



In The Press: IP Watch Turns To Partner Charles Macedo For Comments from the Corporate IP Counsel Meeting

- *Intellectual Property Watch*, March 24, 2014

A wide variety of metrics of valuation were listed, taking both a qualitative or quantitative approach. Examples listed were: how often the patent is cited; who cited; length of claims; strength/validity of claims; priority date; geographic coverage; pendency of application; competing technologies; development stage; right to produce/sell/use; scope of areas of application; size of market; and growth in market. The moderator, Charles R. Macedo from Amster, Rothstein & Ebenstein LLP, noted that these metrics should not be over-valued, as it is the scope of the claims against the covered products, and the royalty base and royalty rate that will ultimately govern the value of the patent in question.

Practical considerations in valuation were discussed. For instance, presenters noted, value arises from the exclusionary aspects of patents. Historically, typical value comes from monetisation by the complete exclusion of competitors or licensing royalties. Value also can be extracted from sale or holding as defensive leverage. For instance, a strong patent portfolio may deter a competitor from aggressively enforcing their patents against another you, Macedo explained.

Then, after assessing the value of the technology, an assessment must be done of methods utilising the patent in the particular business. For example, it should be determined if it is prudent to sue a litigious competitor who is likely to bring a retaliatory suit. Or whether it would be more valuable to hold on to the patent for defensive cross-licensing.

Discussion was held around an assertion that “good” patents have a tougher time now than they did 10-15 years ago, and that “bad” patents may be getting more of a chance than they used to. One attorney noted the “constitutional right” in the United States for good patents to receive protection.

A key topic of discussion raised by Macedo, was a recent development in Vermont that seemingly has helped snowball efforts in Congress to stem activities of patent assertion entities or “patent trolls.”

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