



What is the process of monetizing an intellectual property(IP)? Yet at first, what is an IP? [Sherwood Partners, Inc.](#), one of the premier business advisory firms in the US has defined an intellectual property as “...the combination of human thought process and know-how in a unique way to form... proprietary technology...” . The [Kenya Intellectual Property Institute](#) has defined IP as “the creations of the human mind”.

As such continues Sherwood Partners, IP “is worth protecting and safeguarding in the same way as any other valuable corporate asset” in order for it “to confer some form of advantage to the owners”.

But where does IP monetizing begin? Or where does the processes of leveraging an “intangible asset” start? The journey ideally kicks off from the requirement to assess/analyze IP, strategize/innovate , establish IP, leverage IP and monetize IP.

In other words, [TechInsights](#) recommend beginning with the technology and market assessment of the IP, where a detailed technical and market intelligence that serve to guide investment processes throughout the IP lifecycle is carried out.

Then the formulation of an IP strategy: the building of an IP Strategy that is suitable for the company’s goals, priorities and products. Determining the types of IP to focus on and provide the framework for the programs and processes that need to be implemented.

The next step has to do with establishing an IP position, which is the proactive management of the IP portfolio with quality assessment, acquisition and selective focus on patent development.

Then there is leveraging IP to retain(defend) business, a process TechInsights describe as defending market share, minimizing the potential for third party patent assertion, protecting and strengthening the business with prior art and non-infringement analysis to address patent assertion.

Finally, though not always the case, the monetization of IP comes in. Here, patent assertion through licensing and patent selling; and cash injection for renewing the life-cycle of innovation is undertaken.

The process can simply be simplified as—according to TechInsights—analyze IP, strategize, build, defend, and monetize.

But how to monetize IP still? More clearly, a legally protected IP can be commercialized through third party licensing, cost reduction, trademark licensing, patent donations, as well as mergers and acquisitions, usually facilitated by mass patent aggregators, IP brokers, and litigation-centric organizations.

Meaning that joining such organizations can be very advantageous to an IP owner. Otherwise, according to TechInsights, “products risk being devalued, commoditized, or even directly copied without ongoing technical innovation and the strategic protection of that innovation with IPR.”

Indeed the key to sustainable competitive advantage is through consistent and proactive use of innovation and associated Intellectual Property Rights(IPR) for business advantage over a long period of time, TechInsights help us conclude.