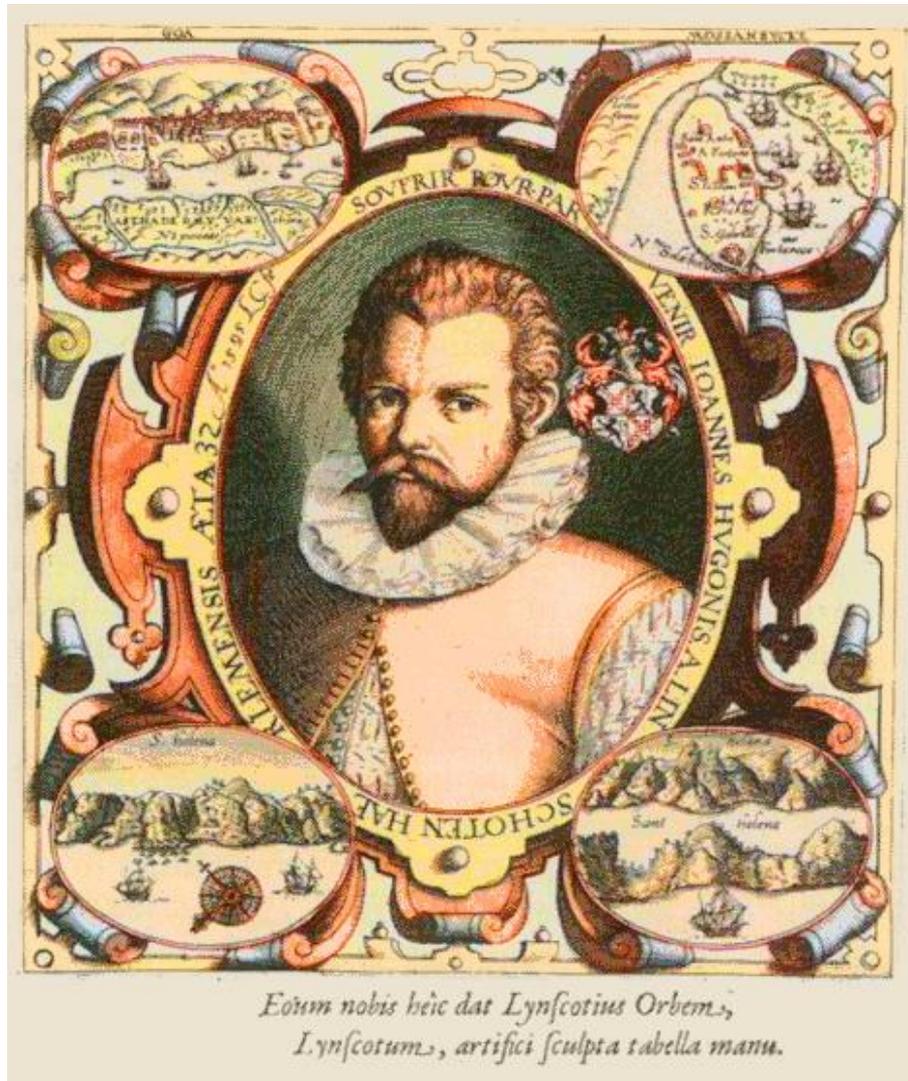


ADAPT TO ADVANCE

IP in the future business landscape

The IP attorney as a critical business asset



Jan Huyghen van Linschoten

ADAPT TO ADVANCE

How do we become a critical business asset?

Our Goal

BEING THAT CRITICAL BUSINESS
RESOURCE

5 trends defining our future

- Global Rise in Filings
- Ascendancy of IP as an Asset
- Changing Definition & Demographics
- Enforceability
- Government Involvement



5 trends defining our future



- ✓ Rise in filings
 - ✓ Ascendancy of IP as an Asset
-



- ✓ Rise in filings
- ✓ Changing Definition & Demographics
- ✓ Enforceability
- ✓ Government interest

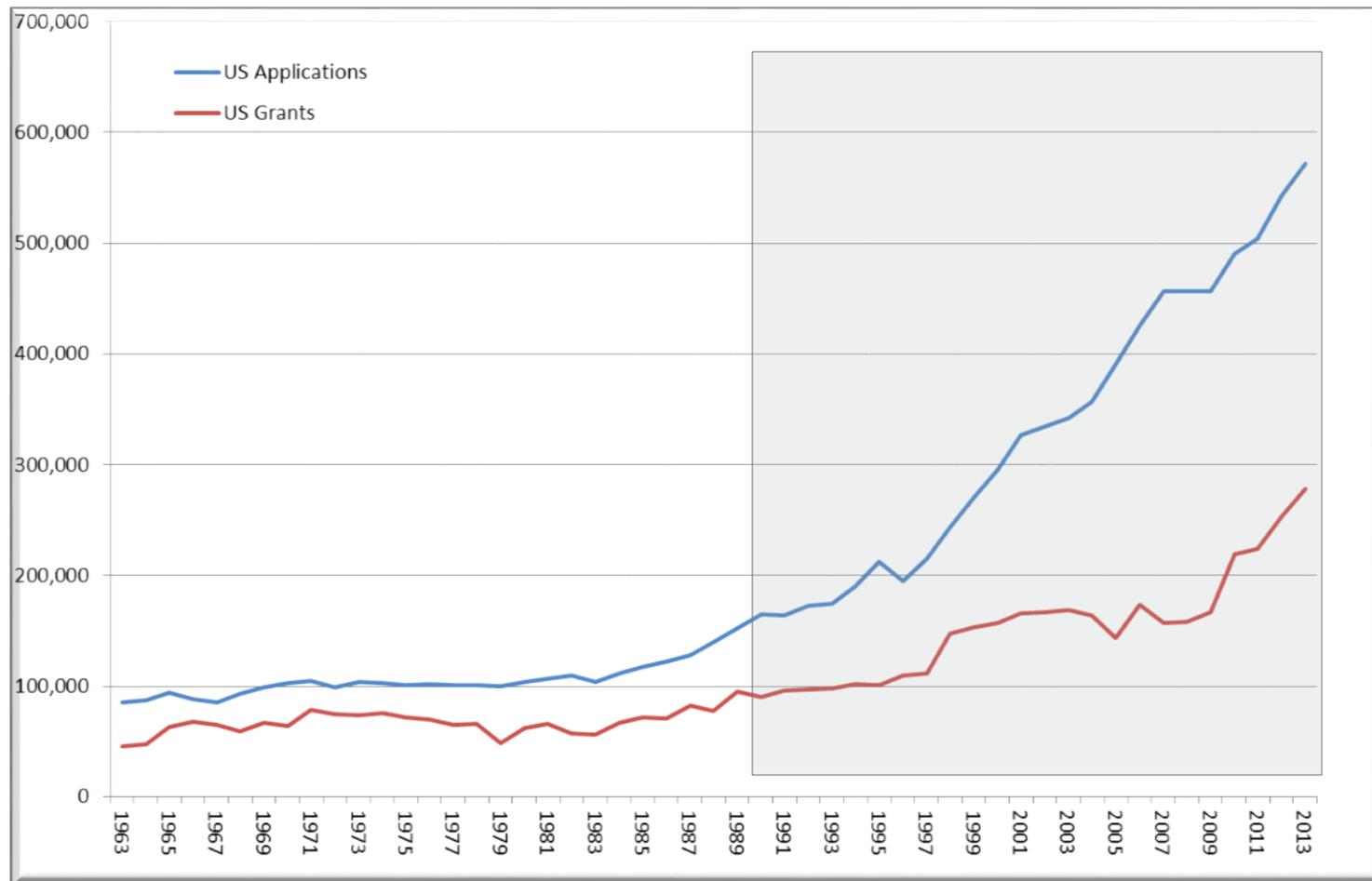


OPPORTUNITIES

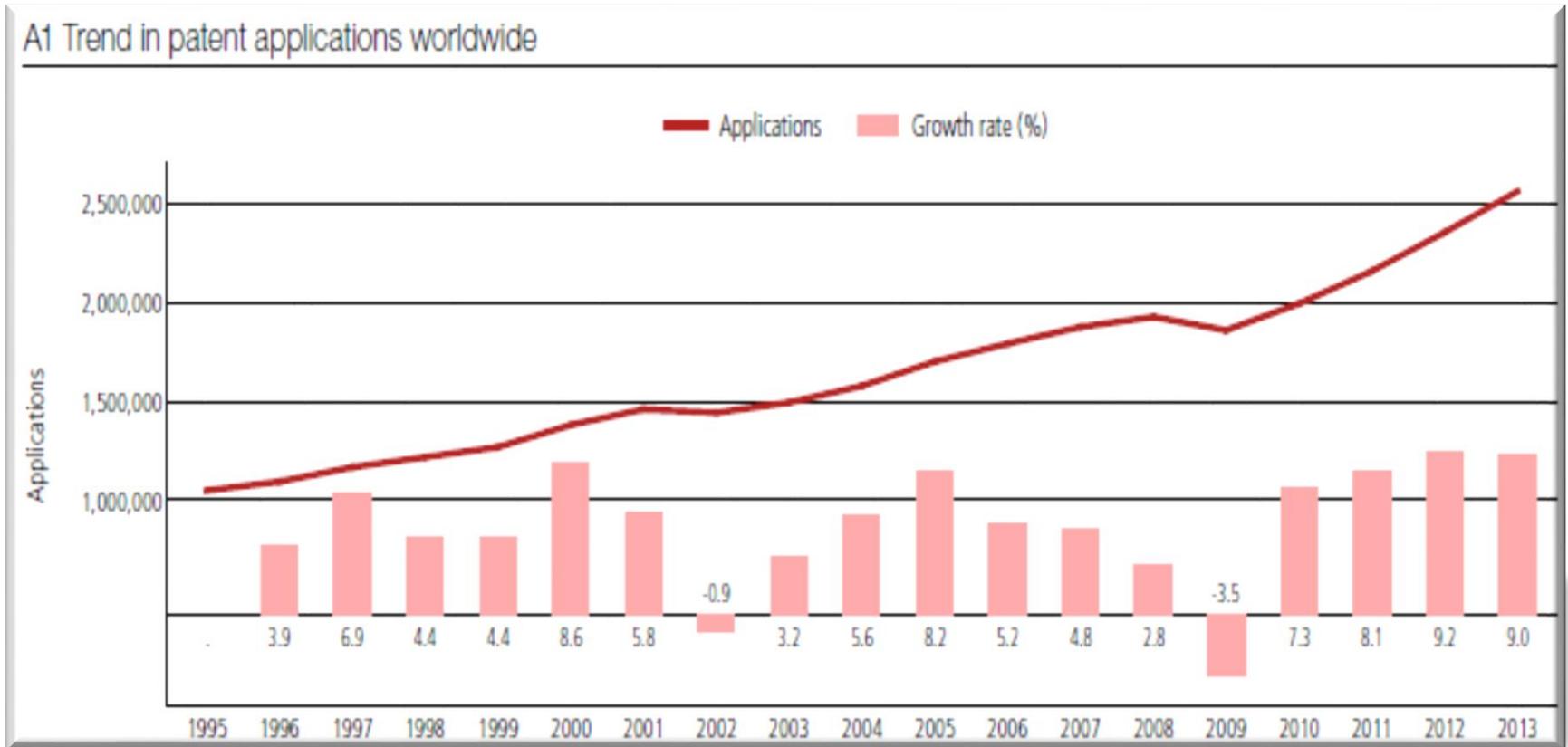


RISE IN FILINGS

In my career



Global trends



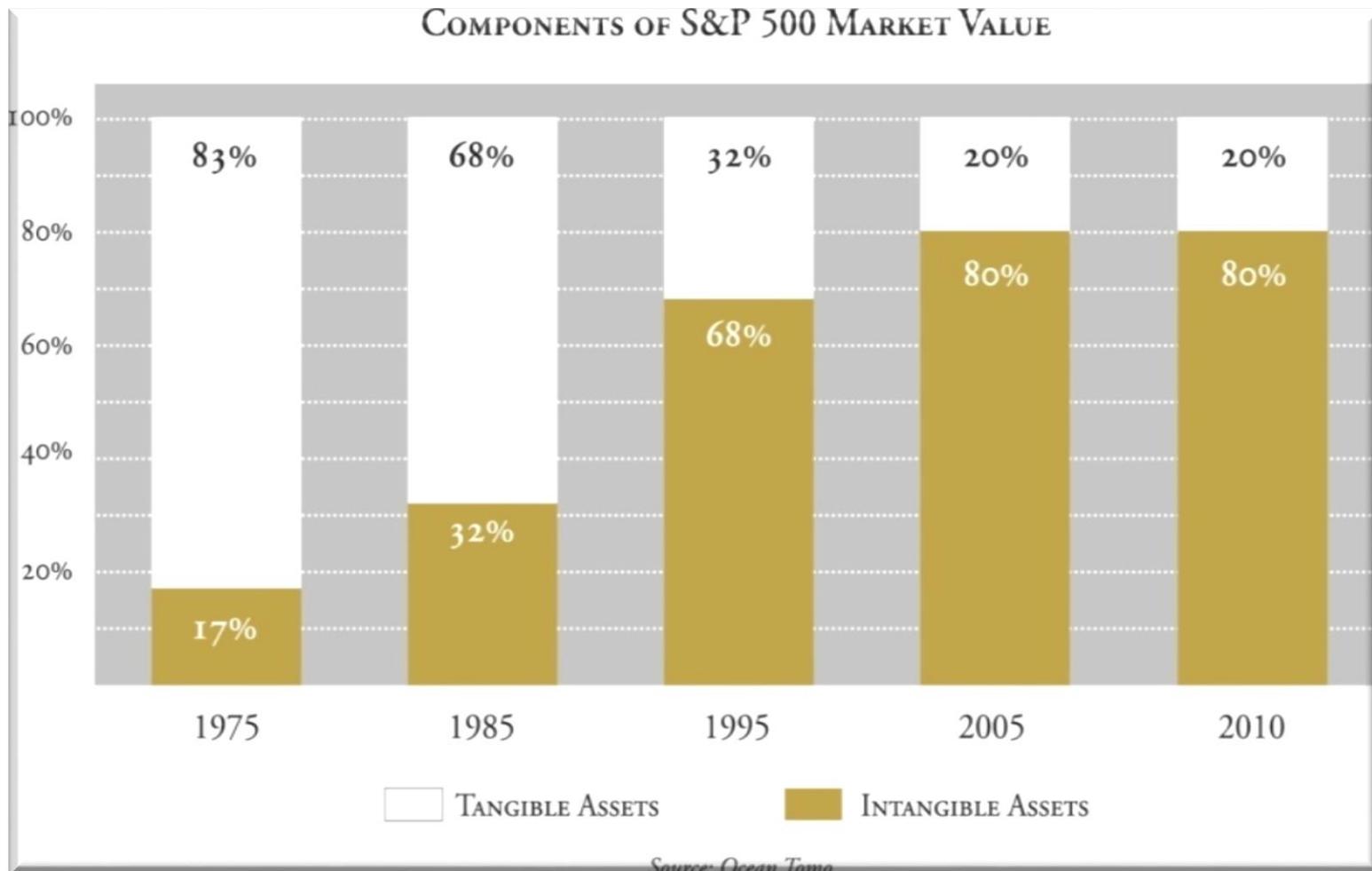
Source: WIPO's World Intellectual Property Indicators Report for 2014



RISE OF IP AS AN ASSET

From dusty corner right into the boardroom

Esoteric legal right to strategic asset



The activist shareholder



May 25, 2012

Dear Fellow AOL Shareholder:

STARBOARD'S INTERESTS ARE DIRECTLY ALIGNED WITH SHAREHOLDERS

WE HAVE A CLEAR PLAN FOR ENHANCING VALUE AT AOL

PLEASE SUPPORT IMPROVED SHAREHOLDER REPRESENTATION ON THE BOARD

SIGN AND RETURN THE ENCLOSED GOLD PROXY CARD

AOL currently represents the largest investment in the Starboard Value LP ("we" or "Starboard") portfolio, accounting for approximately \$129 million, or 13% of our assets under management. We are one of the largest shareholders of AOL and currently own 5.3% of the Company. Our interests are directly aligned with those of all shareholders. We want what is best for AOL and its shareholders and will endeavor to represent all of our interests in the boardroom in order to protect and maximize value.

Starboard's investment team has established a strong track record of creating shareholder value at many public companies over the past ten years. During this time, we have added or replaced approximately 85 corporate directors on approximately 32 corporate boards. It has been reported by 13D Monitor, a leading independent research provider on shareholder activism:

"Starboard's average return on a 13D filing is 22.3% (versus an average of 2.9% for the S&P 500 during the same time periods). However, when they have received a board seat, their average 13D return has been 31.6% versus 1.5% for the S&P 500."

As one of the largest shareholders of AOL, we only want what is best for the Company and its shareholders, which includes addressing the challenges with the current strategy and significantly improving AOL's ongoing operating performance.

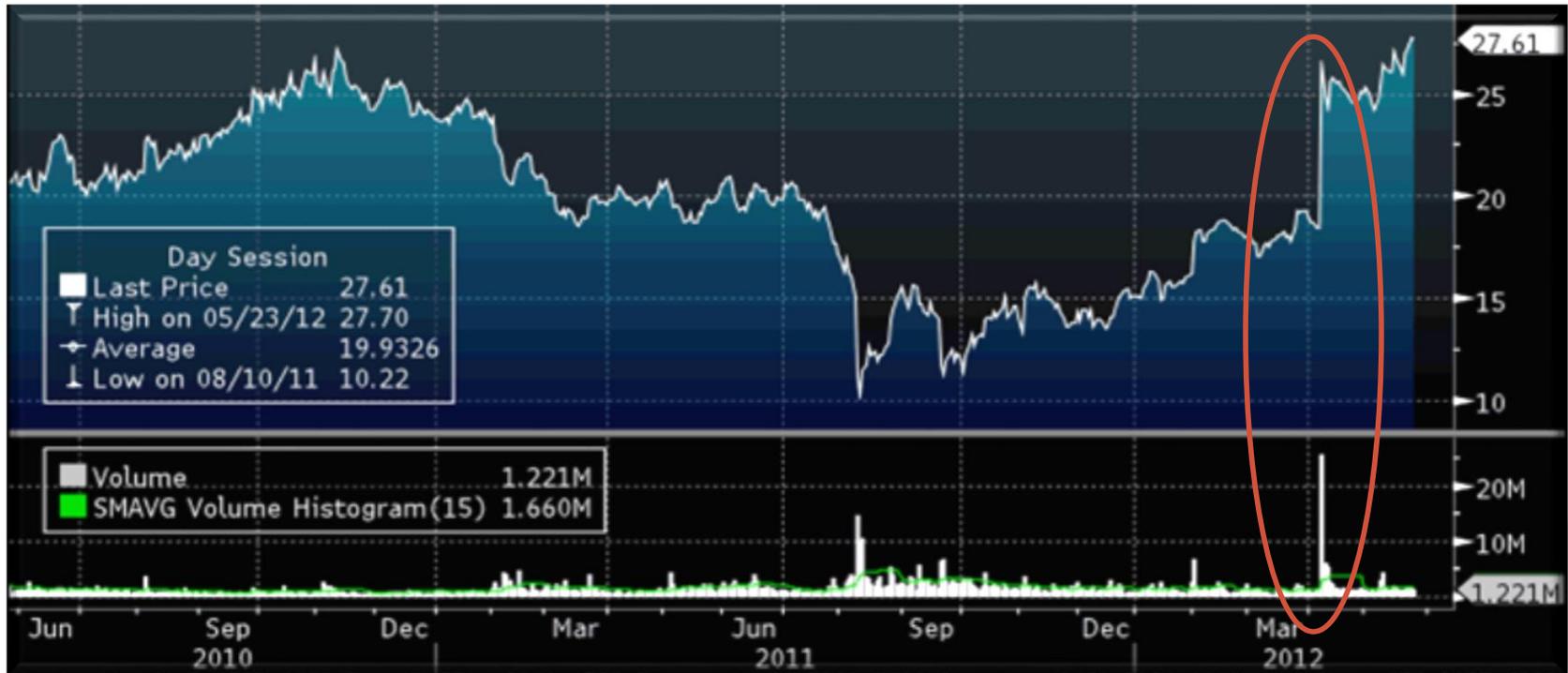
We filed an Investor Presentation with the SEC to outline our views regarding AOL's businesses, our serious concerns regarding the Company's current strategy and compensation practices, and the reasons we believe shareholders should support the election of our highly-qualified nominees at the 2012 Annual Meeting. We encourage you to review this presentation which can be found at: <http://myurl.com/StarboardInvestorPresentation>

Despite every effort to engage constructively with management and the board of directors (the "Board"), AOL remains steadfastly committed to pursuing the status quo. The Company's reactive changes to date, while a step in the right direction, have largely failed to address the serious operational issues facing the Company. Specifically, according to our analysis and confirmed by recent reports from Wall Street research analysts who cover AOL, we believe that AOL is currently losing more than \$500 million per year in its Display business alone, masking what otherwise would be a highly profitable company.

¹ Past performance is not an indication of future results.

- Feb 24, 2012, Starboard wrote to the Board:
 - AOL owned extremely valuable patents that [were] underutilized
 - Starboard believed the portfolio could produce \$1+ billion if appropriately monetized
 - AOL's inaction ... was alarming ... the Company's most valuable patents would expire worthless
- Apr 9, 2012, AOL sold patents to Microsoft for \$1.056 billion

And their stock price?



Dutch Sandwich saves Google billions in taxes

Internet giant uses complex tax structure to keep tax rate at 2.4%



Article at Bloomberg/NBC: http://www.nbcnews.com/id/39784907/ns/business-us_business/t/dutch-sandwich-saves-google-billions-taxes/#.VQiR7E3cnTc

See http://en.wikipedia.org/wiki/Double_Irish_arrangement for a description of the technique

NO LONGER THE PURVIEW OF THE
'GEEK IN THE CORNER'



STRENGTHS

WE EAT PATENTS FOR
BREAKFAST



WEAKNESSES

BLINDED BY THE LIGHT

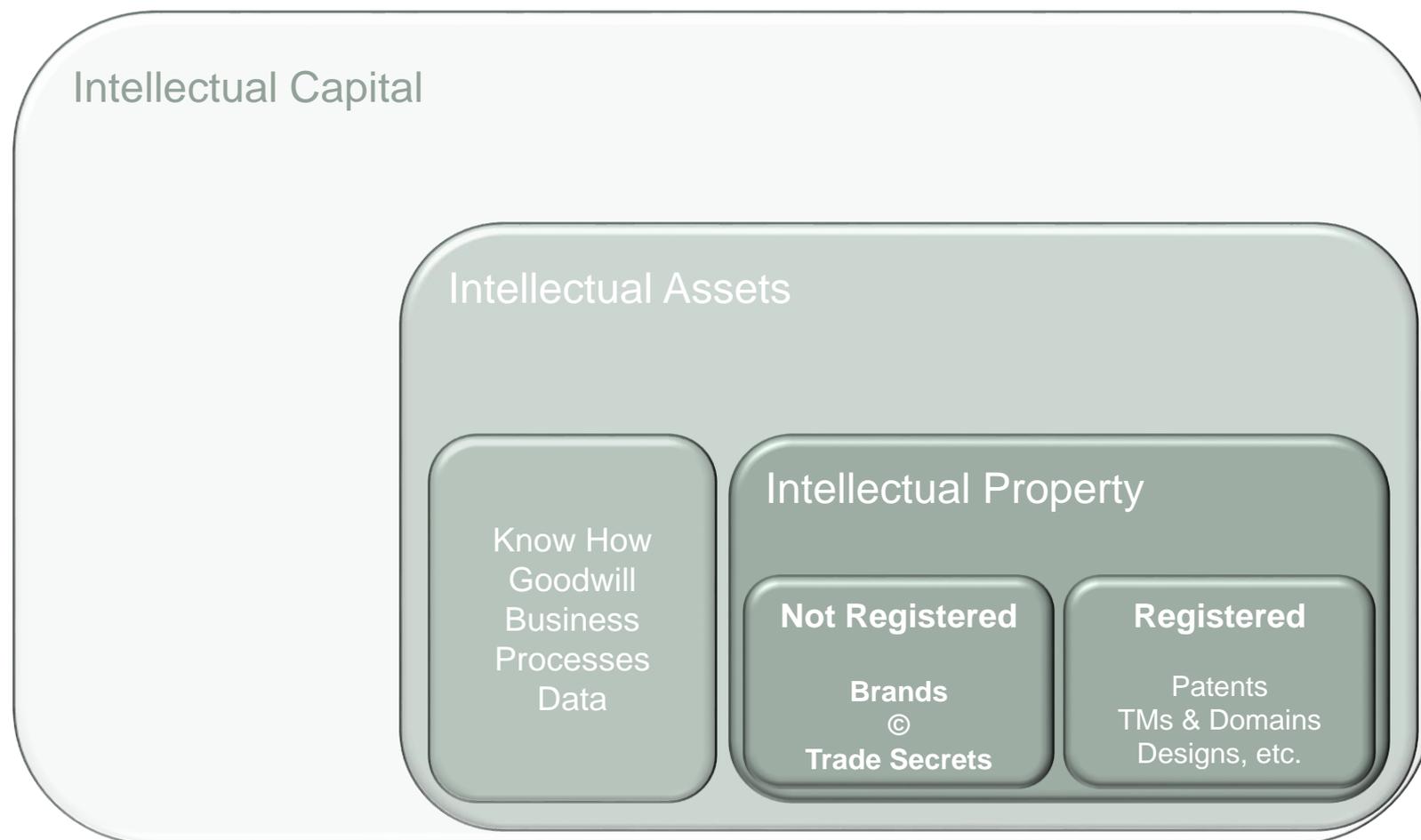
THREATS





DEFINITION OF IP

Definition of IP has changed...



...But we still talk about patents all the time

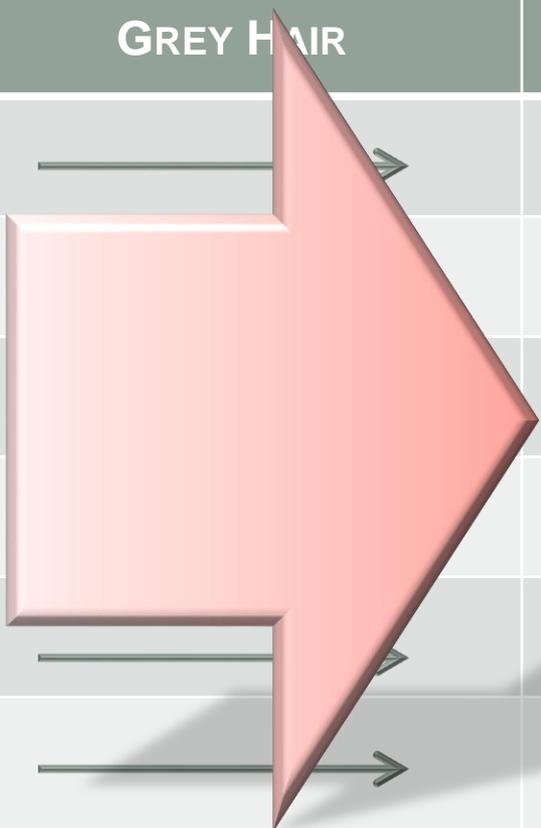




RISE IN FILINGS

And the curse of large numbers

Commoditization

BRAINS	GREY HAIR	PROCEDURE
Diagnostically Intensive		Procedurally Intensive
Customized		Programmatic
High Client Risk		Low Client Risk
Few Qualified Vendors		Many Qualified vendors
High Fees		Fee Sensitive
Few, High Value Projects		Many, Low Value Projects

Shot across the bow...

Apple tops Street 1Q forecasts

Apple posts 1Q profit, results beat Wall Street forecasts

Associated Press

January 27, 2015 4:39 PM

CUPERTINO, Calif. (AP) — Apple Inc. (AAPL) on Tuesday reported fiscal first-quarter net income of \$18.02 billion.

The Cupertino, California-based company said it had profit of \$3.06 per share.

The results surpassed Wall Street expectations. The average estimate of analysts surveyed by Zacks Investment Research was for earnings of \$2.60 per share.

The maker of iPhones, iPads and other products posted revenue of \$74.6 billion in the period, also exceeding Street forecasts. Analysts expected \$67.38 billion, according to Zacks.

For the current quarter ending in March, Apple said it expects revenue in the range of \$52 billion to \$55 billion. Analysts surveyed by Zacks had expected revenue of \$53.65 billion.

Apple shares have declined 1 percent since the beginning of the year, while the Standard & Poor's 500 index has declined slightly more than 1 percent. In the final minutes of trading on Tuesday, shares hit \$109.14, an increase of 39 percent in the last 12 months.

WILL CREATORS OF COMMODITIZED
PRODUCTS BE IN THE BOARDROOM?



CHANGE IN DEMOGRAPHICS

How relevant are we?

Dutch Sandwich saves Google billions in taxes

Internet giant uses complex tax structure to keep tax rate at 2.4%



Kodak Worth More in Breakup With \$3 Billion Patents: Real M&A



Article at Bloomberg/NBC: http://www.nbcnews.com/id/39784907/ns/business-us_business/t/dutch-sandwich-saves-google-billions-taxes/#.VQiR7E3cnTc

See http://en.wikipedia.org/wiki/Double_Irish_arrangement for a description of the technique

Challenge: the 'traditional' IP professional
is not equipped to deal with this

WILL WE REMAIN IN THE DUSTY
CORNER WHILE OTHERS EAT OUR
LUNCH?

Rise of the Non-IP IP-professional

The screenshot shows the IAM Strategy 300 search interface. At the top, there are navigation links for Magazine, Blog, Market intelligence, Top patent practitioners, and Top IP strategists. Below this, there are links for Sectors of expertise, Editorial, View all entries, and Order hard copy. The main text describes the annual IAM Strategy 300 ranking, stating that it identifies top IP leaders based on nominations from various parties. A search section titled "Search IAM Strategy 300" is visible, with two search criteria: "By sector" and "By individual / firm". The "By sector" dropdown menu is open, showing a list of sectors including Brokering, Defensive patent aggregation, Finance, IAM/IC, IP auctions, IP insurance, IP management consultancy, IP-backed lending, Legal, Licensing, M&A, Tax, Technology transfer, and Valuation. A red circle highlights the dropdown menu. Below the search section, there are two "Featured strategist" boxes.

iam Magazine Blog Market intelligence Top patent practitioners Top IP strategists

Sectors of expertise
Editorial
View all entries
Order hard copy

Each year, *Intellectual Asset Management (IAM)* researchers in the United States, Europe and Asia speak to a wide range of senior corporate IP managers, as well as third-party IP service providers, in order to identify these IP leaders. Only those individuals nominated multiple times by different parties as outstanding IP strategists are listed in the *IAM Strategy 300*.

Search IAM Strategy 300

By sector or By individual / firm

Sector or Name

Sector

- Brokering
- Defensive patent aggregation
- Finance
- IAM/IC
- IP auctions
- IP insurance
- IP management consultancy
- IP-backed lending
- Legal
- Licensing
- M&A
- Tax
- Technology transfer
- Valuation

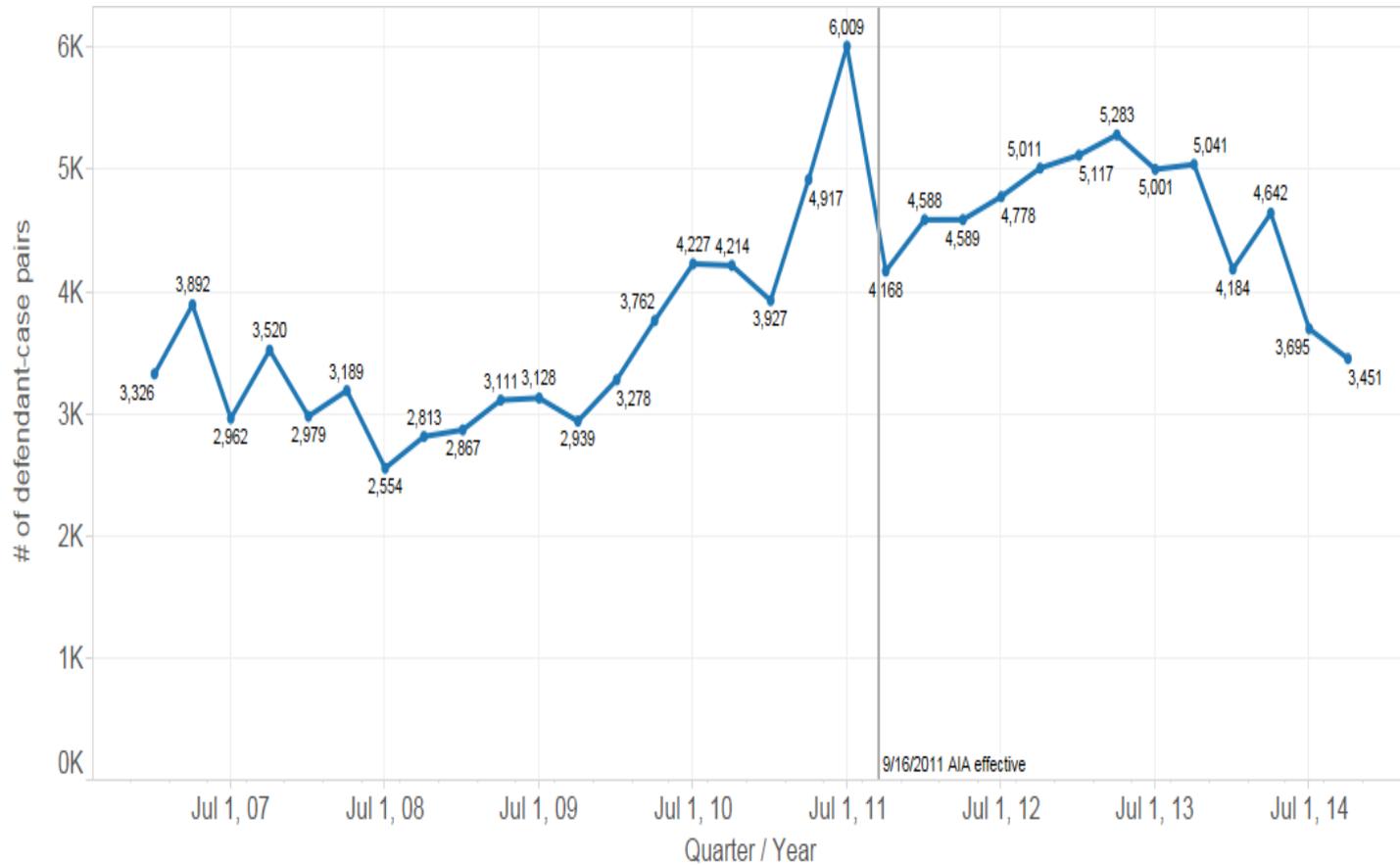
Featured strategist

Featured strategist

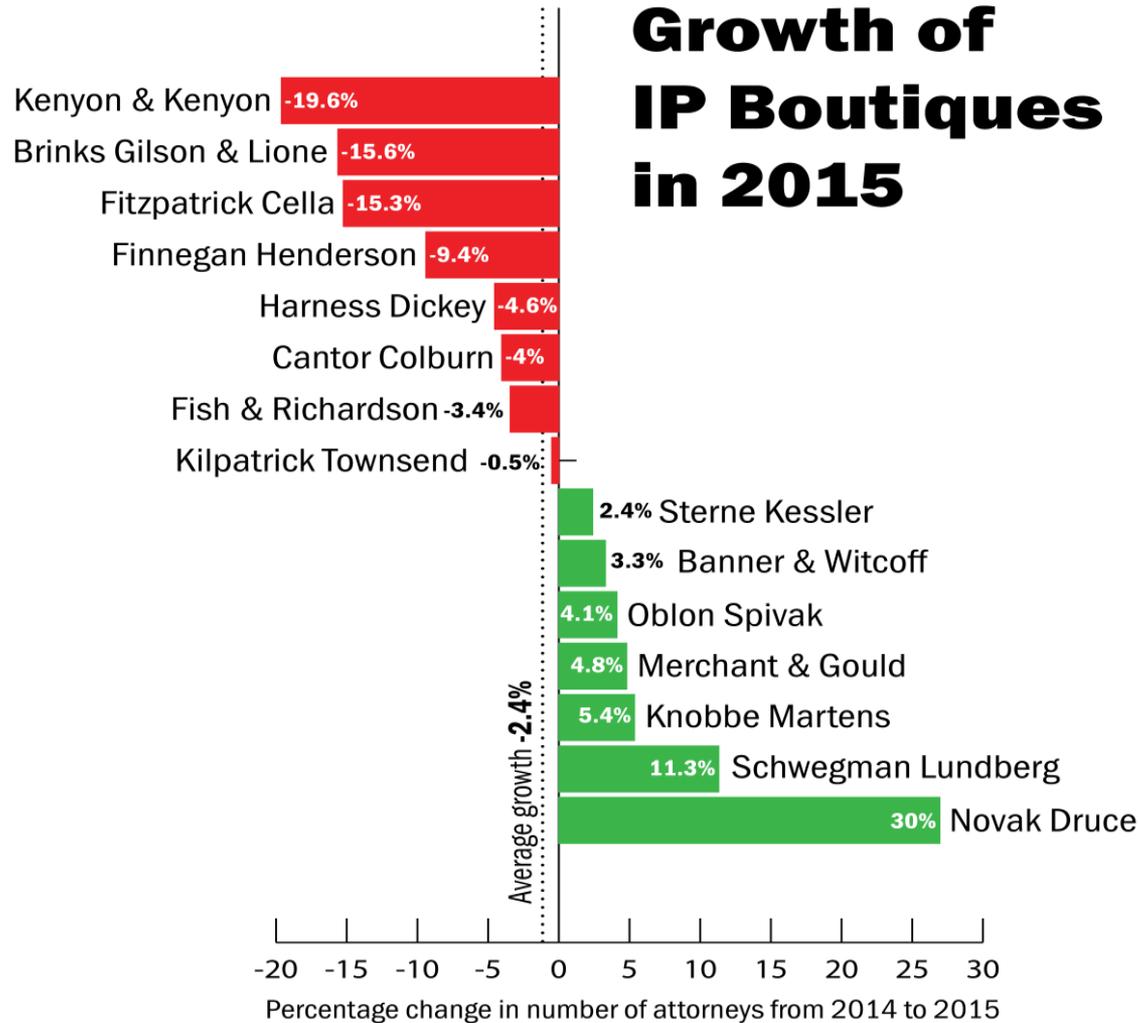


FALL OF ENFORCEABILITY

US Patent Litigations



Growth of IP Boutiques in 2015





RISE IN GOVERNMENT INTEREST

Government involvement

- Politicians

- “With our current patent laws being abused in ways that are threatening the survival of American innovation, the Congress must act to curb abusive patent litigation.”

- Lobbying

- “The \$130 million “anti-troll coalition” has the financial power to have a major say in the reform debate...something that is confirmed by a quick calculation of how many lobbying dollars the coalition’s players spent last year.”

Troll Bill Threatens To Weaken All Patents, GCs Say

Law360, New York (March 27, 2015) -- In-house counsel for IBM Corp., United Technologies Corp. Aerospace Systems, Juniper Networks Inc. and others said at a conference Friday that they are worried that a bill in Congress aimed at thwarting so-called patent trolls will actually weaken all patents and hurt their business.

http://www.law360.com/ip/articles/636853?nl_pk=c7088463-eefd-4394-b33d-74cfac1644f1&utm_source=newsletter&utm_medium=email&utm_campaign=ip

Good and bad...

CHALLENGE OF REGULATION BY
THE GOOD INTENTIONED
POLITICIAN...

TODAY'S CHALLENGE

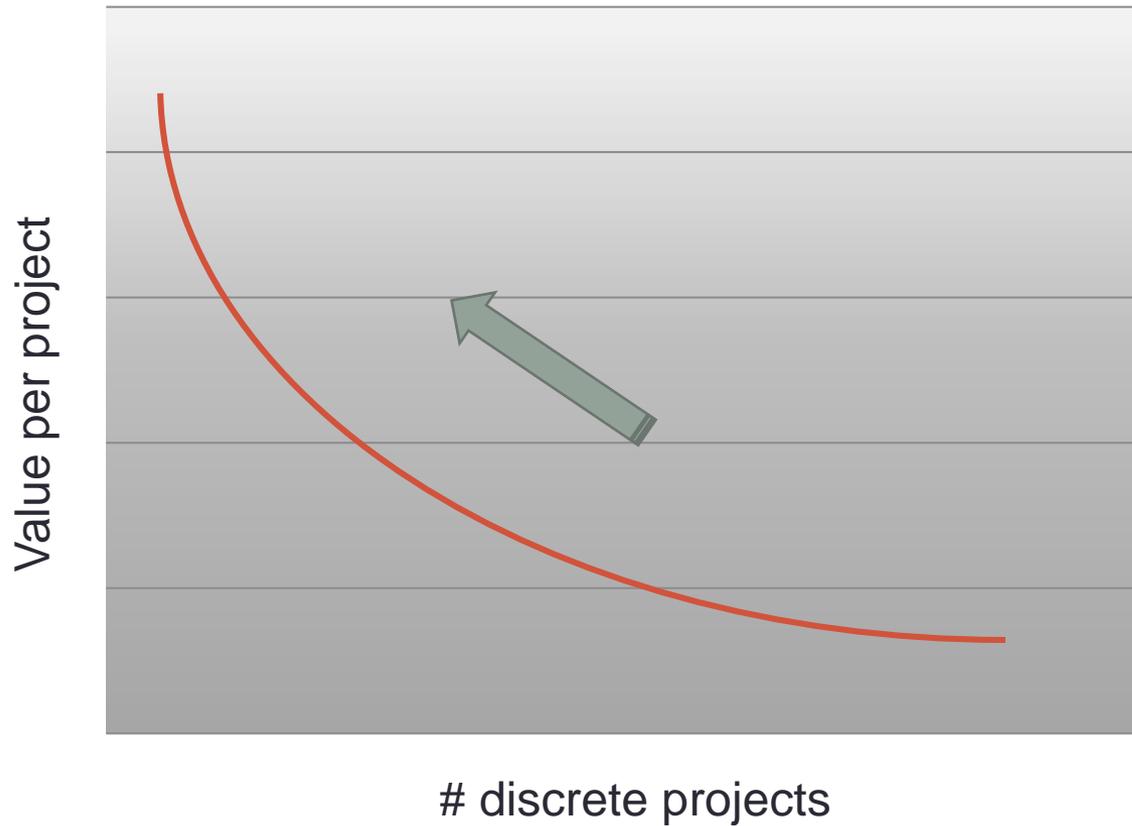
Law360 Reveals Largest IP Boutiques

“...while IP specialty firms bring an army of top talent to the legal market, experts say they still need to define their mission and adapt to a changing market to keep up with general practice firms...”

By Aaron Vehling, March 22, 2015

Source: http://www.law360.com/ip/articles/633947?nl_pk=c7088463-eefd-4394-b33d-74cfac1644f1&utm_source=newsletter&utm_medium=email&utm_campaign=ip

How do we get back up the curve?



THANK YOU
