Panel Session V: The business of IP – venturing with IP

Many companies depend on their intellectual property assets to drive value creation, achieve market differentiation and generate M&A activity. The role of IP as collateral has a long history – Thomas Edison used his patent on the incandescent electric light bulb to secure financing to start his company, The General Electric Company. Increasingly, large corporations, small and medium enterprises (SMEs) and start-ups are leveraging their IP assets to seek access to capital.

Start-ups and SMEs may need to commence or enhance operations, or increase their R&D spend. The financing requirements of established companies may be driven by the need to expand or make acquisitions. With the increasing the contribution of IP assets to overall company value, IP financing has become more mainstream. However, with crowd funding now presenting an alternative source of capital, companies and venture capitalists alike need to understand and evaluate all options.

This second session in 'The business of IP' series will explore the use of IP as collateral for financing, which can include IP-backed loans, royalty securitization and IP sale and license-back arrangements. The advantages and disadvantages will be canvased both from the perspective of companies of different sizes, as well as the institutions and vehicles that invest in them.