

# GUARDING THE TREASURE: IP VALUATION & REMEDIES

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# IP Holding Companies: Are the Benefits Worth the Risk?



# IP Holding Companies



- Jamshed Patel – What and Why
- Barry Grossman – Litigation Issues

## The panel – How and Best Practices

- Alexander Arato, Vice President, Associate General Counsel, CA, Inc.
- Bloor Redding, Former Vice President and Assistant General Counsel, Hewlett-Packard Company



# Responses by Royalty-Payor States:



- Imposing tax on IP holding company
- Economic substance challenges
- Reallocation of income
- Forced combination
- Addback statutes



# Benefits v. Burdens

- Limitation on lost profit damages
- Injunctions?
- Establishes a reasonable royalty?
- IRS rules
  - arms length negotiation

# Benefits v. Burdens



“... the patentee needs to have been selling some item, the profits of which have been lost due to infringing sales, in order to claim damages consisting of lost profits.”

Poly-America v. GSE Lining  
(Fed. Cir. 2004)

# Poly-America – The Problem



- Separate corporate entities
- Non-exclusive licensee

# Poly-America – The Solution?



- Re-assign the IP?
- Exclusive license



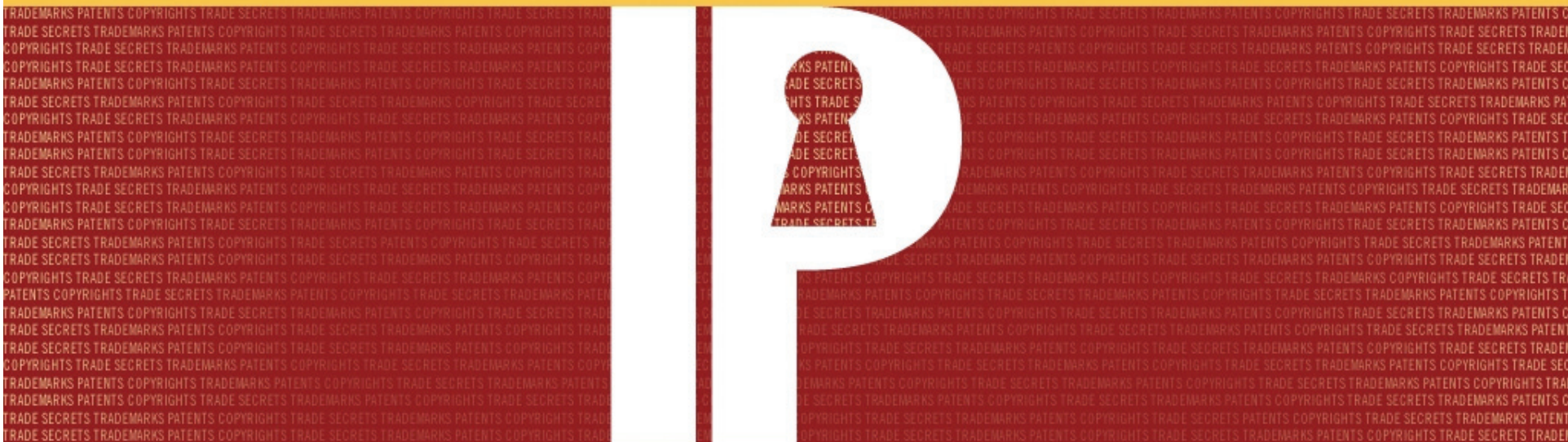
# The Panel



- Corporate efficiency
- Centralized management
- Setting the license fee
- Patents
- Trademarks
- Copyrights

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