

HOW TO LEVERAGE YOUR BRAND TO SECURE FUNDING

THE END GOAL WITH IP DUE DILIGENCE IS TO INSTIL CONFIDENCE AND BUILD TRUST WITH A POTENTIAL INVESTOR. WHILE INVESTORS ARE PREPARED TO TAKE ON VARYING DEGREES OF RISK, SMES ACROSS THE BREWING INDUSTRY AND BEYOND WILL ALWAYS NEED TO SHOW AN IP APPROACH THAT DOESN'T SIGNAL ALARM BELLS, EXPLAINS CHRIS BAUME, TRADE MARK SPECIALIST AT LEADING EUROPEAN INTELLECTUAL PROPERTY FIRM, POTTER CLARKSON.

In the face of the economic fallout from the pandemic, innovation is vital. Being able to turn good ideas into a commercial success is vital - can have a transformational impact on the wider economy.

Innovators have been front and centre in finding alternative ways to do things during the pandemic, including the way we purchase, consume and receive goods.

The brewing sector has been no exception to the businesses forced to pivot and find new ways to get their products to market.

Ambitious companies with new ideas will also play an essential role in the economic recovery. However, even the most ground-breaking of innovation requires investment to become a viable market proposition.

Establishing a successful brand requires resources and the road to securing funding is not always straightforward or clear, with various hurdles to overcome before winning the trust and backing of investors.

It's also a competitive arena and in these uncertain times, investors will apply an even more rigorous approach to identifying the risks and opportunities with each investment target.

Intellectual property alone will not likely secure funding, but a clear IP position could significantly impact on valuation - by as much as 70% - or even see an investor sit in a way altogether. What's more, new research shows that SMEs with intellectual property rights generate 58% higher revenues per employee than those who don't.

To help ambitious, high-growth SMEs tackle the challenge, Potter Clarkson has produced the IP Blueprint for Growth

guide, outlining the five key essential IP ingredients they will need to put themselves in the strongest IP position to attract and secure funding.

Clear Ownership: This is the number one deal breaker. Clarity is everything. Make sure there are no grey areas on ownership of IP. Any grey areas surrounding who owns IP will signal alarm bells for a potential investor.

Innovation: especially in start-ups, can occur before commercial relationships and business processes have been formally defined, which can make determining IP ownership less clear-cut. This can be prevented by identifying and documenting ownership from the outset. Where appropriate, the necessary assignments should be signed and registered.

Effective Innovation Capture: Understanding what IP your business may have and what you might be able to protect is not always obvious. It is always worth seeking professional advice early on to determine which IP rights you might be able to secure.

Robust procedures also play a big part in creating the right culture for effective innovation capture. Create an IP register and need it to be monthly so that opportunities are not overlooked. Do not underestimate the importance of robust processes and procedures.

Sound Strategy: IP is not a tick box static exercise. It should evolve in line with your commercial priorities - and help you to deliver against them. Put yourself in an investor's shoes - they are focused on whether you can provide them with a return on their investment.

They are looking for clarity in your approach - a strategically sound business plan, where it is easy to see how the IP

rights will help to achieve the commercial objectives. These objectives will evolve and the IP strategy requires regular review to remain fit for purpose.

Market Awareness: A growing business can be all-consuming, but a sound IP approach takes into consideration the wider marketplace in which your business is operating and any potential third-party rights. Investors will ask you what trade mark availability, searching you have done, and the most important thing is to demonstrate that you've given this due consideration and have a sound strategy in place.

Extensive searches and legal opinions are usually not appropriate for start-up stage companies. Instead, consider what you can do to mitigate future risk, for example, maintaining a watch for the publication of competitors' patents and trade marks, as well as undertaking the necessary clearance searches for any proposed brands and trade marks.

Good Timing: Knowing when to act is critical to a sound IP approach. Knowing what needs to be done and when to do them can have a critical impact on the strength of your IP position.

For example, the rules for registered designs can differ from country to country and therefore understanding where your markets and competitors are located can influence the timing in your registered design filing strategy.

Put simply, those businesses who are clear on these five areas will reduce the chances of IP being the reason an investor walks away.

Ultimately, the end goal with IP due diligence is to instil confidence and build trust with a potential investor. While investors are prepared to take on varying degrees of risk, SMEs across the brewing industry and beyond will always need to show an IP approach that doesn't signal alarm bells.

FUNDING

SMART. SUSTAINABLE. SIMPLE.



- SMART**
Attractive & Innovative. Value Added. Smart Form & Function. Cool Effective.
- SUSTAINABLE**
Made from 100% Recycled HDPE. Repurposed from Recycled Containers. Reusable. Recyclable.
- SIMPLE**
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