

IP3 2017 ANALYTICS FOR MEDIA

February 6, 2018



IP3 2017 Overview

- IP3 2017 built on the success of 2016's IP3, a first of its kind industry program designed to give sellers an easy way to access the secondary market by streamlining the process of selling patents with a fixed price, rapid response model
- Submission period: August 1st through September 30, 2017
- IP3 2017 provided patent owners access to all AST Members – dozens of the world's most successful companies across multiple industries, such as information technology, software, semiconductors, communications, automotive, health tech, and social media
- Unlike IP3 2016's larger scope and scale, IP3 2017 was a more focused program, that was limited to the following technologies:
 - › Internet of Things
 - › Wireless
 - › Content Delivery
 - › Networking
 - › Communications
- Participants: 15 operating companies in initial round, including: Google, IBM, Microsoft, Ford, Honda, and Cisco
- Total Spent: ~ \$2.5M

IP3 2017 Results Summary

Nearly \$2.5M spent to acquire 70 active assets

- Purchased Deals
 - › 19 deals acquired
 - 81 assets, 70 active assets, 59 U.S. Patents
 - › Prices ranged from \$25,000 to \$390,000
 - › Avg. price per patent family – approx. \$128k (compared to \$96k for IP3 2016)
 - › 15 Members contributed to acquisitions

- Over 15,000 visitors to the site, which is 5 times more than last IP3 2016
 - › Almost half of visitors came from outside of the USA indicating increasing awareness and interest of AST in rest of the world

IP3 2017 Submission Stats

- 640 Valid Submissions/Deals in the areas of IOT, Content Delivery, Networking, Communications, and Wireless
- 42% or 270 deals were from Practicing Entities
- 74% of all assets were offered for the first time to AST
 - › 167 lots had at least one previously offered asset
 - › Majority of previously offered assets are part of larger lots

IP3 Submissions by Seller Submitted Categories

Seller Submitted Category	Valid Lots	Patent Families	WW Assets
Communications	231	258	506
Content Delivery	194	238	547
Internet of Things	70	102	221
Networking	47	158	198
Wireless	98	123	258
Grand Total	640	879	1730

- Communications was the leading seller submitted technology category for IP3 with 231 lots with 258 patent families
- Content Delivery had the most WW assets – 547 active assets in 194 lots
- Networking lots were comparatively larger lots with over 3 families on average

IP3 Submissions by AST Categories

- Each IP3 offering was reviewed by AST and assigned a primary category using AST Technology Taxonomy
- Media related assets – processing, transmission, distribution and relevant user applications were the leading technology offered
- Wireless and Mobile communication related assets were also offered in over 150 lots

AST Lot Category	Lots	Patent Families	WW Assets
Media & Internet	81	89	176
Wireless	73	98	193
Network	67	84	147
Web	51	162	249
Geolocation/Positioning	50	50	151
Media	33	62	139
Security	32	32	54
Mobile	26	27	50
Telecom	25	32	62
Home Entertainment	24	30	68
Datacom	18	19	42
Circuits	18	23	48
Communications	16	17	30
Software	14	15	32
Smart Homes	10	11	28
Wireless Services	10	10	23
Other Categories	92	118	238

Wireless and IOT assets are priced higher

Price Expectation Per Family by Technology Category

Seller Submitted Category				
	Lots	Patent Families	Average Per Family	Median Per Family
Communications	231	258	\$99,680	\$75,000
Content Delivery	194	238	\$116,766	\$85,000
Internet of Things	70	102	\$123,144	\$100,000
Networking	47	158	\$46,987	\$5,051
Wireless	98	123	\$175,054	\$100,000
Total Reviewed Deals	640	879	\$107,148	\$75,000
IP3 Purchased Deals	19	19	\$127,632	\$100,000

- Software and Services assets were generally higher priced compared to Hardware assets
- 14 families with excessive price demands were excluded which was less than 2% of analyzed dataset

Wireless and IOT assets are priced higher

Price Expectation Per Lot by Technology Category

Seller Submitted Category				
	Lots	Patent Families	Average Per Lot	Median Per Lot
Communications	231	258	\$111,432	\$85,000
Content Delivery	194	238	\$133,895	\$90,000
Internet of Things	70	102	\$163,203	\$105,000
Networking	47	158	\$157,957	\$100,000
Wireless	98	123	\$192,538	\$100,000
Total Reviewed Deals	640	879	\$139,218	\$100,000
IP3 Purchased Deals	19	19	\$127,632	\$100,000

- Software and Services assets were generally higher priced compared to Hardware assets
- 14 families with over excessive price demands were excluded which was less than 2% of analyzed dataset

What was Purchased?

- 19 Portfolios purchased in IP3 comprising: 70 active patent filings in 19 families
 - › 59 US Patents, 9 US Applications
 - › 1 French and 1 Korean Patent
- Average 3.6 assets per family compared to 1.84 for IP3 2016
 - › 8 lots with single US patent, 5 lots with two US filings, 6 lots with 3+ US filings
 - › One lot with 14 and another with 21 US filings
 - › 2 lots with foreign filings
- 16 different sellers and 6 brokers
 - › 15 out of 19 purchased deals are from Brokers/Intermediaries
 - › Type of Sellers –
 - 12 lots from NPE/PHC
 - 3 lots from Practicing Entities
 - 2 lots from Universities and one each from Individual Inventor and Law Firm
- 37% or 7 purchased lots were previously seen by AST

More than half of purchased lots are Communications related

Purchase Price by Technology Category

Seller Submitted Category	IP3 Purchased Deals			
	Deals	Patent Families	Average Price	Median Price
Communications	10	10	\$157,000	\$127,500
Content Delivery	6	6	\$113,333	\$107,500
Internet of Things	1	1	\$100,000	\$100,000
Networking	1	1	\$25,000	\$25,000
Wireless	1	1	\$50,000	\$50,000
Total Reviewed Deals	19	19	\$127,632	\$100,000

THANK YOU

