

# SYNDEFENSE SOLUTION OVERVIEW

SYNDEFENSE provides IP solutions in close alignment with your R&D and business strategies

- Supports IP asset monetization with minimal transaction costs
- Supports start-up/emerging companies in creating, fostering, utilizing IP, as well as defending against IP assertions
- Supports patent portfolio development and patent buying for business defense
- Supports risk management against patent troll and other patent assertions that hinder business

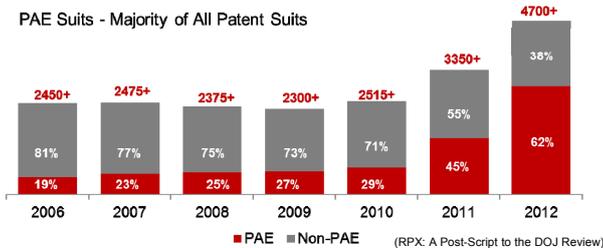
**Over 3,000 operating companies are targeted by PAEs, yet these operating companies are not appropriately monetizing their IP**

## PAE litigations cost operating companies \$80B

Originally meant to provide legal relief, the patent system is now exploited by investors, brokers, and contingency lawyers as a "patent business" to earn huge profits. Patent Assertion Entities "PAE" ("patent trolls") purchase patents through patent brokers and obtain large settlements or damages through litigation and threats.

PAE litigation interferes with innovation, a true purpose of the patent system. The number of such litigations have increased every year (62% of all patent litigation in 2012), and in 2011, cost operating companies \$29 Billion (\$80 Billion including indirect costs). The financial burden on the operating companies negatively impacts innovation, with the cost ultimately placed on consumers.

PAE Suits - Majority of All Patent Suits

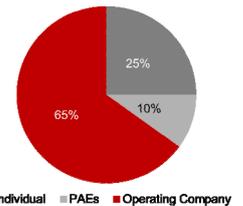


## Unreasonable transaction costs with PAE monetization

PAEs do not contribute to innovation - they do not design, manufacture or sell products/services. They raise billions of dollars to purchase patents from operating companies, universities, and research institutions, and then they litigate.

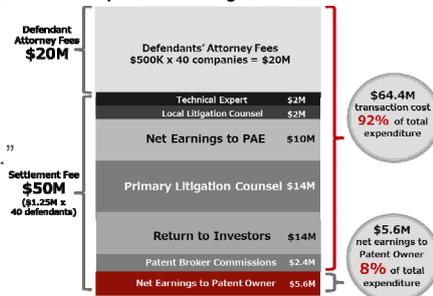
Although victims to PAE assertions, operating companies frequently sell patents to PAEs. Patents sold by operating companies are used against other operating companies, furthering the "patent business".

Operating companies sell the most to PAE



More than 90 percent of the money paid by operating companies in PAE litigation flows to investors, lawyers, brokers, and PAEs that exploit the "patent business." The company that originally sold the patents to PAE receives less than 10% of the total revenues received.

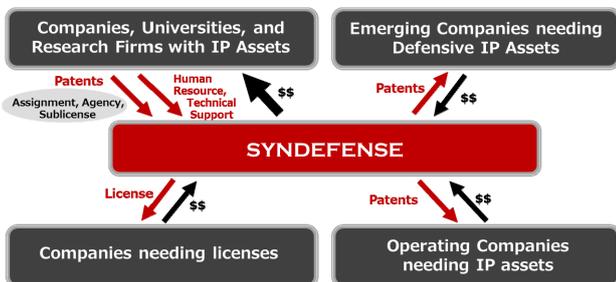
Example of PAE litigation cost distribution



**SYNDEFENSE assists operating companies in recouping R&D investment through effective use of the companies IP with minimal transaction costs. We enable operating companies to re-invest in future technology and business development, helping secure the foundation for the next generation of wealth.**

- Unlike patent trolls and other PAEs, SYNDEFENSE does not maximize profits for non-innovators such as investors, brokers and lawyers. SYNDEFENSE minimizes transaction costs flowing to those entities, and **maximize profit for patent owners, enabling them to reinvest** in future technological development. SYNDEFENSE **also substantially reduces licensees' transaction costs.**
- SYNDEFENSE supports all IP activities of start-ups and emerging companies - creating, developing, and utilizing IP, as well as defending against patent assertions to protect future innovation. SYNDEFENSE also acts as an intermediary for the vast IP and human resources held by large corporations, universities, and research institutions in the SYNDEFENSE client network.
- Companies expanding in the global market face the risk of IP assertions at a rate directly proportional to their growth. SYNDEFENSE provides defensive patent purchasing and licensing support, as well as assistance in resolving patent disputes.

### SYNDEFENSE's Core Business



### PAE v SYNDEFENSE

Syndefense Reduces BOTH Patent Owner and Licensee's Transaction Cost

	PAE Model	Syndefense Friendly License
Defendants Legal Fees	Defendants Attorney Fees \$500K x 40 companies = \$20M	Defendants Attorney Fees \$2M
Settlement Fees	Technical Expert \$ 2M Local Litigation Counsel \$ 2M	Technical Expert \$ 2M Syndefense Cost \$ 3M Attorney Fees ≤ \$ 2M
	Net Earnings to PAE \$ 10M	Net Earnings to Patent Owner \$16M
	Primary Litigation Counsel \$14M	Internal Cost of Patent Owner \$ 1M
	Return to Investors \$14M	
	Patent Broker Commissions \$2.4M Net Earnings to Patent Owner \$5.6M	
Defendants Cost	\$70M	≤\$24M
Owner's Profit	\$5.6M	\$16M
Transaction Cost	92%	≤33%

### Innovation Support / Start-up Venture Support



For more information, please visit [www.syndefense.com/en](http://www.syndefense.com/en) or contact [info@syndefense.com](mailto:info@syndefense.com)

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