

# Patent Value uotient

**CALENDAR YEAR 2012**

IP fferings

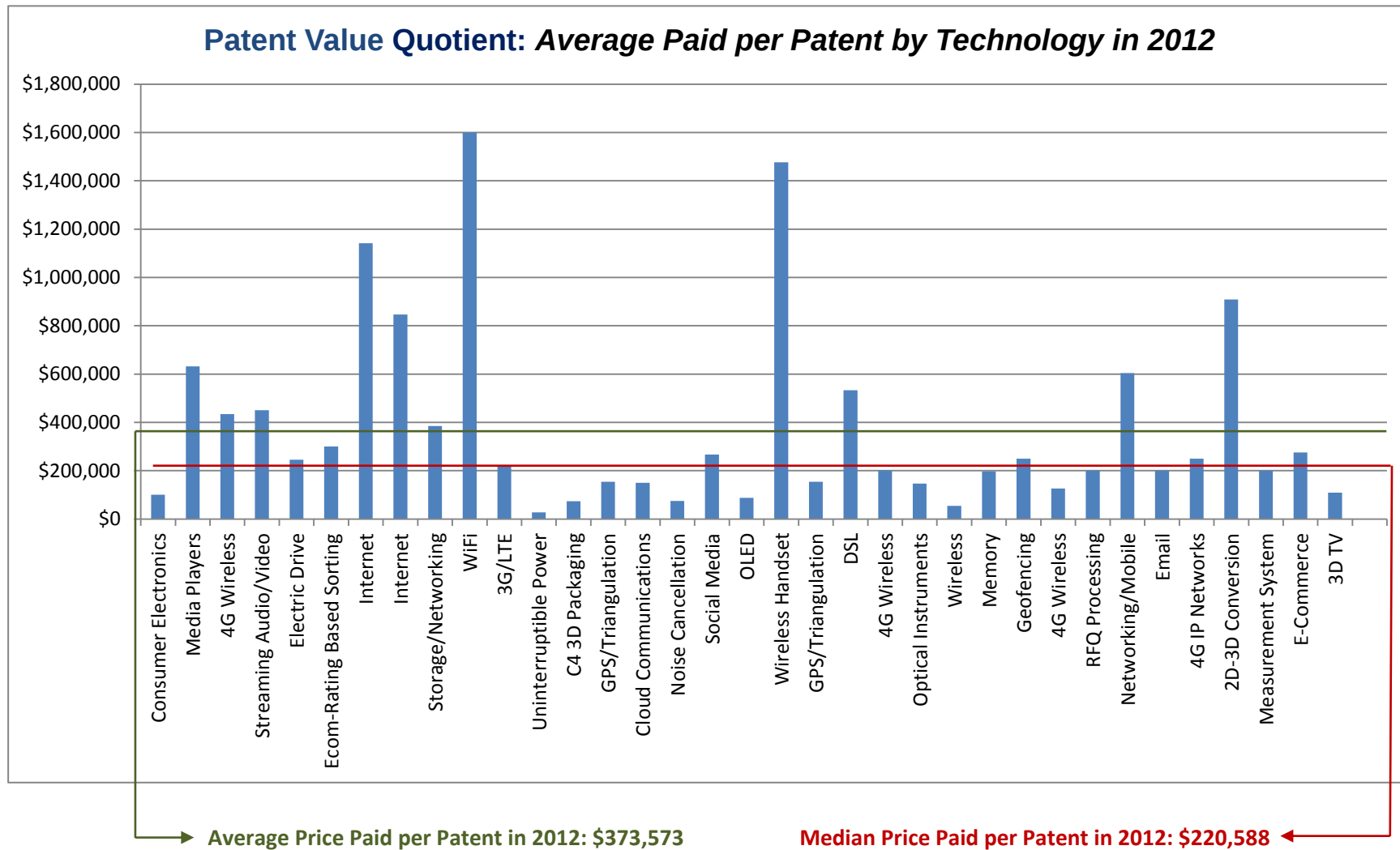


CALENDAR YEAR 2012



|                        |                   |                        |                           | (Average Paid per Patent) |                   |             |
|------------------------|-------------------|------------------------|---------------------------|---------------------------|-------------------|-------------|
| Transaction Month/Year | Seller            | Buyer                  | Technology                | Total Transaction         | Number of Patents | Quotient    |
| January                | Digitude/Altitude | RPX                    | Consumer Electronics      | \$50,000,000              | 500               | \$100,000   |
| January                | Real Networks     | Intel                  | Media Players             | \$120,000,000             | 190               | \$631,579   |
| January                | Adaptix           | Acacia Research        | 4G Wireless               | \$100,000,000             | 230               | \$434,783   |
| February               | [Broker]          | Anonymous              | Streaming Audio/Video     | \$900,000                 | 2                 | \$450,000   |
| March                  | Azure Dynamics    | Mosaid Technologies    | Electric Drive            | \$2,700,000               | 11                | \$245,455   |
| March                  | [Broker]          | Anonymous              | Ecom-Rating Based Sorting | \$300,000                 | 1                 | \$300,000   |
| April                  | AOL               | Microsoft              | Internet                  | \$1,056,000,000           | 925               | \$1,141,622 |
| April                  | Microsoft         | Facebook               | Internet                  | \$550,000,000             | 650               | \$846,154   |
| April                  | Dataram           | Phan Tia Group         | Storage/Networking        | \$5,000,000               | 13                | \$384,615   |
| April                  | Aware             | Intel                  | WiFi                      | \$40,000,000              | 25                | \$1,600,000 |
| June                   | Interdigital      | Intel                  | 3G/LTE                    | \$375,000,000             | 1,700             | \$220,588   |
| June                   | [Broker]          | Anonymous              | Uninterruptible Power     | \$140,000                 | 5                 | \$28,000    |
| June                   | IBM               | Ultratech              | C4 3D Packaging           | \$8,000,000               | 109               | \$73,394    |
| June                   | InterDigital      | Anonymous              | GPS/Triangulation         | \$10,000,000              | 65                | \$153,846   |
| June                   | 8x8               | Anonymous              | Cloud Communications      | \$12,000,000              | 80                | \$150,000   |
| July                   | [Broker]          | Anonymous              | Noise Cancellation        | \$150,000                 | 2                 | \$75,000    |
| July                   | Digg              | LinkedIn               | Social Media              | \$4,000,000               | 15                | \$266,667   |
| July                   | Fujifilm Corp     | Universal Display Corp | OLED                      | \$105,000,000             | 1,200             | \$87,500    |
| July                   | CSR               | Samsung                | Wireless Handset          | \$31,000,000              | 21                | \$1,476,190 |
| July                   | TeraHop Networks  | Anonymous              | GPS/Triangulation         | \$10,000,000              | 65                | \$153,846   |
| August                 | Aware             | TQ Delta               | DSL                       | \$16,000,000              | 30                | \$533,333   |
| August                 | Nokia             | Vringo                 | 4G Wireless               | \$22,000,000              | 109               | \$201,835   |
| August                 | Precision Optics  | Intuitive Surgical     | Optical Instruments       | \$2,500,000               | 17                | \$147,059   |
| September              | [Broker]          | Anonymous              | Wireless                  | \$600,000                 | 11                | \$54,545    |

|                        |                      |              |                    | (Average Paid per Patent) |                   |                  |
|------------------------|----------------------|--------------|--------------------|---------------------------|-------------------|------------------|
| Transaction Month/Year | Seller               | Buyer        | Technology         | Total Transaction         | Number of Patents | Quotient         |
| September              | Elpida Memory        | Apple        | Memory             | \$51,000,000              | 259               | \$196,911        |
| September              | [Broker]             | Anonymous    | Geofencing         | \$250,000                 | 1                 | \$250,000        |
| October                | Alvarion             | Wi-LAN       | 4G Wireless        | \$19,000,000              | 150               | \$126,667        |
| November               | [Broker]             | Anonymous    | RFQ Processing     | \$200,000                 | 1                 | \$200,000        |
| November               | MIPS Technologies    | ARM Holdings | Networking/Mobile  | \$350,000,000             | 580               | \$603,448        |
| November               | [Broker]             | Anonymous    | Email              | \$200,000                 | 1                 | \$200,000        |
| December               | [Broker]             | Anonymous    | 4G IP Networks     | \$1,000,000               | 4                 | \$250,000        |
| December               | Digital Domain Media | RealD        | 2D-3D Conversion   | \$5,450,000               | 6                 | \$908,333        |
| December               | [Broker]             | Anonymous    | Measurement System | \$400,000                 | 2                 | \$200,000        |
| December               | [Broker]             | Anonymous    | E-Commerce         | \$550,000                 | 2                 | \$275,000        |
| December               | [Broker]             | Anonymous    | 3D TV              | \$326,000                 | 3                 | \$108,667        |
|                        |                      |              |                    |                           | <b>Average:</b>   | <b>\$373,573</b> |
|                        |                      |              |                    |                           | <b>Median:</b>    | <b>\$220,588</b> |





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**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 are used to value intellectual property by reporting on recent patent transactions. We will be issuing the **Patent Value Quotient** on a quarterly basis, reporting each April, July and October on patent transactions from the previous calendar quarter. Each January we create a summary report that covers patent transactions from the previous calendar year.

**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 are provided is sometimes supplemented by data mined from the U.S. Patent and Trademark Office, SEC and other public filings, and other sources.

**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.

**Analysis:** Each January, we will produce a summary **Patent Value Quotient** report for the previous year that will include our analysis. We welcome input from the IP community as we develop this analysis. Commentary should be sent to [pvq@ipoofferings.com](mailto:pvq@ipoofferings.com).

**Aware-Intel Transaction:** Included in this transaction were foreign patents and several patent applications. We adjusted the total transaction to reflect what we believe was the portion for issued U.S. Patents.

**Samsung-CSR Transaction:** Samsung Group paid \$310 million to acquire a business unit from CSR Plc, and in so doing acquired the operations of the unit including its assets, revenue stream and 300+ employees. It was our best estimate that 10% of the purchase price represented the U.S. Patents that were acquired as part of the transaction.

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

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