

Meet the middlemen

Over recent years a number of new business models for making money out of IP have emerged and along with them have come the IP intermediaries. They may not be universally loved, but they show no signs of going away. In fact, we can expect to see many more evolve

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Licensing agents

These entities (eg, Fairfield Resources, Fluid Innovation, General Patent, ipCapital Group, IPValue and ThinkFire) function as intermediaries by attempting to assist IP owners in finding licensees. Entities that function under this business model often call themselves IP advisory, IP consulting, IP management or technology transfer firms.

While the amount, quality and depth of services vary, to some degree in shape or form these firms all earn retainer and/or success fees by assisting patent owners to find licensees. Accordingly, these entities may function more like traditional consultants where the patent owner stays very involved in the licensing process, or they may function more like IT companies where the patent owner essentially outsources patent monetisation and is not involved in day-to-day licensing operations, but still collects a majority of any licensing revenue.

The various licensing agents also differ as to whether they engage in carrot licensing or stick licensing activities. In the latter case, these entities tend to engage in activities that start to closely resemble the PLEC business model.