

## REACHING NET ZERO WITH IP

### NEW VISION

Intellectual Property is likely already your most valuable asset, but did you know it can help your company reach its "net zero" target?

dennemeyer.com/consulting



How to identify, increase and communicate your impact!

## CONTENTS

### WHAT OUR CLIENTS ASK US

- 1 "How can IP work toward sustainability?"
- 2 "What are some of the challenges of using IP to reach net zero?"
- **3** "We are in danger of not reaching our sustainability goals in time! What can we do?"
- 4 "How can I show the current sustainability of our IP portfolio for ESG reporting or stakeholder communication?"
- **5** "Our stakeholders say we must become more sustainable. How and where do we start?"
- 6 "We have some new 'green' IP how do we monetize it?"
- 7 "How can we make money by getting rid of 'dirty' value inhibitors?"
- 8 "I want to maximize investment into my startup and raise awareness of its impact."



### **SPOTLIGHT** HOW CAN IP WORK TOWARD SUSTAINABILITY?

Enacting your IP to help you meet ESG obligations is itself a boost to your progress, but there are many other benefits.



### MONETIZE

"WE HAVE SOME NEW 'GREEN' IP" Sustainable IP raises

interest and can boost portfolio value.



TIPS KNOW YOUR BUSINESS

Assess the commercialization prospects of your portfolio.



TIPS MAKE YOUR IP WORK FOR YOU

IP can help document your company's positive impact.

02 \_\_\_\_\_

## ESG goals

Achieve a greener footprint while also improving business performance

The push toward a sustainable future is being led by companies of all kinds, large and small. Directing their efforts and measuring their performance are various Environmental, Social and Governance (ESG) goals.

The rewards and benefits of an ecologically conscious model are great, but so too are the risks of falling behind. Those who neglect sustainability requirements not only jeopardize the approval of customers and stakeholders but stand to be outclassed by their more innovative competitors.

Intellectual Property (IP) is likely already your most valuable asset, but did you know it can also be a useful tool to help your company reach its net zero target?

IP can be an unexpectedly effective tool and a good information source to improve your impact on the environment, enhance your engagement with social issues and strengthen your corporate governance.

### IP portfolios are an increasingly important tool

for environmental, social and corporate governance purposes.





### "How can IP work toward sustainability?"

Increasingly, sustainability targets are not just desirable but necessary. Enacting your IP to help you meet these obligations is itself a boost to your progress, but there are many other benefits:

- 1. IP can help you develop new products and processes that are more sustainable.
- 2. IP can help you improve the sustainability of your existing products and processes.
- 3. IP can help you protect your sustainable innovations from copycats and infringers.
- 4. IP can help you attract investment and partnerships to support sustainable innovation.
- 5. IP can help you build a brand identity strongly associated with sustainability.

### "What are some of the challenges of using IP to reach net zero?"

Using IP to meet sustainability requirements is not a "one-and-done" solution, and there are some difficulties to be aware of. For instance:

- 1. Filing and maintaining patents, trademarks and other types of IP can be expensive.
- 2. The process of obtaining IP protection can be complex and time consuming.
- 3. Not all sustainable innovations can be protected by IP rights.
- 4. Not every form of IP protection is available in all countries.
- 5. Enforcing IP rights can also be costly in time and money.
- IP can be a powerful mechanism by which to reach ESG goals and fulfill related requirements. More and more companies across all industries are taking notice of this fact, yet many still feel at a loss as to how they can best actuate their portfolios.
- While every organization's situation is very specific, it is worth addressing the most common questions to demonstrate some of the practicalities involved with using IP to contribute to sustainability.

04 \_\_\_\_\_

# "Sustainability should be integrated into a good IP strategy."

In almost every part of the IP life cycle, sustainability aspects can generate added value. Discover more in our extensive white paper, "Sustainability in the Intellectual Property life cycle." "We are in danger of not reaching our sustainability goals in time! What can we do?"

If time is of the essence, your first step should be to conduct a focused IP landscaping survey to identify companies with the technology you need to reach your targets. This inquiry can be enriched with specific information to locate the expertise and inventions relevant to your company's size and development level. IP information from patent databases can also be supplemented with data from special commercial databases focusing on sustainable startups and scaleups.

In the longer run, you should foster "green" innovations by emphasizing sustainability aspects during your IP creation and harvesting cycles, e.g., in the invention disclosure and assessment processes. In this way, you will be able to promote sustainable invention generation and pre-identify those assets that will require IP protection.

"How can I show the current sustainability of our IP portfolio for ESG reporting or stakeholder communication?"

It is recommended to undertake an IP portfolio assessment that focuses on sustainability aspects and their related KPIs, e.g., patent filings and grants in appropriate Cooperative Patent Classification (CPC) classes.

The portfolio could also be mapped against the United Nations' 17 Sustainable Development Goals (SDGs) to see if and to what degree it contributes to a sustainable future.

These assessments can help you understand your current level of sustainability, identify areas for improvement and track your progress over time. As patent information is publicly available, you can also compare your company's performance to that of competitors by applying the same KPIs to their portfolios as well.





"Our stakeholders say we must become more sustainable. How and where do we start?"

Once you have completed your IP portfolio assessment, you will be able to distinguish "green" value drivers and "dirty" value inhibitors. Based on the evaluation results, you can update your IP and business strategy to foster the "green" and drop the "dirty."

These fields of "green" innovations can be promoted by applying for and enforcing additional IP rights to obtain, expand and maintain exclusivity. The "dirty" portfolio parts can be dropped to save on IP renewal costs and reduce administrative workloads. In some cases, they can also be monetized, as described below.

### "We have some new 'green' IP – how do we monetize it?"

If you do not intend to commercialize this IP immediately, you can:

- Perform IP landscaping to find potential licensees or buyers.
- Assess the marketability of the IP through market research or an FTO analysis.

If you would prefer to hold on to the IP and exploit it yourself, an efficient maintenance and enforcement strategy for exclusive rights is vital. This only grows in importance the more jurisdictions you do business in.

### "How can we make money getting rid of 'dirty' value inhibitors?"

The same procedures used to capitalize on valuable "green" IP can be repurposed to divest yourself of a value inhibitor. For this, cluster relevant IP packages for sale or licensing and survey the immediate business and IP landscapes to find potential buyers in adjacent industries where those technologies are still state of the art.

# "I want to maximize investment into my startup and raise awareness of its impact."

One strategy is to carry out an IP valuation that uses sustainability and ESG impact as value-adding factors. You can then align your valuated IP with the 17 SDGs to create a marketing story that differentiates your startup from other companies in your industry.

## ln a nutshell

Refocusing your business on a sustainable future

#### Know yourself:

- Harvest and foster "green" inventions internally.
- Valuate your IP, recognizing the value-adding effects of sustainability and social impact.

#### Know your business:

- Survey your immediate IP environment.
- Assess the commercialization prospects of your portfolio.
- Identify competitors, partners and potential buyers and licensees.

#### Make your IP work for you:

- Cluster relevant IP packages for sale or licensing.
- Share your IP story to attract investment and customers.

Orienting your company's IP portfolio to reflect ESG goals will not solve all of the world's woes, but it is a confident stride in the right direction. Properly upheld by exclusivity rights, green innovations are the catalysts needed to bring about a truly sustainable future. Only by advancing the general IP front can these technologies find fertile soil in which to grow.



### **Publisher:**

### Dennemeyer Consulting

October 2022 dennemeyer.com/consulting