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## How should I prune my IP portfolio?

Statistically, the vast majority of assets in a company's IP portfolio will not provide economic value to the owner. To the contrary, they will cost money in maintenance, attorney and docketing fees, and will tax internal resources. Having the ability to identify and shed such permanently unproductive IP assets – commonly referred to as “pruning” – is a valuable skill.

In addition to cost-savings, pruning can help strategically align your IP with your business objectives. Your existing assets should support your current and projected objectives. If they do not, the assets are not serving their purpose of creating protective barriers around your position in the market. As a test, you should be able to articulate how each IP asset supports, defends or advances your market position. Proper alignment helps business planning and will be attractive to investors and suitors who might want to take a close look into your IP basket.

Because a portfolio's value derives from a handful of productive assets, pruning must be done carefully. To prune effectively, input is needed from a number of departments, starting with legal, business and R&D.

Assets not in practice and outdated technologies are the low-hanging fruit which may be ripe to be pared. Patents that either never or no longer have a corresponding product on the market are good candidates, as are patents covering technologies which are outdated or which have been bested. Or, perhaps, the patented technology is simply too expensive to manufacture.

Assets with existing or potential litigation are also ripe for evaluation. Recently a client shed a group of unused patents because it shared ownership of them with a disgruntled ex-employee. Again, these decisions require multi-disciplinary input – the legal department would be hard-pressed to make these decisions independently.

Foreign counterparts to United States patents are also good candidates for pruning. Consider patents which were applied for or acquired with an eye toward defending accusation of infringement of others' patents, especially if the threat that motivated the acquisition has dissipated.

Trademark registrations should not be beyond the reach of your clippers either. It is noteworthy that a trend in consumer marketing is toward fewer but bigger brands. So, when it is time for a trim, communicate with your marketing department to determine which brands have been or are going to be phased out. If your company has already phased out the use of a mark, your rights to that mark will have begun to diminish anyway. However, seek counsel before you abandon a registration even if the mark is no longer being used because you may still have residual goodwill.

When pruning is done right, the overall cost of maintaining an IP portfolio is greatly reduced without decreasing its overall value. Perhaps more importantly, though, pruning can help ensure that your IP is aligned with your business objectives and can focus resources toward the most promising and productive assets.