

# Valuing Patents

Hoffman  
Patent Firm

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Turning patents  
into dollars

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IPTrade 2008 Convention

# How valuable is a patent?

- My view – general rule – market approach:
- What a willing buyer and a willing seller ...

... are willing to pay/get.

BUT ...

That figure can be influenced!

## Special cases

- Preexisting running royalty streams
- Product sales (impact)

# Factors that make a patent *more* valuable

## 1. Well-written claim set

- Issued claims
- Varied claim types (method, apparatus, etc.)
- Varied “targets” (commercial type to which claim is written)
- Thought given to territorial issues

## 2. Well-written specification

- Clear
- Explains even to those not “in the know”
- Alternatives
- Describes environment and context (applies to several a plus)

# Factors that make a patent *more* valuable

3. Counterparts abroad (at least preserved)
4. Continuations (pending)

BUT MOSTLY ...

...Avoid the negative factors!

# Factors that make a patent *less* valuable

## 1. Negatives related to claims

- Unnecessary extra words
- “Means plus function” format
- Lengthy or “picture” claims

## 2. Negatives related to specification

- “Must” language
- Only one embodiment/example
- Lack of context/explanation

# Factors that make a patent *less* valuable

## 3. Negatives related to prosecution

- Excessive comments
- Failure to disclose references/information

## 4. Negatives related to assertion

- Buyers don't like to buy lawsuits
- Overaggression (meetings, "demand" letters)
- Poor choice of defendant/timing/forum
- Loss of control over same (DJ actions)

# Factors that make a patent *less* valuable

## 5. Negatives related to title/license issues

- Easily done right, but can be painful to cure
- Issues can arise from coinventors (2+ institutions)
- Ownership by company/individual
- License/sublicense issues
- Lack of attention to corporate formalities
- Missed annuities/maintenance fees



# Factors relating to marketing

- Locating interested buyers
- Considering form of approach
- Calibrating the “ask”
- Encouraging competitive bidding

# Thanks for the opportunity!

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