

# Patent Value quotient

SECOND QUARTER 2015

IP  offerings

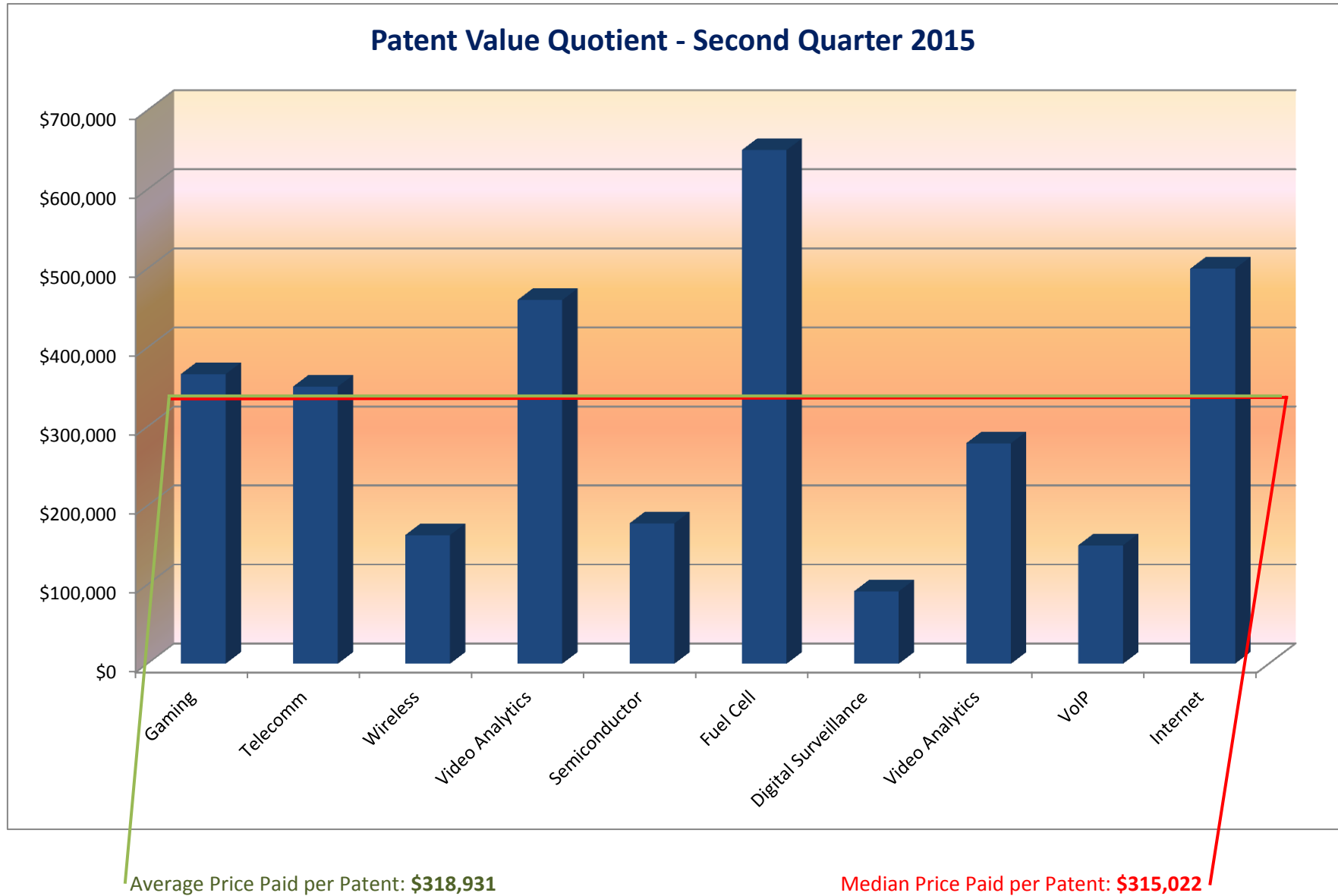


SECOND QUARTER 2015



|                        |                       |                      |                      | (Average Paid per Patent) |                   |                  |
|------------------------|-----------------------|----------------------|----------------------|---------------------------|-------------------|------------------|
| Transaction Month/Year | Seller                | Buyer                | Technology           | Total Transaction         | Number of Patents | Quotient         |
| January                | Kenilworth Systems    | Interactive Systems  | Gaming               | \$1,100,000               | 3                 | \$366,667        |
| January                | Rockstar Consortium   | RPX Corporation      | Telecomm             | \$900,000,000             | 2,565             | \$350,877        |
| January                | Rambus                | Silicon Image        | Wireless             | \$2,280,000               | 14                | \$162,857        |
| January                | VideoIQ               | Aviligon Corporation | Video Analytics      | \$15,650,000              | 34                | \$460,294        |
| January                | Semi Components Ind   | Tessera              | Semiconductor        | \$1,600,000               | 9                 | \$177,778        |
| January                | Ballard Power Systems | Volkswagen Group     | Fuel Cell            | \$39,000,000              | 60                | \$650,000        |
| February               | Anonymous             | [Broker]             | Digital Surveillance | \$275,000                 | 3                 | \$91,667         |
| February               | [Four Sellers]        | Aviligon Corporation | Video Analytics      | \$13,400,000              | 48                | \$279,167        |
| March                  | Anonymous             | [Broker]             | VoIP                 | \$150,000                 | 1                 | \$150,000        |
| April                  | F-Secure              | Finjan               | Internet             | \$1,000,000               | 2                 | \$500,000        |
|                        |                       |                      |                      | <b>Average:</b>           |                   | <b>\$318,931</b> |
|                        |                       |                      |                      | <b>Median:</b>            |                   | <b>\$315,022</b> |

## Patent Value Quotient: Second Quarter 2015





## SECOND QUARTER 2015



**Analysis:** The Full Year 2014 **Patent Value Quotient™** showed an Average Price Paid per Patent of \$251,007 and a Median Price Paid per Patent of \$123,444. The Second Quarter 2015 **Patent Value Quotient** shows an increase in both of these numbers with an Average Price Paid per Patent of \$318,931 and a Median Price Paid per Patent of \$315,022. Just ten transactions – most of which are in the first quarter – do not make a trend, but initial indications are that patent prices are rebounding in 2015.

**Purpose:** The **Patent Value Quotient** is provided as a public service to businesses, universities, inventors and other innovators – as well as patent brokers, patent auctions and IP professionals – to assist them in the sales and acquisition of U.S. Patents. The **Patent Value Quotient** is designed to be just one of many methodologies that is used to value intellectual property by reporting recent patent transactions. We issue the **Patent Value Quotient** on a quarterly cumulative basis.

**Methodology:** The **Patent Value Quotient** reports on the average value (the quotient that is derived when the total transaction is divided by the number of issued U.S. Patents) for recent patent transactions. We attempt to ascertain how many issued U.S. Patents were in the transaction, so there will be transactions that include foreign patents and patent applications that are not assigned a value. When we have to compute the portion of the transaction that represents the value of the intellectual property (for example, when a company or business unit is purchased for its intellectual assets, and the value of the IP has to be isolated from the value of the business operations), we will provide an explanation of how we determined that value.

**Sources:** Transactions reported in the **Patent Value Quotient** come from publicly announced sales or acquisitions, and transactions reported to us by patent brokers, patent auctions, parties to a transaction, and other sources. When requested to do so, we identify the Seller and/or Buyer as “Anonymous.” The raw data we find may be supplemented by assignment records from the U.S. Patent and Trademark Office, SEC filings and other sources. *We make every effort to report patent sales accurately.* If you find a discrepancy, please bring it to our attention at [pvq@ipofferings.com](mailto:pvq@ipofferings.com).

**VideoIQ-Avigilon Transaction:** Since Avigilon acquired an operating business, we valued the IP at half the value of the total purchase price.

**Accuracy:** Every attempt is made to insure that all data reported in the **Patent Value Quotient** is accurate. If a party to a transaction provides us with corrected data about a transaction, we will correct our report when the next quarterly **Patent Value Quotient** is issued.

**Feedback:** We welcome input from the IP community regarding the data we collect and report. Please contact us at [pvq@ipofferings.com](mailto:pvq@ipofferings.com).

**Cash, Notes and Stock:** Some patent acquisitions are made with a combination of cash and/or notes and/or stock. When that is the case, we value the note at its face value, and we compute the stock portion of the transaction based on the closing price of the company stock on the date of the transaction.

**Questions and Comments:** Please direct all inquiries and all transaction data to [pvq@ipofferings.com](mailto:pvq@ipofferings.com).

Patent Value Quotient is a trademark of IPOfferings LLC. © 2015