



NEWSLETTER

ITAG BUSINESS SOLUTIONS LTD.

(A subsidiary of TCI Finance Ltd.)

AN ISO 9001:2008 & 27001:2005 ORGANISATION

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Director's Message



Intellectual Property Valuation is an important area to determine the value of an intangible asset in

different forms of IPR such as trademark, copyrights, patent, designs and trade secrets. In practical parlance, valuation of IPR is generally carried out for brand valuation, patent valuation and technology valuation. Intangible valuation is generally carried out for determining the valuation of an enterprise in the course of amalgamation, merger and acquisitions. Valuations are also carried out for intangibles to determine the value of damages or compensation in cases involving infringement of trademark or copyright or patent or design. Now-a-days valuations for intangibles are also done for financing by way of securitization and collateralization of intangible assets.

Although accounting for intangible assets, and for the expenditures incurred for research and development is done on a very conservative basis while recognizing intangibles as capital asset, the accounting standards for purchase price allocation (PPA) are very stringent for transactions involving determination of fair value at the time of mergers and acquisitions. Most of the accounting standards deal with the issue of valuation of intangible assets and it will be worthwhile to mention about few of them as below:

- Uniform Standard of Professional Appraisal Practice (USPAP)
- International Valuation Standards Committee (IVSC)
- US Generally Accepted Accounting Principles (GAAP)
- International Financial Reporting Standards (IFRS)
- Financial Accounting Standards Board (FASB)

At macro level, some studies have been conducted which says that about 60% of the wealth of poor nations and 80% of the wealth of the rich nations can be classified as intangible wealth. The study conducted by

“ The accounting standards for purchase price allocation (PPA) for intangibles are very stringent for transactions involving determination of fair value at the time of mergers and acquisitions. ”

OECD group says that the average per capita wealth in OECD countries are US\$ 4,40,000 comprising US\$ 10,000 in natural capital, US\$ 76,000 in produced capital and US\$ 354,000 in intangible capital.

There are several methods and approaches for doing the valuation but some of the most commonly applied approaches are as below:

- Cost approach
- Market approach
- Income approach

Sometimes the valuation is also

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done on the basis of prevailing share prices in the stock market, however, the income approach by applying discounted cash flow method (DCF) with certain assumptions for rate of return to arrive at net present value of the expected future benefit of the concerned IP assets is considered the most appropriate method. Software tools are available for doing the IP valuation. However, expertise and common pool of skill of technical, legal and commercial professionals is required for an effective and authentic valuation of any IP asset.

ITAG undertakes valuation of IP assets for commercialization and for technology transfer for the inventions and innovations taking place in the Research Institutions and at the research and development centers of various commercial organizations. Apart from the patent valuation, ITAG also has a dedicated team with financial & commercial background to conduct the Brand Valuation which is needed for various purposes including for determination of value during the course of litigation and arbitration. Intangible Business Limited of UK is our strategic partner for IP Valuation.

- Dr. D. R. Agarwal

IPR NEWS - INDIA

INDIAN GOVERNMENT TO RESTRICT REGULATORY PROCESS FOR BIOSIMILAR DRUGS

The Drug Controller General of India's (DCGI) office is going to initiate a dialogue to reform regulatory process for biological drugs and biogenerics. These are known as biosimilars in Europe and US. The drug licensing authority - DCGI office is preparing an exclusive draft legislation for regulating biologicals and biogenerics and the first round consultations with industry and other stakeholders may soon be initiated.

Every biological drug based on recombinant DNA technology must have the approval of the department of biotechnology, the environment ministry and the DCGI under the health

ministry. The global biotech MNCs in India and the domestic biotech and pharma companies have the same opinion on the necessity of a complete regulatory structure for biosimilars.

The stalwarts in the Indian pharma and biotech industry have been insisting on a regulatory pathway for biosimilars, because of their extent of complexity as compared to conventional chemical drugs.

INDIA TAKES NETHERLANDS TO WTO

The Indian Government has taken the Dutch Government to the World Trade Organization's Dispute Settlement Body (DSB) regarding the seizure of Indian drug exports in the Netherlands, on allegations of patent-infringement.

In a case filed with the WTO's DSB in Geneva, the

Government of India has criticized the Netherlands authorities for implementing TRIPS-plus conditions and seizing exports transiting through its ports, thus preventing access of medicines, to developing countries. Many drug companies re-directed their exports through other routes, including South Africa, to avoid this problem and thus drastically increased the costs.

Two Indian drug companies - Ind-Swift and Cipla had also filed individual cases against the Dutch Customs authorities, as their consignments were seized at Amsterdam ports. Chandigarh-based drug-maker Ind-Swift won the case and got back its seized consignment and half its litigation cost was reimbursed by the Union Commerce Ministry.

IPR NEWS-AROUND THE WORLD

SOFTWARE PATENTS TO BE BANNED IN NEW ZEALAND

The New Zealand government is passing a Patents Bill which will ban software patents in New Zealand. However patents on inventions that contain embedded software would be allowed.

There are many software companies in New Zealand, creating innovative software which are at a constant risk of litigious action by a patent holder. This has led to many 'patent troll' companies. These are non-software companies which buy old patents with the objective of suing innovative software companies for obvious infringement of these patents.

The New Zealand Computer Society has welcomed the move, saying that software patents would significantly suppress innovation. But the New Zealand ICT industry group NZICT, which opposed the bill, has warned that it

could hamper innovation and would have affect trade in the country by limiting the skill to develop digital exports.

MULTIPLAYER STEREOSCOPIC SYSTEM PATENT FOR SONY

Sony has filed patents for a new stereoscopic system that would allow two gamers to enjoy 3D multiplayer without the need for split-screen.

The patent filed a year ago and published last week describe a way of presenting two separate images on one screen, and depict glasses which can then filter them. The glasses work by making sure that the right images are sent to the correct eyes.

Two images from one video screen can be viewed by two different people, allowing them to see different images on the same screen. Each player would need their own set of glasses. A special 3D television is required for this technology where one person

could watch a movie while the other plays games. The day may not be far when Sony would bring this unique technology to the consumer level.

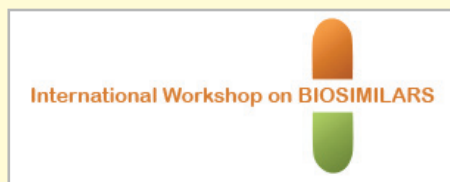
HP SEEKS PALMPAD TRADEMARK

Hewlett Packard (HP) is seeking to trademark the name "PalmPad" for computer hardware and mobile devices. This hints at a probable tablet computer based on HP's purchase of Palm and its Web-OS.

Palo Alto-based HP has filed for a trademark the name "PalmPad" at the U.S. Patent and Trademark Office. The company had acquired ailing Palm for \$1.2 billion this July.

It is anticipated that the HP tablet would contend directly with the iPad and will include touch screen capabilities. There is a chance that HP is merging Palm's Web-OS with technology that HP demonstrated in the Slate.

EVENT AT ITAG



ITAG in collaboration with Sughrue Mion PLLC, USA has organised International Workshops on Biosimilars successfully with an overwhelming support from the stalwarts of Pharma/Biotech companies on 22nd & 24th July, 2010 in Hyderabad and Bangalore

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Glipmses of the International Workshop On Biosimilars 2010



Inauguration ceremony at Hyderabad



Inaugural speech by Dr. D. R. Agarwal



Dr. D. R. Agarwal with Dr. Sumesh Reddy and other Speakers from Sughrue at Hyderabad



Speakers from Sughrue Mion PLLC, USA.



Dr. Sumesh Reddy, Senior Director, IP at Dr. Reddy's Laboratories delivering his speech at Hyderabad



Dr. Shiva Murthy N. at panel discussion at Bangalore



Group photo at Hyderabad



Group photo at Bangalore

For more photos: please visit our website www.iprconference.com

“ It is better to keep your mouth closed and let people think you are a fool than to open it and remove all doubt. - Mark Twain ”

Feedbacks from Delegates

- ❖ “Overall very informative. Extremely good/great initiative. All the best for such future initiatives.” - **Mr Rahul Pillai**, Dr. Reddy's Laboratories
- ❖ “We look forward towards similar workshops in future.” - **Mr. Vineet Agarwal**, Dr. Reddy's Laboratories
- ❖ “Very well organized workshop. The speakers especially were very good in answering & raising questions on a law which is in its infancy.” - **Ms. Anagha S. Tendulkar**, Panacea Biotech
- ❖ “A little more aspect / insight of how biotech industry could utilize the Biosimilar law & the scope of Business could have been beneficial. Also comparison by US, EU & JP (at least the regulated markets) bio-similar law would benefit more.” - **Dr. Sanmugavadivu B.**, Dr. Reddy's Laboratories
- ❖ “Thank you ITAG Business Solutions Ltd for organizing such an excellent workshop on Biosimilars which has helped me in acquiring knowledge regarding the subject.” - **Mr. Gautam Daimani**
- ❖ “More number of such workshops should be organized all over the country” - **Ms. Aprajita Dubey**, Panacea Biotech
- ❖ “It was a very knowledgeable interactive workshop” - **Ms. Archana Khaitepal**, Panacea Biotech
- ❖ “Reach out to a broader base and cater to that broader base. But overall very good, specially - Ken's” - **Ms. Yamuna Kumaraswamy**, Narasappa, Doraswami & Raja
- ❖ “I am equally thankful to the honorable panel and ITAG for organizing this workshop. I found the entire presentation extremely knowledge enhancing and beneficial for my professional practice.” - **Mr. Kanishka Mukherjee**, Cognizant Technology Solution
- ❖ “I am thankful for the wonderful workshop organised by you. I must congratulate you on this achievement and admit that the workshop was informative but at the same time provided diverse opinions on Biosimilars.” - **Mr. T. Sarat Chandra**, Alexandria Equities Management (India) Pvt Ltd
- ❖ “Appreciate the efforts for conducting the workshop and honestly I was looking forward to attend such a workshop after the enactment of the new law in the US. The workshop was really a good learning experience.” - **Mr. Anil Kumar Gupta**, Matrix Laboratories Ltd



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Corporate Office

Suite # 1C & 1D, 1st Floor, Subham Plaza, 83/1 Beliaghata Main Road
Near EM by Pass Crossing, Kolkata—700 010, West Bengal, India
P +91 33 2705 7198 | F +91 33 2363 3923

Regd. Office

1-7-293 Mahatma Gandhi Road, Secunderabad—500 003, Andhra Pradesh, India
P +91 40 2784 4284 | F +91 40 2789 4284.

W www.itagbs.com | E info@itagbs.com

Operational Offices

India - Ahmedabad, Bangalore, Chennai, Hyderabad, Indore, Kolkata, Mumbai, New Delhi
Abroad - Bangkok, Beijing, Colombo, Dubai, Hong Kong, London, Singapore, Shanghai, Virginia (U.S.A.)

Editorial Team: Chief Editor: Dr. M. Sudha; Members: Dr. Partha Sarathi Pal, Sajal Dutta, Swarup Bhattacharyya

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