# CONTENTS

About the Author xi
Preface xiii
Acknowledgments xvii

## PART I  INTRODUCTION  1

1 Intellectual Property Is the Foundation of Value  3
2 Intellectual Properties Defined  20
3 Intangible Assets Defined  40
4 Business Enterprise  54

## PART II  VALUATION  65

5 Valuation Principles  67
6 Cost Approach  75
7 Market Approach  87
8 Income Approach, Identifying Economic Benefit  95
9 Risk-Adjusted Income  113
10 Valuation Errors  130
11 Early-Stage Technology Valuation  142
12 Special Valuation Situations  155
PART III EXPLOITATION 175

13  Exploitation Strategies 177
14  More on Exploitation Strategies 187
15  Licensing, Negotiations, and Agreements 213
16  Royalty Rates for Licensing 237
17  Use of the 25% Rule in Valuing Intellectual Property 272
18  Determining a Royalty Rate—an Example 291
19  The Magnitude and Meaning of Royalty Misreporting 305
20  Patent Aggregators 313
21  University Licensing 326
22  Joint Ventures 338
23  Intellectual Property Audit and Management 352
24  Organizing for the Future 372
25  Transfer Pricing 384

PART IV INFRINGEMENT DAMAGES 401

26  Lost Profits 403
27  The Entire Market Value Rule 434
28  Royalty Rates and the Georgia-Pacific Factors 448
29  Evolving Patent Damages 471
30  Trademark, Copyright, and Trade Secret Damages 484
Appendix A  Accounting  496
Appendix B  Economic Benefit, Timing, and Pattern  507
Appendix C  Royalty Rate Data  530
Appendix D  Risk and Uncertainty  598

Index  619