

Introduction to Intellectual Ventures

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IV: An Invention Company

A leading inventor & investor in invention


Applied a VC / PE business model to patents i.e. we invest in invention

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graph LR; A[Create & Buy Patents] --> B[Aggregate & Improve]; B --> C[Monetise (license, sell, spin-out)]
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Invention Capital

Core beliefs:

- Ideas & inventions are valuable
- IPRs should be respected
- Inventors should be compensated through licensing
- Patents are the currency of the Knowledge Economy

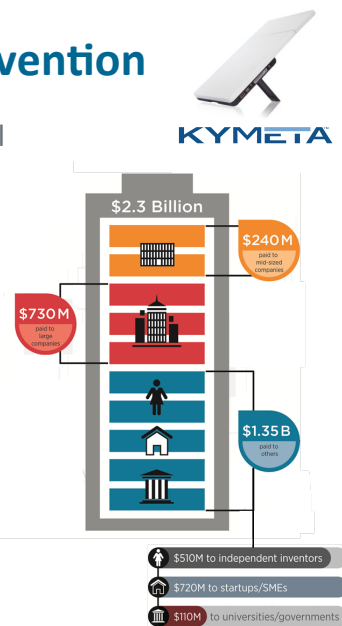


>\$6Bn raised across 6 funds

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Some facts: IV practices Invention

- Inventing since 2003 with both internal staff & a global network of inventors
- Multiple company spin-outs based upon specific invention
- Paid \$2.3B+ over 2,000+ deals into the global invention ecosystem since 2000
- Global licensing programs across many industries
- 100+ licensing deals concluded
- Telecoms licensing programs: Service Providers (US & Europe) & Handset vendors (Worldwide)



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Some observations ...

- Patent ownership is increasingly fragmented:
 - Increased invention, often by SMEs
 - Commercial imperatives for RoI from R&D (meaning large enterprises are selling their patents)
 - No choice hold out: licensing is hard as once objective valuation points are now vague: IPRs, *Alice* uncertainty
- Aggregation brings benefits to licensees and inventors
- Building and supporting a market for invention remains IV's goal
- Let's not confuse basic negotiation with non-sequiturs about FRAND, RAND, SEPs

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