

**FTC Hearing on the Evolving IP Marketplace**  
**December 5, 2008**  
**Washington, D.C.**

# **The IP Marketplace Players**

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# Alan Greenspan on IP

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***emphasis in asset valuation from physical property  
to intellectual property***

*Remarks at the 2003 Financial Markets  
Conference of the Federal Reserve Bank of Atlanta*



# "Three Waves" of Economic History

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## *The Toffler Model*

Age ("Wave")	Agricultural	Industrial	Technological
Period	8000 B.C. – 1800 A.D.	1800 – 1950	1950 –
Measure of Wealth	<ul style="list-style-type: none"><li>• Land</li></ul>	<ul style="list-style-type: none"><li>• Land</li><li>• Labor</li><li>• Capital</li></ul>	<ul style="list-style-type: none"><li>• Intellectual Property</li><li>• Capital</li></ul>





# IP

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# Some Facts

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“As much as three quarters of the value of publicly traded companies in America comes from intangible assets.”

*The Economist* (Oct. 22, 2005)

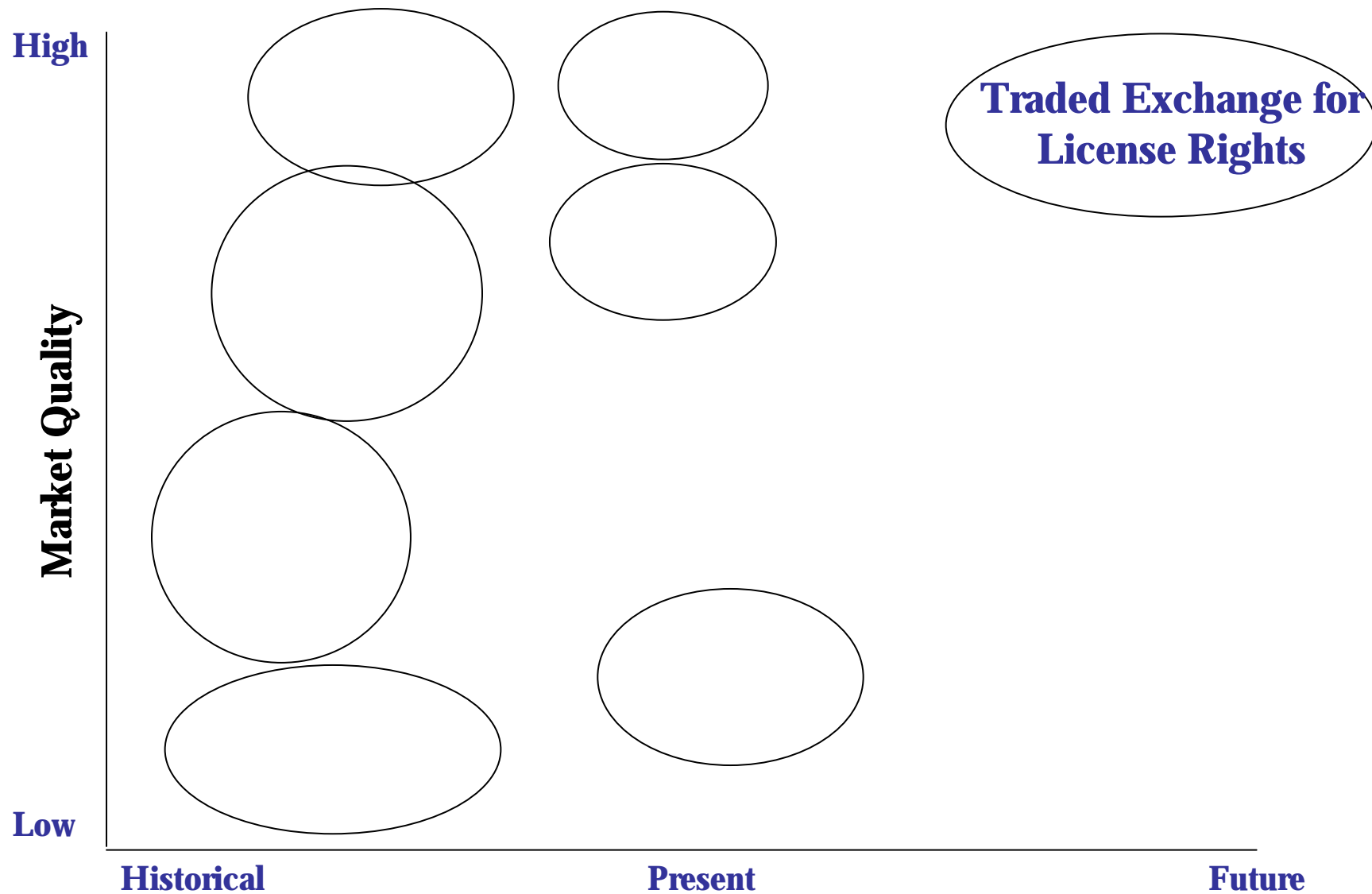
“For the first time since the industrial revolution, fewer than 10% of American workers are now employed in manufacturing.”

*The Economist* (Sept. 29, 2005)

- § Global licensing revenue is greater than US\$150B and is growing at 25% to 35% per year
- § U.S. IP settlements and judgments totaled US\$3.4B in 2006
- § IBM collected more than US\$975M in royalties in 2006
- § Microsoft paid more than US\$1.4B in royalties in 2003



# IP Marketplace: The Evolution



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- § Currently, IP is a very illiquid asset class with a very inefficient marketplace
  - § Historically, potential sellers of IP rights have been unable to access a large quantity of buyers who are willing to pay a predictable price under







# IP Business Models – Cont.

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<u>Model</u>	<u>Exemplary Players</u>
10. IP Backed Lending	IPEG Consultancy BV; Paradox Capital
11. Royalty Stream Securitization Firms	alseT IP; UCC Capital
12. Patent Analytics Software and Services	1790 Analytics; Intellectual Assets; IP Checkups; Next Steps Research; Patent Café; PatentRatings.com; TAEUS; The Patent Board; TOPCAP
13. University Technology Transfer Intermediaries	Exeler7ity



# Thank You!

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