

A round-up of IP-related quotes, observations and opinions from the recent past...

“What today’s auction proved is that operating entities will, under the right conditions, seek out patent owners and submit offers for patents they determine to be relevant to their business. If this process can be replicated and repeated in future auctions, the ‘traditional’ methods are simply archaic. What are those traditional methods? They included paying attorneys thousands of dollars to track down infringers, and relying on archaic, anachronistic and expensive court procedures to ascertain the value a given patent has to a given company or product.”

Patrick Anderson of the GametimeIP blog responding to the news that a covenant not to sue offered by NPE Round Rock Research had successfully been sold at the ICAP Ocean Tomo auction in New York for more than US\$35 million, 1st April 2011

“I do meetings all over the US and I always ask the question of individual inventors and small business owners: ‘how many of you care about first-to-file?’ People always reply, ‘First to what?’... Then I ask how many of them have ever been in an interference, which is the process which resolves this issue, and nobody has ever raised their hand ... If you add up everything that we uncovered ... you’re statistically more likely to get bitten by a polar bear and a grizzly bear on the same day than you are of winning the interference process as an individual inventor.”

David Kappos, director of the US Patent and Trademark Office, interviewed by IAM in London, 4th April 2011

“As things stand today, one of a company’s best defenses against this kind of litigation is (ironically) to have a formidable patent portfolio, as this helps maintain your freedom to develop new products and services. Google is a relatively young company, and although we have a growing number of patents, many of our competitors have larger portfolios given their longer histories. So after a lot of thought, we’ve decided to bid for Nortel’s patent portfolio in the company’s bankruptcy auction.”

Kent Walker, Google’s senior vice president & general counsel, announcing that the company had offered US\$900 million for the Nortel patent portfolio, 4th April 2011

“The world of IP is becoming increasingly interesting.” “There is more capital available, and more companies are looking at IP in strategic and financial ways. That is creating opportunities.”

Vincent Pluvineage, announcing his decision to leave his post as Intellectual Ventures’ head of strategic acquisitions and private equity, 5th April 2011

“One basic demand clearly stated in the plan is that we should put the progress and innovation in science and technology as an important support of transforming the economic development mode. The requirement is reflected in the field of scientific education, where it is clearly stated that the budget for research and experiment across the country should account for 2.2 percent of GDP ... The second index is the number of patent-holders per 10,000 people.”

Wa Gang, the Chinese science minister, in an interview with the *Global Times*, 8th April 2011

“Taiwan is planning to set up an intellectual property bank in light of

the constant suing of Taiwan-based companies by foreign firms for patent infringement, the Ministry of Economic Affairs (MOEA) said Sunday ... Accusing competitors of stealing patents has become a way for international companies to compete with each other these days and large-scale Taiwan-based firms have been the constant targets of foreign competitors, the MOEA said ... The intellectual property bank is scheduled to be set up in June under the supervision of Taiwan’s semi-official Industrial Technology Research Institute (ITRI). The bank will provide ‘protective shield’ for Taiwan-based firms by building patent portfolios and providing legal advice, the MOEA said.”
Report on the Focus Taiwan News Channel, 10th April 2011

“I would like to introduce a new term – Neo Trolls. It refers to corporations attacking legitimate patent sellers and licensors ... Patent sellers do not want to litigate. If they did, they would choose to license their patents – aggressively! ... Choosing sale over licence, patentees pay a great opportunity cost. Sale prices are significantly lower than the net present value of cash flows expected in a licensing/enforcement campaign. Indeed, some of that difference is due to the applied discount rate reflecting the risk of losing the assertion case; however, and more importantly, a larger part is due to the patent owner’s desire to avoid litigation. Respected hi-tech companies such as HP, Cisco, Xerox and many others with thousands of allegedly infringed patents, knowingly choose to forgo millions of dollars of revenue they could get from asserting their rights – not because they are afraid of losing, but rather because of a corporate policy of avoiding offensive patent litigation, regardless of the outcome. The same applies to universities and individuals considering monetising their patents. Being aware that business-oriented patent owners wish to avoid litigation, Neo-Trolls push sellers into litigation and thereby force them to grant them a licence or even sell them the patents at prices well below market value.”

Uzi Aloush, CEO of patent broker iLeverage, 26th April 2011

“Having IV in Europe is in itself a vote of confidence in the potential here. I believe that the fact we are in Europe will increase the size of the transactions market ... There is going to be a lot of development of the ecosystem in terms of what our partners want and what we can offer.”

Raymond Hegarty, head of Intellectual Ventures’ European operation, 29th April 2011

“Shares of RPX Corp (RPXC.O), a subscription-based service that helps companies manage patent-related risk, rose 25.7 percent in their debut on the Nasdaq on Wednesday after raising more than expected in its initial public offering ... Shares finished their first day of trading at \$23.88, above the IPO price of \$19. RPX raised about \$160.2 million in the offering, selling 8.4 million shares ... The San Francisco-based company had planned to sell 7.3 million shares for \$16 to \$18 each.”

Reuters report on the day of RPX Corp’s IPO, 4th May 2011

“The review isn’t about sacrificing the interests of Britain’s creative industries to those of Google.”

Vince Cable, the UK secretary for business, innovation and skills, responding to publication of the Hargreaves Report on IP and Growth, 19th May 2011