



IP PORTFOLIO AUDIT

REPORT

— *sample report* —

SAMPLE REPORT – DATA ANONYMISED

This is a sample IP portfolio audit report prepared on the basis of real METIDA practice. All identifying information – the company name, trade marks, domain names, export countries, date of incorporation, number of employees and other specific details – has been changed, generalised or removed. The structure of the report, the depth of the analysis and the nature of the recommendations reflect what you will receive when ordering the IP portfolio audit service.

The purpose of this document is to show the format and content of the report our clients receive once the audit has been completed.

Confidentiality and limitation of liability

• Confidentiality

The content of this report, the related discussions, self-assessment questionnaires and other audit-related documents is confidential and intended exclusively for the Client. The report has been prepared on the basis of information provided by the Client's representatives (interviews, discussions, internal documents submitted) and publicly available intellectual property databases (VPB, EUIPO, EPO, WIPO, TMview, DesignView, etc.).

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The analysis, insights and recommendations in this report reflect the best professional judgement of METIDA's experts at the time of its preparation, based on the information provided by the Client and publicly available sources. The report reflects the situation as at the date of its preparation – facts arising later (new rights, infringements, changes in jurisdictions, etc.) are not reflected in it.

The report is not a legal opinion in any specific case or dispute and should not be used as a substitute for individual legal advice before taking specific decisions on the registration, enforcement or transfer of intellectual property. The Client independently decides which of the report's recommendations to follow and is responsible for the consequences of the actions chosen. Before taking significant legal steps, it is recommended to consult an intellectual property specialist.

Contents

1. Summary

- 1.1. Overview of the Company's business model
- 1.2. Identified intellectual property and related intellectual assets
- 1.3. Assessment of the IP strategy
- 1.4. Key IP issues and recommended actions

2. Main report

- 2.1. Business model and company strategy
- 2.2. Analysis of existing IP and related intellectual assets
- 2.3. Use of IP search tools
- 2.4. IP management
- 2.5. IP risks
- 2.6. Costs, benefits and funding
- 2.7. General strategic recommendations

3. Annexes – useful links

1. Summary

• AUDIT SUMMARY •

1.1. Overview of the Company's business model

The Company is a Lithuania-based manufacturer in the consumer goods (FMCG) / personal care sector with many years of experience. Its core business is the development, manufacture and distribution of its own products in both the domestic and international markets. The Company's portfolio consists of several main own-brand lines covering different product categories and target consumer groups. In addition to its own brands, the Company also carries out licensing projects and private label manufacturing for its partners.

The business model is vertically integrated – the Company has its own research and development (R&D) unit where products are developed, tested and improved. Most formulations and technological solutions are created in-house, and developing new products and refining existing formulas is an ongoing part of the business. In certain cases the Company also purchases or licenses specialised solutions from external suppliers to ensure high product quality and compliance with international standards.

At the time of preparing this report the Company employs several dozen people across its research, production, quality control, marketing and administration functions. The Company focuses on continuous innovation, product quality improvement and sustainability, so considerable attention is paid both to research and to intellectual property protection as a key element of its competitive advantage.

1.2. Identified intellectual property and related intellectual assets

IP portfolio summary

Object	Scope	Role in the business	Recommended action
Trade marks	approx. 65 registrations	market recognition and export protection	periodic portfolio review
Domains	approx. 30 names	digital identity and e-commerce	control of expiry dates / registrars
Trade secrets	formulations, processes, know-how	competitive advantage	list + access rules
Copyright	texts, packaging, graphics	protection of creative content	rights transfer clauses in contracts

The Company manages a broad range of intellectual property and related intangible assets:

- the Company's legal entity name, which is recognised both nationally and internationally and is used as part of the company's identity across all areas of the business;
- approx. 65 trade marks, covering national (LT, UK, etc.), European Union (EUTM) and international registrations under the Madrid Protocol. These marks are intended for different

markets and product groups. This system allows the Company to position its products effectively in various countries and to secure protection against unauthorised use;

- approx. 30 domain names linked to individual brands, product lines and marketing initiatives. The domains are used for product promotion and e-commerce as well as for providing information in different markets, ensuring consistent brand communication in the digital space;
- trade secrets relating to product formulations, manufacturing processes, technological solutions and the supplier network;
- copyright works – online product descriptions, external packaging designs and other creative material.

Overall, the Company's intellectual property portfolio is complex and internationally diversified, making a significant contribution to the Company's innovation, market reputation and financial value.

1.3. Assessment of the intellectual property strategy

IP strategy status indicators

Area	Current status	Priority
Strategy	no formally approved written IP strategy	High
Responsibilities	responsible persons are not clearly identified in a single system	High
Monitoring	deadlines and registrations are monitored informally, based on practice	Medium
Contracts	a uniform practice for transferring IP rights is needed	High

At the time of the report the Company has no formally defined or written intellectual property (IP) strategy. Although the Company has qualified specialists with a good understanding of the principles of IP protection and management, this area is not clearly regulated in internal documents or procedures.

Nevertheless, the Company demonstrates a high level of awareness of the importance of intellectual property, and decisions in this area are often based on practical knowledge and accumulated experience. However, the absence of a written strategy and a formal management system may give rise to certain risks – for example, insufficient monitoring of IP objects, duplicated functions or delayed registration steps.

1.4. Key IP issues and recommended actions

The analysis identified several key challenges relating to the management and protection of the Company's intellectual property:

- In the absence of a formalised strategy, there is a risk that new trade mark applications may be filed late or not in all strategic markets. Protection of some existing marks may not have been extended to the appropriate jurisdictions, which could limit the Company's ability to expand abroad or to enforce its rights effectively.

- Some contracts (with suppliers, creators, designers, etc.) are not fully regulated from an intellectual property perspective. Some of them do not contain clear rights transfer provisions, which may create risks as to whether copyright or industrial property objects belong to the Company.

Given the very large intellectual property portfolio (trade marks, domains, trade secrets, etc.), a written IP strategy is essential for effective management. It is currently not clearly defined:

- who is responsible for managing specific IP objects;
- what deadlines apply to renewals and monitoring;
- how new registrations or rights transfers should be initiated;
- how trade secrets should be maintained.

2. Main report

• ANALYSIS •

2.1. Business model and company strategy

Business model scheme

1. Development	2. Manufacturing	3. Brands	4. Markets
R&D, formulations, testing	own facilities and quality control	own lines + private label	LT, EU, UK, Middle East, Asia
• innovation	• processes	• communication	• export

This section provides information on the potential relevance of different types of intellectual assets in light of the Company's business model and strategy.

• Business model and strategy (including internationalisation)

The Company operates a vertically integrated manufacturing model covering the entire product development chain – from the initial idea to placing the final product on the market. Its core business is the development, manufacture and distribution of consumer products.

• In the manufacturing process the Company:

- purchases raw materials and components from reliable third-party suppliers, including specialised manufacturers of active ingredients;
- independently develops product formulations and technological solutions in its own R&D unit, ensuring innovation and a high level of quality;
- purchases or licenses some formulas or technological solutions from external sources where necessary to ensure the required technical or legal compliance.

The business model combines the development of the Company's own brands with licensing and private label projects – the Company both develops its own brands and manufactures products for other market participants to order.

Strategically, the Company focuses on international expansion and is already established in many foreign markets. Its products are exported to more than 35 countries, including EU Member States, the United Kingdom, the Middle East and Asia.

The Company thus operates on the basis of a globally diversified export model, aiming to ensure stable growth and reduce dependence on any single market. Its strategy is based on continuous innovation, brand strengthening and geographic expansion, and intellectual property protection is therefore regarded as one of the key conditions for long-term competitive advantage.

• Innovation activities

The Company integrates both a scientific approach and practical manufacturing experience into its operations – products are developed on the basis of specialised knowledge and accumulated know-how:

- the R&D unit develops and improves product formulas and technological solutions, with particular attention to functionality, safety and the consumer experience;
- the product portfolio covers several categories tailored to different consumer segments and purposes.

The essence of the Company's innovation activity is to combine scientific knowledge with an efficient manufacturing process in order to create effective, safe products adapted to international markets.

● **Relevant markets and customers**

The Company operates in its sector both nationally and internationally. Its products are distributed in more than 35 foreign countries.

The Company's customers include both end consumers (individuals) buying its products in retail and online, and business customers – partners, private label projects and distributors in various markets.

The Company thus combines B2C (business-to-consumer) and B2B (business-to-business) models, maintaining broad reach and diversifying its revenue across different market segments.

● **Resources and market access**

The Company has its own manufacturing facilities and an R&D unit in Lithuania, where product development, testing and manufacturing take place. It employs several dozen people, including technologists, scientists, quality specialists, and marketing and export experts.

● **Products reach the market through a distribution network in Lithuania and abroad:**

- in the domestic market – through retail chains, specialised shops and e-commerce;
- in international markets – through distributors and partners, as well as through private label projects.

These resources allow the Company to combine product development, manufacturing and commercial distribution effectively, ensuring stable access to both the national and international markets.

● **Marketing and brand communication strategies**

The Company applies an integrated 360° marketing strategy that ensures brand visibility across all key communication and sales platforms. It actively promotes its products both in traditional media and in the digital space, combining image building with direct consumer communication.

● **Marketing activities cover:**

- social media (Facebook, Instagram, YouTube, LinkedIn, TikTok, Pinterest);
- the Company's own brand websites and e-shop channels;
- partner e-shops and news portals presenting the products and campaigns.

This multi-channel communication system allows the Company to reach both local consumers and international audiences, strengthen brand recognition and build a consistent corporate image across markets.

● **Relevance of technology and R&D**

The Company carries out continuous research and development focused on improving existing technologies and optimising product formulation. In this sector, innovation usually consists of adapting or improving known technologies rather than creating entirely new inventions.

For this reason the Company's technological solutions are generally not patented, as they do not meet the novelty or inventive step criteria required for patentability. Nevertheless, this activity is highly important – it enables the Company to create competitive, effective and legally compliant formulas, strengthen its market position and continuously improve product quality.

2.2. Analysis of existing IP and related intellectual assets

This section provides a detailed analysis of each intellectual property category, including trade secrets and assets to be protected through informal ('soft') protection practices.

● Domain names

Domain portfolio matrix

Domain group	Purpose	Control question
.com / .eu / .It	general visibility of the company and its brands	are the domains active and linked to the portfolio?
ccTLD markets	local communication in export countries	do the registrations match the priority markets?
Campaign domains	marketing initiatives and product lines	is the usage status and validity clear?

The Company manages around 30 unique domain names whose structure reflects its brand portfolio, market geography and digital communication strategy. The domains are linked to the Company's main brands and adapted to different target markets.

The portfolio includes both generic (.com, .eu, .It) and country-code (ccTLD) domains, reflecting the Company's active operations abroad – including the main EU markets (DE, FR, IT, PL, SE, etc.) and selected third-country jurisdictions.

These domains are used both for commercial purposes (e-commerce, product presentation, B2B communication) and in brand communication and marketing, ensuring digital brand consistency across all markets.

The structure of the portfolio shows that the Company is deliberately developing an international online identity strategy covering the main EU and third-country markets in which the company or its distributors operate.

In this sample report the actual domain list has been replaced by a generalised portfolio structure. In a real audit this section contains a full table with the specific domains, their expiry dates, registrars and usage status.

● Trade secrets

Trade secret protection matrix

Type of information	Risk	Protection measure
Formulations / compositions	unlawful disclosure or copying	restricted access, NDAs, version control
Manufacturing know-how	leakage of employee / partner knowledge	internal rules, training, access rights
Supplier and customer lists	loss of commercial information	confidentiality marking and contractual protection
Pricing / development plans	disclosure of strategic information	management-approved list of trade secrets

The Company has not yet clearly identified or formally designated specific trade secrets, but its operations involve categories of information that potentially meet the criteria of a trade secret. Such protection could be applied, for example, to:

- internal know-how (formulation development, manufacturing technology processes);
- product formulations and compositions;
- supplier, customer and partner lists;
- internal pricing or development strategies.

Protecting these elements is particularly important for maintaining the Company's competitive advantage, especially given that much of the company's value derives from its laboratory knowledge and accumulated experience.

Under Article 1.116 of the Civil Code of the Republic of Lithuania, information may be considered a trade secret if:

- it is secret – it is not publicly known and is not easily accessible to other market participants;
- it has commercial value because of its secrecy;
- its holder takes reasonable steps to protect it, including:
 - technical measures, such as restricting access to documents or data to those employees who need the information to perform their duties, encryption, password protection and internal system access control;
 - legal measures, such as concluding non-disclosure agreements (NDAs) with employees, partners and suppliers, and adopting internal rules and procedures on the handling, use and storage of information.

● **Recommendations for the Company:**

- carry out an assessment of the confidential information held in order to determine which of it meets the criteria of a trade secret;
- prepare and approve an official list of trade secrets;
- implement internal rules and control measures defining how the information is used, accessed and protected (to be included in the IP strategy);

- provide that the list of trade secrets and the protection measures are approved by the Company's management or board.

Such measures would enable the Company to manage its confidential information systematically, ensure its legal and technical protection, and reduce the risk of potential disputes or losses.

• Intellectual property in contracts

It is currently unclear to what extent intellectual property matters are regulated in the Company's employment and partner contracts, so a thorough review and harmonisation of this area is recommended.

• Employment contracts

It is recommended to review all employment contracts to ensure that they clearly provide for:

- the obligation to protect confidential information both during employment and after its termination;
- the transfer to the Company of intellectual property rights where works, technological solutions, designs or other IP objects are created in the course of the employee's work.

• Contracts with suppliers, partners and service providers

It is recommended to review and update the cooperation, supply and service contracts to clearly establish:

- that all created or transferred intellectual property rights pass to the Company unless otherwise agreed;
- the obligation not to disclose or use the confidential information received for other purposes;
- liability and warranties that the formula or technology licences provided by a partner or supplier do not infringe third-party rights (e.g. patents, trade marks or design protection).

• Licence and formula supply agreements

Particular attention should be paid to licence agreements with external suppliers – they must address both the origin and transfer of the rights and liability for potential infringements if the supplied formula or technological solution infringes third-party patents or other rights.

Recommendation: prepare standard contract templates covering all of the intellectual property protection aspects listed above and use them as the Company's standard practice.

Such steps would help ensure clarity of rights, reduce potential disputes over IP ownership and strengthen the Company's legal position vis-à-vis both employees and external partners.

• Defensive publication and other 'soft' IP protection

The Company applies certain 'soft' (informal) intellectual property protection measures that help publicly indicate ownership of rights and reduce the risk of unauthorised use of its content.

For example, the Company's websites and related communication channels state:

“© [year] All rights reserved. [Company name].”

Such a notice is a simple but effective way of marking copyright ownership and reminding users and partners of the protected status of the content.

In addition to this measure, the Company could apply 'soft' protection practices more systematically, for example:

- marking the copyright notice, year of creation and company name on all advertising, graphic design and packaging elements;
- using version archiving or timestamping for formula or creative file versions so that the date of creation can be proved if needed;
- retaining internal evidence (e.g. documentation of development processes, sketches, marketing materials) that could be used in the event of a dispute.

Although these measures do not confer a formal registered legal status, they contribute to protecting the Company's reputation, simplifying proof of rights and preventing infringements.

● Trade marks

This section reviews registered marks, pending applications, unregistered signs and trade names, as well as brand communication and signs that may be worth applying to register.

At the time of the report the Company holds around 65 trade marks, covering national, EU (EUTM) and international registrations under the Madrid Protocol. These marks relate to several of the Company's main brand lines.

Below is the table structure with a few illustrative entries showing how trade mark information is presented in a real audit report. In a real case the table would contain the Company's full list of trade marks with the specific data.

Sign	Type	Jurisdiction	Classes	Valid until	Status
[Mark A]	Word	Lithuania (LT)	3, 5	15/04/2032	Valid
[Mark A]	Figurative	EU (EUTM)	3, 5, 35	22/09/2031	Valid
[Mark A]	Word	WIPO (DE, FR, IT, PL, JP)	3, 5	08/11/2030	Valid
[Mark B]	Word	Lithuania (LT)	3	14/02/2033	Valid
[Mark B]	Word and figurative	EU (EUTM)	3	30/01/2034	Valid
[Mark C]	Word	Lithuania (LT)	3	18/07/2025	⚠️Renew within 12 months
[Mark D]	Word and figurative	United Kingdom (UK)	3, 5	12/08/2032	Valid
[Mark E]	Word	EU (EUTM)	3	—	Application pending

The interviews showed that the Company has an excellent understanding of how the trade mark system works, including the territorial principle and the importance of choosing an appropriate list of

goods and services. All registered marks have been chosen strategically, taking into account the export of products to the relevant markets and the commercial relevance of each jurisdiction.

In this way the Company ensures that its trade marks are protected in the territories in which it operates or plans to expand, and that the protection matches the classification of the goods actually manufactured and sold under the Nice Classification.

● **Recommendation:**

- prepare a written intellectual property (IP) strategy clearly setting out when, how and why new trade marks should be registered;
- define how the existing portfolio, its validity and its relevance are to be periodically reviewed;
- define how jurisdictions and appropriate lists of goods and services are chosen;
- specify who within the Company is responsible for initiating, monitoring and renewing registrations.

Such measures would help manage the trade mark portfolio systematically, reduce the risk of missed deadlines or marks that are no longer relevant, and ensure that the Company's trade marks remain strong and competitive in all target markets.

● **Patents**

The interviews established that the Company has not registered any patents and is not actively pursuing patenting. The Company understands the value of patent protection but does not currently plan to file applications, since the technological solutions developed in its field usually do not meet the patentability criteria – they are not sufficiently new and do not involve an inventive step, being rather improvements of known technologies.

The Company indicated that it would consider patenting only in the case of entirely new innovations with clear technical novelty and commercial value. At present its research and development activity mainly concerns formula optimisation and the improvement of existing technologies rather than the creation of inventions.

Solutions developed in this field should therefore be protected as trade secrets, applying technical and legal measures to safeguard confidential information and maintain competitive advantage.

● **Designs**

Design protection was also discussed in the interviews. The Company is familiar with the possibilities of registered design protection but deliberately chooses not to apply it widely, since its operations generate a very large number of design elements – packaging, labels, visual identities, advertising graphics and other creative work. Given their number and constant renewal, registration would be disproportionately complex and economically inefficient.

In this area the Company therefore deliberately relies on copyright principles, treating its designs as copyright works. This allows creative content to be protected effectively without formal registration and, if necessary, the fact and date of creation to be proved through internal documentation, file versions or evidence of public use.

● **Recommended:**

- review contracts with design creators (employees and external partners) to ensure that they clearly provide for the transfer of the rights in the created works to the Company;
- ensure that evidence of the moment of creation is systematically retained, e.g. creative file dates, emails, project versions or records of publication.

This practice allows the Company to maintain control and clarity over the ownership of design rights, ensures the protection of its works under copyright principles and reduces the risk of future disputes.

• Copyright

Copyright works in the Company's operations include the texts published on its websites, advertising material, graphic designs, packaging and other creative elements. As noted, some of these works are of a design nature and are protected under copyright principles without formal registration.

It is recommended to review the contracts with employees and external creators (e.g. designers, copywriters, marketing agencies) to ensure that they clearly provide for the transfer of copyright to the Company, securing the Company's rights to all created works and their commercial use.

Other formal IP rights (sui generis database protection, geographical indications, plant varieties, etc.)

The Company has no specific sui generis forms of intellectual property protection (e.g. database or plant variety protection). However, the Company's legal entity name qualifies as an earlier right protected by law, which may confer priority in disputes with third parties.

2.3. Use of IP search tools

• Trade mark searches

Since the Company operates internationally, TMview is recommended as the trade mark search tool – it provides access to trade mark databases from more than 100 jurisdictions.

Link: <https://www.tmdn.org/tmview/>

• Design searches

For international design searches, DesignView is recommended.

Link: <https://www.tmdn.org/tmdsview-web/>

2.4. IP management

• Organisational and management matters

To ensure consistent and effective intellectual property management, it is recommended that the Company's intellectual property strategy clearly define:

- who within the Company is responsible for the different IP areas – trade mark registration, domain name maintenance, trade secret protection, copyright and the control of contractual relationships;
- what processes apply to registration, renewals, rights monitoring and internal document management;

- how information is shared between the responsible departments (e.g. marketing, legal, IT, production).

For more complex matters, such as new trade mark registrations, international protection, licensing or disputes, it is recommended to engage specialised law firms or patent attorneys experienced in intellectual property.

Such a model of responsibilities and cooperation would help the Company maintain and protect its IP portfolio systematically, ensure business continuity and reduce the risk of losing rights or mismanaging them.

• **Formulating the strategy and integrating it into the business strategy**

The Company is recommended to prepare a clear, written intellectual property (IP) strategy that is integrated into its overall business strategy and consistent with its business model and international expansion plans.

• **The strategy should define:**

- why and for what purposes the Company uses IP protection measures (e.g. trade marks – for market recognition; trade secrets – for technology protection; copyright – for creative work and marketing);
- which IP objects are critical to the business and how they should be protected (registration, licensing, contract control, internal protection mechanisms);
- how IP contributes to the business objectives – increasing export volumes, strengthening brand awareness, attracting partners or investment.

It is also advisable to define the geographic scope of IP protection in light of the current and planned markets. Since the Company exports its products to many EU and third countries, the strategy should establish in which jurisdictions trade mark and domain protection must be maintained or extended, and where local or regional registration is sufficient.

Such a strategic approach would help the Company consistently exploit its intellectual property potential, ensure alignment with its business development objectives and provide clear guidance to employees and management.

• **IP in communication and marketing (internal and external)**

The Company is recommended to systematically integrate intellectual property (IP) elements into its internal and external communication.

Internally, it is advisable to raise employee awareness of the importance of IP – how trade marks, trade secrets, designs and copyright contribute to the creation of the company's value and why it is important to comply with confidentiality and internal protection rules. This can be done through short internal training sessions or guidelines.

Externally, it is advisable to use the protected trade marks, logos and legal notices (e.g. ®, ™, ©) clearly and consistently, emphasising their protected status and strengthening the company's professional image. It is also important to ensure that all marketing materials use only those IP objects to which the Company holds the rights or for which it has permission to use.

In this way IP becomes an integral part of the communication and marketing strategy, strengthening consumer trust, the company's reputation and brand value.

● **Integrating IP searches into IP management processes**

To ensure effective intellectual property management, the Company is recommended to make IP searches a mandatory step before taking decisions on new trade marks, product names, designs or technological solutions.

Such searches should be carried out both internally, using public databases (e.g. EUIPO eSearch, TMview, DesignView), and, where necessary, with the help of external specialists or patent attorneys who can perform more detailed checks and provide legal assessments.

● **Integrating IP searches into the decision-making process would make it possible to:**

- avoid potential infringements of rights or conflicts with earlier rights;
- ensure that newly created marks or designs are unique and legally protectable;
- increase the likelihood of successful registration and reduce legal risk when developing new products or entering new markets.

Such a systematic approach would help the Company manage its IP portfolio more effectively and take well-founded decisions at an early stage of development.

● **Documentation and administrative tasks**

To ensure consistent maintenance of its intellectual property objects, the Company is recommended to implement a centralised documentation and administration system holding all the data on its IP portfolio.

● **The system should record information on:**

- registered trade marks, domains, designs and contracts, together with their expiry dates;
- renewal dates and fees, in order to avoid late renewals or loss of rights;
- the persons responsible for maintaining each object and controlling the registrations.

It is advisable to establish a regular (e.g. annual) portfolio review process and to use an automatic reminder system (e.g. a calendar or internal register) to manage the deadlines and ensure timely action.

Such administrative measures would help the Company maintain a clear view of its IP portfolio, reduce the risk of human error and ensure the continuity of its rights and the effectiveness of their protection.

● **Possible IP sharing**

In the Company's operations, sharing intellectual property (IP) may be relevant when cooperating with business partners, suppliers, licensees or research institutions. In such cases it is important to ensure that the limits of the rights and obligations are clearly defined.

● **It is recommended that:**

- any IP sharing (e.g. the transfer of formulas, designs, trade marks or data) takes place only under written agreements specifying to whom, for what purpose and on what conditions the right to use the IP is granted;
- it is clearly defined whether the rights are granted on an exclusive or non-exclusive basis, and what their geographic and time scope is;
- the agreements contain confidentiality provisions and restrictions on further transfer to third parties.

This would allow the Company to cooperate and develop innovations together with other parties while retaining control of its IP, ensuring its protection and avoiding potential disputes over the ownership of rights.

2.5. IP risks

IP risk map

Risk	Impact	Management measure
Loss of rights	lapse of registrations or domains	centralised deadline calendar
Third-party rights	disputes or restricted expansion in markets	TMview / DesignView searches before launch
Contractual risk	unclear ownership of rights	standard IP clauses in contracts
Trade secrets	disclosure of know-how and formulations	NDA's + access control + internal rules
Reputation	decline in brand value	consistent communication of signs and rights

Several key intellectual property (IP) risks are identified in the Company's operations:

- Risk of loss of rights – due to missed formal procedures (e.g. trade mark or domain renewal deadlines) or insufficient administrative oversight.
 - Risk of infringing rights – the possibility of inadvertently using marks, designs or technological solutions protected by third parties, particularly when expanding into new markets.
 - Contractual risk – intellectual property provisions in employee, supplier or partner contracts that are not sufficiently clear, which may lead to disputes over the ownership of rights.
 - Risk of trade secret disclosure – due to insufficient technical or legal confidentiality measures.
 - Reputational risk – related to the misuse of, or infringements involving, the trade marks, which could damage the company's image in the market.
- **To mitigate the risks it is recommended to:**
- prepare and implement a written IP strategy with clear responsibility and monitoring mechanisms;
 - use an internal IP register and deadline monitoring system;

- ensure a periodic review of the contractual documents and the application of confidentiality measures;
- in more complex situations, engage external lawyers or patent attorneys.

Such measures would help the Company systematically manage and reduce potential IP risks and avoid financial or reputational losses.

2.6. Costs, benefits and funding

Cost–benefit assessment table

Question	Assessment logic	Solution
What to protect?	priority for the objects that directly create value	marks, domains, know-how
Where to protect?	jurisdictions based on export and expansion plans	LT / EU / UK / selected third countries
When to invest?	when the commercial benefit exceeds the registration and maintenance costs	periodic portfolio review
What to fund?	use support schemes where available	EUIPO SME Fund, etc.

The Company should assess the costs and benefits of intellectual property (IP) protection as part of its overall business investment strategy. Protection costs (e.g. registration, renewal, legal services) should be weighed against the potential commercial benefit of the protection – stronger brand recognition, export opportunities or licensing revenue.

When assessing planned expenditure, a cost–benefit approach should be used to determine which IP objects have the greatest strategic value and whose protection should be prioritised.

In terms of funding, the Company can make use of the EUIPO SME Fund, which each year offers partial reimbursement of IP protection costs – trade mark, design and patent fees as well as IP consultations. This support can reduce the financial burden, particularly for international registrations.

This approach allows the Company to plan its expenditure in a balanced way and to maximise the economic value created by its intellectual property.

2.7. General strategic recommendations

The Company manages a broad and diversified intellectual property portfolio comprising trade marks, domain names, copyright works and trade secrets. These elements form a significant part of the company's business value, particularly given its wide export geography and strong own brands. The Company shows a good understanding of trade mark protection, the territorial principle and sound registration practice.

However, the audit found that intellectual property management is not formally regulated – there is no written IP strategy, no clear division of responsibilities and no systematic oversight. This situation creates risks relating to renewal deadlines, the protection of trade secrets and the clarity of contracts. Decisions are currently made mostly on the basis of practical knowledge and experience, but a structured system is needed to ensure long-term continuity.

The Company's innovation activity is based on the continuous improvement of formulas and the adaptation of existing technologies, so patenting is not currently relevant. In these circumstances it is rational to protect the solutions developed as trade secrets, applying technical (restricted access, information control) and legal (NDAs, internal rules) measures. Similarly, given the large number of packaging and design items, registered design protection is not economically justified, and copyright protection should be used in this area.

● **Priority actions**

To improve its intellectual property management, the Company is recommended to prepare a written IP strategy establishing:

- responsibility for the different IP areas (marks, domains, trade secrets, contracts);
- clear processes for registration, monitoring, contract review and information protection;
- a periodic review of the IP portfolio and control of the renewal deadlines;
- a mechanism for handling more complex matters in cooperation with specialised law firms or patent attorneys.

● **Strategically, the Company should (a detailed visual is provided on p. 18):**

1. Prepare and approve an intellectual property strategy as part of its overall business policy.
2. Create an internal IP register and deadline monitoring system (e.g. a calendar or register).
3. Review and update its employment, partnership and supply contracts, ensuring that the rights pass to the Company.
4. Strengthen the protection of its trade secrets through technical and legal measures.
5. Use EUIPO SME Fund support to offset part of the IP protection costs.

By implementing these measures, the Company could systematically manage and develop its intellectual property portfolio, reduce legal risk and further strengthen its competitive advantage in both the domestic and international markets.

Action plan visual (editable table)

Stage	Action	Responsible area	Result
01	Prepare and approve the IP strategy	Management / legal function	clear management model
02	Create an IP register and deadline monitoring	Legal / administration	no missed renewals
03	Review employment, partnership and supply contracts	Legal / HR / procurement	clear transfer of rights
04	Strengthen trade secret protection	R&D / IT / management	protected know-how
05	Assess funding options	Finance / legal function	optimised IP costs

3. Annexes – useful links

- **National intellectual property office**

State Patent Bureau of the Republic of Lithuania (VPB): www.vpb.lrv.lt

- **European Union Intellectual Property Office**

EUIPO: www.euipo.europa.eu

- **Thematic publications of the IP Helpdesk**

European IP Helpdesk guides:

https://intellectual-property-helpdesk.ec.europa.eu/regional-helpdesks/european-ip-helpdesk/europe-ip-guides_en

Specialised publications:

https://intellectual-property-helpdesk.ec.europa.eu/regional-helpdesks/european-ip-helpdesk/europe-ip-specials_en

Thematic fact sheets:

https://intellectual-property-helpdesk.ec.europa.eu/regional-helpdesks/european-ip-helpdesk/europe-fact-sheets_en

- **Publications on IP rights and protection**

Trade mark basics: <https://euipo.europa.eu/ohimportal/en/trade-marks-basics>

Design basics: <https://euipo.europa.eu/ohimportal/en/design-basics>

Inventors' handbook (on patents): <https://www.epo.org/learning-events/materials/inventors-handbook.html>

- **Managing IP rights and protection**

How to apply for a European patent: <https://www.epo.org/applying/basics.html>

How to register a trade mark: <https://euipo.europa.eu/ohimportal/en/route-to-registration>

- **Funding opportunities**

EUIPO SME Fund (reimbursement of IP protection costs): <https://www.euipo.europa.eu/en/discover-ip/sme-fund>