



InnoIP AG, Switzerland

Intellectual Property („IP“) is much more than a potential legal technology monopoly. Patents, trademarks, domains, etc. are real, tangible assets – like other property. They can be valued and play an important role in finance, innovation, and wealth preservation. Companies with strong IP have a significantly lower default probability yet a much higher chance of succeeding long-term.

Make Intellectual Property Tangible.

The Evolution of IP



01

Ideation: get creative and find the best ideas

02

Identification: analyze the use cases for IP

03

Creation: apply for IP and develop a portfolio

04

Valuation: use IP for finance and growth

05

Monetization: adapt and commercialize

InnoIP AG

A Holistic 360°
IP Consultancy

What We Do:

- Conduct ideation workshops to generate new innovative ideas which could result in IP and marketable solutions.
- Strategic product design and IP development consulting derived from researching core use cases of proposed IP.
- Draft patent applications to help own, protect and sustain the IP across different business models (IP-market fit).
- Convert non-tangible IP assets by independent valuations into a financial instrument which can be used for liquidity.
- Develop further business models and identify clients and partners for best pricing, licensing and commercialization.
- Build an IP legacy for generations to come, both in the private as well as in the business domain.

The Importance of IP



01

Ability to Innovate

Companies that made use of IP had a +21% chance of growth in subsequent years compared to others that had not invested in intellectual¹ property rights.

Companies with qualitative patents & a strong IP activity further tend to outperform those with relatively smaller or no patent activity².

02

Opportunity to Finance

WIPO estimates that US\$71 trillion are locked up as intangibles on the world's balance sheets. Some banks have started to finance such assets:

2006 there were 67,000 patents put up for collateral, ten years later it was 178,000 and in 2021 already 225,000 patents were used for IP backed loans globally³.

03

Security to Preserve

90% of the market value of a company are intangible assets (e.g. patents and utility models), hardly known from their balance sheet.

Small cap equities with an overall patent value > €10 M showed a 28x smaller probability of default for SMEs and even no defaults for medium-large sized companies⁴.

¹Intangible Asset Market Value Study, Ocean Tomo.

²Hall, Bronwyn H.; Thoma, Grid; Torrisi, Salvatore: The market value of patents and R&D; National bureau of economic research; Cambridge, Sept. 2007

³PatentCloud, InQuartik.

⁴Stock market analysis by IPR Strategies Ltd. based on corporate bonds from 2012-2022.

The Valuation of IP



Why and How to Value?

■ Invisible Assets = Major Problems

Nortel's 5 year average book value before its insolvency: \$1.2b

The corresponding (later sold) patent portfolio value: \$4.5b

=> *They would have never gone bankrupt if this value was known before.*

■ Value ≠ Price

Real Estate Analogy

Assigning the fair value of a patent is based on multiple parameters, much like the fair price of a house is dependent on location, the condition of the house etc.

A realistic, endogenous valuation therefore can give insights into the added value of a patent.

Typical Indicators

- Location
- Size
- Year of construction
- Quality of materials
- Activity of sales/transaction in area

Patent Valuation Methodology

Analyze the corporate patent portfolio and respective patent family values.

A fuzzy pattern algorithm helps to identify, harmonize and consolidate key figures of the patent raw data in context to the market data available at the time.

Sample Indicators

- Numbers of citations
- IPC class size
- Patent family size
- Company size vs. number of patents, etc. (> 27 characteristics)

=> Output: Value Range

THANK YOU

Contact us today for a quotation to:

- Get a valuation or appraisal of your patent portfolio;
- Conduct an innovation workshop with strategic IP guidance;
- Identify the best patentable IP from your use cases or solutions portfolio.