

## Intangible Assets & Intellectual Property Valuation

2<sup>nd</sup> March 2016

### Case study 1



## Lincoln's Inn School

- Lincoln's Inn School (LIS) is a top UK independent boys' school established 1701. Registered UK charity.
- LIS approached by China-based international schools group wishing to re-brand existing China-based colleges (x 2) and open new schools (3+) in China under the "**Lincoln's Inn School [eg Shenzhen]**" brand.
- Licence/JV agreement under which LIS offers exclusive right to use the name and brand in the context of schools in China. Plus other know-how, curricula, etc.
- Consultancy services offered by LIS = c. 200 FTE days "in country", in China, in years 1 - 3.
- Up-front payment (Trustees want £1m+) and ongoing % royalty based on fee income (£2 - £5m p/a).
- Likely to be a UK trading subsidiary established (LIS Trading Ltd) to enter into the contract, will need to receive a licence to use trade marks and other relevant IPR.
- Intra-group licence to LIS Trading must be at least "at cost".
- LIS is late to the game in terms of registered TM protections. Search of register reveals - **Lincoln Education**, and **Lincoln's Inn Kindergarten** both already registered in China by third parties not known to LIS. Lincoln's Inn Kindergarten appears to be a significant business with 3 sites across China.

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### Case study 2



## Copper Bottomed™

- Bow-based premium gin distillery, founded 2013.
- Leases premises. No meaningful fixed assets.
- Initially UK-only sales but now export c. £1m.
- Main export markets are US, Canada, Japan, South Korea, mainland Europe, Dubai and some Latin American countries. International market growing fast.
- Paid-for online distilling tutorials via [www.copperbottomed.com](http://www.copperbottomed.com) growing fast, again internationally. Web and social media following of c. 500,000 individuals.
- Some merchandise and brand extension – clothing, distilling tools, copper plated fixed wheel cycles. Possible tie up with established cycle manufacturer.
- Needs to raise finance to fund growth but reluctant to give up equity. Want to remain to be seen as independent. Main asset is IP.
- Wants to shore up TM protection internationally but unsure what to protect, where to seek protection, and how much to spend.
- May establish local subsidiaries to deal with local regulation and avoid using intermediaries.

All examples used in these case studies are fictitious. Any resemblance to real entities trading is purely coincidental.