

Emerging Markets for IP Assets

The National Academies

June 23, 2008



OCEAN TOMOTM
INTELLECTUAL CAPITAL EQUITY[®]

Revelation

$T \neq \lim(PP)$

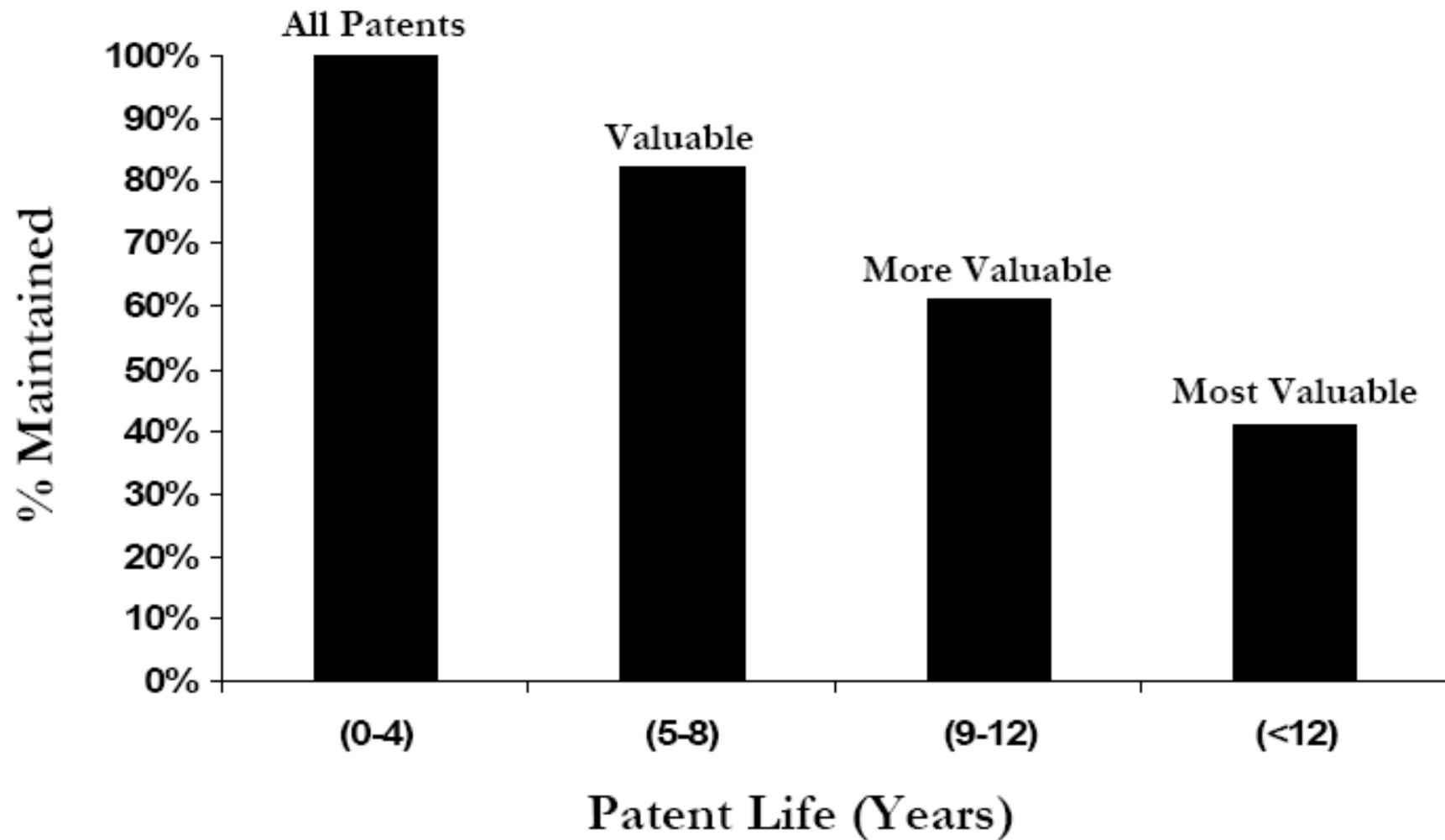
Emerging Markets

- § **Historical Markets – Patent Maintenance**
- § **Episodic Price Discovery - Public Auction**
- § **Global Micro Markets – Patent Voice Brokerage**
- § **Focused Macro Markets – IP Traded Exchange**



Patent Maintenance

Average Patent Life



Patent Scoring Reports



PATENT DUE DILIGENCE REPORT

REPORT DATE: January 11, 2006

Patent
Filing
Priority
Report
Inventor

Applicant (orig)
Assignee (cont)
Recorded
Attorney
Current Status

Field
U.S. Class/Subclass
Case Description
Intl Class / GIC

Number of Claims (Max/1st)
Number of Related U.S. Patents
Number of Related Int'l Patents
Number of Forward Citations Recd:

US5436960
5/20/1991
5/20/1991
7/25/1995
Campana; Thomas J., et al.

Campana, Thomas J., Jr.
NTP, Incorporated
0069610758; 5/20/1994
Antonelli, Terry, Stout & Kraus
IN FORCE

COMPU/SOFT
455412
Telecommunications
H04M 7/3691

89 (8 / 81)
5; 1 pending
1
42

Summary of Scores/Ratings

Intellectual Property Quotient (IPQ)¹: 180.5¹
Overall Percentile Rank: 99%²
Overall Patent Rating: A+³
Nominal Expiration Date: 7/25/2012⁴
Remaining Life Expectancy: 6.1 yrs⁵

Score/Rank

Factor ⁶	Raw Score ⁷	Percentile Rank by Group ⁸				
		Overall	Field	Class	Subclass	Assignee
TECHNOLOGY	1.55	95.1%	90%	—	—	—
DISCLOSURE	1.24	60.8%	63.8%	85%	80.7%	—
CLAIMS	1.97	99.6%	99.7%	99.6%	97.7%	—
PROSECUTION	1.74	98.7%	97.8%	99%	97.9%	—
OTHER	1.97	99.6%	99.2%	98.8%	95.3%	—
IPQ SCORE ⁹	180.5	99%	98.9%	99.7%	99%	—
IPQ SCORE ¹⁰	162.6	97.3%	95.9%	98.5%	98.5%	—

Life Exp. & Survival Probabilities¹¹

Life Exp. (Years)	Y0	Y1	Y2	Y3	M1	Y4	Y5	Y6	Y7	M2	Y8	Y9	Y10	Y11	M3	Y12
Life Exp. (Years)	16.7	15.7	15.7	13.7	12.5	11.5	10.5	9.5	8.5	7.5	6.5	5.5	5	—	—	
Exp. Survival	—	—	—	—	98%	—	—	—	97%	—	—	—	—	96%	—	

IMPORTANT NOTICE

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¹For application notes on this page please refer to Appendix I attached hereto.

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REPORT DATE: January 11, 2006

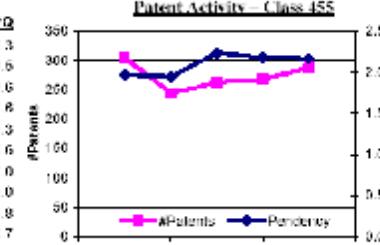
Related Technology Space

The 960 patent is currently classified by the USPTO in primary U.S. Class/Subclass 455/412 ("Telecommunications") and Int'l Class G06M 003/00. The closest corresponding SIC code is 3651 (Telephone And Telegraph Apparatus). Major patent holders in USPTO class 455 are listed below along with a patent activity summary for the trailing 5 years.

Patent Assignee

Patent Assignee	#Pats	IPQ	365
Xerox Corporation	19	96.3	365
International Business Machines Corp.	18	89.6	365
Brother Kogyo Kabushiki Kaisha	18	128.6	365
Learseak International, Inc.	17	91.8	365
Eastman Kodak Company	16	111.3	365
ZIH Corp.	16	100.6	365
Fargo Electronics, Inc.	12	117.0	365
Pitney Bowes Inc.	11	119.0	365
Francotyp-Postalia AG & Co.	11	81.8	365
Mitsumi Marking Systems, Inc.	10	190.7	365

Patent Activity - Class 455



Patenting activity in USPTO patent class 455 has been gradually increasing over the past 5 years, as shown in the above graph, with about 1897 new patents now issuing per year on average. Average pendency times (time from filing to issuance) have been increasing over the past 5 years to about 3.00 years currently, indicating a somewhat higher than normal backlog of pending cases awaiting examination.

Of course, it should be noted that patent technology classification is an inexact science and relies largely on subjective review and analysis by human decision-makers. Because of this, some patents and patented technologies may be "misclassified" and/or put into existing classifications that do not exactly fit or apply describe a particular technology. Thus, it may be beneficial to consider other possible patent classifications. Other relevant USPTO patent classifications in this case are indicated below along with estimated relevancy scores and growth trends for each.

Relevant USPTO Classifications and Patenting Trends

Class#	Class Description	Relevance	Trend	Relevance
200	Circuit breakers...	0.971		
345	Computer graphics processing	0.837		
128	Surgery	0.777		
507	Surgery: light, thermal...	0.766		
400	Typewriting machines	0.702		
600	Surgery	0.688		
341	Coded data generation...	0.627		
273	Amusement devices: games	0.554		
324	Electricity: measuring and test	0.513		
501	Surgery: kinesitherapy	0.303		

* Trend data represents patent issuance rates in a trailing 5-year period.

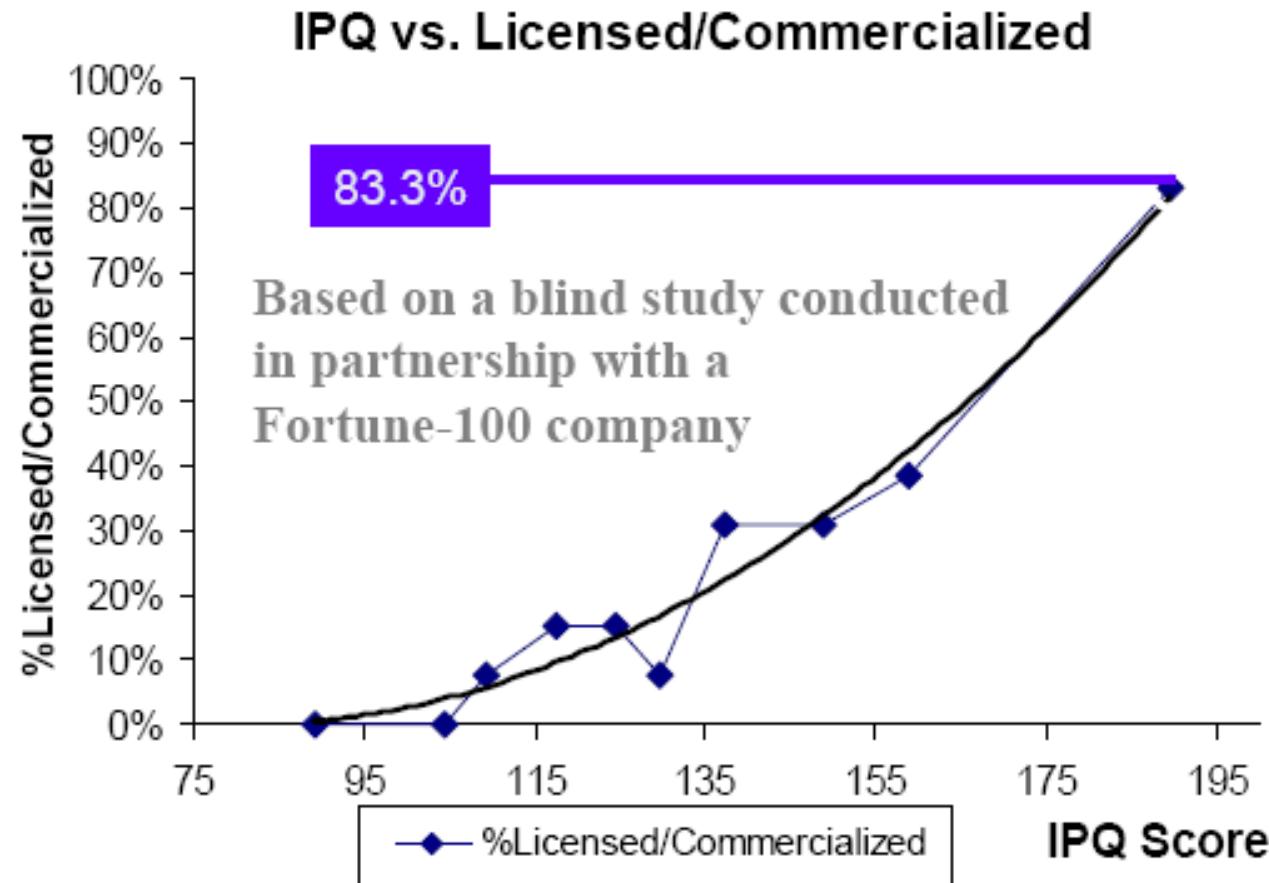
* Trend data represents patent issuance rates in a trailing 5-year period.

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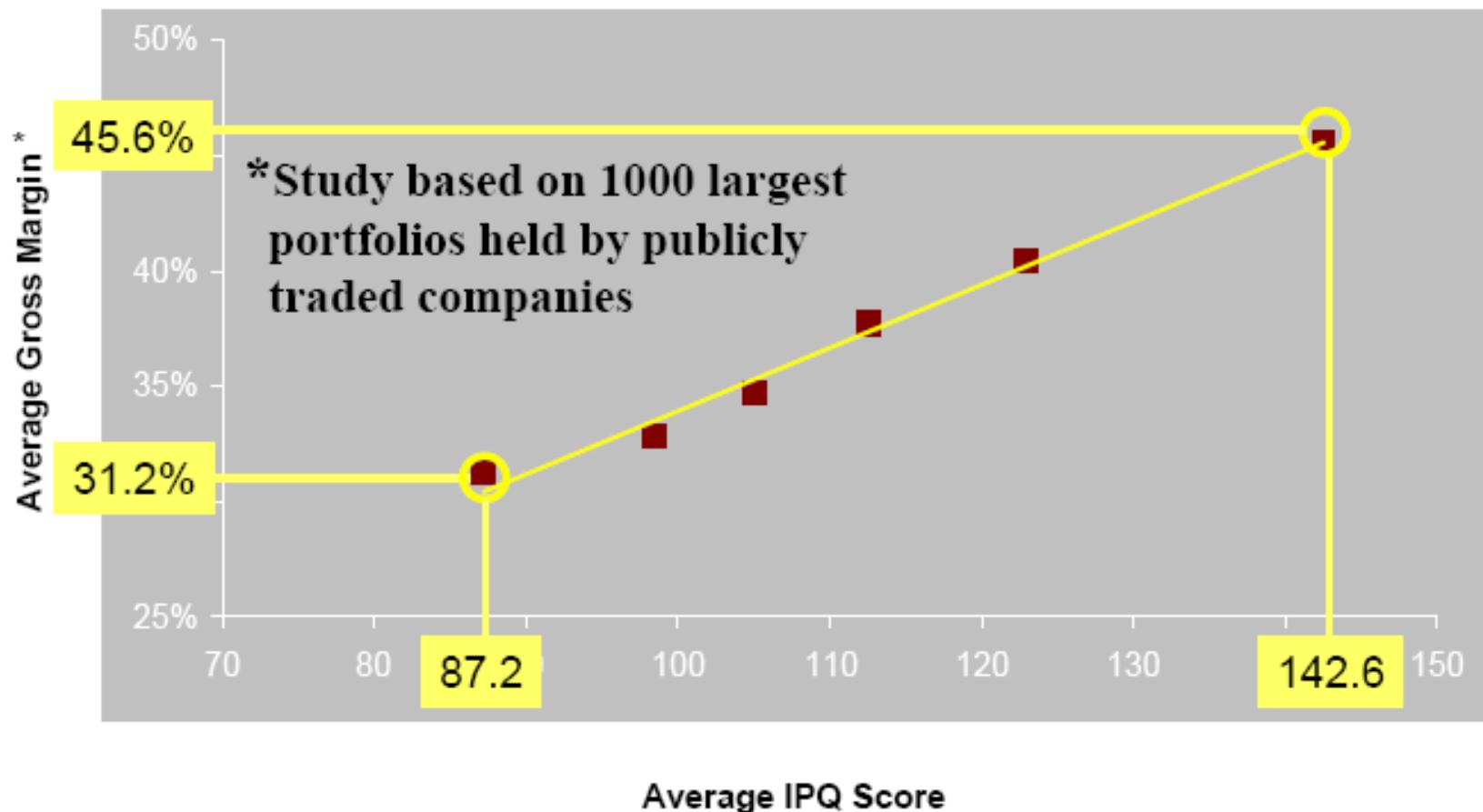
Empirical Proof

...higher patent quality correlates to a higher probability of being licensed / commercialized...



Empirical Proof

...higher patent quality correlates to higher gross profit margins...



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Ocean Tomo Auctions



Auction Results

Spring 2006
San Francisco

On-Floor Patent Sales
\$3,026,100

Avg Patent Lot Sales
\$116,388

Fall 2006
New York

On-Floor Patent Sales
\$6,066,500

Avg Patent Lot Sales
\$275,750

Spring 2007
Chicago

On-Floor Patent Sales
\$11,429,000

Avg Patent Lot Sales
\$336,148

Summer 2007
London

On-Floor Patent Sales
\$8,084,184

Avg Patent Lot Sales
\$621,860

Fall 2007
Chicago

On-Floor Patent Sales
\$11,599,500

Avg Patent Lot Sales
\$305,250

Spring 2008
San Francisco

On-Floor Patent Sales
\$19,629,500

Avg Patent Lot Sales
\$370,368

Summer 2008
Amsterdam

On-Floor Patent Sales
\$TBD

Avg Patent Lot Sales
\$TBD

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OCEAN TOMO*
INTELLECTUAL CAPITAL EQUITY*

March 12, 2008

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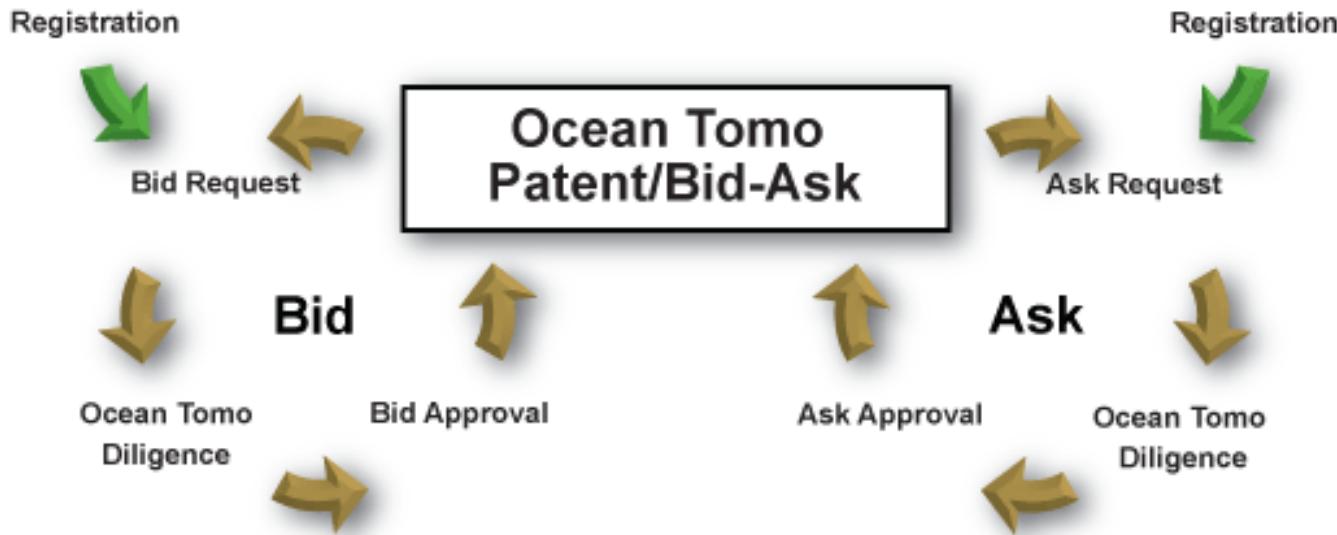
Country:

Patent: 

Active Bid/Ask Patents

Logged in as: pba@oceantomo.com 

Patent #	Data Room	Assignment		Exclusive Lump Sum		
		Bid Exp Date	Bid (*+)	Ask	Bid Exp Date	Bid
EP1890523				\$250,000		
JP47013909		5/2/2008	\$35,000			
JP47013912						
This patent is currently on consignment for the Spring 2008 Ocean Tomo Auction. Please visit www.oceantomoauctions.com for more information.						
US6588154		5/20/2008	\$95,000*+	\$250,000		
US6588160		5/3/2008	\$25,000			
US6588164				\$55,000		
US6588166		5/3/2008	\$25,000			
US6588168				\$50,000		
This patent is currently on consignment for the Spring 2008 Ocean Tomo Auction. Please visit www.oceantomoauctions.com for more information.						
Search Patent Number:	<input type="button" value="Select"/>	<input type="text"/>				
Place Bid on Patent Number:	<input type="button" value="Select"/>	<input type="text"/>				
+ denotes there are multiple assets in the portfolio being bid upon. * denotes there are multiple bids on portfolios containing this asset						



- § Voice brokerage platform
- § Transparent public posting of market pricing for all global patent assets (View Bids, Asks and final transaction prices without registration or fee)
- § 81 issuing bodies; 33+ million patents and applications (Ability to package patents from a given owner and place a portfolio Bid)
- § Minimum \$10,000 Bid or Ask
- § Seller benefits from 10% cash escrow
- § Bidder benefits from confidentiality and insurance

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Equity Listings – IP Qualifications

- § Inclusion as a member within an IP-based index listed on IPX Chicago (e.g. the Ocean Tomo 300® Patent Index or similar)
- § Licensing revenue from intellectual property exceeds 15% of total revenues or 50% of reported earnings
- § Innovation Ratio [intellectual property value / total book value], determined by an independent third-party appraiser, exceeds 25%
- § Innovation Ratio, determined by an approved algorithm (e.g. Ocean Tomo PatentRatings®), exceeds that of the top quartile of a listed index based on such algorithm
- § The value of intellectual property, determined by an independent third-party appraiser, exceeds \$1 billion.

IP Indexes

THE WALL STREET JOURNAL

PATENT SCORECARD

PatentRatings® System

Ocean Tomo's PatentRatings® system has identified 53 independent and object factors, which calculate the relative attractiveness of the more than 4 million patents issued by the U.S. Patent and Trademark Office since 1983. The PatentRatings® system is widely recognized by the intellectual property valuation industry.

Patent Based Indices

The transformation of the global economy to a knowledge economy has placed an unprecedented focus on the value of patents. Ocean Tomo has developed a suite of patent-based indexes which provide investors, asset managers and financial advisors with useful benchmarks.

Patent Index

The Ocean Tomo 300® Patent Index represents a diversified portfolio of 300 companies that own valuable patents.



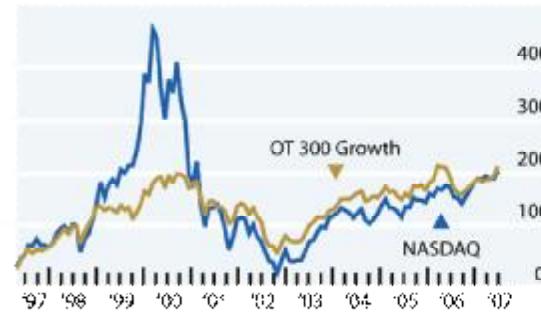
Value Index

Includes the top value companies of the Ocean Tomo 300® Patent Index, as determined by the price-to-book ratio.



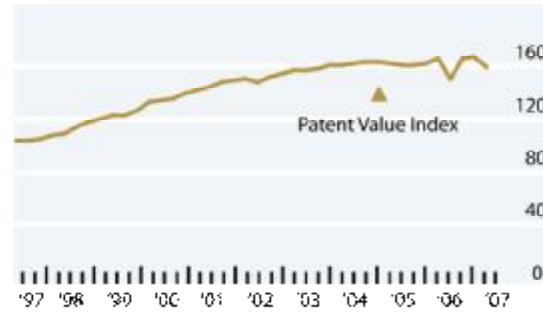
Growth Index

Includes the top growth companies of the Ocean Tomo 300® Patent Index, as determined by the price-to-book ratio.



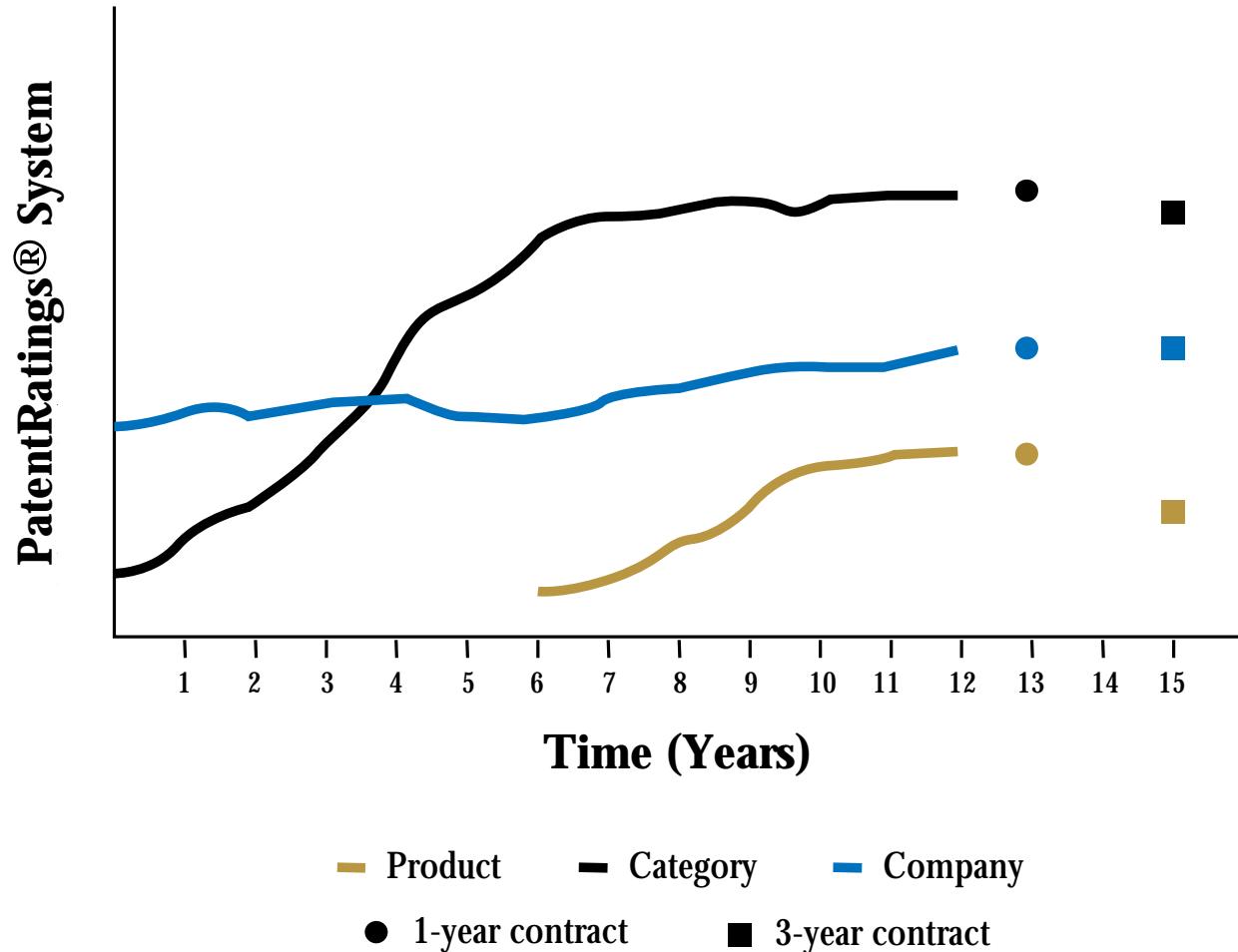
Patent Value Index

Measures cumulative maintenance value of all patents in force.



Tradable Technology Baskets™

TTB Illustration



Unit License Rights™

CORE DESCRIPTION OF ILLUSTRATIVE ULR TRADE

ULR(s): U137A, B & C Valve Seat Insert

PATENT: X,XXX,137 and continuations, continuations-in-part and foreign counterparts.

LICENSED FIELD OF USE: All

RESTRICTIONS: All secondary sales through IPX

ISSUER RIGHT TO USE: Yes

UNIT BASIS: One ULR covers one automotive or light truck engine

TOTAL OFFERED QUANTITY: 5 million license units offered in 50 unit lots

OFFERING TERM: 3 years

TERM OF LICENSE: Until consumed

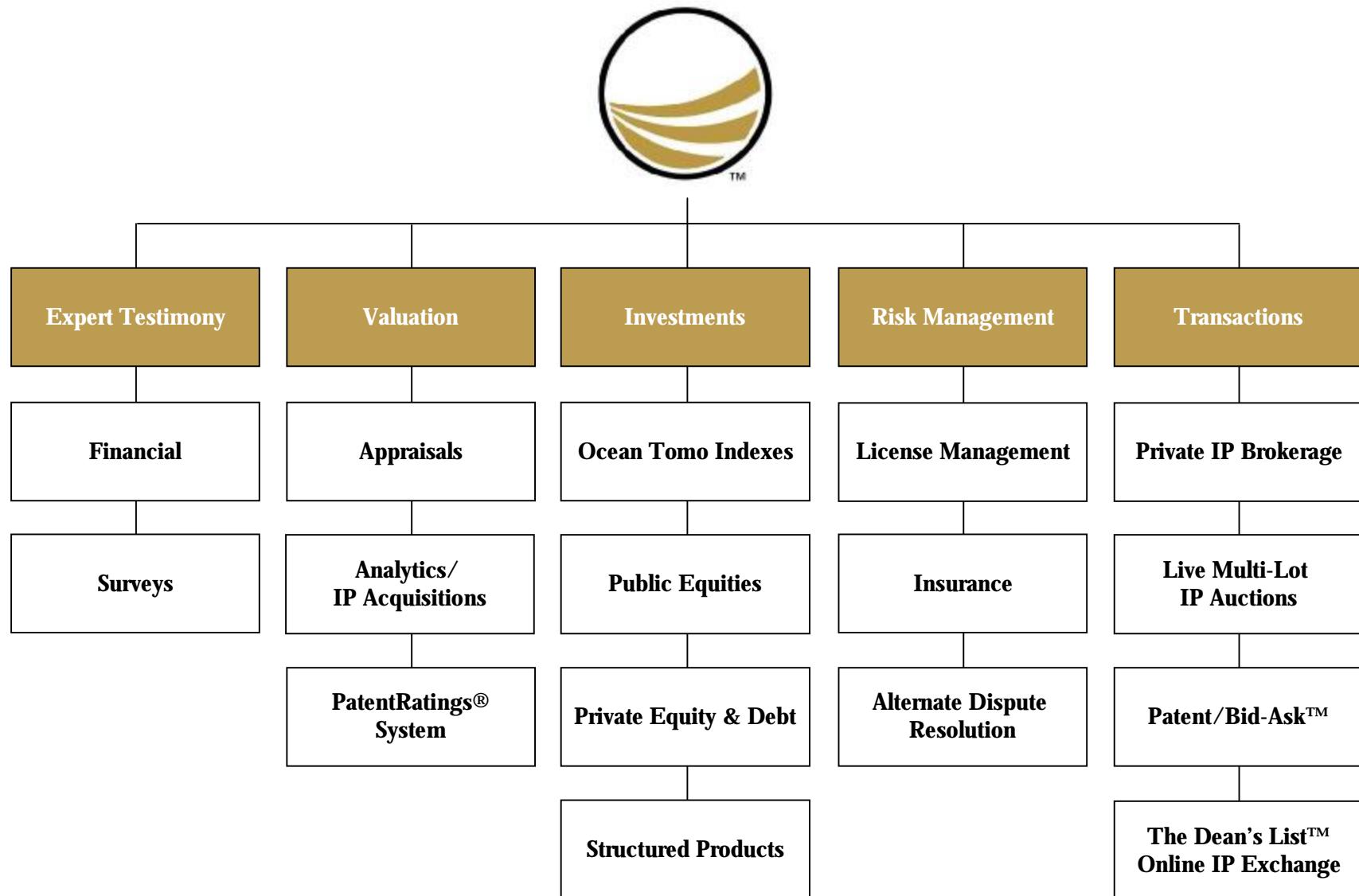
TRAUNCHES

U137A: 1 million ULR's at an initial offering price of \$0.50 per unit (eg unit 1)

U137B: 1 million ULR's at an initial offering price of \$0.75 per unit (eg unit 1,000,001)

U137C: 3 million ULR's at an initial offering price of \$1 per unit (eg unit 2,000,001)

Ocean Tomo Overview



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