



AN EVALUATION OF A PATENT PORTFOLIO

June 2003

Evaluation of a patent portfolio value is of a great interest in a lot of situations like, reasonable expected fees, infringement actions, assignments ...

Below are two documents to be completed, which will help to estimate values of patents.

1 - The first table entitled "Analysis template" is a grid who contains a list of information which is needed in a first step for scaling the valuation of the patent in the second step.

Analysis template is attached in appendix 1

2 – In a second step, answer the questions put in the different categories, and compute the result obtained. The result by multiplication is between 1 and 12800. The more the obtained result is high the more is the patent valued.

An approximative royalty fee could be this result multiplied by 1000 Euros or 1000 US Dollars.



APPENDIX 1

Analysis template	
Serial number of the patents of a patent family	
Countries of the applications or patents	
State of the procedures – Patentability	
Remaining legal possibility for modifying the scope of protection	
Reference of (one) patent(s) with which this patent could be associated for a license	
Existence of already granted licenses	
Devices or processes susceptible to be covered by the patent	
Use of the patents by the patentee	
The patents cover or can cover a standard. If yes, which one?	
Opinion of the patentee about the use by third parties of this patent family <ul style="list-style-type: none">• - Proof of an use or a manufacture not authorized by the patentee• - Person at the origin of the knowledge about the use• - To confirm the proof of use, is it necessary to buy a product? What would be approximately its price?• - If a product is available, does the competence of analysis exist within the laboratories of the patentee?	

Reverse engineering is easy, average, or difficult? Could it be made by the patentee himself or by an outside organization?	
Supposed manufacturer(s) of the products covered by the patent Supposed customers of products covered by the patent Supposed suppliers of important means for manufacturing the products covered by the patent	
If no proof, or beginning of proof, is available: <ul style="list-style-type: none"> - Companies or organizations susceptible to use the patent 	
Existence of an assumption of the use of the patent or the alternative solutions. Does the patent cover : <ul style="list-style-type: none"> - a mandatory passage ? - a good solution ? - a solution among others ? 	
Opinion of the editor about the protected technique : <ul style="list-style-type: none"> - is it out of date? - or has it a future ? 	
Opinion of the inventor (if he is not an editor)	
Amount of the world market concerned by the patent	
Opinion of the editor: can the patent be subjected to an immediate license? Or in the long run?	
Is there a knowhow associated with the patent?	



APPENDIX 2

<u>Scale of valuation</u>		
Territoriality	Patent in country of the patentee	1
	European Patent	1
	American Patent	1
	Japanese Patent	1
	Total	4
Value of the invention	Unavoidable solution	5
	Good solution	3
	A solution among others	1
Direct exploitation (by the patentee itself)	Always	4
	Often	3
	Sometimes	2
	Never	1
Indirect exploitation (by other companies)	Proofs	4
	Indications	3
	Somebody could be interested	2
	Nothing	1
Maturity of the technology versus the market	Mature	4
	Mature in 2 to 4 years	2
	Immature	1
Throughout the world yearly market in US Dollars or Euros	100 millions to 1 billion (or over)	10
	1 million to 100 millions	5
	10 thousand to 1 million	2
	Below	1

Results fork (x)

between 1 and 12800