

# 5 Reasons to Leverage Transactions Data



Intellectual property is a key component of transactions. It drives the reason for transactions to occur and the value of the transactions. In the current economic, political, and legal environment, it's essential to understand key aspects of these agreements and transactions to inform your IP research and strategy.



**Global**



**Industry**



**Transactions**



**Entities**



**Value**



Intellectual property is greater than an economic asset. It is the foundation of a global market. Companies operate in the global marketplace and rely on the ability to serve customers around the world. To accomplish this, these companies need to open local offices, enter new partnerships with existing companies in those locations, or develop ways to offer their IP assets to serve local customers.

When analyzing available transactions data consisting of assignment and agreement information, we found that while there's a heavy focus on the US-side of transactions data, we continue to see increased activity from non-US entities and territories. Here are a few snapshots:

**70%** of executed contracts involved non-US territories

**62k** patent transactions involved non-US entities

**210k** patent transactions moved assets from US entities to non-US

The global nature of IP is reflected in the numbers above. To fully understand the patent landscape, it is necessary to understand the importance of the global transaction marketplace. This global transactions data gives greater insights into where IP is moving and where companies are doing business beyond examining patent filings.

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## INDUSTRY

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Today, IP is not always industry-specific. Industries are more intertwined and reliant on one another than ever before. As companies strive to remain competitive within a market, it is essential to have a real understanding of industries outside your own. Having a narrow focus on industry peers elevates the risk of missing market disruptors. Leveraging IP transactions data allows companies to keep a pulse on industry licensing and transactions activity driving change in their industry.

When analyzing available transactions data composed of assignment and agreement information, we found that the majority of technology areas are covered in the transactions data, offering greater insights for those looking at this data. Here are a couple of snapshots:

**83%** of Top Level CPCs were covered in agreements

**98%** of Top Level CPCs were covered in assignments

Access to global transactions data helps companies develop an accurate picture of the technological landscape in relevant industries, where it is headed, and the deals and deal structures happening in the market. Now, more than ever, knowing who a company is working with in other industries brings greater insight into future strategies and market trajectory.

## TRANSACTIONS

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Companies are operating on a much larger scale and their supply chains have evolved beyond physical products. To have full control of their supply chain, companies need to evaluate how they transact from an intangibles perspective. Transactions to acquire the necessary IP assets that give the company the freedom to operate is integral to both company and product success. We see transactions covering: services, manufacturing activities, patent purchases, joint developments, and cross-licenses.

When analyzing available transactions data comprising assignment and agreement information, we found that the data to evaluate how different companies transacting are not only available but the volume of the data is larger than you might expect. Here are a few snapshots:

**247k** company to company assignments

**41k** government assignments

**54k** bank and security assignments

**130k** agreements

This information allows companies to identify the need to reevaluate their supply chain. Giving companies the ability to pinpoint different types that could be more valuable, such as cross-licenses or collaborations. Analyzing the IP landscape in its entirety positions companies for ultimate control over current and future supply chain transactions.

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## ENTITIES

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Companies now diversify with whom they transact. To successfully execute business strategies, companies enter into agreements with nonprofits, individuals, and universities among others, to cover various aspects of its supply chain. When transacting with diverse entity types, it is important to have an understanding of how these entities transact, at what value they transact, and how they wish to engage with others.

When analyzing available transactions data comprising assignment and agreement information, we found that when looking at the entities they ranged from start-ups to multinationals, and from universities to financial institutions. Here are a few snapshots:

**2.4M** unique assignors since 2010

**69k** unique licensors since 2010

**60k** unique licensees since 2010

When companies leverage these insights, they can assess the position of their value chain - what business they are conducting, who they are doing business with, as well as how to transact with them for value add to their supply chain. Examining the environment of your supply chain, arms your company with the flexibility to change transactions between entities to maximize profits.



## VALUE

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Understanding what assets you have and the value they hold is critical to the success of a business. Analyzing transactions data positions companies to evaluate an asset's internal and external market value. An accurate market assessment provides insight into more valuable deals and partnerships.

When analyzing available transactions data comprising assignment and agreement information, we found that there are insights based on fully-paid up licenses, total purchase prices, settlement and terminations fees, royalty rates, and other types of payments. Here are a couple of snapshots:

**20k** with variable payments

**79k** with individual payments

Companies across all markets are consistent in wanting to understand the value of IP and how to benchmark IP. By having access to disclosed value information, you can have accurate insights based on market observations. This data not only allows companies to value assets but approach transactions with knowledge of previous deal structures. Others speak of benchmarking only in comparison to patent portfolios and not to actual IP value observations.

Inform your IP research strategy with access to ktMINE's extensive repository of IP data - offering your organization insights into transactions details happening in your market. Reach out to learn more about flexible access options.