



“IP Currency”
- a new approach to monetising IP

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Traditional view of IP....

- **Defensive shield**
- **License non-core IP**
- **Guard trademarks**
- **A few cross licenses**

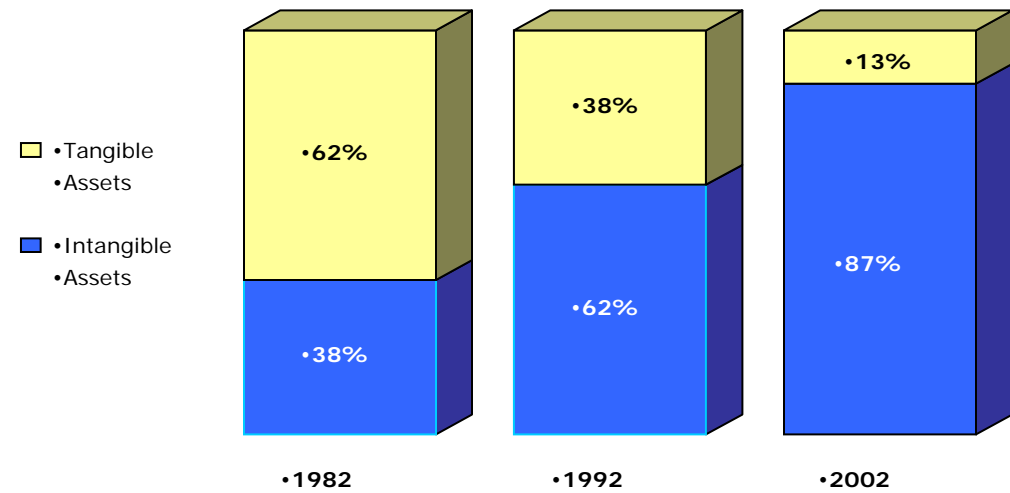


Little pro-activity

IP is valuable strategic asset

Value lies in alignment with

- Business strategy
- Executive thinking
- Products
- Business freedoms
- Competitive threats

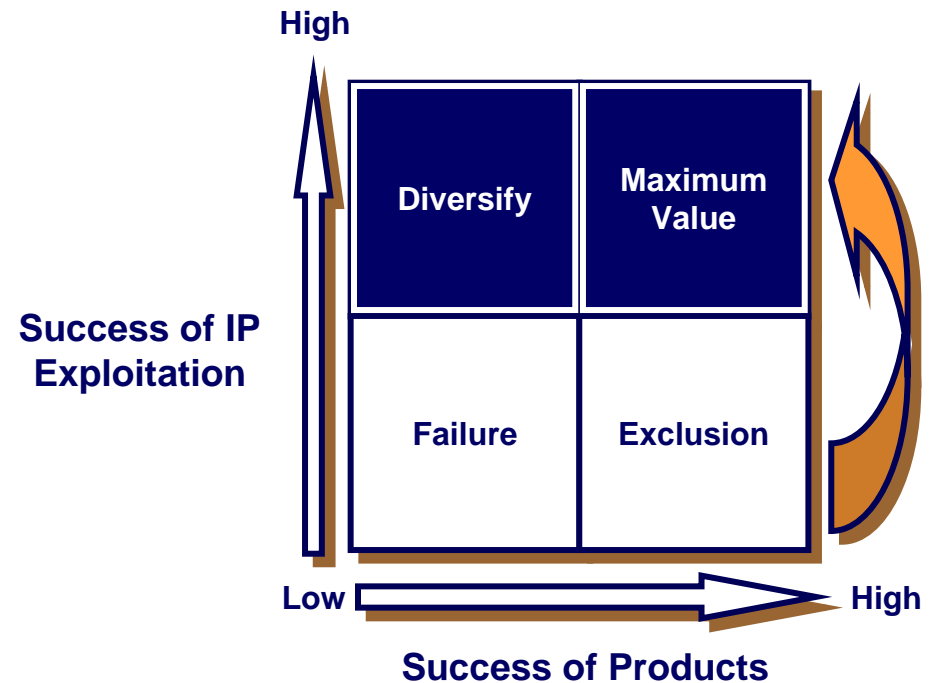


Assets as a Percentage
of Market Capital for S&P 500

IP fuels opportunity

The modern approach

- **Defensive shield**
 - Linked to products
 - Matched to competitive threat
- **License core IP**
 - Only valuable IP is licensable
- **Trade marks to extend markets**
 - Support technology deals
- **IP supports business transactions**
 - Cost reductions
 - Revenue generation
 - Market growth



Creating “IP CURRENCY”

“IP CURRENCY” uses value to create wealth

IP Currency is NOT;

- **Securitisation of IP**
- **Investment in patent litigation**
- **Selling IP**

IP Currency is using IP as;

- **Stock or money in business transactions**
 - **To open new product or geographic markets**
 - **As the investment in exchange for shares**

Needs a new thinking;

- **IP as a valuable asset**
- **Clear relationship to corporate venturing**

Examples...

Supply chain cost reduction

Replace contract supply with

- Technology licences
- Competitive supply

Cost reduction for use of your IP

- Royalty for other use of IP

Specify future requirements

- Let supplier invest in R&D because -
- Supply is a HUGE bonus



A model pioneered by IBM

Supply Chain Improvement for IBM



Competitive supply chain collapsed
To single contractor
Quality deteriorated and price rose

Options - contractors or technology transfer
Transfer to two smaller firms
Product development jointly planned
Royalty on third party sales

Results...

IBM secured supply
Licensees developed new product line
For one, now their primary business

IP for equity deals create shareholder value

Used to exploit of new technology
from academia

Some industrial venturing but an
under developed sector

A powerful market entry tool

- IP assignment
- Patent licenses
- Technology transfer
- Trade mark licenses
- Consultancy
- Continuing R&D support



Low cost to the venturer

New Market Entry

- **Launching a product in a new market is high risk**
 - It is lower risk for an established company
 - Trademarks are portable in a global economy
- **Technology with trademark licensing are lower risk ventures for BOTH players**
 - High profit on capital employed
 - Learning transferable in both directions
- **If deal is well structured an acquisition could be contemplated**
 - Due diligence risk reduced by the relationship



IP Currency is a vital business tool

Avoids stock dilution

Preserves cash

IP is an under-used asset

Licenses provide influence or control

IP deals create shareholder value





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