


TYNAX
THE TECHNOLOGY TRADING EXCHANGE

 Adjust your Speaker to Hear Audio Narration



Monetizing Your Patents
Ten Techniques for Turning Patents into Profits

Why Monetization is Not Easy

- Establishing channels to sell products is expensive & takes years.
- Selling licenses requires a sales team & effort.
- Infringement is often difficult to detect.
- Infringers are often difficult to find.
- Enforcing patents requires armies of lawyers & legal fees.



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Top Ten Techniques

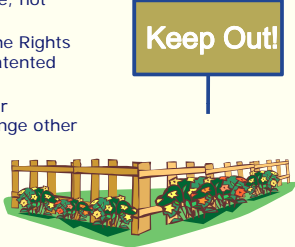
1. Sale of Products
2. Sale of Patents
3. Patent Sale with License Back
4. Selling Patent with Revenue Share
5. Selling Enforcement Rights Only
6. "Friendly" Licensing
7. "Threatening" Licensing
8. "Semi-Threatening" Licensing
9. VC Investment with Strings
10. IP-Backed Loans



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What is a Patent?

- The right to exclude, not right to use.
- You Do not Have the Rights to Use your own patented invention.
- As Elements of your invention may infringe other patents.



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Monetization: Selling Products


- "Our products are unique as they are backed by our patents".
- Advantages
 - Product differentiation.
- Disadvantages
 - Restricted by your sales channels.
- What's Involved
 - Establish complete product sales operation.
- Good Candidates
 - Large corp. with sales channels



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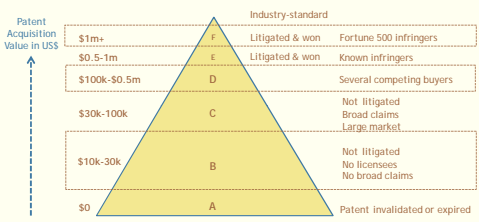
Sale of Patents

- "We'll buy your patents outright".
- Advantages
 - Relatively quick & high returns.
- Disadvantages
 - Give up future potential.
- What's Involved
 - Listing & marketing.
- Good Candidates
 - Patent holders lacking products or sales channels.



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What Patents Sell For



Pending (unissued) patent applications: value is triggered when patent is approved. Value is contingent on approval.

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Patent Sale with License Back

- "We'll buy your patents and give you a license to continue selling your products that use them".
- Advantages
 - Cash now without giving up product line.
- Disadvantages
 - May enable competitors.
- What's Involved
 - Listing & marketing patent.
- Good Candidates
 - Product companies without army of lawyers.



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Selling Patent with Revenue Share

- "We'll buy your patents and share any subsequent licensing revenue with you".
- Advantages
 - Cash today & cash tomorrow.
- Disadvantages
 - Lower up-front payment.
 - Can be complicated.
- What's Involved
 - Sale with revenue sharing agreement.
- Good Candidates
 - Operating companies divesting of infringed patents.



Selling Enforcement Rights Only

- "We'll enforce the patents for you. We pay the costs and split the proceeds with you".
- Advantages
 - Revenue without "selling".
- Disadvantages
 - May be joined in infringement suits.
- What's Involved
 - Exclusive license with right to enforce, right to join & indemnification.
- Good Candidates
 - Research labs & universities.




"Friendly" Licensing

- "Would you like to license our patents?"
- Advantages
 - Reputation as being "nice".
- Disadvantages
 - Ineffective.
 - May trigger declaratory judgment suits.
- What's Involved
 - Searching for licensees.
 - Often exclusive rights sold.
- Good Candidates
 - Corporate strategic licensing groups.
 - Academic OTL's.



"Threatening" Licensing

- "If you don't license we'll sue you for infringement!"
- Advantages
 - Grabs attention.
 - Can be very effective.
- Disadvantages
 - Led by lawyers. Adversarial.
 - Costly.
- What's Involved
 - Finding infringers. Filing lawsuits. Negotiating.
- Good Candidates
 - Corporations with huge legal teams.
 - Those with little to lose.



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"Semi Threatening" Licensing


- "Would you like to license our patents? We do plan to enforce them."
- Advantages
 - Can be effective.
- Disadvantages
 - Can confuse the licensee.
 - Can trigger declaratory judgment suits.
- What's Involved
 - Identifying infringers & carefully approaching them.
- Good Candidates
 - Patent holder with legal resources to pose threat.



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VC Investment with Strings


- "We'll invest in your company if we can partner with you to enforce your patents".
- Advantages
 - Preferential investment terms (to VC).
- Disadvantages
 - May upset your competitors.
- What's Involved
 - Finding investor, negotiating terms.
- Good Candidates
 - Startups with infringed patents.



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IP Backed Loans

- "We can use your patents as collateral for a loan/credit line".
- Advantages
 - Source of debt-capital.
- Disadvantages
 - Encumbers patents.
- What's Involved
 - Find lender. Valuation. Loan with security.
- Good Candidates
 - Corporations with good credit rating.
 - Not for small companies.



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