

FTC Hearing on the Evolving IP Marketplace
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The IP Marketplace Players

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Alan Greenspan on IP

*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

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">• Land	<ul style="list-style-type: none">• Land• Labor• Capital	<ul style="list-style-type: none">• Intellectual Property• Capital





IP



Some Facts

“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

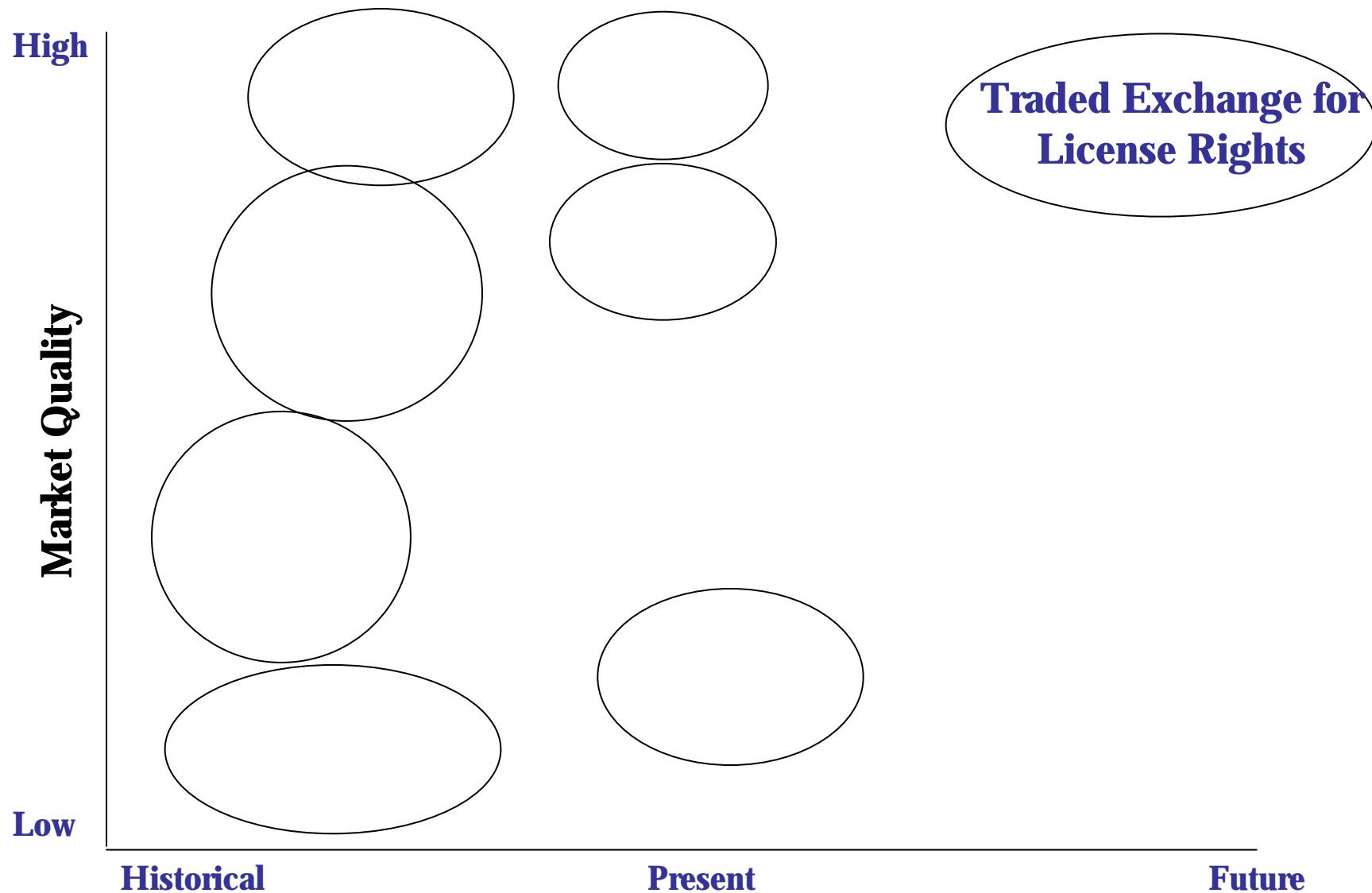
U.S. IP settlements and judgments totaled US\$3.4B in 2006

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



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.

<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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