

IPR in Financial Markets

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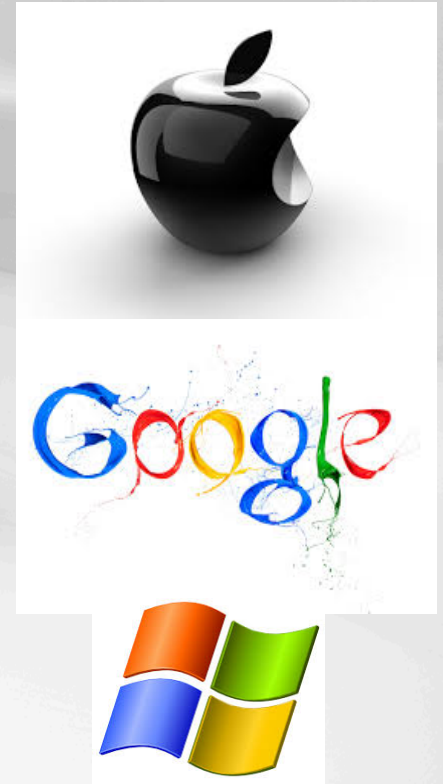
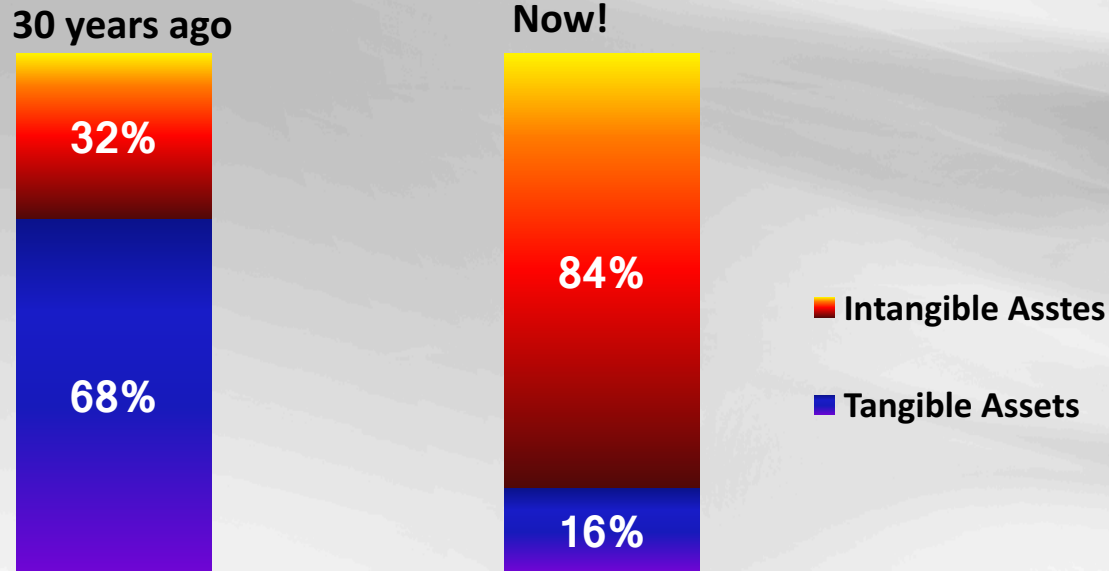
Borsa İstanbul

Agenda

- IPR & Financial Markets
- Growing IP Activity in Turkey
- Government Support to IPR Trading
- IP Market Structures
- International Patent Markets
- Benefits of an IP Market under Borsa İstanbul
- Borsa İstanbul IPR Market
- Establishing an ecosystem

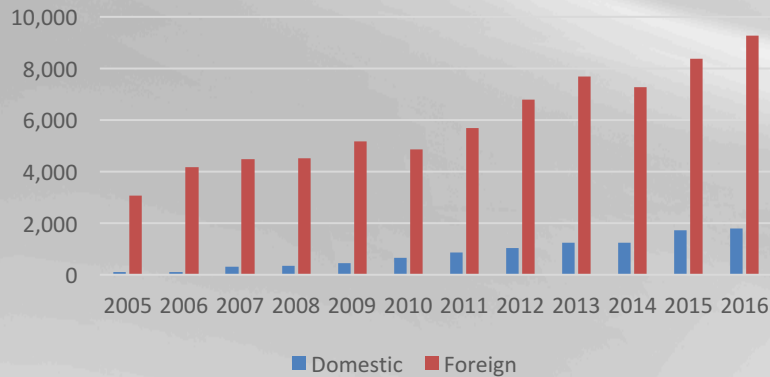
IPR & Financial Markets

[...nearly 80% of the **value of** a U.S. publicly-traded company now comes from **intangible assets**. ...the largest component (or subset) of intangibles is **intellectual property**.]

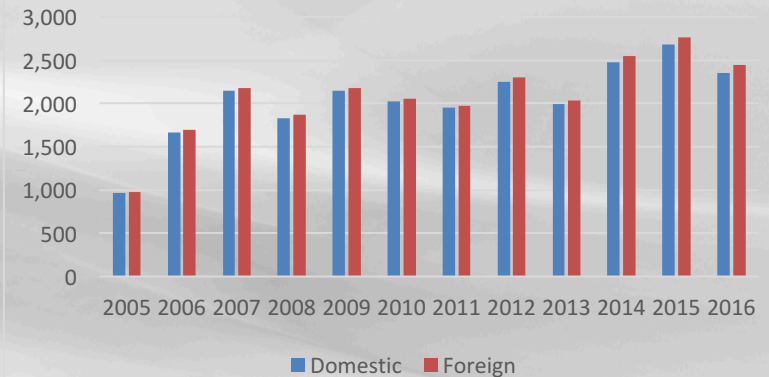


Growing IP Activity in Turkey

Patents



Utility Models



Industrial Designs



Domestic Patent Grants

2011 – rank # 17
2012 – rank # 15
2018 goal: Top 10

Government Support to Commercialization of IPRs

50% of earnings from

- a) Licensing
- b) Sale
- c) Mass production and marketing
- d) Applying in production process and sale

of technologies depending on Patents and Utility Models are **exempt from corporate tax.**

Valuation report required!

Cost, **Market**, Income based valuation.



Government Support to IPR Trading

National IP Strategy Document and Action Plan (2015-2018)

3rd Goal:

“Enhancing mechanisms for commercializing IPRs by developing the infrastructure for market perception and value creation”

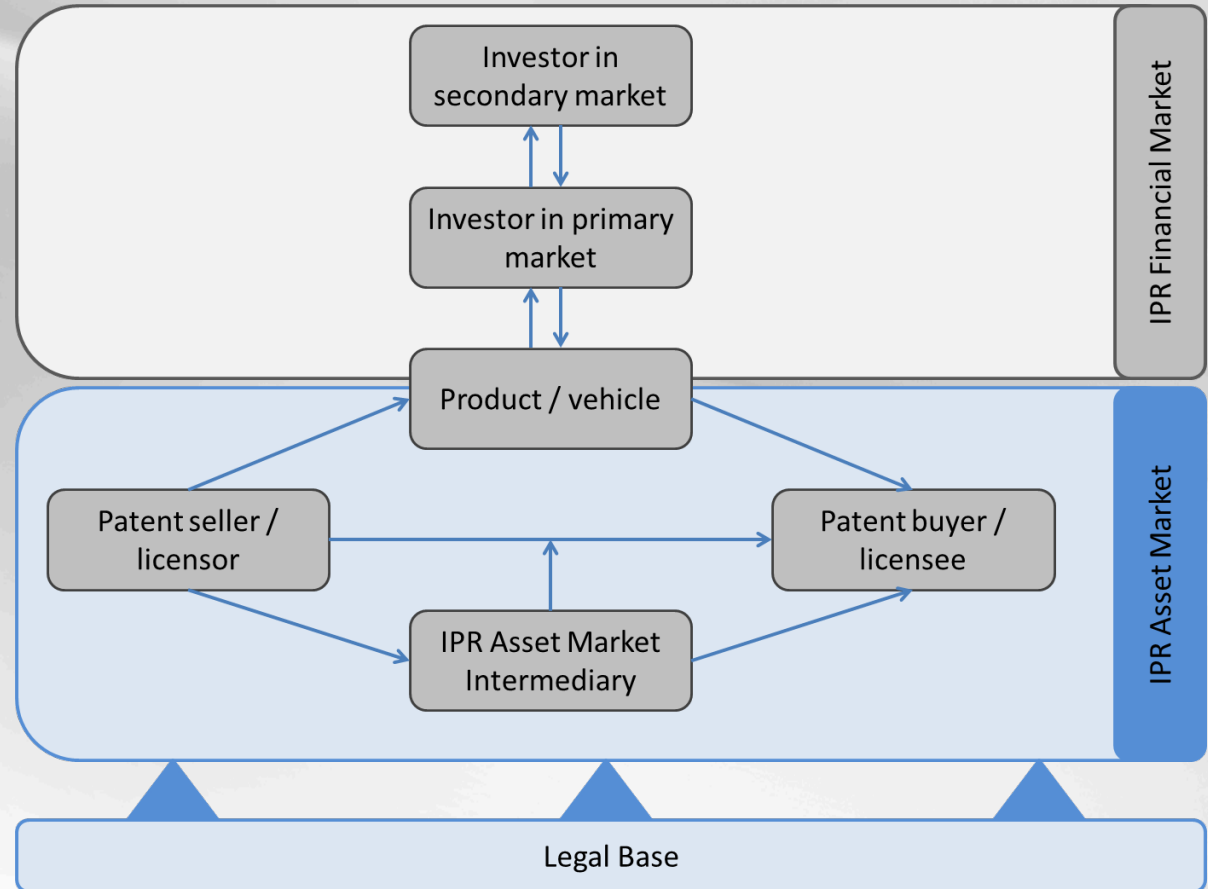
“To ease commercializing inventions ... an IP market will be established”



IP Market Structures

IPR Owner:

- Can produce the technology by own
- Can sell the IPR
- License IPR to potential producer of the technology



Source: Final report for EU Tender "Creating a financial market for IPR"

IP Market Structures

Actors:

- Patent Licensing and Enforcement Companies (PLECs)
- Institutional Patent Aggregators/IP Acquisition Funds
- IP/Technology Development Companies
- Licensing Agents
- Litigation Finance/Investment Firms
- Patent Brokers
- IP-Based M&A Advisory
- IP Auction Houses
- On-Line IP/Technology Exchanges/Clearinghouses
- IP-Backed Financiers
- Royalty Stream Securitization Firms
- Patent Rating Software and Services

International Patent Markets

IP Based securitized Markets:



Standardized IP Contract Markets:



Bilateral Contract and Auction Based IP Markets:



IP Transaction Platforms:



Benefits of an IP Market under Borsa İstanbul (BIST)

Stimulate innovation and technology

Contribute technology oriented growth

Secure inventions to economy

Contribute to IP awareness

Enhance corporate balance-sheets and boost market values

Confidence to Borsa Istanbul as an market operator

BIST Private Market integration

BIST IPR Market

A web- and member-based private market place which provides IPR owners and potential investors with **IPR investment** opportunities through

- Sale of IPR's
- Licensing agreements
- Liquidity programs for IPR sale and licensing agreements



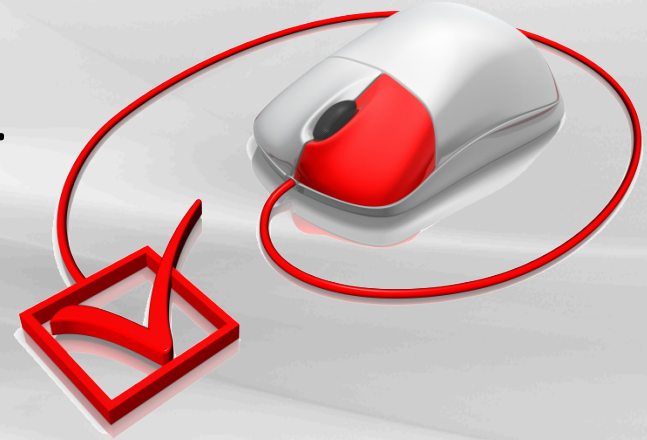
BIST IPR Market: Tech Flow



- Technology Offers include **patents** and **utility models**
- Technology Needs are requested by investors to foster **demand based R&D activity**

BIST IPR Market

- A membership based web platform.
- Members can be:
 - *IPR owners*
(Academicians, scientists, technology firms, startups, SMEs, universities ..)
 - *IPR investors*
(Technology firms, IPR funds, Large and multinational corps.)
 - *Brokers and service providers*
(TTO's, patent attorneys, audit and consultancy firms..)



BIST IPR Market: Benefits

All Participants can benefit from:

- Virtual data room: Document management, due diligence..
- Virtual deal-room: Instant messaging, negotiations..
- Confidentiality: All communications and shared documents are encrypted



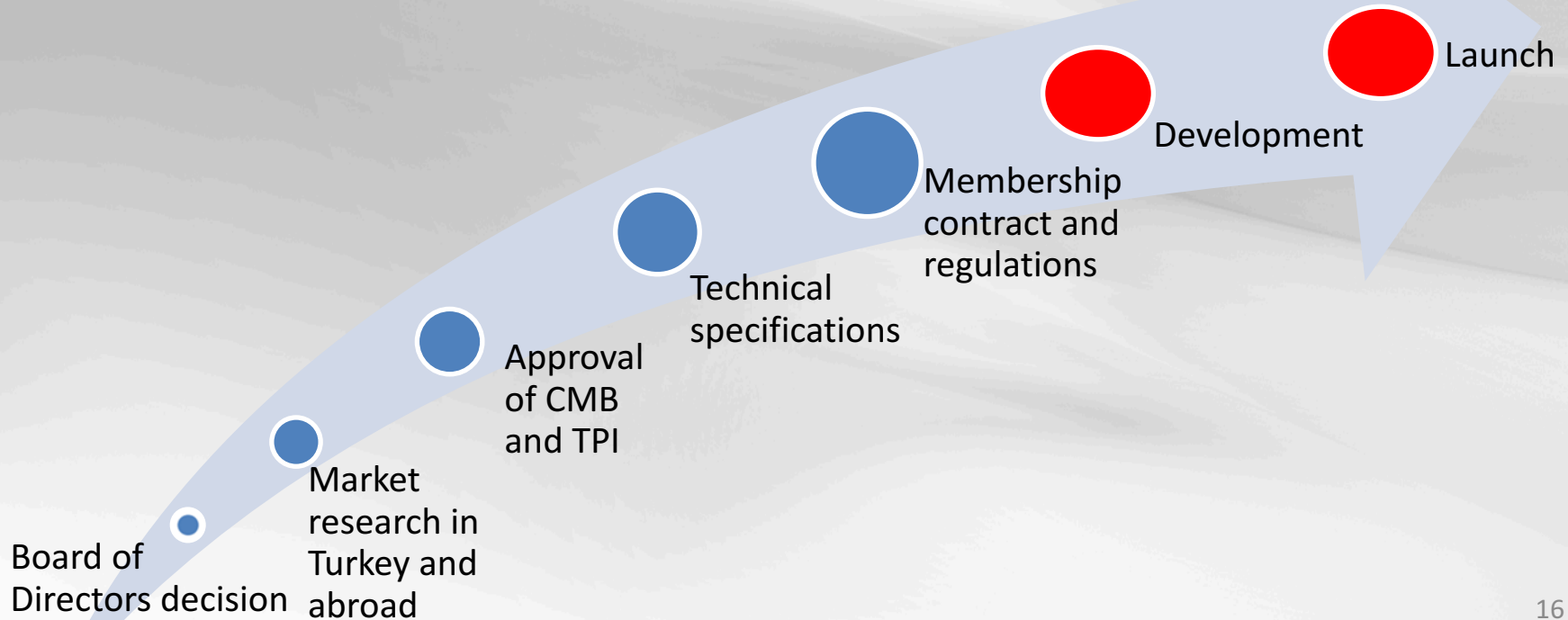
Establishing an ecosystem – All together!



Road Map

Several meetings were held with the stakeholders.

www.bistpatent.com



Road Map – Activities Planned

Launch

- Development and launch of the market

Regulations

- Membership contract and regulations prepared in cooperation with stakeholders and legal parties need to be approved by board of directors.

Marketing and Coordination

- Cooperation with EPO and WIPO as well as all stakeholders
- Support of TPI, TÜBİTAK, KOSGEB, the related Ministry etc.

Thank You...

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