

Patent Value uotient

Full Year 2013

IP fferings

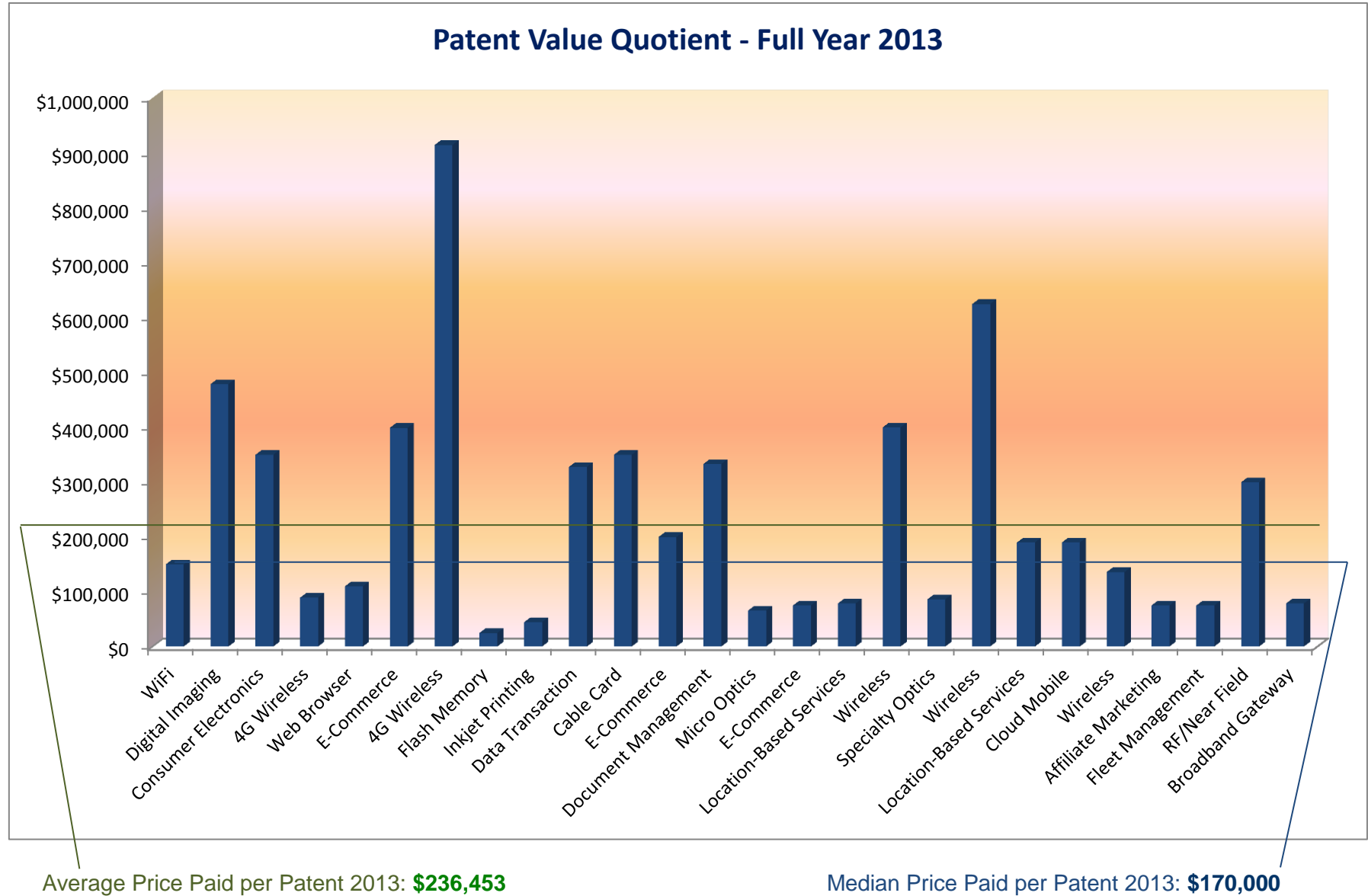


FULL YEAR 2013



				(Average Paid per Patent)		
Transaction Month/Year	Seller	Buyer	Technology	Total Transaction	Number of Patents	Quotient
Jan. 2013	[Broker]	Anonymous	WiFi	\$150,000	1	\$150,000
Jan. 2013	Kodak	Consortium	Digital Imaging	\$527,000,000	1,100	\$479,091
Feb. 2013	[Broker]	Anonymous	Consumer Electronics	\$350,000	1	\$350,000
March 2013	Orckit Communications	Networks3 Inc.	4G Wireless	\$5,000,000	56	\$89,286
March 2013	[Broker]	Anonymous	Web Browser	\$110,000	1	\$110,000
March 2013	Ingemar Cox (Inventor)	Network-1 Security	E-Commerce	\$1,597,000	4	\$399,250
March 2013	ADC Telecommunications	HTC Corporation	4G Wireless	\$75,000,000	82	\$914,634
April 2013	Nokia	Pendrell Corporation	Flash Memory	\$2,000,000	81	\$24,691
April 2013	Lexmark	Funai Electric	Inkjet Printing	\$73,500,000	1,651	\$44,518
April 2013	CyberFone Systems	Marathon Patent Group	Data Transaction	\$3,280,000	10	\$328,000
May 2013	[Broker]	Anonymous	Cable Card	\$350,000	1	\$350,000
May 2013	[Broker]	Anonymous	E-Commerce	\$200,000	1	\$200,000
May 2013	Mirror Worlds	Network-1 Security	Document Management	\$3,000,000	9	\$333,333
July 2013	Orckit Communications	Hudson Bay Capital	Micro Optics	\$5,000,000	76	\$65,789
July 2013	[Broker]	Anonymous	E-Commerce	\$150,000	2	\$75,000
July 2013	[Broker]	Anonymous	Location-Based Services	\$550,000	7	\$78,571
July 2013	Rockstar Consortium	Spherix	Wireless	\$2,000,000	5	\$400,000
Aug. 2013	Tessera Technologies	FLIR Systems	Specialty Optics	\$14,900,000	173	\$86,127
Sept. 2013	North South Holdings	Spherix	Wireless	\$15,000,000	24	\$625,000
Sept. 2013	[Broker]	Anonymous	Location-Based Services	\$190,000	1	\$190,000
Oct. 2013	[Broker]	Anonymous	Cloud Mobile	\$190,000	1	\$190,000
Nov. 2013	Ericsson	Fingerprint Cards	Wireless	\$2,310,750	17	\$135,926
Nov. 2013	[Broker]	Anonymous	Affiliate Marketing	\$75,000	1	\$75,000
Nov. 2013	[Broker]	Anonymous	Fleet Management	\$150,000	2	\$75,000
Dec.2013	[Broker]	Anonymous	RF/Near Field	\$300,000	1	\$300,000
Dec.2013	[Broker]	Anonymous	Broadband Gateway	\$550,000	7	\$78,571
				Average:		\$236,453
				Median:		\$170,000

Patent Value Quotient: Full Year 2013





FULL YEAR 2013



Analysis: The Full Year 2012 **Patent Value Quotient™** showed an Average Price Paid per Patent of \$373,573 and Median Price Paid per Patent of \$220,588 for the 35 patent transactions we were able to report. Over the course of 2013, we saw a steady decline in both the Average and Median Prices paid per Patent for the 26 patent transactions we reported. For the Full Year 2013, the Average Price Paid per Patent dropped to \$236,453, a decrease of 37%. For the Full Year 2013, the Median Price Paid per Patent dropped to \$170,000, a decrease of 23%. There were three transactions in 2013 – AOL-Microsoft, Aware-Intel and CSR-Samsung – in which the Average Price Paid per Patent was over \$1 million. We reported no \$1 million-plus transactions in 2013, so we see the 2013 Average and Median Prices as being more reflective of the real value of patents today. With an Average Price Paid for Patents in 2013 at almost a quarter of a million dollars, there is no question that for many businesses, their intellectual assets are their most valuable!

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 issue 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 may be supplemented by data mined from the U.S. Patent and Trademark Office, SEC 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.

Commentary: This month we produced a summary **Patent Value Quotient** report for the Full Year 2013. We welcome input from the IP community regarding the data we collected and reported on. Commentary should be sent to pvq@ipofferings.com.

Specific Transaction: For the details of a specific transaction reported in 2013, refer to the narrative in that quarter's report.

Questions and Comments: Please direct all inquiries and all transaction data to pvq@ipofferings.com.

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