

## **1.0 Course Description**

### **1.1 Overview of content and purpose of the course. BSAD 8620, "Valuation of Intellectual Property" 3 credit hours.**

Intellectual Property (IP) is an intangible asset that takes four discrete forms: patent, copyright, trademark, and trade secret. The manager's tasks include shepherding the creation and protection of these valuable assets. IP is critical to business success, especially in an e-business context. Accounting, economics, and finance all struggle for an objective quantification of "value" of both individual pieces of IP (e.g., trademark) and bundles of IP (e.g., patent pool). There are many correct measures of value, each of which depends on the context of the question of "value" (e.g., infringement versus depreciation versus sale). This course will focus on the application of theory. For a semester project, each student will select and value a specific IP. Typically, there will be guest lecturers.

### **1.2 For whom course is intended.**

BSAD 8620, "Valuation of Intellectual Property," is an elective for those pursuing the degree of Master of Business Administration, especially those pursuing the e-business concentration. Students in other graduate degree programs, especially those housed in CBA (e.g., Master of Economics or Master of Accounting), but also students in other graduate degree programs (e.g., Peter Kiewit Institute, Public Administration) as well as seniors eligible to enroll in graduate classes, would benefit from this course.

### **1.3 Prerequisites of the course.**

BSAD 8010 or BSAD 8100 or BSAD 8110 or BSAD 8500, or its equivalent.

### **1.4 Unusual circumstances of the course.**

None.

## **2.0 Objectives**

### **2.1 List of performance objectives stated in terms of the student.**

This course will focus on the student's acquisition of and application of theory. Accordingly, students will first learn the law (in summary form) of the various types of IP (i.e., patent, copyright, trademark, and trade secret) and the theory of the various forms of valuation (i.e., cost, income, and market). For a research project, students will select a specific type IP and a specific form of valuation and

prepare a valuation report that includes a definite dollar value. "Value" is not measured solely in dollars. Students will learn how to address the qualitative (e.g., ethical) values in addition to the quantitative values.

### **3.0 Content and Organization**

#### **3.1 List of topics to be covered in chronological sequence.**

First, the course will open with an overview of IP and valuation. This introduction will expose the student to the vocabulary of IP and valuation as well as the major guideposts to these two, discrete methods of analysis. The limits of quantitative valuation and the need for qualitative valuation will be introduced. Principles of negotiation will be introduced at this time, and revisited across the entire semester, both as a means of dispute resolution and as an integrative tool of critical thinking.

Second, the contours and requirements of each type of IP will be addressed, especially those of greatest importance to valuation (e.g., scope of legal monopoly, duration of IP). International issues will be introduced at this juncture since each IP is limited to geographic jurisdiction of the government granting the IP.

Third, because the quantitative value of IP is rooted in transactions and the nature of the transaction influences the measure of value, the requirements of a fair market value transaction will be contrasted with negotiation realities and other common transaction infirmities.

Fourth, the three primary methods of quantitative value (i.e., cost, income, and market) will be explored in depth. The accuracy requirements for each method will be identified and contrasted. Particular attention will be given to how to select the most appropriate valuation method for a particular transaction as well as how the other two methods can be used to validate the best method.

Fifth, the role of qualitative valuation will be explored. The inherent deficiencies of discounted present value analysis will be addressed. How to explicitly address the unquantifiable as well as ethical considerations of technological change will be addressed.

Sixth, special topics will be addressed. Every semester will address valuation in an international context, with particular attention given to transfer pricing, and to IP in a not-for-profit (e.g., technology transfer from universities) context. Changing by semester will be an array of other special topics, for example, a focus on a specific industry.

## **4.0 Teaching Methodology**

### **4.1 Methods to be used.**

The class time will be used in lecture, guided discussions, and student project preparation and presentation. The lectures will illuminate and expand upon assigned readings. Guided discussions will demonstrate to students how to critically analyze the assigned readings, and will provide an opportunity for students to apply theory. Student projects will be designed to foster mastery of and application of theory.

### **4.2 Student role in the course.**

The student must take an active role beyond mere note taking in lectures. The guided discussions require students to be prepared to contribute to class discussions of assigned readings and to participate in extemporaneous analysis of assigned readings. The research project will require students to demonstrate superior written communication skills.

Students may produce measurable output working both alone and in teams. When students work on projects in teams, then there will be some identifiable individual contributions in addition to any group output.

### **4.3 Contact hours.**

This is a three (3) credit hour course and requires a full semester of contact hours (i.e., 45). This course may be offered in a variety of formats (e.g., MWF, TR, or once a week), but typically, it will be offered only as a "night" class.

## **5.0 Evaluation.**

### **5.1 Types of student projects that will be the basis for evaluating student performance, specifying the distinction between undergraduate and graduate courses if applicable.**

Students, typically, will be evaluated via exam(s), research project (including classroom presentation), and class participation. In total, the evaluation will be designed to detect mastery of the subject matter, integration of subject matter, and critical analysis.

There may be multiple exams, but any final exam typically will be comprehensive. Many exams typically serve the purpose of merely detecting mastery of the subject matter. Comprehensive final exams also may be designed to detect integration of the subject matter.

The student projects will be designed to require students to demonstrate integration of subject matter and critical analysis. Often, negotiating a solution to a business dispute will be central to a student project.

BSAD 8620 is solely a graduate course.

**5.2 Basis for determining the final grade (e.g., weighting of various student projects), specifying the distinction between undergraduate and graduate-level courses, if applicable.**

The exact weighting will vary from semester to semester and from instructor to instructor. However, a typical weighting might be:

40% = various exams

30% = written portion of project

20% = presentation of project

10% = class participation

Each instructor shall provide each student at the beginning of the semester a written explanation of both the graded events and their weightings.

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**5.3 Grading scale.**

The grades will be reported in a fashion consistent with UNO's standard grading policy: i.e., A = superior; B = above average; C = average; D = below average; and F = failing. Each instructor shall provide each student at the beginning of the semester a written explanation of the grading scale to be used in that course. This written explanation shall list which percentages of total points are associated with which letter grades for the course.

**6.0 Resource Material**

**6.1 Textbook(s) or other required readings used in course.**

Smith, Gordon V. and Parr, Russell L. Valuation of Intellectual Property and Intangible Assets. Third edition. Wiley intellectual Property Series. New York: John Wiley & Sons, Inc. 2000.

Mnookin, Robert H., Peppet, Scott R., Tulumello, Andrew S. Beyond Winning: Negotiating to Create Value in Deals and Disputes. Cambridge, Massachusetts: Belknap Press of Harvard University Press, 2000.

Wall Street Journal.

**6.2 Other suggested reading materials, if any.**

Karrass, Chester L. The Negotiating Game: How to Get What You Want. Revised edition. NY, NY: HarperCollins Publishers, Inc., 1994.

Tzu, Sun. The Art of War. James Clavell, Editor and with a foreword. NY, NY: Dell Publishing, 1983.

### **6.3 Other sources for the gathering of information, if any.**

The UNO Library deliberately and appropriately has a limited law collection of statutes and cases, and of journals and books. To compensate for this the CBA students have access to the LEXIS/NEXIS computer database via the CBA ENRON computer lab, and via the UNO Library's web portal. LEXIS/NEXIS provides full text searching and full text retrieval. The scope of the LEXIS/NEXIS coverage is nearly all law materials published in English as well as many business publications. LEXIS/NEXIS has a specific collection devoted to intellectual property.

In addition to the LEXIS/NEXIS, students have web access that provides search engines that have collected information by subject. For example, YAHOO has indexed extensive material on law and ethics.

Both LEXIS and the web provide the students with contemporaneous access to material in current events.

### **6.4 Current bibliography of resources for student's information.**

Burgunder, Lee B. Legal Aspects of Managing Technology. South-Western Publishing Co.: Cincinnati, Ohio, 1995.

Cederblom, Jerry B. and Dougherty, Charles J. Ethics at Work. Wadsworth Pub. Co.: Belmont, CA, 1990.

Halbert, Terry and Ingulli, Elaine. Law & Ethics in the Business Environment. Second Edition. West Publishing Co.: St. Paul, MN, 1997.

Jacobstein, J. Myron and Mersky, Roy M. Fundamentals of Legal Research. Third edition. Foundation Press: Mineola, NY, 1985.

Kohn, Alfie. No Contest: The Case Against Competition; Why we lose in our race to win. Houghton Mifflin Co.: Boston, MA, 1986.

Restatement of the Law. The American Law Institute: Washington, D.C., 199X. The Institute produces books on all topics of law with various imprint dates.

Weinstien, Martin. Summary of American Law. Lawyers Co-operative Publishing Co.: Rochester, NY, 1988.