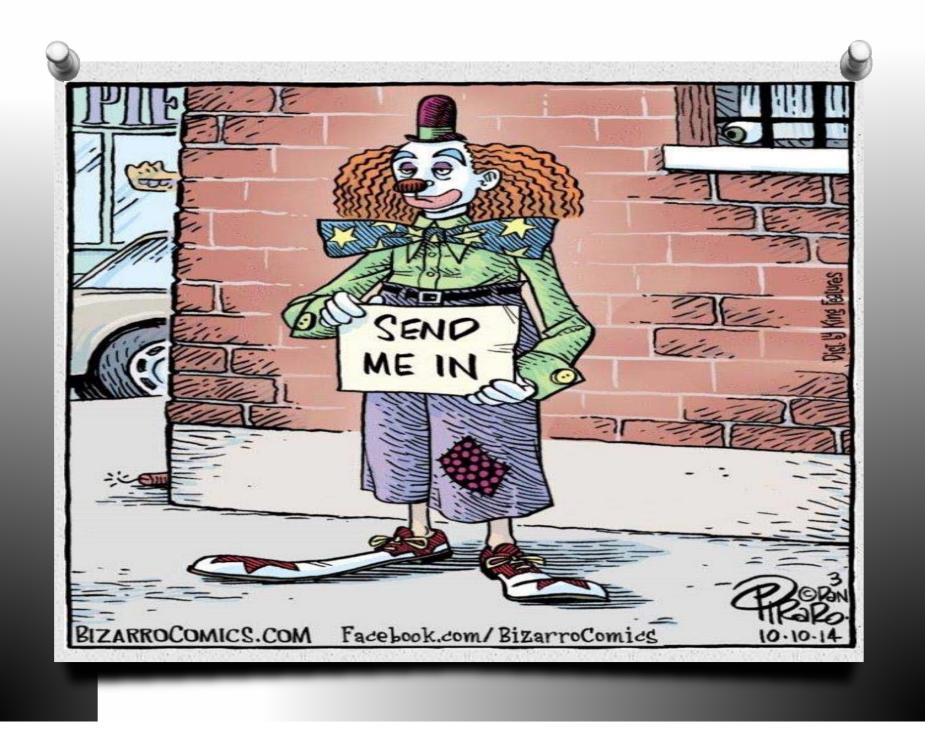
VALCON 2015 February 25-27, 2015 Four Seasons Hotel, Las Vegas

VALUATION OF INTELLECTUAL PROPERTY (AND BEYOND)



Valuation Overview

- Ø Discounted cash flows where
 - Cash flow is defined as proceeds minus costs
 - Discount rate determined by risk that cash flows will not materialize due to various risk factors
- Comparables/Relief from Royalties
 - Valuation of intellectual property in established market using royalty rates for similar products
 - Used to assess damages in infringement cases
 - Well-developed case law but requires established market
- Market
 - Assumes willing buyer and willing seller in arms'-length transaction and sufficient exposure
 - Most similar to bankruptcy court approach

Valuation = Damages

Mandel v. Thrasher (In re Mandel), 2014 U.S. App. LEXIS 15709, at * 31 (5th Cir. 2014)

Damages in misappropriation cases can take several forms: the value of plaintiff's lost profits; the defendant's actual profits from the use of the secret, the value that a reasonably prudent investor would have paid for the trade secret; the development costs the defendant avoided incurring through misappropriation; and a reasonable royalty." Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the <u>UT Law CLE eLibrary (utcle.org/elibrary)</u>

Title search: Valuation of Intellectual Property (and Beyond)

Also available as part of the eCourse Valuation of Intellectual Property (and Beyond)

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