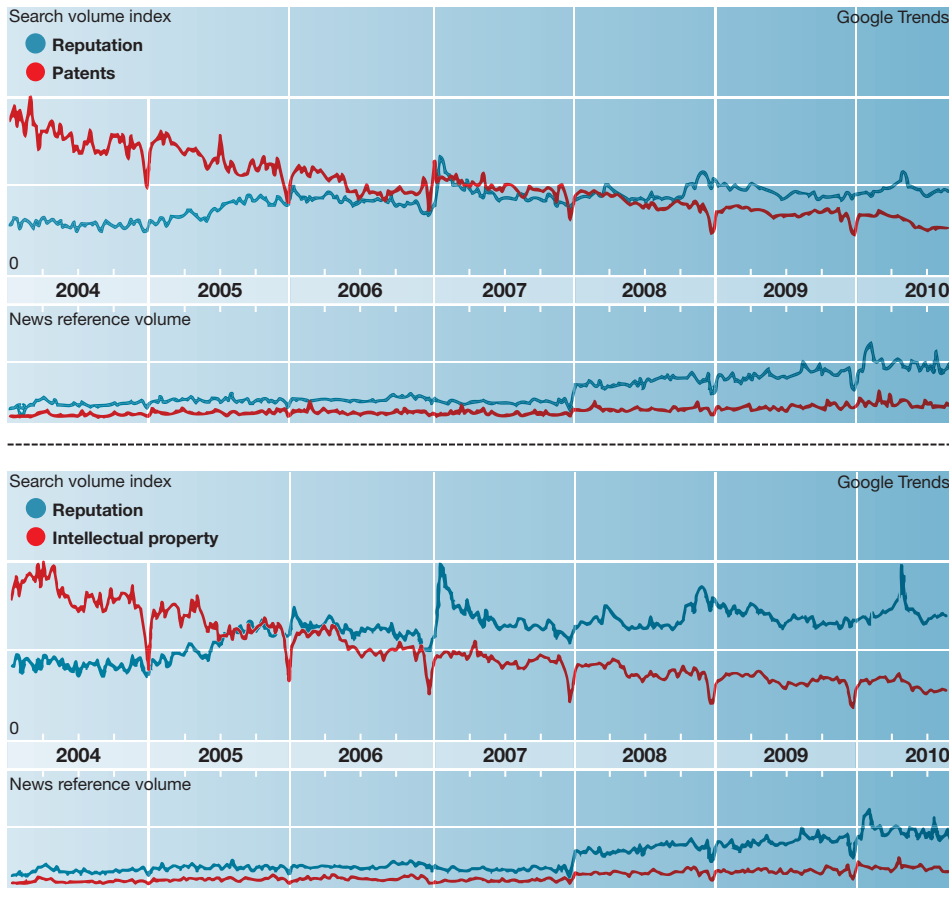
The Credo is an active part of the corporate culture and is referenced repeatedly in the company's major operating and reporting documents. It is a statement of "corporate social responsibility" that was crafted some 40 years before the term was popularised.

The Credo is written in the first-person plural and recognises the company's obligations to its stakeholders. The first paragraph sets an unambiguous ethical tone: "We believe our first responsibility is to the doctors, nurses, and patients, to mothers and fathers and all others who use our products and services. In meeting their needs, everything we do must be of high quality."

The Credo calls for the need to "reduce our costs in order to maintain reasonable prices", and to give suppliers and distributors "an opportunity to make a fair profit". Employees must be respected and treated with dignity and fairly compensated; and "we must provide competent management, and their actions must be just and ethical".

The Credo also acknowledges issues of sustainability and corporate citizenship: "Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed, and mistakes paid for." And in its last line, the Credo modestly addresses what many have argued is the

Figure 1. Google search trends 2004-2010. Frequency of searches (upper) and news items (lower) for reputation v patents (top set) and intellectual property (bottom set). The data continues to show that both search interest and new reporting of reputation are on the rise, while search interest in both patents and intellectual property is declining



primary obligation of business: “When we operate according to these principles, the stockholders should realize a fair return.”

The Credo, and the resulting managerial behaviour, garnered Johnson & Johnson high reputation marks and the associated dividends. Opinion surveys published in the winter and spring of 2009 ranked Johnson & Johnson at or very near the top of the global corporate pyramid. The company also held the number 1 rank among its 84 peers in the pharmaceutical sector, as measured by the Steel City Re Corporate Reputation Index. Economically, the company’s equity was outperforming peers and its cost of credit was lower than that of its peers – exactly the sort of financial benefits one would expect to see from a company with a superior reputation.

That which brings success also carries the seeds of failure. The culture and systems that Johnson & Johnson manages under its Credo are essential elements in

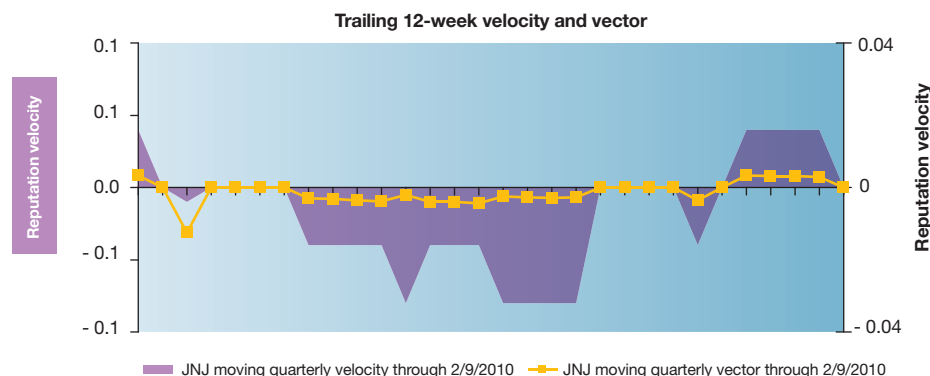
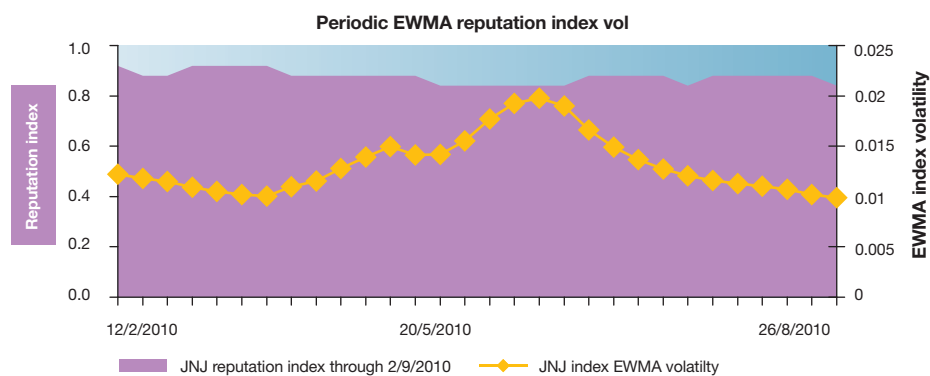
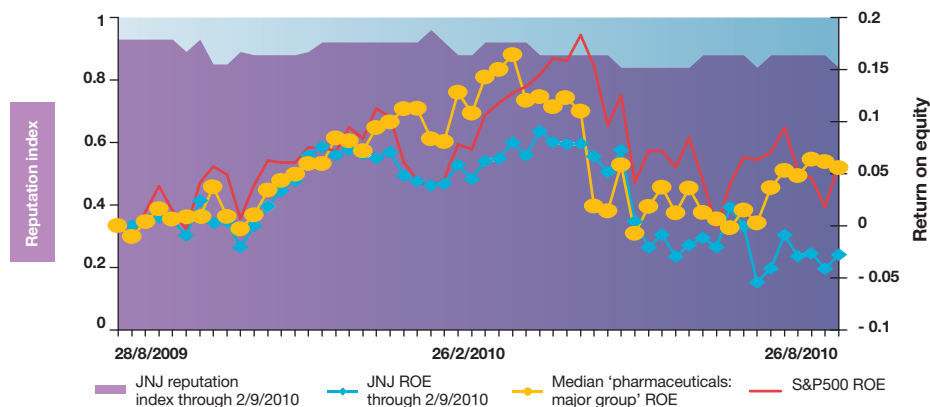
shaping stakeholders’ perceptions. We noted in January that as time passes, Johnson & Johnson will need to find creative new ways to foster conformance within its ever-larger organisation and to signal conformance to its stakeholders.

Failure to conform to the Credo

With the passing of a year and a half, much has transpired. It is not good reputationally, as it involves failures of two of the big six drivers of reputation value: ethics and quality (see Action Plan on page 49).

There were early hints with Food and Drug Administration (FDA) letters in August and September 2009. But the big stories broke in January 2010, shortly after *IAM* hit the stands, when the US Justice Department announced that it was suing the drugs giant for allegedly paying millions of dollars in kickbacks to geriatric pharmacy company Omnicare Inc to induce it to buy and recommend Johnson & Johnson drugs.

Figure 2. Key reputation and economic metrics for Johnson & Johnson through 2nd September 2010. (Top) Over the trailing 12 months, the company has slid from the 93rd to the 84th percentile ranking on the Steel City Re Corporate Reputation Index. Economically, it is underperforming the median of its 28-member peer group by about 8.4%. (Middle) Its exponentially weighted moving average volatility is low, indicating a slow and steady decline, shown in more detail in its trailing 12-week reputation velocity and vector metrics (bottom), which are slightly, but proportionally more negative



That same day, the company widened its voluntary recall several of its top-selling over-the-counter brands across the country. There was a concern that a chemical called 2, 4, 6-tribromoanisole was causing an unusual odour in select brands. The smell was due to the breakdown of the chemical that is used to build wood pallets that transport and store product packaging materials. The expanded recall was announced after the FDA reprimanded the company for waiting close to a year to remedy the well-documented problem.

Eight months later, in August 2010, Johnson & Johnson said that it was creating a new position to oversee company-wide quality, manufacturing and compliance issues and appointing chief quality officers for each of its three major business units: pharmaceutical, consumer products and medical device and diagnostics.

In addition to eight recalls involving millions of bottles of non-prescription medicines involving products made at factories in Pennsylvania and Puerto Rico, the August announcement was accompanied by an acknowledgement that Johnson & Johnson was experiencing both quality and ethical problems with its device divisions. In August 2010 DePuy Orthopaedics, a Johnson & Johnson company, announced a recall of some hip-replacement devices that appeared to fail excessively. DePuy also received a warning letter citing it for marketing the TruMatch Personalized Solutions System in the United States without clearance or approval.

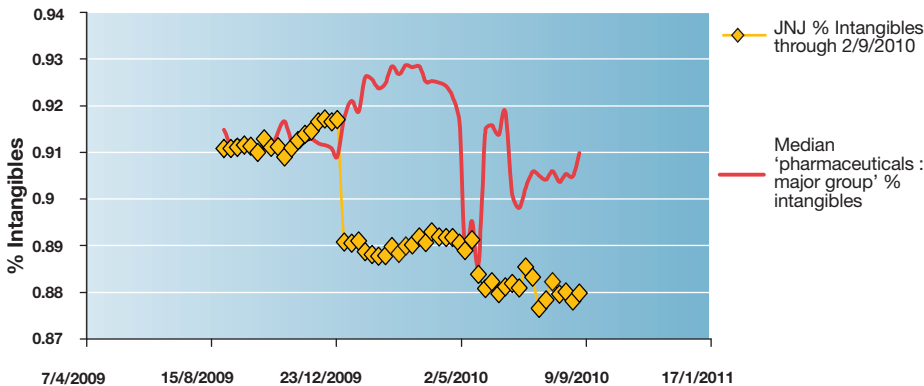
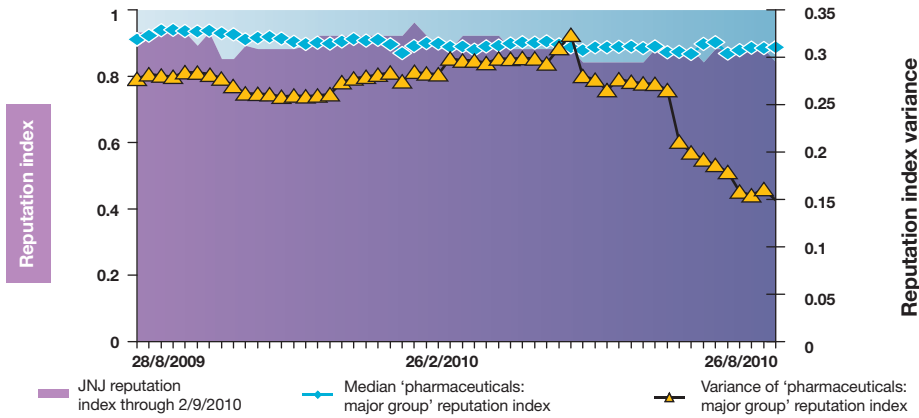
This brings us to a brief discussion on the limits to reputation resilience. As Count Anton-Wolfgang von Faber-Castell, CEO of Faber-Castell, the world's biggest pencil manufacturer, noted in August 2010: "A unique past will only help your brand if you have credible performance today." After than more than two years of serial problems, credibility is in short supply at Johnson & Johnson.

Updated metrics and lessons

The updated reputation and financial metrics reflect the consequences of a reputation tarnished (Figures 2 and 3). Over the trailing 12 months, Johnson & Johnson's Steel City Re Corporate Reputation Index ranking has slipped nine percentile points in a slow and steady decline, its intangible asset fraction has eroded and its economic return is about 8% below the median of its peers.

In summary, Johnson & Johnson is a company with a great reputation that is slowly destroying value for lack of credible performance in intangible asset areas that

Figure 3. Additional reputation metrics show that Johnson & Johnson's relative decline is occurring in a background where the entire industry is experiencing a steady erosion of reputation (top). Last, the company's intangible asset fraction, previously 91% of market capitalisation, is now below the industry median at 86%



matter: ethics and quality. The actionables are threefold:

- The CEO and board need to issue a broad, sweeping *mea culpa* and acknowledge that they have forsaken the Credo.
- Operational management needs to bring intellectual assets to bear and develop credible systems that ensure conformance with the Credo in the areas of product quality and ethics (along with supply chain security, safety, innovation and sustainability).
- Executives carrying the risk management, IP and communications/investor relations portfolios need to work hand in hand to signal to all stakeholders that these new systems have materially reduced the risks to enterprise value, and that the issues giving rise to the reputational challenges of the past have been addressed.

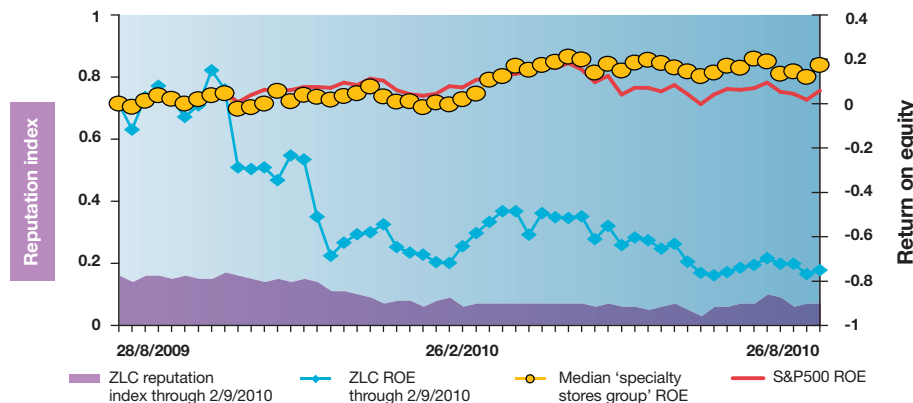
Zale Corporation epilogue

In March 2010 (*IAM* issue 40), we presented a case study of a retail jeweller, Zale Corporation (NYSE:ZLC), whose reputation for quality service was evaporating as a result of a series of senior managerial changes. As each new manager saw it, what the company needed was innovation and change. As the customers saw it, what the company needed were knowledgeable salespeople – which the company once had – whom the customer could trust.

Meeting customer expectations reliably and repeatedly is called “quality”. The systems and processes used to train, monitor and correct non-conformance within the sales force are intangible intellectual assets – intellectual property.

The ongoing loss in reputation had the expected financial consequences, and as we went to press the company experienced another change in senior leadership. But as we noted optimistically in March, even as

Figure 4. Key reputation and economic metrics for Zale Corporation through 2nd September 2010. (Top) Over the trailing 12 months, the company has slid from the 16th to the 7th percentile ranking on the Steel City Re Corporate Reputation Index. Economically, it is underperforming the median of its 78-member peer group by about 92%. (Middle) Its exponentially weighted moving average volatility is low, indicating a slow and steady decline, shown in more detail in its trailing 12-week reputation velocity and vector metrics (bottom), which are slightly, but dominantly negative



the company’s reputation metrics and economic returns deteriorated and underperformed, respectively, the name Zale still occupied the premiere position in the minds of consumers, according to market researchers. Zale was still a nationally recognised brand, with the highest unaided recognition of any jewellery brand – 33% – according to a survey by JCK-Harrison Group.

Updated metrics and lessons

The actionables for reputation restoration at Zale are similar to those for Johnson & Johnson – the same ones that proved effective for Heartland Payment Systems (NYSE:HPS) and El-Al Israel Airlines, to name a few companies that have had major issues. And while hope springs eternal, looking at the metrics now almost one year later, the picture is bleak. There may not be an opportunity for Zale as a going concern. The company is underperforming its peers by 92% and it might be argued that there is little value to brand recognition for a firm when stakeholders’ expectations – as reflected in the dismal reputation metrics – are so negative (Figures 4 and 5).

Toyota Motors epilogue

In May 2010 (*IAM* issue 41), we presented a case study of a manufacturing company whose reputation for quality was supported by an almost fanatical devotion to business process excellence. In fact, Toyota Motors’ (NYSE:TM) intellectual assets – its innovation and quality processes – were held up as gold standards for manufacturers and service companies distantly remote from the automotive industry.

The case focused on the supply chain, but it could easily have been about a franchise network, an IP licence network or any other networked relationship where a central iconic firm outsources the execution of core business processes (sub-assemblies, in the case of Toyota) and, in exchange, concentrates operational and reputational risk. Visibility beyond a company’s direct sphere of control was the proximate cause of excess reputation risk and increasing visibility was the proposed solution.

To remind you, the series of events leading to recalls and a Congressional reprimand did not bolster Toyota’s reputation. And it was expensive in terms of costs associated with managing the pile-on of “litigators, regulators and mommy bloggers”.

With the benefit of hindsight, let’s recap the central issue – sudden unintended acceleration. Toyota recalled millions of cars and trucks – 4.2 million to replace floor mats

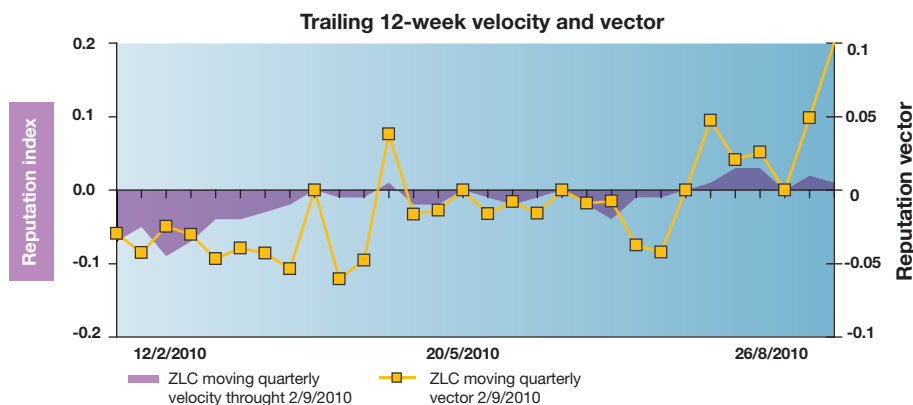
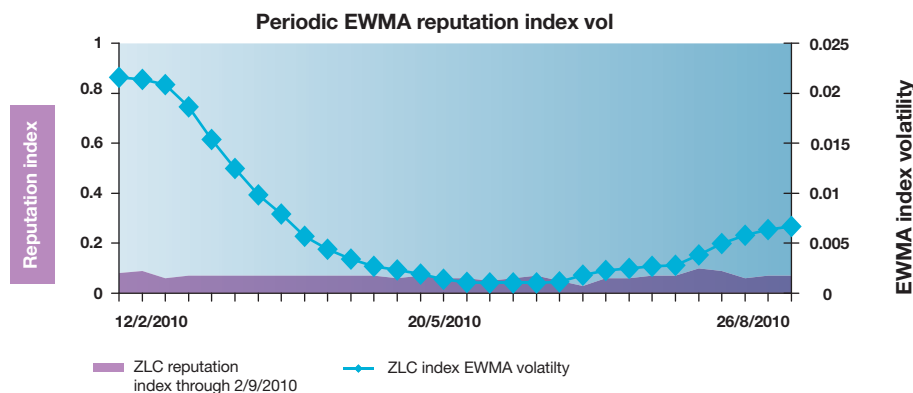
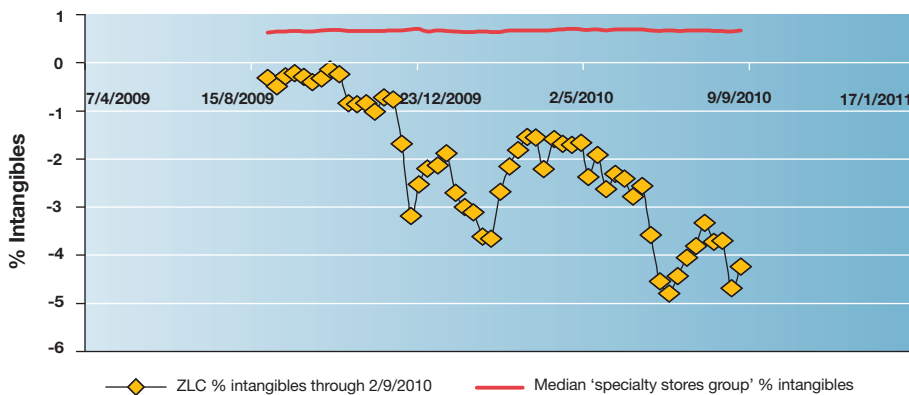
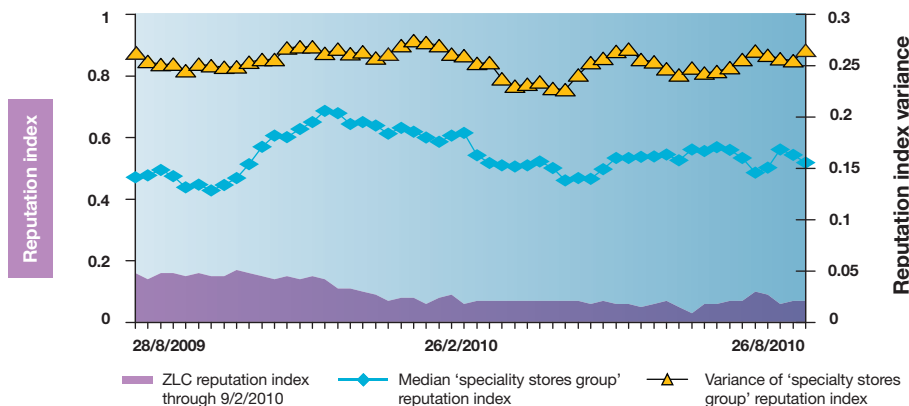


Figure 5. Additional reputation metrics show that Zale Corporation's decline is occurring in a background where the entire industry is generally holding its own from a reputation perspective (top). The company's intangible asset fraction is a progressively more negative fraction of market capitalisation (market capitalisation is substantially below book value). The industry median is about (positive) 65%



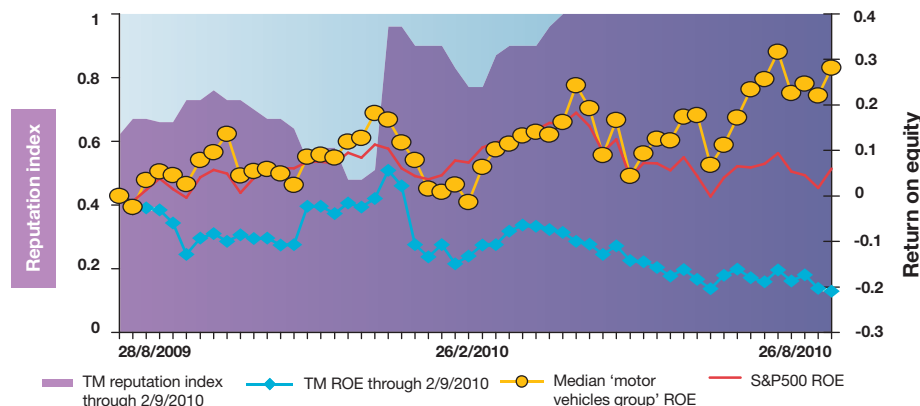
that might impede throttle-pedal travel and 2.4 million to install a shim behind the electronic pedal assembly. All of the affected pedal assemblies were made by Canadian supplier CTS. Toyota's engineers have documented a problem that can make a few of these pedals slow to return and maybe even stick down. But the greater issue was the allegation that the electrical systems had a design flaw that took command of the car from the driver and disregarded pedal commands. It was suggested that there was a hidden, undetectable flaw in the software code that could turn any of Toyota's cars into an accelerating death trap – a randomness of fatal risk reminiscent of the Tylenol poisoning in its scope.

But the company's reputation was built on years of process excellence, and while senior-level decisions encouraged corner cutting which led to oversight lapses, the culture of quality and processes excellence

was, and is, deeply ingrained. And so it came as relief to many, no surprise to those in the know and a great disappointment to many in the media, Congress and personal-injury firms, that at the end of the day, Toyota was largely exonerated.

In August 2010, the US National Highway Traffic Safety Administration (NHTSA) released findings from a study of data from the black boxes of 58 vehicles where sudden acceleration was reported. The agency concluded that in 35 of the 58 cases it examined, the black boxes showed that no brakes were applied. Read: problem between steering wheel and seat. In fact, in about half of those 35 cases, the accelerator pedal was pressed right before the crash, suggesting that drivers may have stepped on the accelerator instead of the brakes. Fourteen cases showed partial braking. One case showed pedal entrapment and another showed that both the brake and the pedal were depressed. Other

Figure 6. Key reputation and economic metrics for Toyota Motors through 2nd September 2010. (Top) Over the trailing 12 months, the company has climbed from the 61st to the 100th percentile ranking on the Steel City Re Corporate Reputation Index. Economically, it is underperforming the median of its 31-member peer group by about 50%, but most of that drop is attributable to costs factored during the media circus and reputation crash of early 2010. (Middle) Its exponentially weighted moving average volatility has quietened down, indicating a long ride in the number 1 slot, shown in more detail in its trailing 12-week reputation velocity and vector (bottom) metrics, which are exclusively positive



cases were inconclusive.

This is not to diminish the significance of injuries and a few deaths attributable to real mechanical problems, but statistically they are just a small blip – not the entire global fleet. And this small number may explain why Toyota took so long to identify the issue, especially when it has symptoms similar to the similarly documented floor mat recall. To put the issue into context, in the last decade there were about 24,000 customer complaints about sudden unintended acceleration involving almost every major automaker. The NHTSA investigated fewer than 50.

Updated metrics and lessons learned

Reputationally, Toyota is back at the top of the charts in its sector, having risen a remarkable 38 percentile points over the trailing 12 months, notwithstanding a small hiccup in the early part of 2010. This is reputation resilience built over years of building and executing process IP well. Economically, however, there are substantial costs. Toyota is dealing with over 8 million recalls this year – one of the costs and ironies of having succeeded in its goal to beat GM and become the world’s largest automaker (Figure 6).

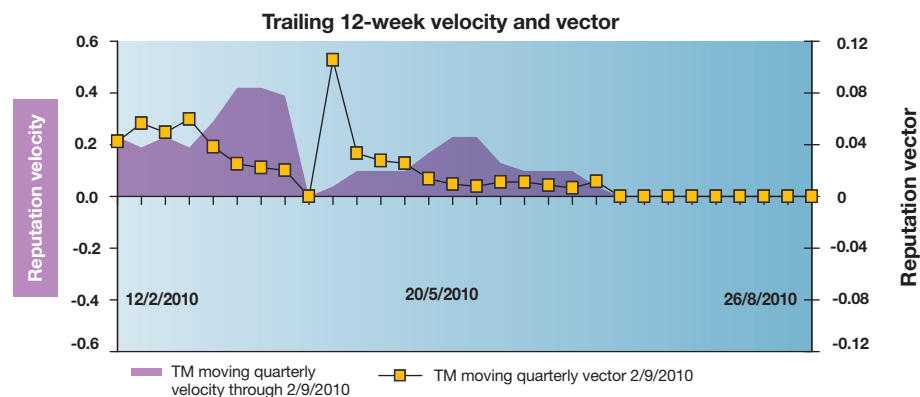
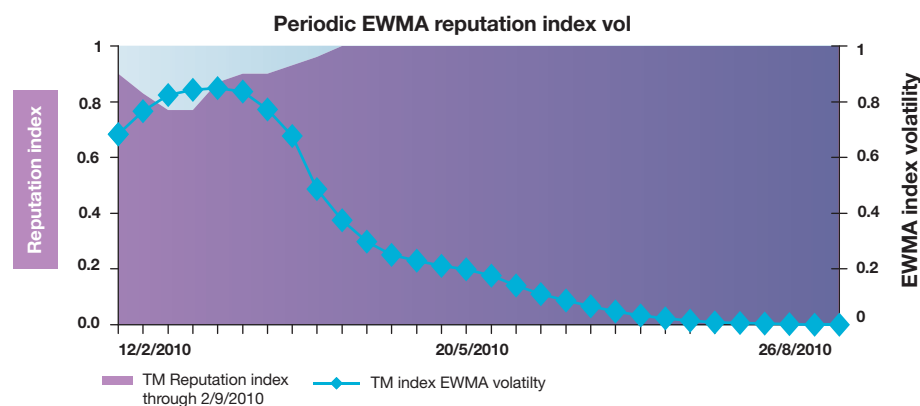
Supply chain-based headline risks will continue to haunt iconic global firms. Outsourcing has created dependencies that currently exceed management’s capacity to oversee and control. And while the US Department of Defence has extraordinary visibility into its global supply chain, the civilian sector does not yet have equivalent tools. But they are coming.

Nevertheless, without total supply chain visibility, Toyota demonstrates the value of credibly trying to be the best, and the intangible benefits of a long-term strategy to build reputation through excellence in business processes that give customers what they most value: quality and safety.

Goldman Sachs epilogue

In July 2010 (*IAM* issue 42), we presented a case study of a potential breach of ethics in an iconic financial services firm. The case was an interesting example of competing intangibles, because what stakeholders valued in Goldman Sachs (NYSE:GS) was the company’s reputation for innovation. But it was innovation that pulled Goldman Sachs across an arguably fuzzy ethical line.

To recap, by July 2010 it was clear that the Securities and Exchange Commission’s (SEC) fraud lawsuit against Goldman Sachs was over. The SEC said that the firm’s main offence was telling German bank IKB that a company called ACA had selected the



portfolio of mortgage-related investments underlying the deal, when actually the selection process was heavily influenced by Paulson & Co, a hedge fund that later made US\$1 billion shorting Abacus.

Updated metrics and lessons learned

Bloomberg reported that there was, and still is, significant misinformation circulating regarding outstanding liabilities and agreements, and that the markets are confused. Add to this confusion the much-awaited results from the Basel III meeting held in early September 2010 and you can excuse the equity markets for their pendulum-like reactions (Figure 7). Remember, while Goldman Sachs is currently underperforming its peers by around 10%, in early July that gap was 22%.

And it is true that overall, the firm has lost a significant amount of intangible enterprise value (Figure 8). Remember that this value, according to Goldman Sachs, comprises its people, capital and reputation. How much value have its people lost? Besides the Steel City Re metrics that measure overall reputation, there is *Vanity Fair's* annual ranking of the 100 most influential people of the information age. In 2009, the individual ranked number one on the list was Goldman Sachs CEO Lloyd Blankfein. In September 2010 Blankfein surrendered this slot to Mark Zuckerberg, founder of Facebook. And where did Blankfein end up? For 2010, he was ranked last, at 100.

Here's the back story, according to *Financial News*:

Last year *Vanity Fair* wrote: "It's hard to imagine a financial institution that has weathered the economic crisis as well as Goldman Sachs has. Wall Street's most watched and talked-about erstwhile investment bank took just seven months to shake the government off its back – it repaid its tarp funds (\$10bn) in June – and return to doing what it does best: making money."

This year it said "Dodged a bullet when: Goldman's July settlement with the SEC over accusations of fraud in the Abacus scandal was a paltry \$550m. Big money to the rest of us but a mere 15 days' worth of profits for the Wall Street powerhouse the population at large continues to love to hate."

So, as with Toyota, reputation at Goldman Sachs is largely restored, but there are clearly legacy effects and real costs – regulatory fines – that need to be paid. These costs reaffirm the lesson that the stakeholders often left out of risk management calculation are the regulators.

Figure 7. Key reputation and economic metrics for Goldman Sachs through 2nd September 2010. (Top) Over the trailing 12 months, the company has climbed from the 96th to the 98th percentile ranking on the Steel City Re Corporate Reputation Index, notwithstanding a hair-raising drop to below the 50th percentile in the spring. Economically, it is underperforming the median of its 61-member peer group by about 10%, but most of that drop is attributable to costs factored during the media circus and reputation crash of early 2010, and shows a remarkable bounce-back as a result of negotiations with the US Justice Department. (Middle) Its exponentially weighted moving average volatility has quietened down, indicating a long ride in the upper reaches, again shown in more detail in its trailing 12-week reputation velocity and vector metrics (bottom), which illustrate the magnitude of its rebound. This is reputation resilience

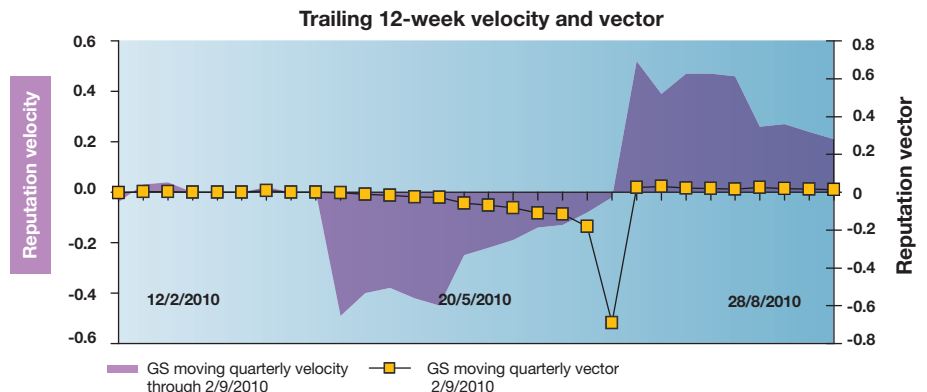
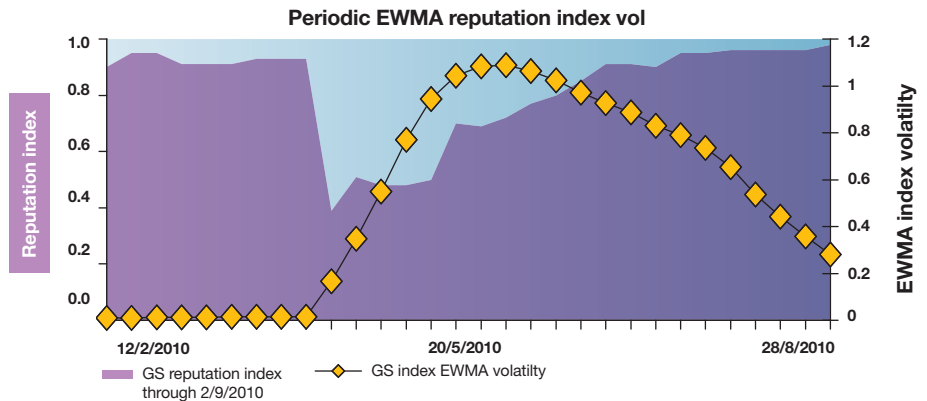
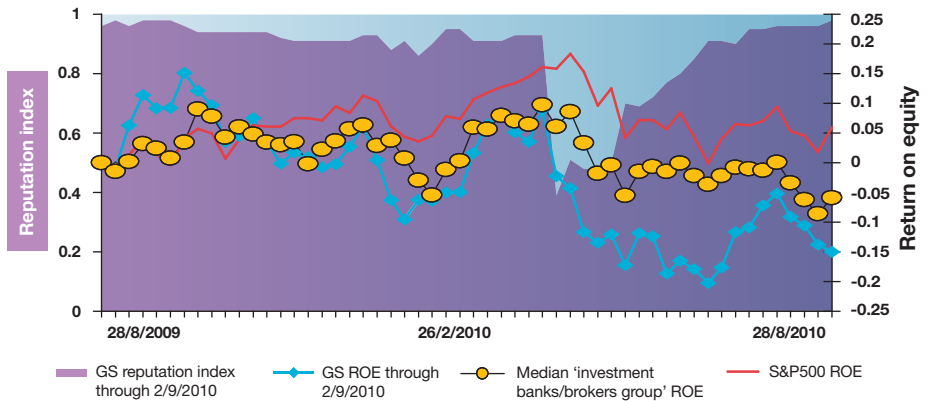
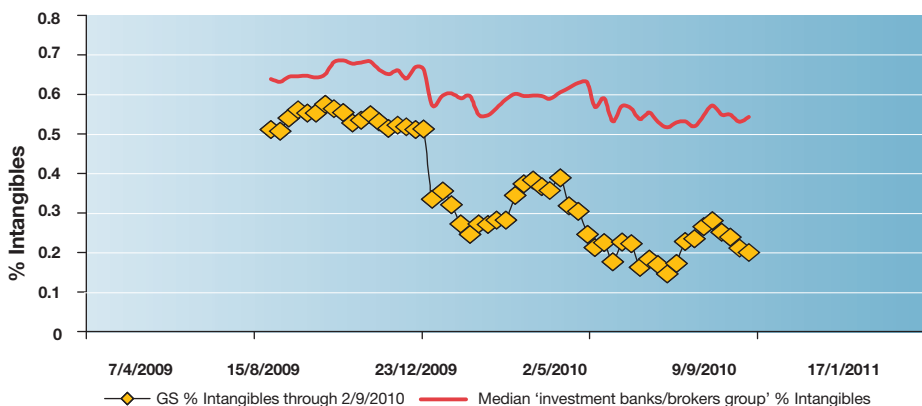
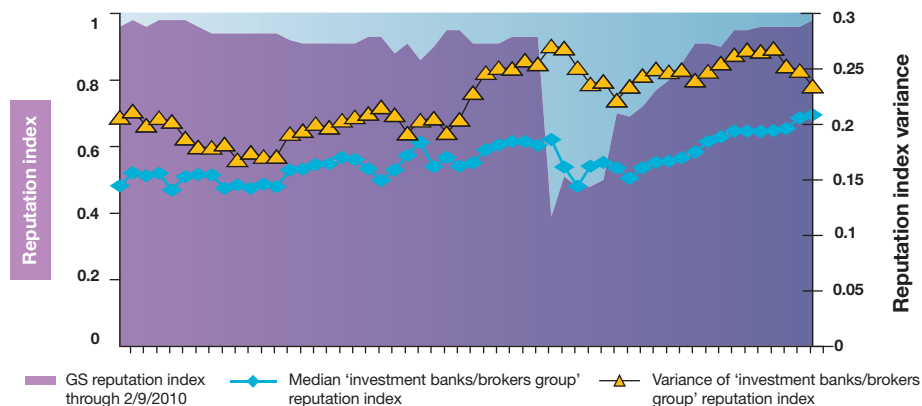


Figure 8. Additional reputation metrics show that Goldman Sachs' bounce is occurring in a background where the entire industry is also rebounding (top). However, the event was not without an intangible cost. The company's intangible asset fraction, previously 50% to 60% of market capitalisation, is substantially below the industry median



Managing regulatory risk is a significant part of risk management for any firm in a heavily regulated industry. To be fair, Goldman Sachs was acutely aware of regulatory risk and disclosed in its annual report that regulatory risk threatened its reputation.

For IP practitioners, here is the take-home message: the business processes that govern a firm's approach to regulatory risk management is very valuable indeed.

BP epilogue

In September 2010 (*IAM* issue 43), we presented a case study of safety and ethics issues at a major oil company. The case was an interesting example of precipitous and ongoing reputation destruction due to safety and sustainability issues at an iconic firm: BP (NYSE:BP).

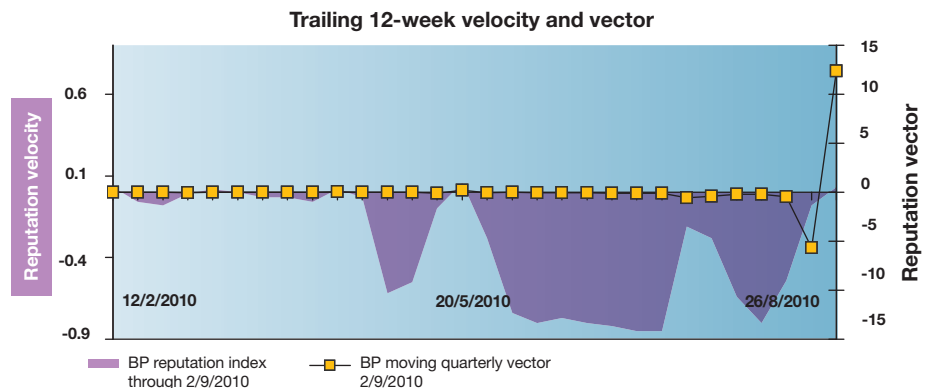
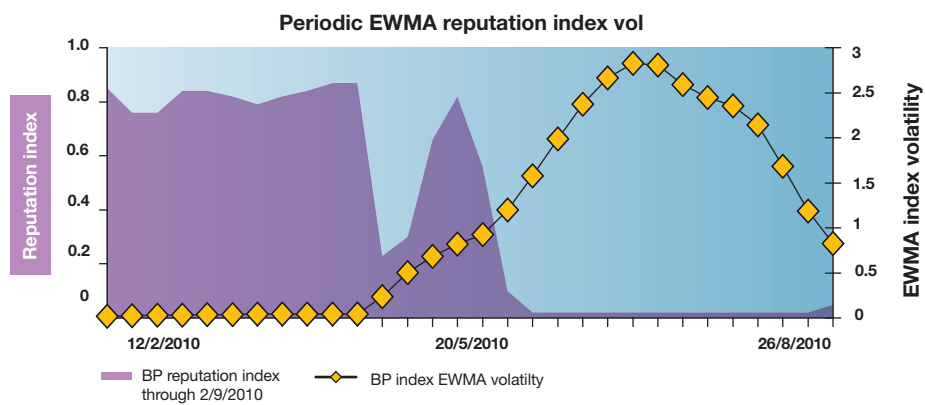
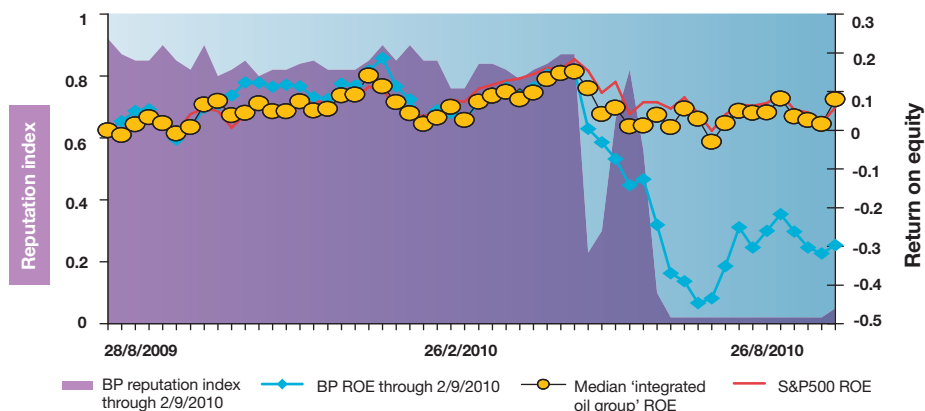
While the published story is still only a few weeks old at the time of writing, there are updates. In mid-September, 2010, the good people who manage the FTSE4Good ethical

investment index will show BP (NYSE:BP) the door. From 18th September, BP will be excluded from the index, which many managers of ethical funds use to screen companies before including them in their portfolios. (BP is not a constituent member of either of the RepuStars™ composite indices created by Steel City Re and published by the Intangible Asset Finance Society.)

A spokesman for the FTSE said: "The committee's decision to remove BP followed consideration of the company's response to the Gulf of Mexico oil spill, the environmental and social impact and its history of similar incidents."

Being kicked out of the "good guys" club hurts, but it hardly explains the massive loss in reputation and value (Figure 9). On the other hand, BP made a US\$32.2 billion provision in its results in July to meet the cost of the clean-up, plunging the company to a US\$17 billion loss – the biggest in corporate history. That does explain some of the

Figure 9. Key reputation and economic metrics for BP through 2nd September 2010. (Top) Over the trailing 12 months, the company has dropped from the 87th to the fifth percentile ranking on the Steel City Re Corporate Reputation Index. Economically, it is underperforming the median of its 41-member peer group by about 40%, which represents a substantial improvement over worst-case fears that shaved almost half of the company's value initially during the media circus and reputation crash of late Spring 2010. (Middle) Its exponentially weighted moving average volatility is very high, shown in more detail in its trailing 12-week reputation velocity and vector metrics (bottom), which show large serial drops



negative movement. Furthermore, it now appears that the intangible benefits of being an oil major are gone. BP's fractional intangible value is now on par with the median of its peers, even as those peers are showing a reputational rebound (Figure 10).

And the back story on BP's woes continued internationally. In mid-September, the *Financial Times* reported that one in five of BP's North Sea installations failed safety inspections in 2009, according to a report that said the oil giant had not complied with rules on training offshore operators on how to respond to an accident. Offshore inspection records obtained by the newspaper under the UK Freedom of Information Act said that BP was also cited by the Department of Energy and Climate Change for failing to conduct oil spill exercises properly. BP said it has rectified the safety issues and is now in full compliance with regulations on oil spill exercises.

Reputation and the IP practitioner

Reputation is the new IP. If you are an IP practitioner, this may be the moment you have been waiting for – the moment when the management of IP, broadly defined, is top of mind in every C-suite and boardroom in the world. This is because the management of IP – the business processes that govern a company's execution of its strategies for ethics, innovation, quality, safety, sustainability and security – is the foundation on which reputation is formed.

For IP practitioners whose central focus is patent sales and licensing, this good news is of only passing interest. These executives have already captured the attention of the C-suite and boardroom through the unambiguous metrics of sales and royalty revenues. These IP practitioners live day to day with profit and loss statements, and many have become independent corporate business units because they can manage the sources of revenue and the costs of creating it.

But for those IP practitioners whose scope of work extends beyond patent monetisation, or who may have otherwise lacked the ability to demonstrate the value of their work beyond the amorphous statement that intangibles comprise on average two-thirds of the median value of a public company (or 80% of the value of a constituent of the S&P500 composite index), your ship has arrived. Because IP drives reputation, and reputation is a reflection on governance, and for companies today governance is a life-and-death matter. Oh, and yes: there are metrics.

The metric which we use extensively is the Steel City Re Corporate Reputation Index ranking, whose derivative values illustrate the articles of this reputation series in *IAM*

Action plan

A

Managing the following key business processes (intellectual property) by fostering enterprise-wide conformance with institutional standards is necessary for creating, preserving or restoring reputation value

Create an ethical work environment

Ethics are the moral principles by which a company operates; integrity is the act of adhering to those moral principles. Ethics are an integral part of governance that combine with integrity to affect the reputation value of all other intangible assets. Additionally, ethics are the keystone intangible asset because they form the basis for trust and confidence.

Drive innovation

Innovation is the design, invention, development and/or implementation of new or

altered products, services, processes, systems, organisational structures or business models for the purpose of creating new value for customers, and financial returns for the firm.

Ensure quality

Quality is:

- The extent to which a product is free from defects or deficiencies.
- The extent to which a service meets or exceeds the expectations of customers or clients.
- The extent to which products and services conform to measurable and verifiable criteria.

Uphold safety

Safety is the state of being certain that a set of conditions will not accidentally cause adverse effects on the wellbeing of people or the environment.

Promote sustainability

Sustainability means making, using, offering for sale or selling products and services that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Provide security

Security is the degree of protection that a company offers against events undertaken by actors intentionally, criminally or maliciously, for purposes that adversely affect the firm. Because fear is the great disruptor of life and commerce, it is useful to think of security, the most ethereal of the intangible assets, as “absence of fear”.

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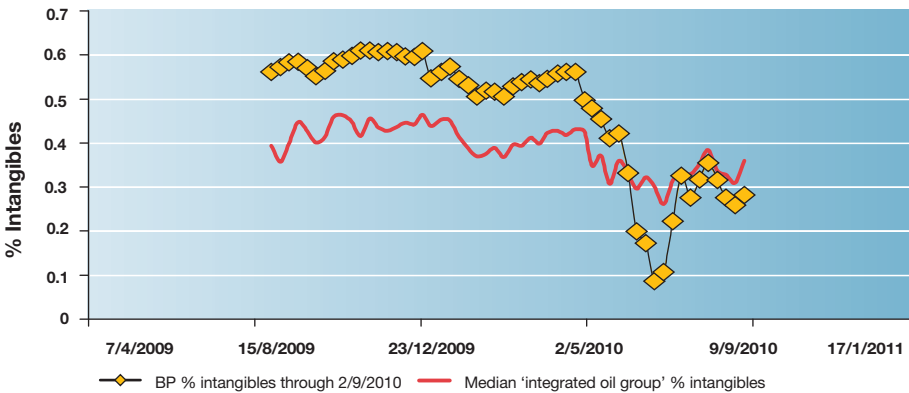
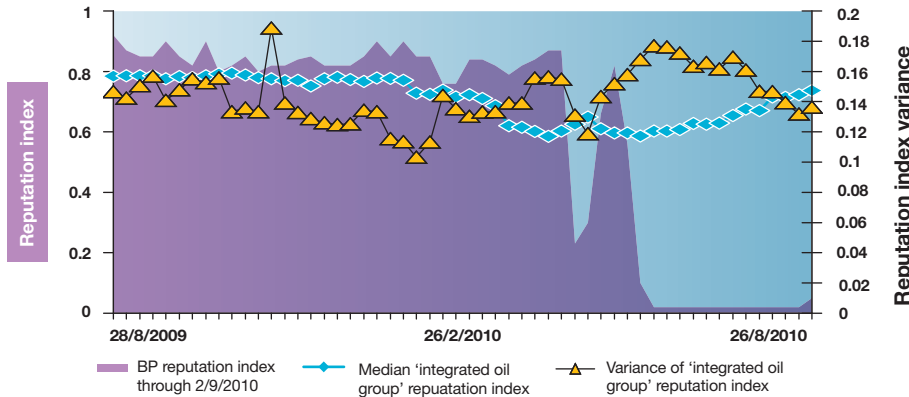
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Figure 10. Additional reputation metrics show that BP's relative decline is occurring in a background where the entire industry is experiencing a reputational rise after dipping on broad industry-wide reaction (top). Last, the company's intangible asset fraction, previously 60% of market capitalisation, is now at the industry median of 30%



magazine and on the Mission: Intangible blog. Another indicator of the value of effective risk and reputation management is the Steel City Re RepuStars II Composite Index. The index comprises up to three firms in each of 20 major sectors with the greatest periodic rise in their Steel City Re Corporate Reputation Index ranking sampled from the large-cap segment of the US equities market. Eligibility requirements are market capitalisation of more than US\$3.5 billion, share price of more than US\$5 and reputation ranking between the 25th and 85th percentile. The benchmark metric is the S&P500 composite index. At mid-September 2010, the index had grown by more than 50% since January 2009, while the S&P500 Composite Index benchmark had gained only 18.5%.

IP management: value creation, protection and restoration

Reputation protection is IP management. And it is a board issue. For boards, this

means that good governance includes IP oversight. Corporations that adopt, oversee and adapt IP oversight programmes that properly capture, document, protect and leverage the corporation's intellectual assets, and that proactively identify, report, address and mitigate threats to the corporation's IP, boast stronger, more valuable IP portfolios and product lines, superior financial performance, reduced litigation risk and better litigation outcomes.

This is the bottom line. Ultimately, improved IP governance practices concerning a firm's intangible assets can boost corporate value, enhance consumer confidence and reduce corporate – not to mention director and officer – exposure to liability for losses that result from risk management failures. And as the cases reviewed above illustrate, the value at risk can be substantial. *iam*

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