

IP VALUATION



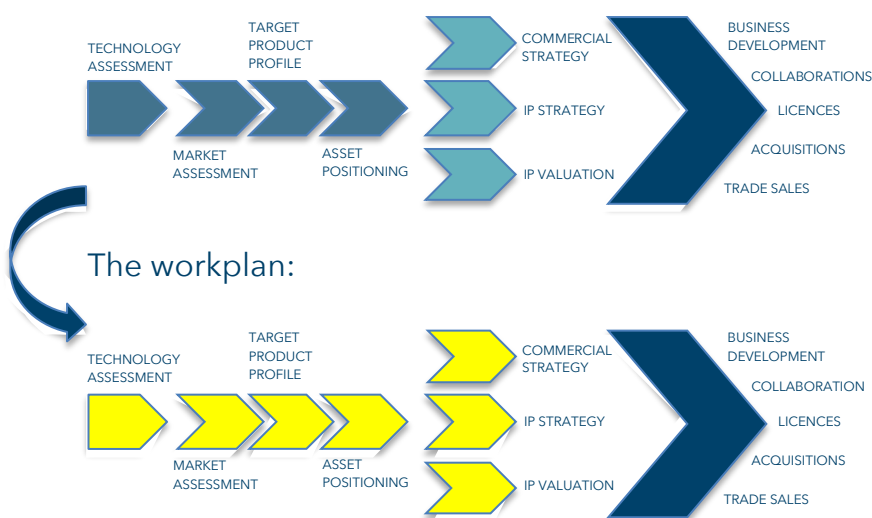
HOSPITAL DISINFECTANT PATENTS PORTFOLIO

Our client was at the advanced stages of testing of a potent new formulation for a disinfectant product, optimised for use in hospitals. In the lead up to a funding round they engaged us to carry out a valuation of their intellectual property (mainly patents and patent applications) to support their presentations to potential investors.

There were two challenges to meet. The first was that the hospital disinfectant was only one industrial application out of many potential applications disclosed in the client’s patent position. This required us to put a weighting on the relative value of this use of the invention disclosed in the patents. The second was that the patent prosecution was still at a relatively early stage so most of the IP estate was composed of pending patent applications.

A straight valuation of the IP as it then stood would not have been particularly informative: investors would want to gauge how the value of their investment would likely grow over time. Instead, we provided the initial valuation as a baseline (reflecting the then “current” position) and extended it with several 3-year models to demonstrate how the value could grow based a variety of reasonable assumptions and different scenarios. This recognised the significant impact having granted claims would have on the IP valuation. It also underscored the dynamic nature of IP value which can be influenced profoundly by factors outside the owner’s control.

Our client was able successfully to navigate the funding round and secured investment, based in large part on their ability to articulate the value of the IP central to their business.



CASE STUDY NOTES

The value of early-stage companies is closely tied to the value of their IP. For investment purposes it is important to understand how an asset, backed by IP, may grow in value. The proprietary MIPL IP Valuation algorithms are robust but flexible enough to address different commercial scenarios.

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