
Corporate IP monetization strategies and financing

In recent years, Burford has seen more leading businesses with significant intellectual property monetizing assets in their patent portfolios. While for some the right strategy is direct monetization through enforcement, an increasingly attractive alternative is indirect monetization through divestiture.

In indirect monetization, a business divests patents that may be redundant or no longer core to the business to a buyer that will either hold or further monetize them. Name brands are engaging in divestitures: in 2023, BlackBerry sold approximately 32,000 patents and applications for \$170 million and future payments that could value the transaction at up to \$900 million. In 2022, Intel sold nearly 5,000 patents relating to a broad range of semiconductor technologies for an undisclosed amount.

Legal finance has a critical role to play in IP monetization strategies. It can fund direct monetization through enforcement by shifting legal fees and expenses to a third party. When monetizing directly is not a fit for a company, financed divestitures can both remove the burden of patent office maintenance fees and ongoing patent prosecution legal fees and costs as well as generate significant liquidity for the business.

BENEFITS OF A FINANCED DIVESTITURE

If a business decides that indirect monetization through divestiture is the best solution for its needs, Burford can offer a range of solutions. The result is that with little to no risk and with minimal operational burden, companies can generate millions in working capital.

- **Capital provision:** Burford can provide finance acquisition capital for the initial patent purchase, funding for the legal fees and costs to be incurred as part of the future monetization strategy and working capital for the new patent owner's entity
- **Process facilitation:** Burford can work directly with prospective bidders to evaluate monetization potential
- **Resource access:** Burford can introduce experienced legal counsel and other monetization resources to a potential buyer, enhancing the prospects of future success
- **Sale stability:** Burford can provide assurance that an agreed transaction won't fall apart due to lack of capital
- **Transaction confidentiality:** Burford can provide a private transaction that can be structured in repeatable parts to smooth revenue over a longer financial period

CASE STUDY: MONETIZING NON-CORE ASSETS TO QUARTERLY REVENUE

A publicly traded, multinational corporation with a large patent portfolio sought to monetize eight patent families as part of a strategic review of its portfolio. These patents were no longer core to its business or covered redundant technology areas. Due to the complex nature of its global operations, the company declined any participation interest in the future monetization, preferring full divestiture to minimize its future involvement.

Burford evaluated the package, introduced a buyer and law firm, and facilitated a financed divestiture with a total commitment of \$12 million. This included acquisition capital, working capital for maintenance fees and ongoing monetization and litigation funding. Burford's ability to diligence the patents and strategy in-house and its expertise in the monetization ecosystem enabled it to bring together capital, team and strategy quickly.

The company's business unit booked \$1.75 million in revenue before quarter end, eliminated patent maintenance costs and maintained its business relationships. The company also vetted Burford as a financing partner and is considering additional patent divestitures.

Why Burford?

- **Scale:** With a current investment portfolio of \$7.2 billion, Burford has unmatched capacity to monetize patent portfolios and facilitate corporate divestitures
- **Team and expertise:** Our team of over 160 is top ranked by Chambers in the field and includes four lawyers on the IAM list of top 300 global IP strategists
- **Responsiveness:** We conduct our diligence in-house and draw on multiple funding sources including our own permanent capital—speeding our process and optimizing our pricing
- **Professionalism and transparency:** We are the institutional-quality legal finance provider—dual-listed on the New York Stock Exchange (NYSE: BUR) and London Stock Exchange (LON: BUR) with a track record and reputation that reflect well on our counterparties