

Intangible assets or intellectual property (IP) are distinguished from general intangibles, such as goodwill, which have no definable useful life. The valuation of an IP is usually the most tenuous, complex, and creative exercise of any valuation or appraisal. The Mentor Group has unique expertise to place value on any IP.

Without some historical data on use of the IP to generate income/profits or save costs, estimating IP valuation is much more subjective. The key then, is to develop some reasonable data points about future expected cash flows. These data points become the lynch pin around which a discounted cash flow case can be constructed. Our senior professionals ensure that a reasonable, well-documented, and credible analysis is delivered.

The intangible asset (IA) / IP value is inextricably linked to the remaining useful life. The cash flow projection period is premised on the estimated useful life. The value of an IA is the present value of the after-tax income plus the present value of the tax benefits of amortization.

### **Marketing-Related**

- Trademarks, trade names
- Service marks, collective marks, certification marks
- Trade dress (unique color, shape, or package design)
- Newspaper mastheads
- Internet domain names
- Non-compete agreements

### **Customer-Related**

- Customer lists
- Order or production backlog
- Customer contracts and related customer relationships
- Non-contractual customer relationships

### **Artistic-Related**

- Plays, operas, ballets
- Books, magazines, newspapers, other literary works
- Musical works such as compositions, song lyrics, advertising jingles
- Video and audiovisual material, including motion pictures, music videos, television programs
- Publicity rights (persona)

### **Contract-Based**

- Licensing, royalty, standstill agreements
- Advertising, construction, management, service or supply contracts
- Lease agreements
- Construction permits
- Franchise agreements
- Operating and broadcast rights
- Use rights such as drilling, water, air, mineral, timber cutting, and route authorities
- Servicing contracts such as mortgage servicing
- Employment contracts

### **Technology-Based**

- Patented technology
- Computer software and mask works
- Unpatented technology
- Databases
- Trade secrets, such as secret formulas, processes, recipes