

IP VALUATION



DISPUTE RESOLUTION - PURCHASE OF SHARE OF PATENT

Joint ownership of patents can lead to problems. Different owners may have very different aspirations regarding the exploitation of the IP. Our client’s corporate growth was being held back due to a dispute over patent ownership. The client company’s founder and an ex-colleague were the co-owners of the disputed patent property. After 4 years of negotiation no resolution had been reached. The dispute was causing concerns for would-be investors interested in joining an imminent funding round. We were engaged to provide an independent valuation of the patent under dispute so that our client could make a qualified offer to buy out the other co-owner.

We approached the valuation exercise on the basis that IP value is predicated on the value of the commercial opportunity that it supports in the market. We also had to make allowances for the fact that our client had added value through developing a prototype product whereas the co-owner had not. The valuation we provided reflected these factors as well as taking account of the scope of the patents and patent applications, the strength of the patent claims, the territorial coverage, and the remaining lifetime of the IP, amongst other parameters.

Following this exercise, and based on our recommended valuation, our client was able to resolve the issue, buying out the co-owner’s share of the disputed patent property. Unshackled from this dispute, our client subsequently completed a successful funding round.



CASE STUDY NOTES

Co-ownership sounds equitable but a lot can change between filing for and being granted a patent. This project required impeccable reasoning as well as cogent analysis to arrive at a rationale for the relative value positions and a figure the parties could agree upon.

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