



OCEAN TOMO[®]
INTELLECTUAL CAPITAL EQUITY[®]

OCEAN TOMO
PATENT RATINGS[®] SYSTEM

The PatentRatings system (OceanTomo.com/Ratings) is the most advanced web-based patent data, ratings and analysis platform designed for objectively assessing patent quality, relative value, relevant patents and technologies, competition, and competitive trends. The system is market validated and used by major global corporations among the top 100 IP holders. From individual patents and patent portfolios, to technology sectors and companies, the PatentRatings system provides unparalleled strategic insights and analysis.

No other analysis and research tool combines patent quality metrics with competitive portfolio assessment on a single accessible platform designed for corporate use. One-third of the top 25 patent holders use the PatentRatings system.



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PATENT RATINGS®

PATENT QUALITY MEASUREMENT

Using the IPQ® scoring system, a patented and proven statistical model, the PatentRatings system has rated the quality and relative value of every single issued U.S. patent. The IPQ® score is similar to the IQ score for rating human intelligence (median = 100), providing a simple method for measuring and comparing patent quality and value based on the cumulative characteristics of patents that make them statistically either more or less likely to produce economic returns.

PATENT RELEVANCE

Built upon proprietary methodologies (U.S. Patent Nos. 6,556,992; 7,657,476; and 7,716,226) derived from assessing the entire universe of U.S. issued patents, with over 50 discrete patent attributes that are tested and validated by market participants, the PatentRatings system shows interrelationships among all U.S. patents with numerical relevance scores, a factor called "Patent Relevance". This information is critical to identifying and assessing the technology leaders in any given market segment.

Combining clean patent ownership data with the IPQ score and Patent Relevance provides users with unparalleled knowledge of U.S. patents and the companies that own them.

The PatentRatings system Relevance Engine™ module is based upon multi-generation citation analysis rather than latent semantic analysis or key word search. Citation-based relevance is superior, allowing clients to identify and quantify the contributory effect of citations, harnessing the wisdom of the crowd and eliminating the inconsistencies and erroneous output created by language and/or translation barriers.

ASSIGNEE TRACKING

The PatentRatings system has the ability to link patents to their true owners more accurately than any other available system. Patent ownership information is linked to its current entity based on a complex mapping algorithm which is then normalized to an entity's ultimate parent, allowing easier analysis of major competitors within a particular technology being evaluated.

Often, this information is difficult to obtain or of poor quality, yet it is critical when analyzing a patent portfolio for the purpose of making licensing, acquisition, partnering, or investment decisions.



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MARKET VALIDATED

The PatentRatings system is market validated and used by major global corporations among the top 100 IP holders. One of the first tests of the system was a double blind study with a Fortune® 100 firm. As predicted, and shown in Figure 1: IPQ Score vs. Patent Licensing Commercialization, patent IPQ scores are strong predictors of commercialization rates. The IPQ scores predicted both patents with license revenues as well as those used in commercial products.

Typically, companies litigate only their best and most valuable patents. In a second test, and as Figure 2: IPQ Rank in Class vs. Litigation Count indicates, the vast majority of litigated patents are IPQ rated in the top 10% of their class.

The PatentRatings system was used as the sole source of patent related data used to identify the constituent companies to the Ocean Tomo 300® Patent Index (OT300). The OT300 is comprised of 300 equity securities of companies with the highest innovation ratio (value of the company patent portfolio relative to the book value of the company) within their investment style and size. From its inception in January 2007 through July 2010, the OT300 has outperformed the S&P® 500 by 877 basis points. (Figure 3)

FROM PATENTS TO STRATEGIC BUSINESS DECISIONS

PATENTRATINGS SYSTEM FOR CORPORATIONS

The power of the PatentRatings system is extraordinary for in-house licensing executives, R&D staff and senior management. The platform assists organizations with IP portfolio management, IP licensing, portfolio evaluation, abandonment decision-making, R&D budgeting, competitive analysis, and strategic investing.

PATENTRATINGS SYSTEM FOR LAW FIRMS

The PatentRatings system is an essential tool for patent prosecution firms. The platform provides instant access to relevant prior art without the time delay and expense associated with sub-contracting prior art search to a third party.

PATENTRATINGS SYSTEM FOR INVESTORS

Private equity investors use the PatentRatings system to identify companies with strong IP in their fields of interest. Companies with the best portfolios are proven to provide higher returns, as demonstrated by the performance of the OT300 and other public measures.

IPQ® SCORE VS. PATENT LICENSING/COMMERCIALIZATION

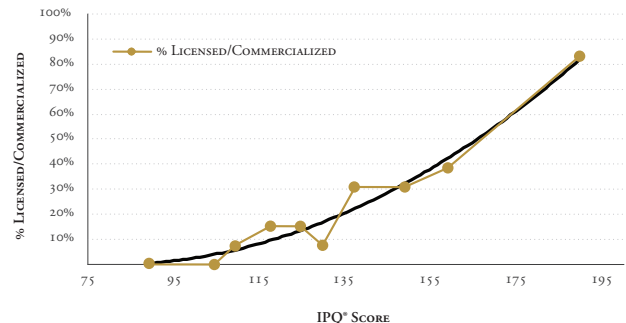


Figure 1: IPQ Score vs. Patent Licensing Commercialization

IPQ® RANK IN CLASS VS. LITIGATION COUNT

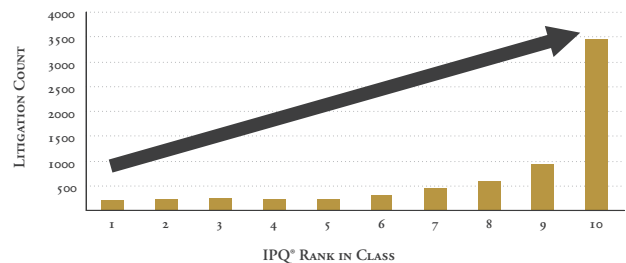


Figure 2: IPQ Rank in Class vs. Litigation Count

OCEAN TOMO 300® PATENT INDEX VS S&P 500®

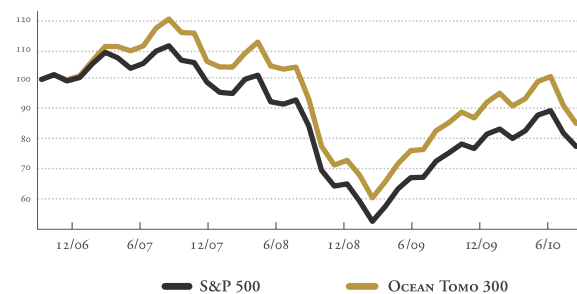


Figure 3: OT300 vs. S&P 500



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PRODUCTS

The PatentRatings system is offered as an annual data subscription, or through individual standard or custom reports.

ANNUAL SUBSCRIPTION

Designed for objectively assessing patent quality, relative value, relevant patents and technologies, competition, and competitive trends, the system is market validated and used by major global corporations among the top 100 IP holders. From individual patents and patent portfolios, to technology sectors and companies, the PatentRatings system provides unparalleled strategic insights and analysis.

The PatentRatings system can uniquely:

- » Provide an objective and holistic platform with quality matrix
- » Present ratings on all, or relevant, U.S. patents issued after 1976
- » Offer a method of analyzing relevance that uses advanced statistical algorithms
- » Identify relevant patents to a reference patent or set of patents in a technology
- » Explore licensing or acquisition opportunities
- » Support IP transaction decisions
- » Support IP portfolio management decisions
- » Evaluate opportunities and threats within the IP marketplace
- » Benchmark competition and gather IP intelligence



IPQ® REPORTS

IPQ Reports provide an objective and statistically valid assessment of the value of individual patents. IPQ scores measure and compare patent value based on the cumulative characteristics of patents that make them more or less likely to produce economic returns.



RELEVANCE REPORTS

Relevance Reports quickly identify relevant patents, holders, potential infringements, buyers and sellers. These reports contain analysis of the top 25 most relevant companies and the top 250 patents from the our database of over 4 billion patent-to-patent relevance records.



DUE DILIGENCE REPORTS

Due Diligence Reports provide in-depth analysis of patent strength, value and history, allowing companies to make efficient and upfront assessments of potential patent transactions.



CUSTOM REPORTS

Ocean Tomo PatentRatings consulting professionals leverage proprietary measures to help clients with a variety of custom analysis and consulting services to meet specific needs. Custom projects are based upon consultations with clients and are conducted upon mutual agreements for the analysis and deliverables.

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