

A pragmatic review

Issue **3**

The background of the lower half of the cover is an abstract, vibrant composition of organic, flowing shapes. The colors transition from deep blue on the left to bright red on the right, with various shades of purple and magenta in between. The shapes resemble coral, seaweed, or perhaps a microscopic view of cells, creating a sense of movement and growth.

Partnering
for
Growth



OVERVIEW

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IP Pragmatics is a management consultancy specialising in scientific technologies and intellectual property since 2000. The company is headquartered in London with offices in Scotland and Australia. We also have strategic partners in Japan and North America.

Our clients include universities, research institutes, SMEs, large enterprise and public sector organisations in over 20 countries.

We combine industry experience with a practical approach to progress product and service-based opportunities at any stage in their lifecycle.

Partners



Wellspring

Based in Chicago, Wellspring Worldwide Inc is the global leader in technology transfer and technology scouting software. More than 500 organisations worldwide rely on Wellspring to manage the identification, evaluation, and acquisition of technologies, partners, and investments. Wellspring software supports the entire innovation process, from defining strategic areas of interest to investigating opportunities to commercialising results.

Following an initial agreement in April 2017, IP Pragmatics, IPRIS and Wellspring announced, in January 2018, the ability for the IPRIS renewals portal and service to integrate with Wellspring's tech transfer software for universities and IP management software for companies.

In parallel, IP Pragmatics has also partnered and will represent Wellspring as a direct channel partner in the UK, Ireland, Australia and New Zealand, to promote, offer and support Wellspring software to interested parties in these respective markets.



Japan IP

Japan IP Network Co Ltd provides a gateway to the Japanese market for overseas companies requiring expertise in the areas of intellectual property and technology transfer.

We have worked with Japan IP Network since 2005 on multiple projects, helping Japanese clients access European and other global markets, and helping our clients access the Japanese market.

IPRIS

IPRIS AG

In 2005, IP Pragmatics formed a marketing partnership with IPRIS AG, a Swiss intellectual property rights renewals company. Since then, we have successfully brought their unique renewals services to SMEs, universities, research institutes and IP firms worldwide.

GENERATING IMPACT

We work with universities, research institutes and government research departments to support IP commercialisation and knowledge exchange, helping them to build new partnerships with industry and create impact from their research. Our expertise and services span the full impact generation cycle.

1 Policy and Strategy

Support to universities and research institutes to benchmark and update KE policies and approaches to income generation; IP & Impact training for academics and KEC staff; Undertaking sector reviews for governments, funding bodies and public sector organisations of knowledge transfer policies, interventions and approaches to IP commercialisation.

2 IP Audits and Disclosure Mining

Using our IP analytical skills and industry knowledge to audit individual departments, schools and cross university capabilities, identifying and prioritising new opportunities to create impact; Initial Freedom to Operate investigation.

3 Intellectual Property Management

Providing services and software systems to help clients more efficiently manage their IP assets, saving internal resources and reducing external spending on patent and trademark renewal costs.

4 Market Assessment and Route to Market









Helping inventors and KE offices to understand the market opportunity for their technologies through primary and secondary research, exploiting our deep sector knowledge, industry contacts, patent landscaping tools and market research resources; Access to translational funding.

5 Collaboration, Commercialisation and Partnering

Supporting clients to identify partners, negotiate and complete R&D collaborations, licensing and other IP related deals through marketing, valuations, term sheet and agreement drafting; Spin-out business planning.

UNIVERSITIES AND PUBLIC SECTOR

OUR SERVICES

-  Market Assessment
-  Partnering
-  Policy and Strategy
-  IPRIS IP Renewals
-  IP Audit
-  Patent Landscaping
-  IP Valuation
-  Tech Transfer Software Partnership

SMES AND LARGE CORPORATES









1

REVENUE

GROWTH

Companies large and small realise the importance of intangible assets in creating value for their shareholders. We work with companies of all sizes globally to help them maximise the value of their IP assets, from strategy advice through to deal making support. Our services are underpinned by a pragmatic combination of rigorous analytical skills and commercial acumen.

OUR SERVICES

-  Market Assessment
-  Partnering
-  Policy and Strategy
-  IPRIS IP Renewals
-  IP Audit
-  Patent Landscaping
-  IP Valuation
-  Tech Transfer Software Partnership

3

2

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5



MARKET ASSESSMENT

Annually, we carry out more than 100 separate market research projects across different technology types, sectors and stages of development; these range from idea stage and proof of concept through to products already successfully commercialised and seeking new markets. We maintain subscriptions to many industry leading market research databases and use these secondary sources to rapidly assimilate and compile market overviews to frame our market research projects. We routinely undertake primary research using our global networks of key opinion leaders and industry insiders to ensure our clients have the most up to date and insightful market intelligence. Where appropriate we will use surveys and other online tools alongside direct interviews.

CASE STUDY 1

Client:
Imperial College London

Client Type:
University

Technology:
Educational software

Background:
A research team has developed a suite of software tools, games and apps which are based on the team's expertise in protein modelling and docking, and cover a wide range of potential industries and applications, such as education, gaming and professional use by researchers. IP Pragmatics was commissioned (using BBSRC Pathfinder funding) to perform a comprehensive market analysis and identify key technical milestones required to develop the commercial propositions for the different tools.

Approach:
We evaluated the size and structure of the educational technology and research software markets and the feasible commercialisation options. An extensive list of potential industry partners was compiled based on our market research and engaged for direct industry feedback.

Result:
Our non-confidential industry discussions led to invaluable feedback on development requirements and several expressions of licensing interest from U.S. and U.K.-based educational companies. Our report also provided a clear framework and timelines for the routes to market, and actionable development milestones for the software products. Based on the outcomes of our Pathfinder report, the research team subsequently secured a BBSRC Follow-on-Fund grant which has allowed further development of the protein modelling and docking tools to enable their widest possible market uptake and impact.

Read more:
<http://www.bioblox.org/>
<http://www.sbg.bio.ic.ac.uk/ezmol/>

CASE STUDY 2

Client:
GreenSeas Resources Limited

Client Type:
SME

Technology:
Seaweed farming

Background:
GreenSeas Resources Ltd is a recently established company which intends to become a leading European handler of seaweed, associated products

and applications. It is harvesting wild seaweed stocks and the company wishes to develop multiple income streams from the seaweed. The company required a greater understanding of the market potential for applications in biotechnology/biorefining (to produce seaweed extracts) and bioenergy (through anaerobic digestion, or biomass for biofuels).

Approach:
We used a range of free and proprietary market reports to provide an overview of the market size, trends, drivers, geographical segmentation and competitors for commercial seaweed farming in the context of biotechnology and bioenergy. A list of key opinion leaders, potential industry partners and customers was compiled and, using our industrial networks, approached for direct feedback.

Result:
Our primary and secondary market analysis helped identify the most promising business opportunities – and risks – for GreenSeas within the biotechnology/biorefining and bioenergy industries. Our discussion with key industry partners also identified opportunities for collaboration/partnering with companies across the seaweed supply chain. This helped us identify the most viable business models and development requirements, which have been used by GreenSeas to help shape the strategic plans of the seaweed farm.

CASE STUDY 3

Client:
Rothamsted Research

Client Type:
Research Institution

Technology:
Food testing

Background:
Researchers identified a strong relationship between the levels of free amino acid asparagine in grain and the subsequent acrylamide levels in food processed. As part of a BBSRC LINK-funded project, Rothamsted evaluated improved methodologies for undertaking rapid, low-cost asparagine testing in food matrices to be deployed as a commercial test service for breeders, millers and food manufacturers. IP Pragmatics was tasked with conducting a comprehensive market analysis that would inform the commercial viability of the project and identify key requirements for the service.

Approach:
We first looked into the ramifications of high acrylamide levels and its economic impact across the food supply chain. We then benchmarked Rothamsted's technology against the competition and approached a list of potential industrial partners to gauge market interest. Finally, we sized the market opportunity and carried out a cash flow forecast to identify the number of tests that needed to be sold to support a viable business case.

Result:
Based on our analysis and recommendations, an independent start-up company was launched under the name of Curtis Analytics Ltd, renting lab space from the Rothamsted Centre for Research and Enterprise (RoCRE). The company has enjoyed great success and has established collaborations with several of the companies originally identified by IP Pragmatics' research. We have since gone on to work with Curtis Analytics to support new business areas with further market research.



PARTNERING

We work with companies globally to assist with in- and out-licensing of core and non-core IP assets on a per project or retained basis that enables us to support internal business development resources.

For universities and public sector research organisations, our analytical strengths and hands-on partnering support help to identify and engage with potential licensees, identify partners to support joint funding applications and negotiate deal terms along with the supporting legal agreements.

CASE STUDY 1

Client:
Kaneka Corporation
Client Type:
Large corporate
Technology:
Agritech

Background:
The Japan-based chemical manufacturer has developed a short and simplified method for plant transformation which would make the development of gene editing traits significantly faster. Kaneka believes that the technology can be applied in several different commercial varieties of cereal crops and could potentially be used to generate revenue for the company. IP Pragmatics was recruited to help identify potential licensees for the technology and/or partners for co-development of the technology.

Approach:
After quantifying the market opportunity and evaluating all potential applications of the technology, we compiled a non-confidential marketing package and an extensive list of potential partners and licensees. Leveraging our existing network of contacts, we reached out to these organisations to gauge their interest in the

technology and explore any opportunities for a collaboration.

Result:
Non-confidential industry discussions identified potential licensees and key technical milestones that needed to be achieved prior to licensing. Kaneka carried out the necessary experiments and, based on these results, has engaged with multiple international partners in licensing discussions which have progressed to the material exchange and evaluation stage. IP Pragmatics is assisting with the licensing negotiations and with drafting the agreement.

CASE STUDY 2

Client:
Biopharma Manufacturing Company
Client Type:
SME
Technology:
Biomanufacturing tools

Background:
The company developed a real-time, in situ sensor that monitors the metabolic activity of mammalian cell lines within bioreactors, therefore enhancing the manufacture of biological therapeutics. After initial sales of the base unit, IP Pragmatics was commissioned to evaluate the value proposition and potential for a services model (rather than product

sales), in order to maximise the benefits of the sensor to biological therapeutics manufacturers that wish to optimise upstream process development and improve yields.

Approach:
IP Pragmatics worked with the company's Board on a monthly basis to evaluate and inform the proposed services model and opportunity. Over a period of 6-months, IPP approached and facilitated meetings with Senior Management at leading CMOs in the US, UK and Europe to pitch the services-based opportunity, seek industry feedback and gauge interest.

Result:
Our industry discussions with CMOs, CDMOs and biopharma companies led to invaluable feedback, identified prospective customers and informed the Board's investment strategy, marketing and delivery of the services-based model.

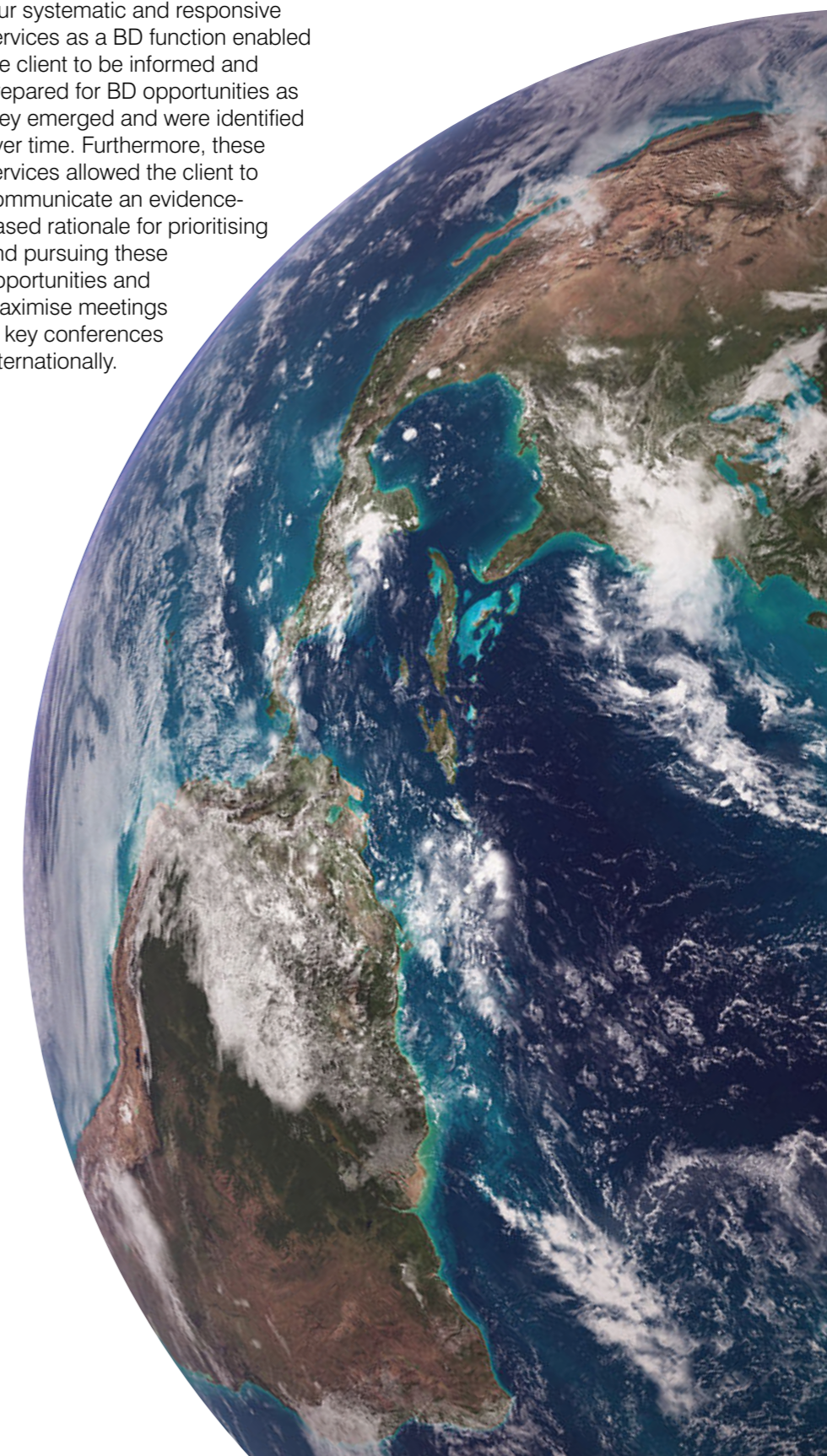
CASE STUDY 3

Client:
NASDAQ-Listed Company
Client Type:
SME
Technology:
Gene therapy

Background:
IP Pragmatics was commissioned to act as an outsourced business development (BD) function for over a year to support the Chief Business Officer (CBO) inform its pipeline development, go-to-market and partnering decisions for a clinical-stage gene therapy platform technology which offers lots of potential applications.

Approach:
Through several projects supporting the pipeline assets and other discrete opportunities, we leveraged our geographic presence and networks in the UK, Europe and US as well as our information resources to offer market and industry insights to the CBO and Management Team, in a timely manner. Support activities included competitive intelligence, deal benchmarking, initial partnering support, end-user feedback on proposed target product profile(s) and opportunity valuations.

Result:
Our systematic and responsive services as a BD function enabled the client to be informed and prepared for BD opportunities as they emerged and were identified over time. Furthermore, these services allowed the client to communicate an evidence-based rationale for prioritising and pursuing these opportunities and maximise meetings at key conferences internationally.





POLICY AND STRATEGY

Alongside our work supporting specific commercialisation projects, we have also helped organisations to develop their strategy to identify, assess, manage and commercialise their IP. This is supported by our bespoke training courses covering IP, commercialisation and entrepreneurship.

We have experience of working with research organisations across the UK, Europe and globally, and have first-hand experience of their different drivers. We are active members of university knowledge transfer organisations in the UK, US and Australasia, contributing to the wider debates within the sector as to how best to address the challenges of the changing environment.

CASE STUDY 1

Client: Anglia Ruskin University
Client Type: University

Background: Anglia Ruskin University (ARU) has aspirations to increase knowledge exchange activity, specifically commercialisation (KEC), as part of their strategy to build research capacity across the University. The University engaged IP Pragmatics to work with their Research and Innovation Development Office to develop a coherent programme of policy, support structures and interventions for knowledge exchange.

Approach: We helped ARU to embed KEC activities across the university. This involved reviewing and updating its policies, guidance materials, procedures, support mechanisms and staff training. As part of this work we undertook a benchmarking of similar universities that ARU considered as their

peers and competitors to review their approaches and their policies when compared to those used at ARU. In particular, we looked at their IP policies, attitude to student ownership of IP, rewards to inventors schemes, and approach to academic consultancy.

Result: Evidence of the different approaches and successes that these other universities were achieving was the impetus for the recommendation of significant changes in ARU's approach. Following consultation at all levels within the University these changes have now been ratified. IP Pragmatics then supported the roll out of the new policy, through updating of their detailed guidance documents and procedures, design of intranet support material, and roll out of a training program for academic and support staff.



We have also been fortunate to lead a number of public sector funded reviews across different aspects of the knowledge exchange landscape, examining topics such as proof-of-concept funding, tools to smooth industry-academic collaboration, and evaluation and benchmarking of university knowledge exchange activity. As experienced practitioners we believe we bring a practical and pragmatic perspective to these assessments.

CASE STUDY 2

Client: Knowledge Transfer Ireland
Client Type: Government

Background: The Higher Education Authority (HEA) and Knowledge Transfer Ireland (KTI) commissioned a report from IP Pragmatics' Review of Intellectual Property Management and Conflicts of Interest, which provides a framework for the strengthening of IP policies and procedures in higher education in Ireland.

The system that supports commercialisation of Irish institutions' intellectual property has evolved rapidly over a short time, underpinned by the national Policy for Research Commercialisation, which was published in 2012. IP Pragmatics undertook a review which examined IP-related policies, their implementation, and the management of potential conflicts of interest. This concluded that the higher education institutions have demonstrated good practice, particularly in the management of IP commercialisation, and also identified some areas for improvement.

Approach: Commencing in 2017, the Review covered 22 higher education institutions in Ireland: 7 Universities, 14 Institutes of Technology, and one specialist College. Our methodology included analysis of relevant institutional policies, a questionnaire completed by Technology-Transfer Officers and research managers, and in-depth interviews.

Result: The Review made ten recommendations, primarily in relation to conflicts of interest and spin-out companies.

The process of implementing these recommendations has already commenced with the aim of strengthening IP policies and procedures.

You can read the full report at: www.knowledgetransferireland.com/About_KTI/Reports-Publications/Review-of-IP-Management-and-Conflicts-of-Interest.pdf

CASE STUDY 3

Client: HEFCE (now Research England)
Client Type: Government

Background: Knowledge Exchange (KE) covers a wide range of different types of activities between universities and external businesses, charities and other organisations to deliver societal and economic benefits. Research England is developing a Knowledge Exchange Framework (KEF) for universities to assess their performance and identify examples of good practice in KE. As part of the development of this work, IP Pragmatics was appointed to carry out a small-scale expert study to look at tools for benchmarking within the KE framework, and to test key areas in development of a set of practical and useful metrics.

Approach: Current approaches, for example using the HE-BCI survey, often use a straightforward ranking approach. However, we found that it was more helpful to normalise the data through various methods such as accounting for the number of academics or the level of research in a particular university. We identified a number of challenges, not least in identifying the right comparator groups that share similar underlying characteristics such as size, research mix and

location, and can be used to provide realistic but challenging targets for improvement.

Result: We proposed a handful of benchmarking indicators for further investigation which might be feasible and useful to the KE community, and which together cover several different aspects of KE activity. More recently in October 2017, the then minister for Universities Jo Johnson asked HEFCE (and now Research England) to develop a new KE Framework, Research England therefore revisited our proposals during the development of this new framework. Formal proposals for the KEF metrics exercise were published for consultation early in 2019.

Read the full report of our study at: www.ip-pragmatics.com/media/1005/2016/kebenchmarking.pdf

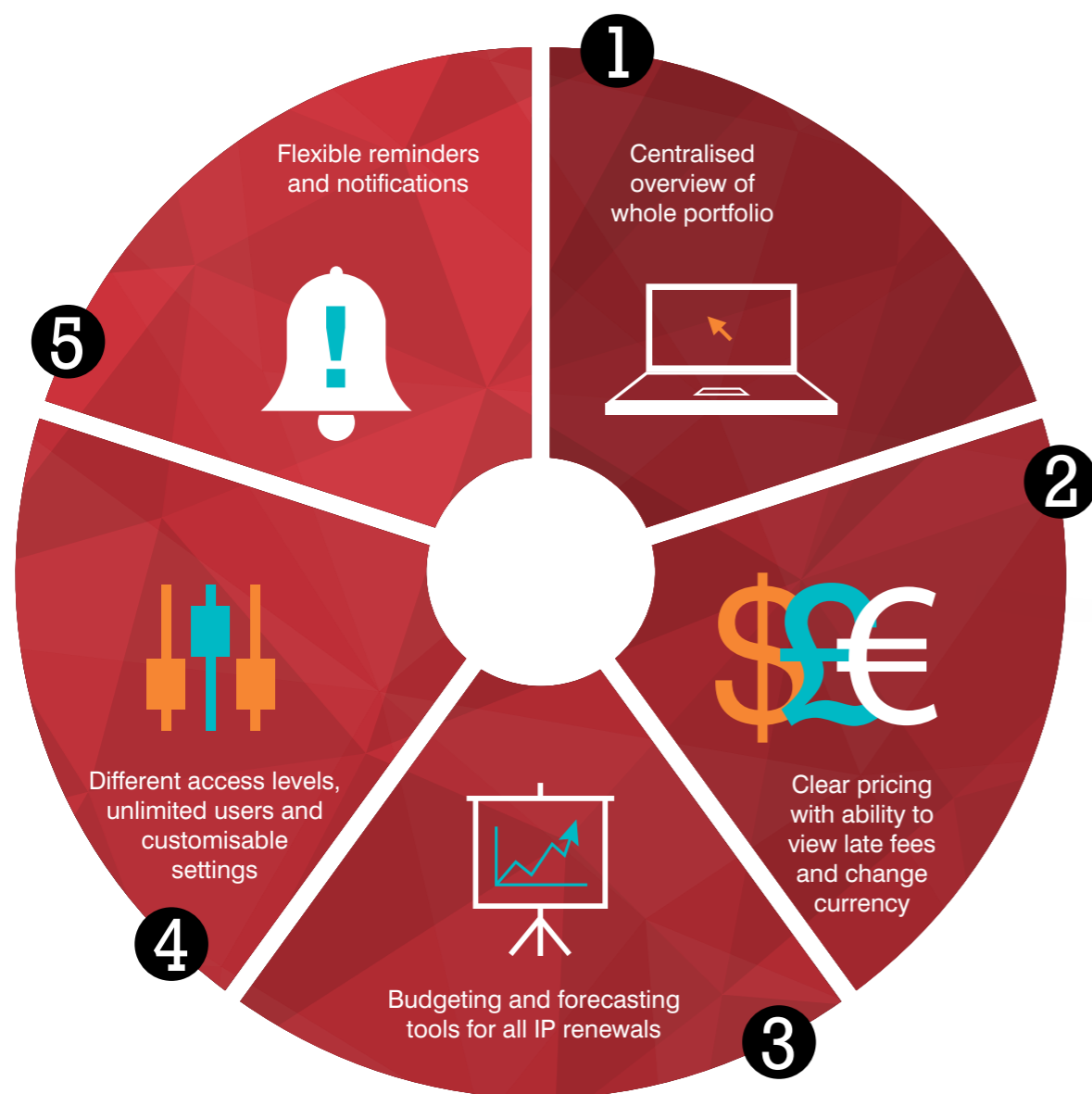


IPRIS IP RENEWAL SOLUTIONS

IPRIS is a user-friendly online renewals portal underpinned by a responsive and experienced formalities and customer support team. IPRIS serves over 150 clients in Europe, North America and Australasia and is recognized as a top-tier intellectual property renewals service provider globally. IPRIS offers a high quality, responsive service with unlimited support and training. Clients can access this service through two solutions:

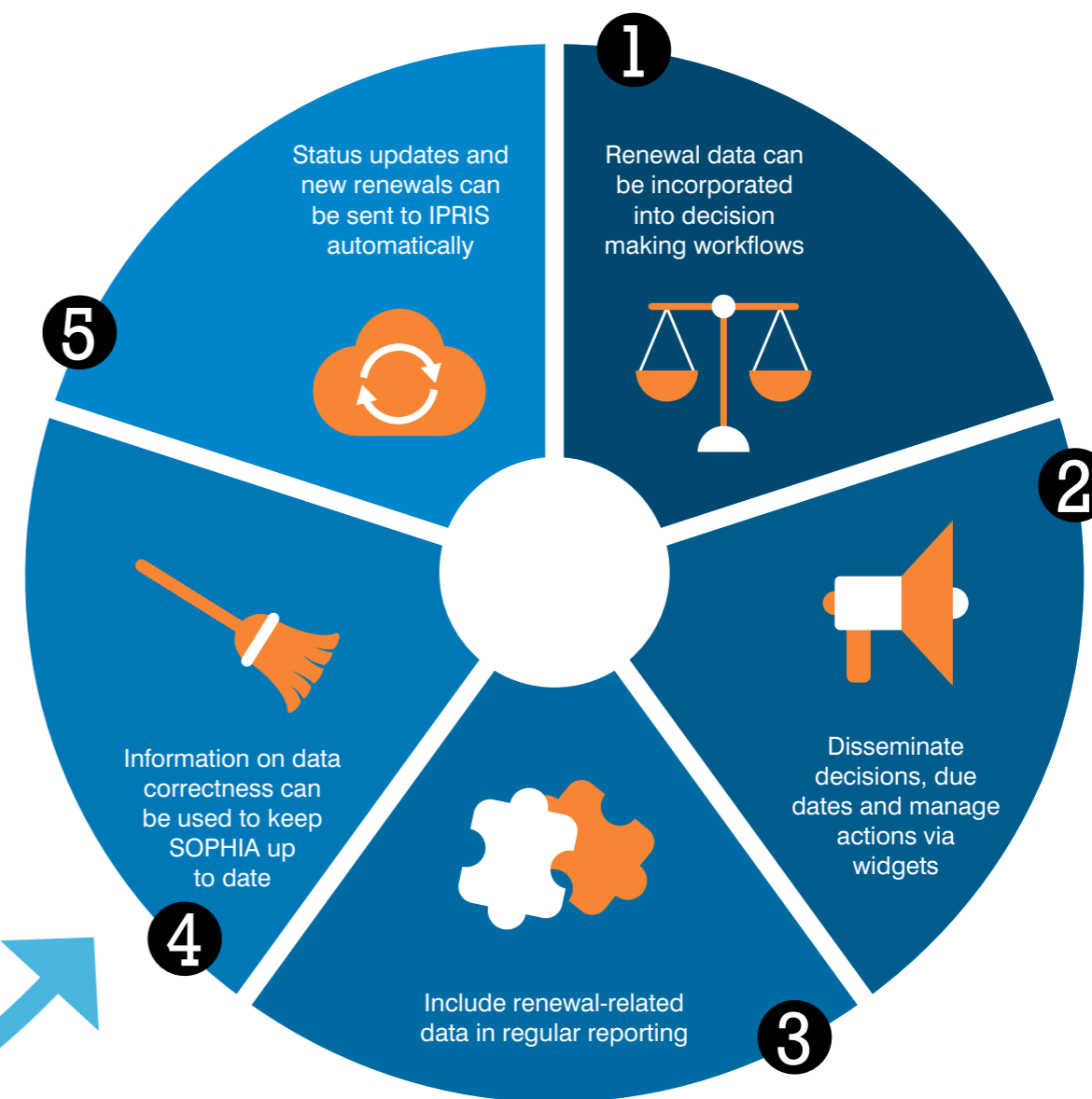
1 Standalone system

The standalone solution has been used by our clients for over a decade and undergoes regular client-driven updates. It can be used in combination with other IP management software or in lieu of a management system in certain circumstances.



2 Wellspring Plugin

IPRIS has also developed a plugin for Wellspring's IP Management software which enables SOPHIA users to manage all their IP renewal data via one database as well as receive live renewal costs, due dates and comments from IPRIS within SOPHIA.



Wellspring Worldwide Inc. is a market leader in IP management and technology transfer software. Its software solution, SOPHIA, is used by universities, research institutes and innovative companies globally. IP Pragmatics now represents Wellspring as a direct marketing partner in the UK, Ireland, Netherlands, Australia and New Zealand.

SOPHIA is a secure, modular, web-based software which comprises over 30 modules covering IP lifecycle management, licensing and partnering agreements and business development and reporting. Wellspring's partnerships and modules create the ability to integrate with other systems.



AUDIT

We work extensively with businesses and academic organisations across different technology sectors to carry out a wide range of intellectual property audits, each tailored to the needs of the individual organisation or commercial activity. As IP practitioners and deal makers we have direct and first-hand experience of the issues and challenges surrounding the management and commercialisation of IP via licensing and company formation.

Our audits cover all forms of IP and know how. Projects range from working with young research-intensive SMEs who recognise the importance of IP assets and wish to develop or improve their IP strategy and IP management to support business growth; undertaking audits for university schools/faculties to identify further opportunities for knowledge exchange, commercialisation and research impact; through to engaging with established organisations for whom an independent assessment of their IP strategy is the key objective.

CASE STUDY 1

Client Type:
SMEs and NewCos

Technologies:
All sectors, incl.
Human health, Animal health, Software & IT platforms, Oil & gas

Background:

The UKIPO IP Audits Scheme is aimed at innovative SMEs, who are supported by Scottish Enterprise, Highlands & Islands Enterprise, Welsh Government or the Enterprise Europe Network programme. We carry out numerous audits under the scheme which enables businesses to receive guidance and support in relation to their IP assets, with the aim of incorporating IP strategy into their wider business strategy.

Recent projects have covered seaweed production, games-based learning, electronic point-of-sale

technology, health monitoring platforms for the dairy industry, natural gas and oil and cancer screening.

Approach:

We meet the company to understand their objectives for undertaking the audit and core/potential IP. The issues covered can vary but usually include patents, trade marks, design rights, copyright, and confidential know-how. We use our database resources to search and analyse the IP pertinent to the business.

Result:

Clients receive a detailed report incorporating an audit of core IP underpinning their business, potential IP threats identified and specific recommendations to improve IP management practices and strategy. These provide a better understanding of associated IP risks and recommendations for mitigating them. Reports may also identify opportunities for generating additional value from existing IP, e.g. potential partners for certain technologies.

CASE STUDY 2

Client:
Genomics England Limited

Client Type:
Research Institute

Technology:
Whole genome sequencing

Background:

Established to lead the 100,000 Genomes Project, Genomics England (GE) is delivering whole genome sequences and associated data to support patient care and research. As part of its evolution into a service provider for the NHS, as well as a research resource for academia and industry, GE needed to gain a clear understanding of its IP assets so that it could manage and develop them appropriately.

Approach:

We carried out an IP audit to help verify the extent and ownership of the IP within its business, and to inform the development of an IP management and commercialisation strategy. The audit was carried out by directed interviews with key team

members across the organisation coupled with analysis of related contracts and agreements.

Result:

Our audit established the IP held within the organisation. For each of the identified IP assets, we considered any ownership issues, and assessed which might be suitable for commercial exploitation. We also developed a high-level action plan that sets out the steps needed to safeguard its IP and begin commercial exploitation of its IP assets. These recommendations are now being taken forward as GE enters the next phase of its development.

CASE STUDY 3

Client:
The University of Liverpool, School of Environmental Sciences

Client Type:
University

Technology:
Cleantech

Background:

Historically, the School of Environmental Sciences (SOES) at the University of Liverpool had a relatively low level of knowledge exchange and commercialisation (KEC) activity, but was keen to maximise the impact of its research.

The school covers research in a number of related areas across earth, ocean and ecological sciences as well as geography and planning, and is part of some cross-disciplinary centres and projects, such as the Centre for Global Eco-Innovation.

Approach:

We carried out an audit of the potential opportunities arising from the research within the school, to understand their potential, but also to identify any issues and problems that may be preventing a higher level of academic engagement. The audit looked at both the commercial attractiveness and commercialisation potential of its current research, facilities and services, but also considered wider Impact potential, for example through policy and public engagement. We also looked at current and past interactions with industry, to identify areas where research collaboration relationships could be extended or renewed.

Result:

The audit identified a number of potential opportunities for commercial, social, policy and public engagement impact from the research in the School. These are at different stages of development, and we also outlined the next steps needed to progress these projects.

Having audited the overall situation, we recommended priority areas to focus on, and ways to increase the interactions, and discussed these recommendations with senior members of the School, Business Gateway and the University. These recommendations are now being incorporated by the School in its revised KEC approach.



PATENT LANDSCAPING

Patent documents provide a valuable source of commercially relevant information though this data is difficult to decipher and distil into actionable points. Our qualified IP professionals specialise in conducting patent landscaping as a means to visualise and gauge the extent of patent activity in a particular technology area. Our experience covers everything from gene editing and graphene through to cattle fertility, aerospace structures and smart meters. The outputs of our reports are used for competitive intelligence, freedom to operate, technology scouting and to inform IP/development strategy.

CASE STUDY 1

Client:
Aerospace Technology Institute

Client Type:
Government

Technology:
Aerospace

progression of company portfolios, filing strategies and specific technology areas. Targeted datasets were created to investigate ATI's specific hypotheses on the UK aerospace sector. A series of citation analyses and in-depth reviews were carried out to identify case studies for spill over, both into and out of, the aerospace industry.

Result:
Conclusions were formulated for the set of hypotheses based on trends correlating with major aerospace-related events. The study also revealed unexpected trends in the newer technologies being developed by the UK aerospace industry and the patent strategies of the companies involved. ATI were able to conduct further analysis on the datasets and figures generated during the study as a result of a customised output format. Overall, the study helped shape ATI's strategic engagement with the aerospace companies and will form the basis of a publication.

Background:

The Aerospace Technology Institute (ATI) commissioned IP Pragmatics to create and frame a dataset of patents filed by the UK aerospace sector in order to understand and characterise the broad trends in patent filing by UK aerospace companies and determine the spill over benefits (e.g. to automotive, defence and renewable energy sectors) of R&D investments.

Approach:

Broad datasets from multiple searches were combined and analysed to map trends over time and reveal the

CASE STUDY 2

Client:
World leading chemical company

Client Type:
Large Corporate

Technology:
Agritech, Cleantech

Background:

Following unsatisfactory outputs from other service providers, a world leading chemical company established a close relationship with IP Pragmatics to be their go-to provider for a range of IP analytical services including scoping out new business areas being considered and supplying ongoing intelligence across core business units.

Approach:

Working closely with the in-house patent team and relevant academics within each business unit, we draft search strategies using a combination of keywords and International Patent Classification codes. These strategies accurately capture patents in the technology area of interest and are used for both patent landscape analysis and regular patent watches. Once the in-house team has reviewed the search results, sub-searches are used to identify the most relevant patents. Along with patent activity trends, these patents are highlighted in reports which include exports of the patent datasets for the client to reference at a later date.

Result:

Through the IP landscaping reports, the company has a better understanding of the scope of competitor portfolios as well as high-level trends of core technology areas such as patenting activity over time, geographical strategy and key applications. This allows the company to remain fully informed before entering a new market and understanding changes within existing areas of operation. The in-depth analysis is used to assess scope of patentability and potential freedom to operate issues.

WHITE PAPERS

IP Pragmatics' white papers demonstrate how patent landscaping is used to give an overview of technologies across a range of sectors.

Recent white papers look at gene editing, exploiting the microbiome and artificial intelligence in life sciences.

Copies of the full white papers can be found on the IP Pragmatics website:

www.ip-pragmatics.com



IP VALUATION

IP valuation requires an understanding of both the scope of the IP and the business sectors in which it could be exploited. Our team have experience in investment management, and in- and out-licensing. We undertake financial valuations for all types of IP (including patents, design rights, trademarks, copyright, software, trade secrets and know-how), and span early-stage research through to businesses with established income streams.

Typically, our valuations use a combination of a number of industry accepted methods: income based, market based and cost-based approaches. We also incorporate elements of our other services to assess the opportunities and competition, understand the market and surrounding IP landscape, and bring specific commercial intelligence of the relevant market sector. Subscriptions to market research and deal databases allow us to efficiently compile raw data which informs assumptions underlying our valuation calculations.

CASE STUDY 1

Client:
Institute of Cancer Research and others

Client Type:
Research institutes and Universities

Technology:
Drug development

Background:

IP royalty stream monetisation grants an upfront payment of cash in exchange for the entitlement to receive future royalties. A key requirement for monetisation transactions is that the royalty stream must be sufficiently large and time-stable to justify the risks involved.

We have conducted a number of pharmaceutical product valuations for academic institutions approached by funds specialising in royalty monetisation. One such valuation was requested by ICR who wished to explore selling part of its royalties due from sales of abiraterone/Zytiga, a blockbuster drug it discovered.

Approach:

To value future income streams, we work to identify key factors that impact on future sales, including:

- relative success of product against closest rivals
- market share in different markets
- strength of patents
- data exclusivity

Various different scenarios are modelled and advice is provided on the net present value (NPV) of the royalty streams (which can be total or partial).

Result:

Our valuation enabled the successful sale of a portion of ICR's royalty entitlement to Drug Royalty III, a private equity fund managed by DRI Capital. The deal gave ICR access to funds that would have otherwise accrued over several years, allowing it to invest in its research and facilities and reducing the uncertainty over the level of future royalty payments.

CASE STUDY 2

Client:
SMEs and NewCos

Technologies:
All sectors, incl. Medical devices, Animal health, Software & IT platforms, Oil & gas

Background:

As part of the UKIPO IP Audits Scheme for SMEs, we can undertake IP valuations alongside the audits. Motivations for these include planning for a next phase of fund raising or a need to understand value inflection points in relation to deal terms. Recent project sectors include software programmes, business processes for healthcare commissioning, medical devices, SaaS platforms, digital marketing solutions and oil & gas.

Approach:

We work closely with the company to understand the IP it holds and the cash flow projections for the products/services enabled by the IP. Combining market intelligence from our research, IP audit and analysis, we generate information that can be used to inform an arms-length fair market valuation.

We use a combination of industry accepted valuation models, depending on the nature of the IP being valued:

- Income approach – or risk adjusted net present value (rNPV)
- Market approach – which draws on valuations for comparable products/services
- Cost approach – the cost to develop or obtain another asset of similar use and quality

Result:

Clients receive a detailed report setting out the IP position, its value and underlying assumptions, and recommendations for licence pricing if relevant.

CASE STUDY 3

Client:
OxSonics Limited

Client Type:
SME

Technologies:
Medical devices, Drug delivery

Background:

OxSonics is developing and commercialising ground-breaking therapeutic ultrasound advancements made at the University of Oxford. Application of the technology has been demonstrated in two distinct fields: delivery of drugs into solid

tumours and as a novel minimally-invasive incision-free alternative to spinal fusion. A separate company, OrthoSon, was formed to exploit the second application and as part of this restructuring, OxSonics required an independent third party valuation of intangible and tangible assets being transferred to the new company.

Approach:

To provide a robust valuation for structuring the agreement and associated payments between the two companies, separate valuations were carried out using the three accepted valuation methods: cost-based, market-based and income-based. The latter required us to use our market research skills to access the relative market sizes for the two businesses and to then model future income streams.

Result:

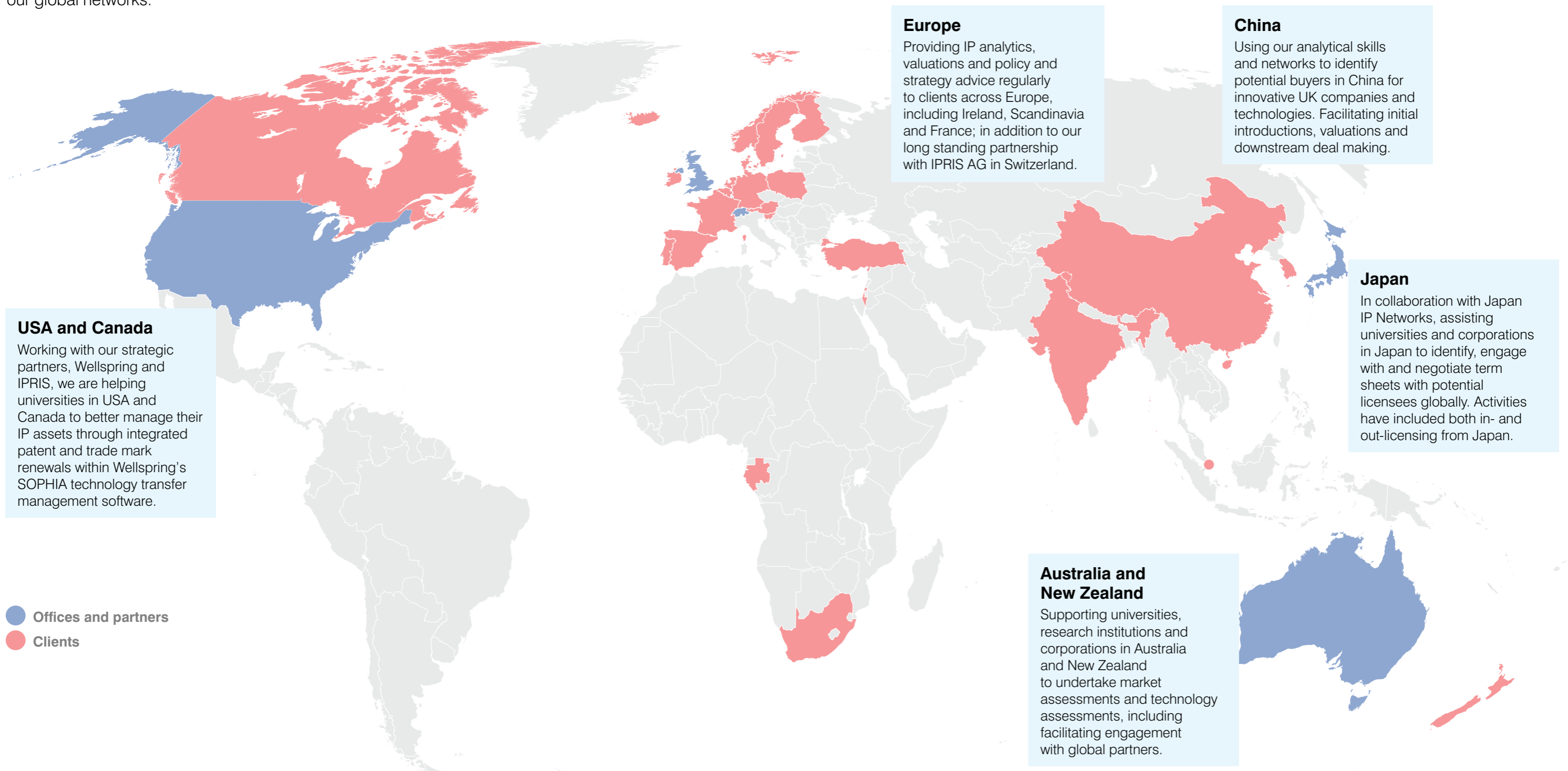
We were able to provide a valuation that OxSonics could use with its shareholders and investors to structure the associated payments with OrthoSon.



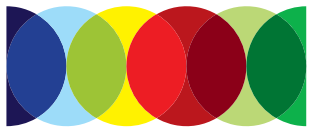
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