

Client Background

Our client, a San Jose, California based company, launched its operations over a decade ago but was unfortunately unable to gain traction in the marketplace. The company ultimately decided that selling its patent portfolio was the most promising exit strategy. With the recommendation of its patent prosecution firm, Adapt IP Ventures was retained in August 2012 to broker the sale of its online advertising patent portfolio.

Adapt IP Ventures' Approach

Our client's patent portfolio offered a unique approach to customized online advertising through its user-established advertisement filtering methodology. At that point, there was no belief of current usage in the marketplace. However, Adapt IP Ventures developed a series of illustrative wireframes, or visual mock-ups, to show how the features could be developed and implemented in new versions of search and advertising platforms. Adapt IP Ventures contacted many groups, including product companies and patent acquisition companies. In December 2012, Smartpenny.com received an offer to acquire the patent portfolio.

Adapt IP Ventures' Value

- Funding for Patent Prosecution and Corporate Expenses – Adapt IP Ventures partnered with both our client and its patent prosecution firm, also based in San Jose, California, to fund the ongoing development and maintenance of its patent portfolio during the marketing process. Additionally, Adapt IP Ventures funded the repayment of a significant portion of our client's prior obligations to a different law firm.
- Demonstrated Product and Patent Value – Not all patents are infringed upon so building a case with evidence of usage materials is not always possible. Adapt IP Ventures took on this project knowing that it would need to sell the strategic, long-term value of these innovations. As such, the focus of the marketing materials was on product development opportunities, patent landscaping and recent deal and technology announcements
- Target Identification and Negotiation – Over 20 companies were targeted ranging from search engine companies to online advertising exchanges to patent acquisition funds. Ultimately, one company emerged as the likely buyer. Adapt IP Ventures was able to negotiate a purchase price significantly higher than the original offer range.

Client Outcome

In January 2013, Smartpenny.com sold its patent portfolio to a Fortune 500 company with a single, upfront payment. The new buyer continues to prosecute the patents and build on Smartpenny.com's original concepts.

For more information in how Adapt IP Ventures can assist with your patent monetization efforts, please contact Grant Moss by email at grant@adaptipventures.com.

Client Profile:

Owner: Small Tech Company

Location: San Jose, California

Market: Online Advertising

Patent Portfolio: 3 patent assets

Outcome: Portfolio sale to Fortune 500 company