

MODULE

10

IP Audit

MODULE 10. IP Audit

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INTRODUCTION

Historically, the sources of strength of a business were its tangible assets such as land, buildings, machinery and equipment. Today, however, more and more businesses rely for their competitive strength on their intangible assets, especially on trademarks, inventions, trade secrets, copyright, designs, and the like.

An IP Audit is a systematic review of the intellectual properties owned, used or acquired by a business so as to assess and manage risk, remedy problems and implement best practices in IP asset management. Nowadays, an IP Audit is an indispensable tool for successfully managing knowledge-driven business by aiding the process of creating or revising its IP strategy.

LEARNING OBJECTIVES

1. You understand the concept and importance of an IP Audit.
2. You know how to prepare for an IP Audit.
3. You know the procedure for conducting an IP Audit.
4. You know how to use the results of an IP Audit.

LEARNING POINT 1: Understanding an IP Audit

1. Definition of an IP Audit

- (1) IP audit is a systematic review of the IP owned, used or acquired by a business so as to assess and manage risk, remedy problems and implement best practices in IP asset management.
- (2) IP audit involves undertaking a comprehensive review of a company's IP assets, related agreements, relevant policies and compliance procedures.
- (3) An IP audit helps a business to make an inventory of its IP assets or update it and analyze:
 - a. How the IP assets are used or unused.
 - b. Whether the IP assets used by the business are owned by the company or by others
 - c. Whether these IP assets are infringing the rights of others or others are infringing on these rights
 - d. And determine, in the light of all this information, what actions are required to be taken with respect to each IP asset, or a portfolio of such assets, to serve the relevant business goals of the company.
- (4) An IP audit seeks to uncover unused or under-utilized assets, to identify any threats to a company's bottom line, and to enable business managers to devise informed business and IP strategies that help maintain and improve its competitive position in the relevant market(s).

More References 1-1: Importance of an IP Audit

The followings are some reasons as to why an IP Audit should be made.

1. In the US, nearly 40% of the market value of an average company is absent from its balance sheet.
2. In the EU more than half of all large companies leave IP outside the scope of internal audits.
3. In 2005, Qualcomm generated about 58% of its \$5.7 billion in revenue from the sale of Qualcomm-designed wireless chips, which are manufactured by third parties under contract.
4. Since 1993, IBM has been making some US\$1 billion per year from licensing non-core technologies, which otherwise would have remained unused.
(<http://www.signonsandiego.com/articlelink/fallbrook2/fallbrook2.html>)
5. In Europe 36% of patents are not used.
6. Honeywell International uses a separate company Honeywell Intellectual Properties Inc, to manage its IP portfolio. Recently, it licensed its LCD technology to competitors such as Sanyo, LGC, Philips, and Chungwa Picture Tubes.
7. Honeywell, in 2000, received a then record award of damages of US\$127 million from Minolta for technology it hadn't itself commercialized.
8. 2% of Patents are used as the basis for forming a new company.
9. In 2002, Korea exported technology worth US\$0.6 billion and imported technology worth US\$2.7 billion through licensing, R&D sharing and Joint Ventures.
10. Since 2002 Korea has increased its R&D expenditure from 2.6% of GDP in 1998 to 3.4% in 2004.
11. In New Zealand SME's account for 37.3% of GDP and have the highest profits per employee, but most SME's are unaware of the value of their IP or the fact that there is a good chance that it is being infringed.
12. The Coca-cola brand is estimated to be worth US\$80 billion.
13. US company Texas Instruments earns more from licensing its unused patent rights than from its products.
14. US companies have a fiduciary responsibility to manage IP rights and to report actual company value rather than just book value under the Securities Exchange Act 1934.

15. In an EU survey 28% of companies had no provision for IP ownership in their standard Employment Contract.

16. 50% of EU companies have no strategy for managing their IP rights beyond mere filing or renewal payments.

source: <http://www.piperpat.com>

2. Type of IP Audit

Generally, there are three types of IP audits: General purpose IP audit, Event-driven IP audit and Limited purpose focused IP audit.

(1) General purpose IP Audit

- a. A general or broad IP audit is done in the following types of contexts:
 - Before establishing a new company it is always important for a start-up company to be aware of intangible assets in owns or needs to protect.
 - When a business is considering implementing new policies, standards, or procedures relating to IP.
 - When a business is considering implementing a new marketing approach or direction, or is planning a major reorganization of the company.
 - When a new person becomes responsible for IP management.
- b. Once a comprehensive IP audit has been undertaken, a smaller effort and expense is needed at regular intervals, such as on an annual basis, so that IP assets are reviewed and appropriate decisions taken, depending on the current and emerging needs of a company.

(2) Event driven IP Audit

Event driven IP Audit is generally much narrower in scope than a broad or general purpose IP audit. Further, the nature and scope of such an audit is

determined by the event in question, and the time and resources available for doing it.

a. What is it?

- Event driven IP audit is often called “IP due diligence” when done to assess, as objectively as possible, the value and risk of all or a part of a target company’s IP assets.
- IP due diligence is a part of a comprehensive due diligence audit that is done to assess the financial, commercial and legal benefits and risks linked to a target company’s IP portfolio, typically before it is bought or invested in.
- Before starting the IP due diligence process, a mutual non-disclosure agreement should be signed between (a) the potential acquirer, investor, or creditor and (b) the target company.
- When done properly, IP due diligence provides detailed information that may affect the price or other key elements of a proposed transaction or even aborting the further consideration of the proposed transaction.

b. Subject?

IP due diligence generally seeks to:

- Identify and locate IP assets, and then assess the nature and scope of the IP to evaluate their benefits and allocate risks associated with the ownership or use of the relevant IP assets; in particular, it seeks to determine whether the relevant IP is free of encumbrances for its intended business use(s).
- Identify problems in and barriers to the transfer, hypothecation or securitization of the IP assets under consideration.
- Identify and apportion between the two parties the expenses incident to the transfer of IP assets under consideration.

c. When is it done?

IP due diligence is done in the following types of contexts:

- Merger & Acquisition or Joint Venture

An IP audit provides a basis for assessing the risk and value of relevant IP assets in a proposed acquisition or sale of intellectual property, as for example, prior to entering into any serious negotiations for a possible merger or acquisition, divestiture, or a joint venture arrangement. It could lead to a significant increase in the value of the acquired company or the resulting merged entity. On the other hand, such an exercise may significantly reduce the acquisition cost or lead to a cancellation of the acquisition process if the due diligence process reveals major IP risks or IP problems in the target company.

- Financial transactions

IP due diligence is important before entering into a financial transaction involving IP, such as before an initial public offering or private placement of stock, or significant stock purchase, or before taking of a security interest in IP, as all of these have an impact on the ownership of IP. Through an IP audit, a potential lender will be able to more meaningfully assess a structured IP portfolio as part of its overall analysis of the credit worthiness of a target company.

- Buying or selling a business division or IP transfer

Before a company buys or sells a division or a product line, a seller will generally make a series of representations and warranties as to the ownership, non-infringement and marketability of the IP assets linked to the transaction in the ensuing written agreement. Before a transfer or assignment of interest in IP, an IP due diligence should be done separately by both parties to ensure that the transfer or assignment meets both their respective business interests.

- Launching a new product or service

When a significant new product or service is being developed or about to be launched, risk of infringing IP rights of others might be especially high. An IP audit needs to be taken to address any possible infringement or freedom to operate issues linked to new product development and launch of such a product on the market.

- IP licensing

A potential licensor has to ensure, for example, that it actually owns the IP that is sought to be licensed to others. Also, it has to be sure that there are no existing licenses that would interfere with the proposed new license. A potential licensee has to ensure, for example, that the potential licensor has the necessary rights to the IP in question so as to legitimately transfer the rights and that scope and extent of the proposed license will duly serve its intended purpose.

- Bankruptcy, layoffs, etc.

An IP audit would also be appropriate as a planning tool in advance of any filings for bankruptcy, significant plans for employee layoffs, business closure, or elimination of significant lines of business.

(3) Limited purpose focused audits

a. A limited purpose audit is typically much narrower in scope than the other two types and is performed under much constrained time schedules. These audits tend to be situational in nature. They are typically used to justify a certain legal position or the valuation of a particular IP.

b. A limited purpose focused audit is done in the following types of contexts:

- Personnel turnover

Before a major personnel turnover of in-house research and development or marketing, especially if it involves disgruntled employees, an IP audit

should be done to secure the status of a company's IP assets.

- Foreign IP filings

Before a company takes up an aggressive program of filing IP applications in other countries, that is, before entering a new market abroad (by way of, say, exporting, or expanding overseas through off-shoring/outsourcing some of its activities, or by licensing, franchising or merchandising) an IP audit helps to sensitize the company to market-specific IP laws, rules, customs and practices affecting IP rights.

- Using the Internet for business purposes

Before having an Internet presence, doing an IP audit helps it to identify the needs of e-commerce and registration of appropriate domain names, etc.

- Significant changes in IP law and practice

Where there is a significant change or development in IP case law or statutory law in a relevant market it may necessitate review of existing products for possible infringement of the IP rights of others.

- Clean room procedures

The clean room procedure seeks to avoid infringement by ensuring that there is no "access" to copyrighted material of unrelated parties during software development project. Thus, an audit might be necessary to institute, or to review the adequacy of, clean room procedures used in the development of software products so as to reduce the risk of infringing third party copyright.

- Preparing for litigation

When considering or facing litigation, a company is required to show non-infringement and no access to the work, complete or confirm the chain of title of the underlying IP rights or otherwise complete the documentation of the relevant IP rights.

3. IP Audit team

(1) Who will conduct an IP Audit?

- a. There is no hard and fast rule as to who should conduct such an audit. However, for an audit to be effective, it is best done by a team that includes expertise in IP and representatives of the relevant technical areas of the company as may be appropriate for ensuring maximum effectiveness.

- b. The IP audit team should have a basic understanding of the product lines, the relevant business environment and the future plans of the company so that the audit remains focused on IP assets of maximum business relevance.

(2) External expertise

The audit team may or may not include external expertise. If it does, then before starting an IP audit, all external members in the audit team as well as all the internal staff members on the audit team should sign non-disclosure agreements.

LEARNING POINT 2: Preparing for an IP Audit

1. Clarity about the purpose

Before the actual conduct of an IP audit, it is a necessary precondition that it is clearly understood by all concerned why the audit is being conducted.

- (1) The situations that prompt an audit and the nature and scope of the audit will to some extent depend on why it is being conducted.

- (2) In addition, the amount of time and money available for conducting an audit

will have a bearing on the manner in which the audit is conducted and its eventual outcome.

2. Background research for preparing an audit plan

Once the purpose of the audit and the available resources for its performance are clear, a major preparatory step for conducting the audit is to understand the company, what it does and where it wants to go. It is an essential precondition for preparing an audit plan, which will be the basis of the audit.

(1) What is done in a background research?

- a. Gathering as much information as possible on the company and its way of doing business.

- b. Background research will be the basis of the audit and will provide the auditor(s) with the required background information for preparing a plan for conducting an audit that is comprehensive, focused, timely, and cost-effective.

(2) Major issues in a background research

- a. Internal and external relations and interactions
Who does the company regularly interact or intend to interact with: such as its employees, vendors, customers, consultants, independent contractors, joint venture partners, competitors, etc., and what role(s) actually IP assets play or would play in these interactions?

- b. Business strategy
 - How does the company do its business?
 - Does it have written policies in place concerning key aspects of the business?
 - Does it follow a certain business model?
 - Does it, for example, engage in e-commerce and, if so, how does it fit in with its overall business strategy?

(3) Importance of IP Assets

The overall importance of IP assets to the business will have a bearing on the audit.

- a. Where IP assets are relatively unimportant to the nature of the business as a whole, it might be sufficient merely to confirm that registered IP rights are in good standing and are held in the name of the company.
- b. On the other hand, where the company's principal assets are IP, it may be necessary to conduct a more thorough assessment of the company's IP portfolio and IP based activities.

(4) Status of IP management

- a. What is the company's overall approach to IP management?
- b. Does it have an in-house intellectual property manager or department and/or does it rely on outside IP expertise?
- c. Does it have an IP policy or strategy?
- d. How well informed are its staffs on IP matters?

(5) IP disputes

- a. Has the company been involved in infringement suits, whether as plaintiffs or defendants?
- b. Is the company involved in disputes or potential disputes that involve IP rights?

(6) Financing

Are the IP assets of the company tied to the financing of the company?

3. Preparing an IP Audit plan

Having done the necessary background research, the next step is to prepare the audit plan.

- (1) This will set out the purpose, the scope, how long it is expected to take, the budget, and who will be responsible for which area of the audit plan.
- (2) Generally, it will deal with the following:
 - a. The specific area(s) of the business to be covered - e.g., divisions, lines of business, affiliated or non-affiliated agency operations
 - b. The scope of the audit - e.g., only registered assets or a broader scope
 - c. The time table for the audit
 - d. The responsible person for each part of the audit
 - e. The form of the final audit report to be produced

LEARNING POINT 3: Conducting an IP Audit

1. Starting with a detailed check list

- (1) An IP auditor normally starts works from a detailed checklist, which is modified for the type and size of the company's business, relevant IP laws of the relevant countries, desired purpose(s), and the desired outcome(s) of the audit.
- (2) A good checklist minimizes the chances of leaving out one or more relevant steps from the process. Each member of the audit team should be provided the relevant part of the detailed checklist.
- (3) To produce a comprehensive, company-wide IP audit report reflecting the entire development and decision-making process for each of the company's products and processes, the audit team should collect, review, and organize

not only the IP information but also all the agreements that may affect the IP portfolio of the company. It may also have to do or get done relevant IP searches in all key markets.

More References 3-1: The steps of an IP Audit (in case of M&A)

1. M&A Non disclosure Agreement (NDA)

This agreement is designed to protect the confidentiality of information exchanged in connection with the consideration and negotiation of transaction and information exchanged in the course of a party's due diligence review of the other. NDA can be entered into independently as a stand alone agreement or it can be contained in the MOU for the proposed transaction.

2. IP Audit Preparation

(1) Researching background information on the business

(2) Preparing an IP audit plan defining the scope of the audit, target intellectual properties, time table of the audit and responsible person(s) for the audit

3. IP information analysis

A classical IP audit can be said to be focused principally on two concerns:

(1) Does the company own all the intellectual properties of concern?

(2) Does the company infringe on the intellectual property rights of others in the conduct of its business?

4. IP evaluation

In the IP evaluation stage a range of different valuation technologies, including replacement value, discounted cash flows and comparable sales can be used.

5. Negotiation

Based on the results of IP analysis and evaluation the proposed dollar range of the value of target intellectual property is exchanged on the negotiation table.

6. Contract formulation

2. Auditing different contracts/agreements

A key part of an IP audit is to identify and assess the adequacy of relevant provisions in all agreements that concern the protection of IP. These may include the following agreements:

(1) Licensing agreements

Review all licensing agreements to ensure that the company is continually in compliance with the terms of such licenses and whether they further the current and future business plans of the company.

(2) Assignment agreements

- a. Review assignments to determine whether the company was granted an assignment from every inventor or author of a work.
- b. Contact all licensors and assignors to determine whether any security interests or liens have been granted in the IP assets.

(3) Employment and independent contractor agreements

- a. Provisions governing the transfer of the IP rights from employees or contractors to the company
- b. Terms and conditions under which an independent contractor is allowed to use any copyrighted materials or rely on trademarks associated with the business
- c. The scope of the assignment itself
- d. Provisions regarding a waiver of moral rights in all copyright works
- e. Clauses setting restrictions on the disclosure or use of confidential information during or after the completion or termination of the employment/contract

- f. Provisions defining the employees' continuous obligation to assist in the protection of the IP rights
- g. The extent, scope and enforceability of non-compete and non-solicitation provisions

(4) Joint Venture & Collaboration agreements

When a company enters into various types of arrangements with suppliers, vendors, or customers to jointly develop or update the company's technology, the following must be kept in mind:

- a. Who owns the IP assets pre-dating or created through the joint venture or collaboration
- b. Define a system for identifying protectable intellectual property resulting from the cooperation
- c. Identify who pays for any application for registration of IP rights and any subsequent defense of the IP rights
- d. Determine the scope of IP contributed to the joint venture
- e. Determine which IP rights can be used by whom when the joint venture or collaboration ends.

(5) R&D Grants

Often government procurement contracts and government funded R&D agreements provide for ownership of IP rights in favor of the government or a government agency. Therefore, all such contracts should be closely reviewed for such limitations.

(6) Other agreements

Other kinds of agreements that could have a significant impact on a company's IP will include:

- a. Technology transfer, or know how, or technical assistance agreements
- b. Design and development agreements
- c. Settlement agreements
- d. Franchise agreements
- e. Royalty agreements
- f. Marketing agreements
- g. Distribution/Distributorship agreements
- h. Sales representative agreements
- i. Consulting or management agreements
- j. Outsourcing agreements
- k. Maintenance and repair agreements
- l. Material transfer agreements
- m. Programming agreements
- n. Source code escrow agreements (in connection with software), any documentation relating to "clean room" development of software, database licenses listings of computer software used by the company, including all versions and source and object code, flow charts and other software development documents

3. Auditing IP assets

After auditing agreements, the IP Auditor starts to audit the IP assets of the company. There are four steps for this stage.

(1) Identifying and recording IP assets

In this step, the assets will be initially catalogued and a description will be provided.

- a. It is the basic stock taking exercise that will serve to create or update the intangible asset portfolio of a company.
- b. It will serve to inform the company of its IP assets, which may or may not be used or used differently depending on the goals of the business.

(2) Determining ownership and legal status of the IP assets

The assets will be evaluated as to whether they are owned by the company and if so, whether they are or should be, protected as IP rights.

- a. It will include assets created by the company itself, and those that are acquired or used with or without the express consent of third parties.
- b. It will enable the company to see where, if any, ownership problems exist, why they exist and what should be done to prevent or solve such ownership issues.
- c. It will also reveal whether adequate systems are in place to protect these assets or, alternatively, whether and what internal obstacles exist to their protection, and whether and how these may be overcome.
- d. The main subjects the auditor should note with respect to each asset.
 - Ownership: The nature of the company's ownership interests (e.g., sole or joint ownership, exclusive or non-exclusive license, the royalty or other costs associated with the license and the estimated

legal duration and period of technological usefulness of the asset) and whether the nature of the interest is in doubt.

- Restrictions on use: Any restrictions on the use of the asset (e.g., product or agency-related restrictions, territorial restrictions, assignment or transfer restrictions, time restrictions, non-compete clauses)
- Relevance to business: The relevance of the asset to the core business of the company (e.g., whether the asset is a critical asset or an ancillary asset) and any connection with other key non-IP assets of the company, such as key staff members
- Encumbrances: Whether the asset has been pledged, or in any other way legally encumbered.
- Infringement: The potential for a third party claim of infringement or damages due to the company's use of the asset.

(3) Detecting infringement of IP rights

Review company's policies with respect to the enforcement of its IP rights as well as its own systems for respecting the legal rights of others.

- a. If the assets are owned by the company then an audit may provide information as to whether they are infringed by others.
- b. The IP audit may provide information as to assets that the company thinks it owns but in reality it does not and could give rise to problems of third party infringement.

(4) Taking necessary steps for creating and maintaining IP assets

- a. An IP audit will reveal where there have been lapses in the administrative, legal and regulatory procedures necessary for creating and maintaining IP assets.
- b. An IP audit will provide the necessary impetus to take care of such requirements by creating or improving the relevant in-house policies, procedures and management practices.

LEARNING POINT 4: After completing an IP Audit

1. Using the results of an IP Audit

(1) IP analysis

- a. Evaluate and analyze whether the IP assets are serving the strategic objectives of the company and, if not, what should be done to change that.
- b. One technique that would help at this stage is to divide the results of the IP inventory into three groups:
 - Group 1: Techniques, innovations, and ideas that are essential to your products and services, and to the markets your company has decided to serve
 - Group 2: Intellectual assets of real potential but not necessary to your company
 - Group 3: 'Assets' that seem, on balance, to have no great value to your company or to anyone else.

(2) Evaluating IP assets

- a. The results of IP audit will be the basis for evaluation of IP assets.
- b. Properly valuing the benefits that may accrue from any IP asset requires an assessment of:
 - Speed with which a particular market values and devalues that type of asset
 - The cost of developing alternative IP assets to fulfill the same or comparable market needs
 - Royalties being paid for similar assets
 - Market recognition of the asset
 - The cost of developing such recognition if it is deficient

(3) Overall review on IP assets and IP policy

An IP audit will provide the management of the company with the basic information as to whether its IP assets are being used to attain the company's strategic objectives.

- a. The management has to check if its business objectives, business model and its IP management policies are in alignment with each other.
- b. This can be identified by evaluating the relevance and tangible benefits obtained by using or leveraging IP assets that a company owns or has access to.

(4) Preventing or being prepared for litigation

- a. A carefully conducted audit may result in a determination that the company's use of its IP violates the rights of a third party.
- b. Advance warning of infringement allows the company to cease infringing activities, obtain a license or at the least, evaluate its liabilities and defenses.

(5) Business strategy formulation

- a. At this stage of an IP audit the management matches its newly established inventory of IP assets to its strategic business objectives.
- b. The objectives include:
 - The types of products or services on which the company intends to focus its resources
 - The markets it intends to serve
 - The return on investment it requires in order to satisfy its owner or shareholders.

- c. The results of the IP audit may add a new dimension to strategy discussions and may lead to new business strategies for the domestic or export markets.

More References 4-1: Building IP value through IP Audits

Dynamic IP asset managers have used IP audits to build corporate value in many different ways. Some of the more popular approaches are discussed below:

1. Building value in IP asset creation
2. Building value of existing IP assets.
3. Reducing costs of third-party IP claims.
4. Building value from product markets using IP assets.
5. Creating non-core revenue streams.
6. Creating additional revenue through core business licensing.
7. Building value in corporate transactions.
8. Reducing costs of unused IP assets.
9. Receiving tax deductions for IP asset donations.
10. Reducing new product development costs (product clearance).
11. Evaluating the IP assets of an acquisition or investment target (due diligence).
12. Assessing business direction and strength.
13. Discovering unclaimed business opportunities.
14. Discovering business expansion opportunities.

*source: <http://www.buildingipvalue.com>

2. From IP Audit to IP asset management

(1) Formation of IP asset management team

- a. An IP asset management team is charged with managing the knowledge portfolio and is overseen by a senior executive.

- b. The team is composed of managers from various disciplines who collectively understand the firm's intellectual assets and have had a hand in developing them.

(2) Creating an IP culture

For creating an IP culture, proper training on IP best practices should be provided to all the staffs. All training programs should be reviewed, to verify if they include anything or enough on IP asset management.

(3) IP policy monitoring

The existence and adequacy of IP asset management policies, procedures and practices within a company should be continuously reviewed and monitored. And it should be verified that they are effectively communicated to all the employees.

QUIZ

Q1. Identify the incorrect statement:

- 1) In conducting an IP audit, the auditor must follow a standardized and comprehensive checklist and should not deviate from it.
- 2) To identify and assess the adequacy of relevant provisions in all agreements that concern the protection of IP is a key part of an IP audit.
- 3) For an audit to be effective it should be undertaken by a team that includes expertise in IP, the relevant technical areas as well as from other relevant areas of the company.
- 4) IP audit will enable the company to see what should be done to prevent IP ownership disputes.

Answer : 1)

It is important to follow a standardized check list so that nothing will be omitted inadvertently in undertaking an IP audit but such checklist should necessarily be adapted to the particular industry, company, purpose and scope of the audit. Further, the actual questions to be asked in an IP audit will often evolve from the preliminary findings of the audit. Therefore, details of every audit will be peculiar to its own situation and circumstances.

Q2. Identify the incorrect statement:

- 1) IP audit is a systematic review of IP owned, used or acquired by a business so as to assess and manage the risk, remedy problems and implement best practices in IP asset management.
- 2) IP audit is an evaluation of all the IP assets owned by the company in terms of evaluating its strengths, weaknesses, opportunities and threats.
- 3) An IP audit helps a company undertake an evaluation of its own IP assets and liabilities.
- 4) A valuation of IP assets may be a part of an IP audit.

Answer : 3)

An IP audit does not only involve an evaluation of IP assets owned by a company but also all other IP assets that have been licensed or used without the approval of their rightful owner(s).

Q3. Identify the incorrect statement:

- 1) An IP audit does not generally concern itself with the issue of whether the company is violating the intellectual property rights of others.
- 2) An IP audit helps a company analyse whether its IP assets are serving its strategic objectives.
- 3) The results of an IP audit may lead to new business strategies and sometimes to entirely new business models.
- 4) An important goal of an IP audit is to rectify defects in IP ownership and title.

Answer : 1)

Finding out that the company is violating the IPR of others is useful information to have allowing a company to either stop the violation, seek a license, or design around an invention if the violation was of a patent. It is therefore an integral and important part of an IP audit.