

Patent Market Data

IP Year in Review – LES Silicon Valley

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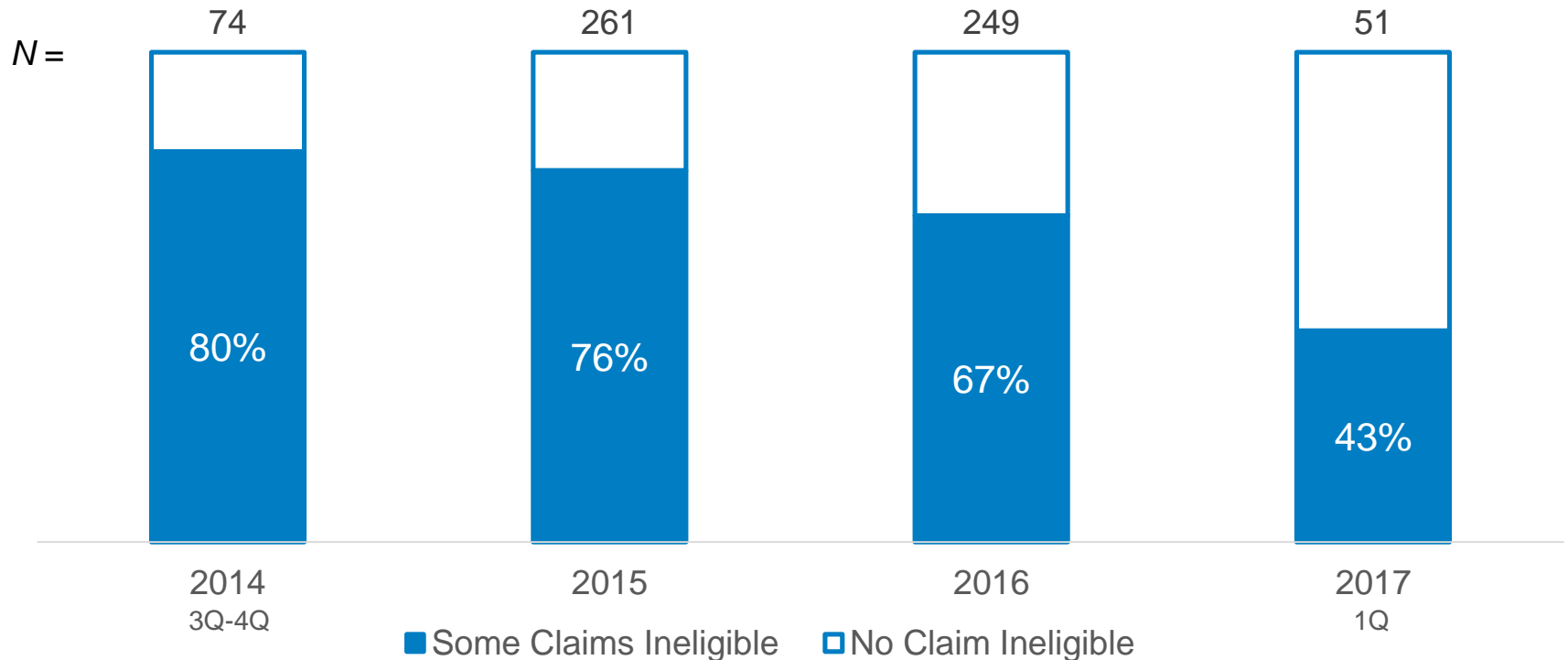
December 13, 2017

Section 101

Alice Challenge Success Rates Are Falling

Outcomes of Alice Challenges Per Unique Patent

Includes district court and CBM decisions citing Alice v. CLS Bank Int'l



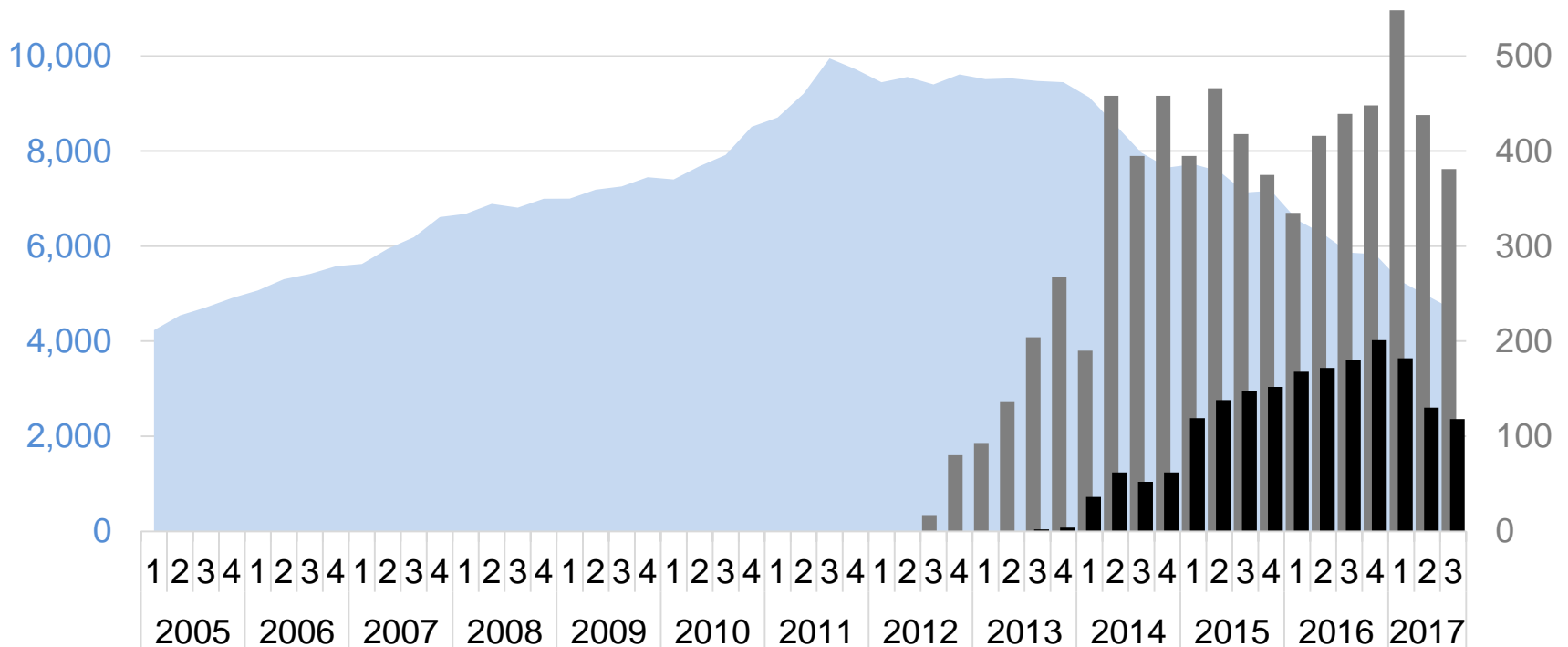
Source: Westlaw; RPX Research. Includes decisions through March 2017. Excludes non-merits decisions (i.e., denials at Rule 12 or at Institution) and includes only decisions based on “abstract idea” doctrine. Patents may be counted twice if they appear in decisions in multiple years (*N* = 599 unique patents)

Inter Partes Review

Less Active Patent Litigation, More IPRs

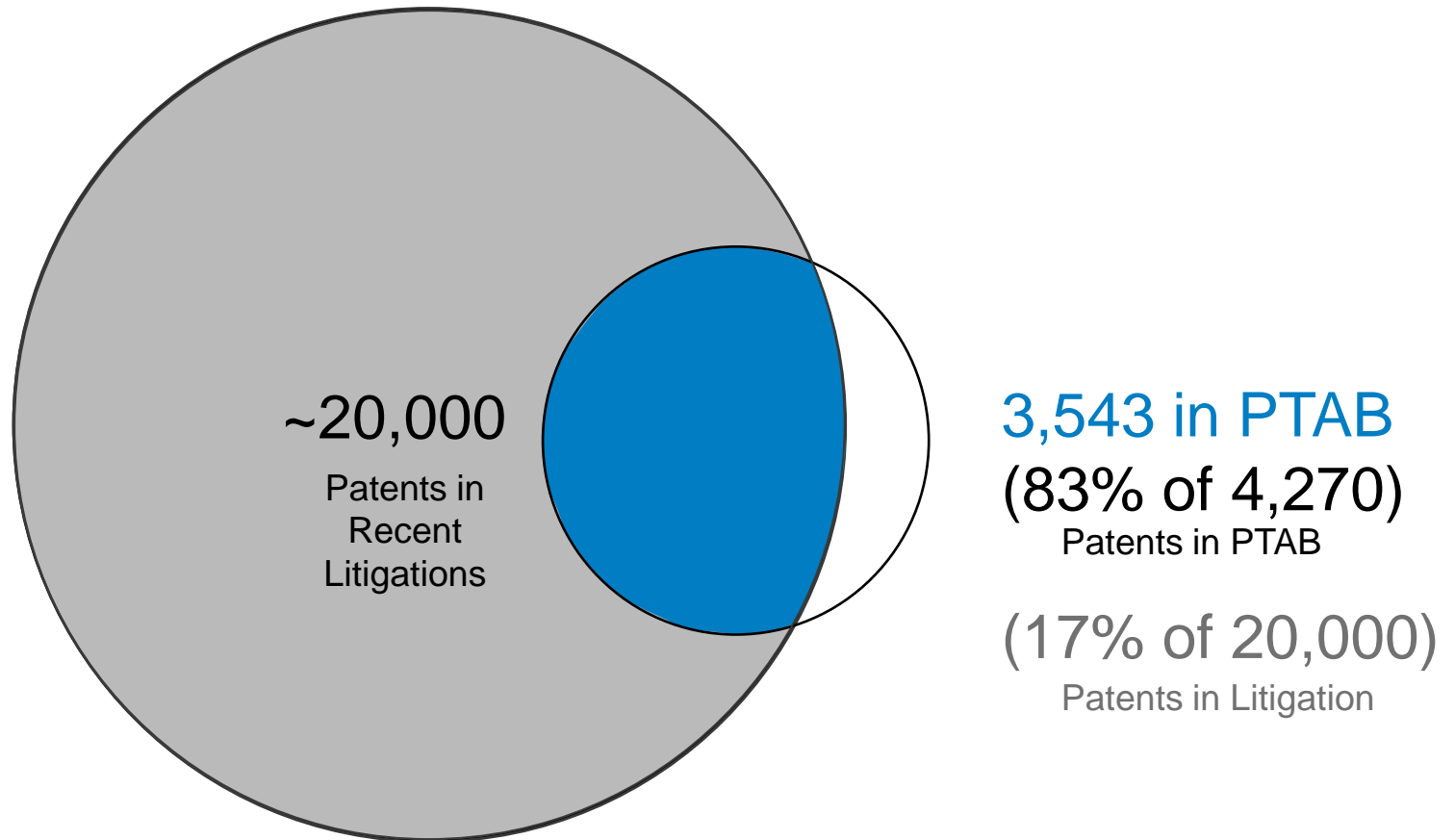
Active Patent Litigation Disputes (left) and IPR Petitions (right) Quarterly

■ Petitions Filed ■ Final Decisions



Source: PACER; RPX Research. Active defendants equal defendants added minus defendants terminated as of quarter end.

Most PTAB Patents Are Litigated but Not Vice Versa

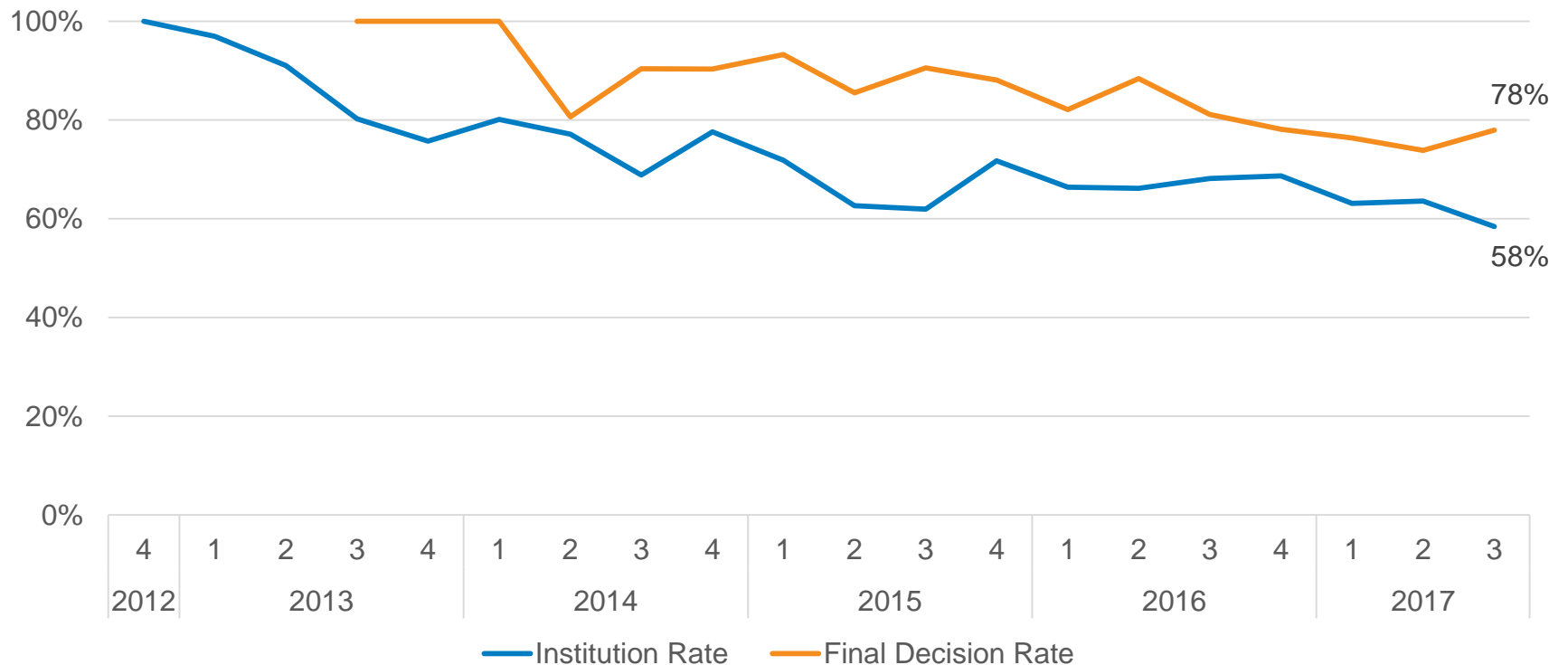


Source: PTAB; PACER; RPX Research. Includes patents in active district court litigation and/or challenged in PTAB from September 16, 2011 to October 1, 2017.

IPR Success Rates Are Much Lower

Quarterly Institution and Final Decision Outcomes in IPR

Institution and Final Decision Rates: at least some claims instituted or ruled unpatentable, respectively

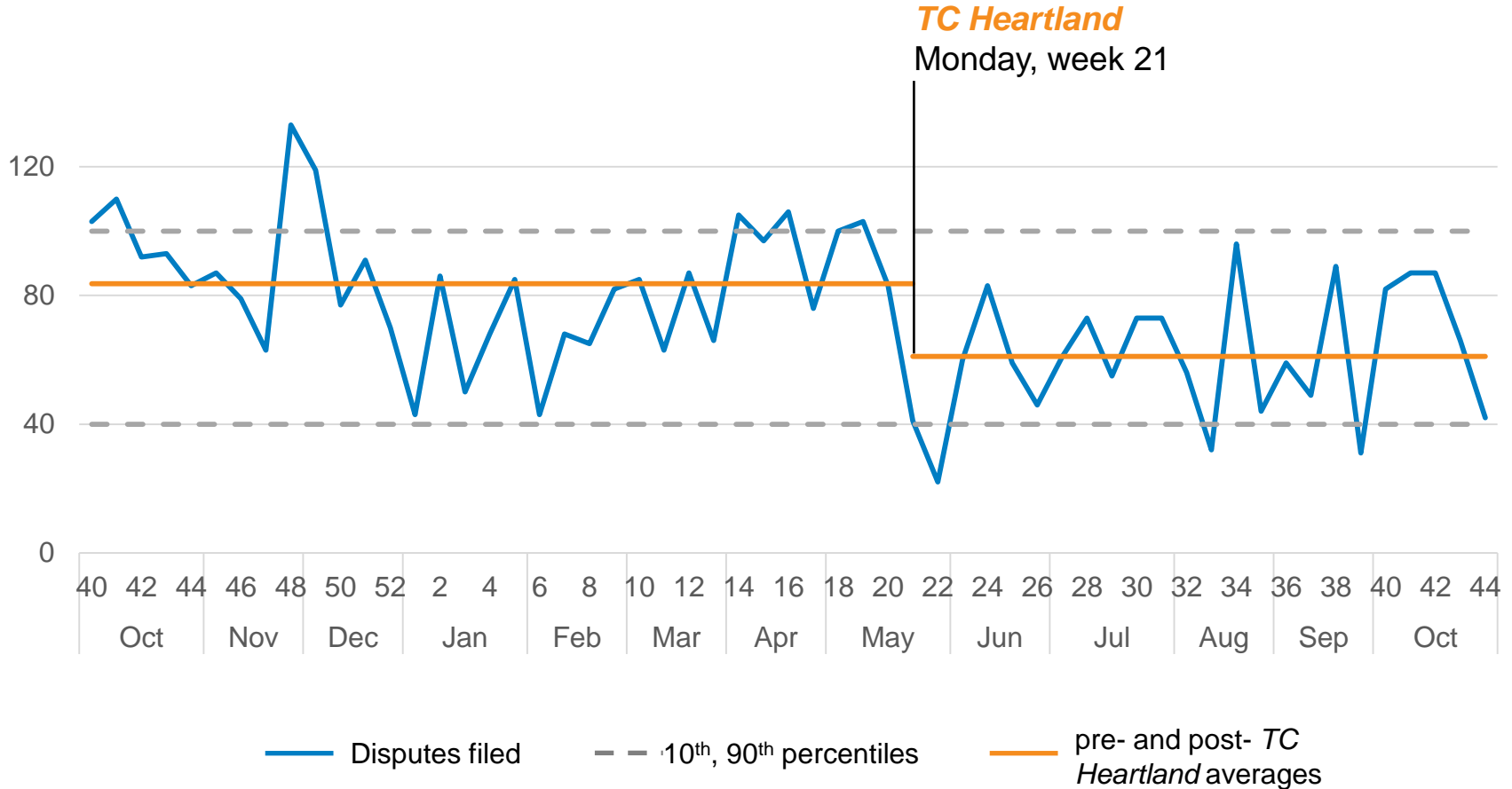


Source: PTAB; RPX Research.

Venue

Clear Dip in Litigation Filings After *TC Heartland*

New Patent Litigation Disputes Filed Weekly in US District Court

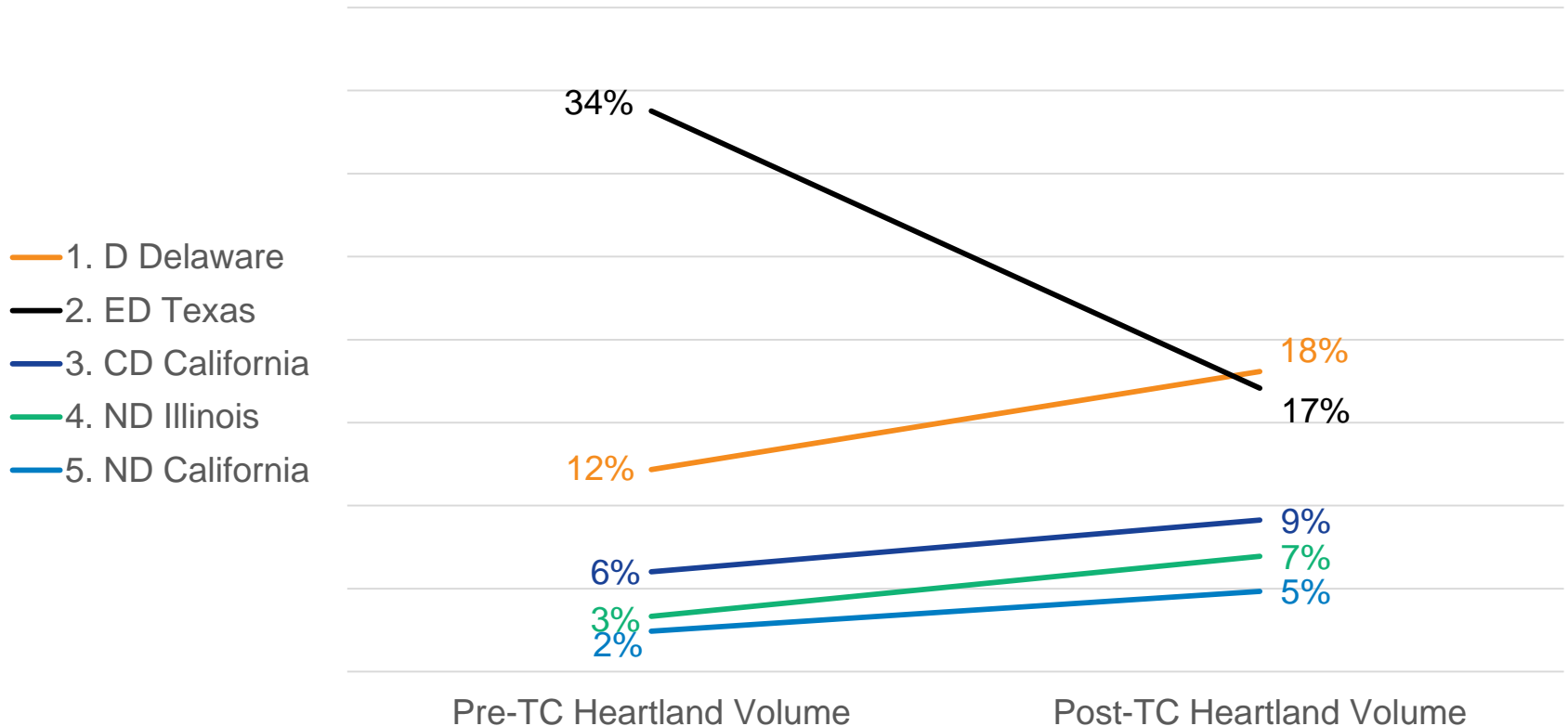


Source: PACER; RPX Research.

Plaintiffs File in Different Courts After *TC Heartland*

Volume of New Litigation in Top Districts Since *TC Heartland*

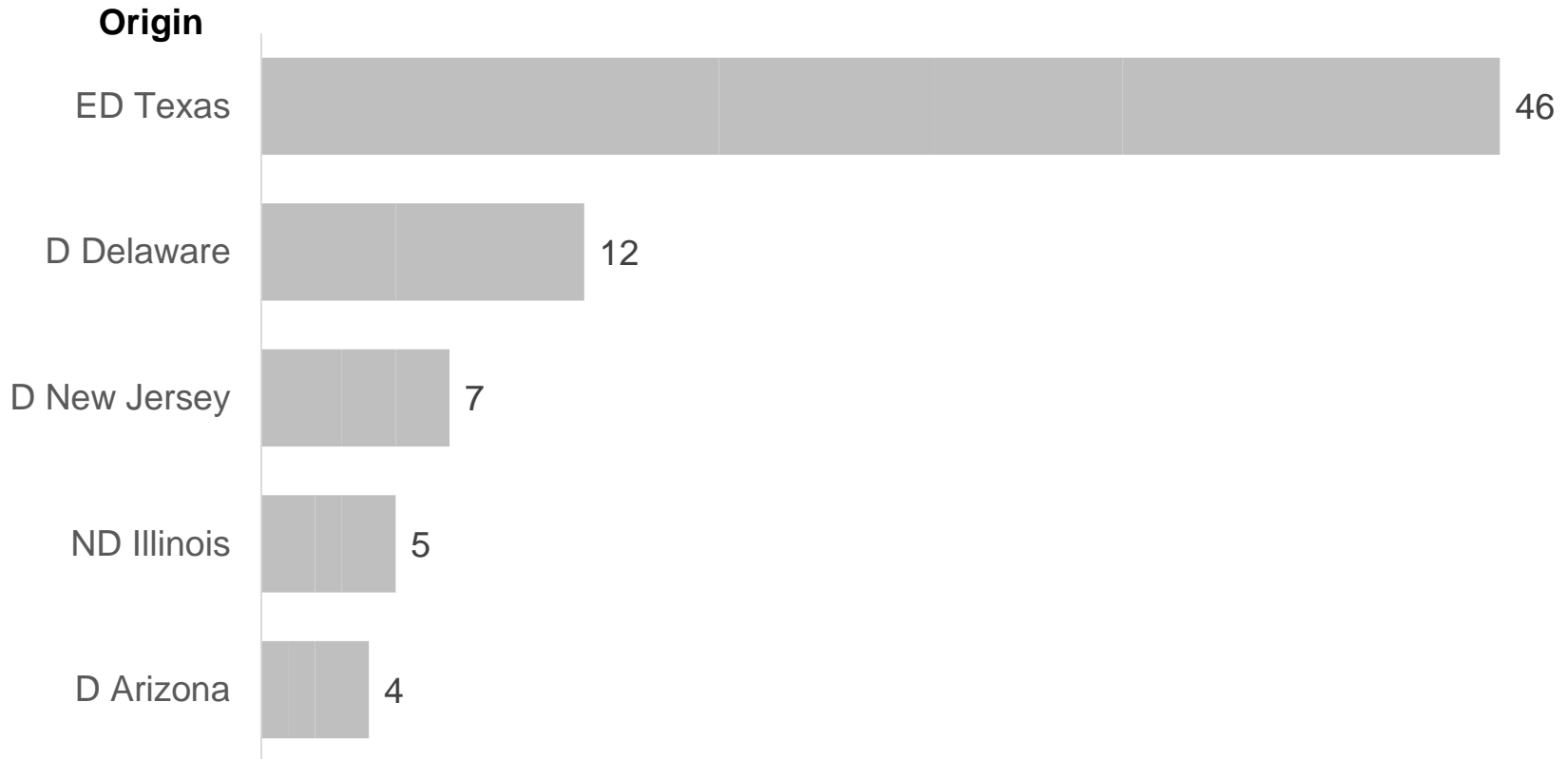
By defendants added in 2017. *TC Heartland* decision occurred May 22, 2017



Source: PACER: RPX Research. "Pre" period is January 1 to May 21, 2017. "Post" period is May 23 to September 30, 2017.

ED Texas Loses the Most Cases After *TC Heartland*

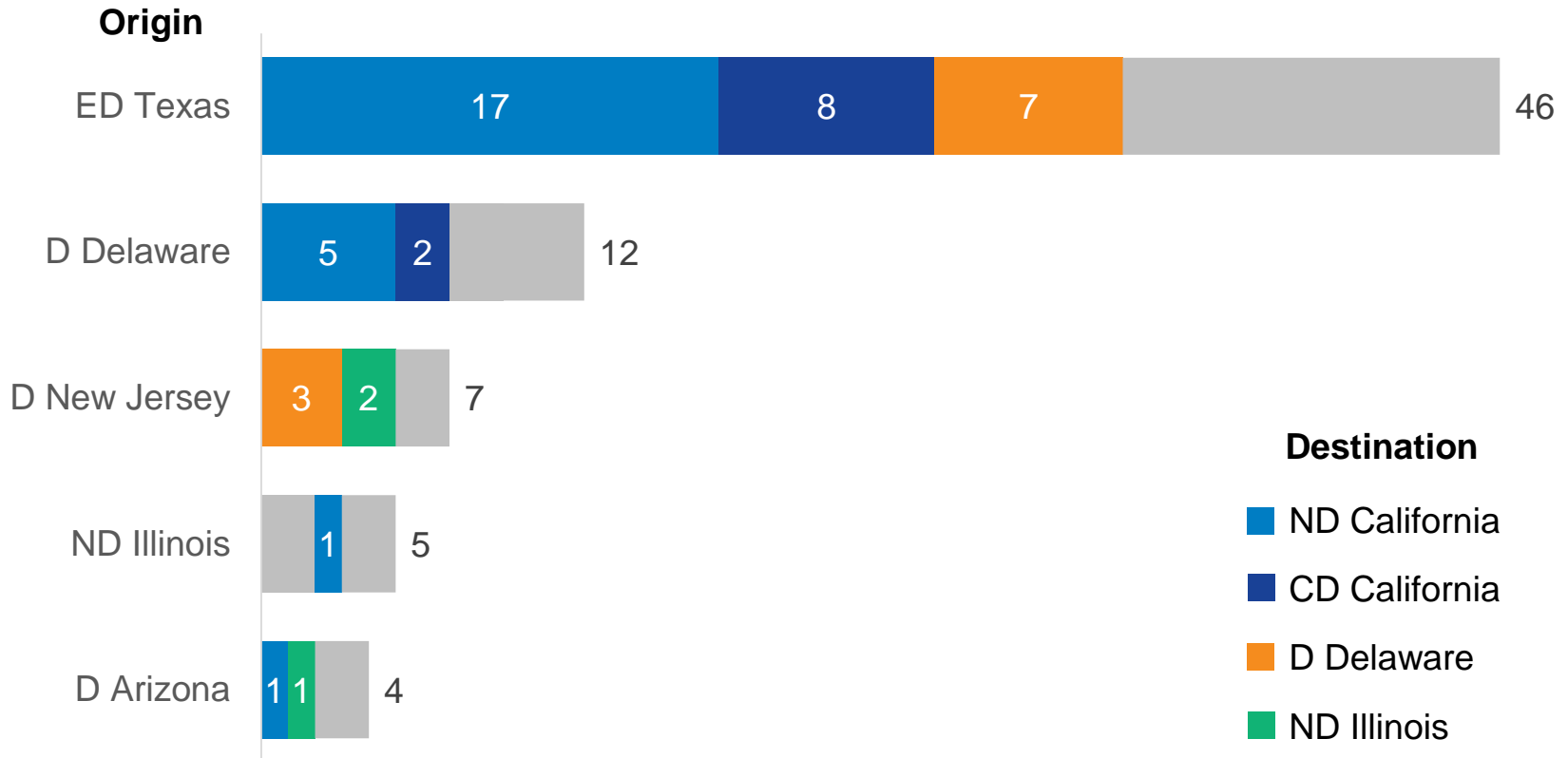
Cases Transferred From Districts After *TC Heartland*



Source: PACER; RPX Research. Includes orders on motions to transfer from May 22 to September 30, 2017

ED Texas Loses the Most Cases After *TC Heartland*

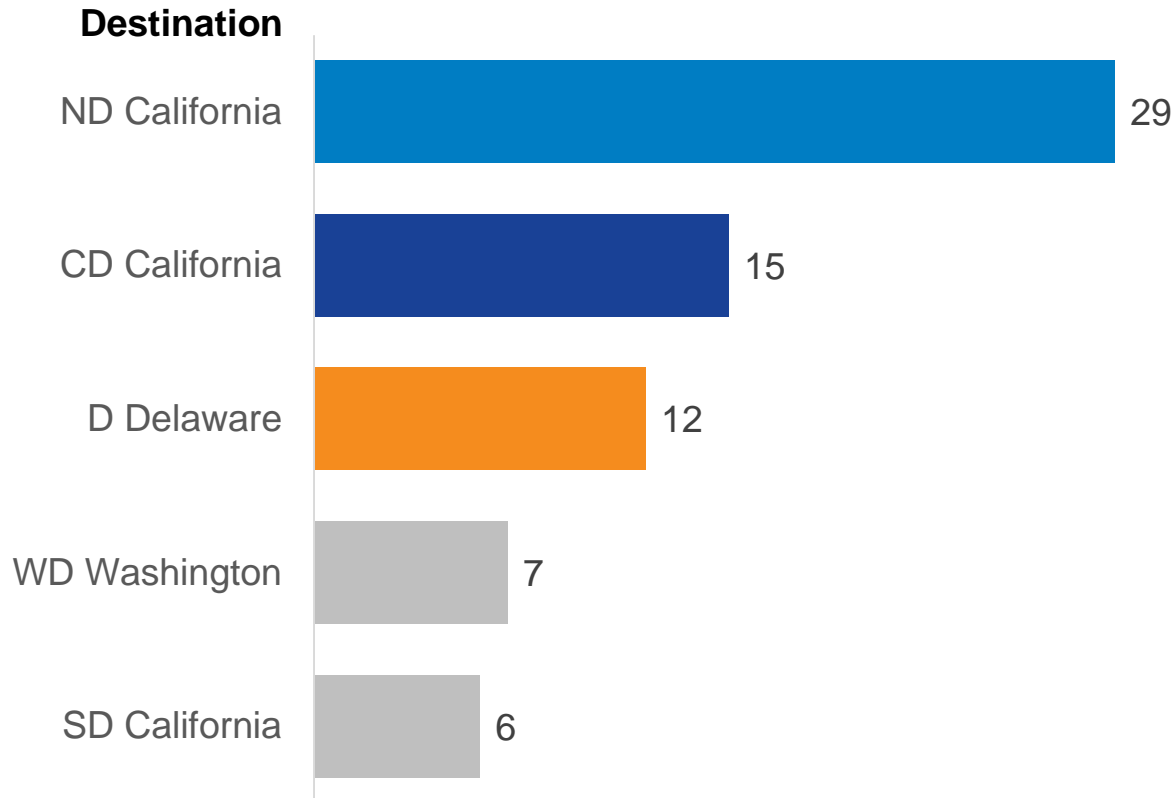
Cases Transferred From Districts After *TC Heartland*



Source: PACER; RPX Research. Includes orders on motions to transfer from May 22 to September 30, 2017

ND California Gains the Most Cases After *TC Heartland*

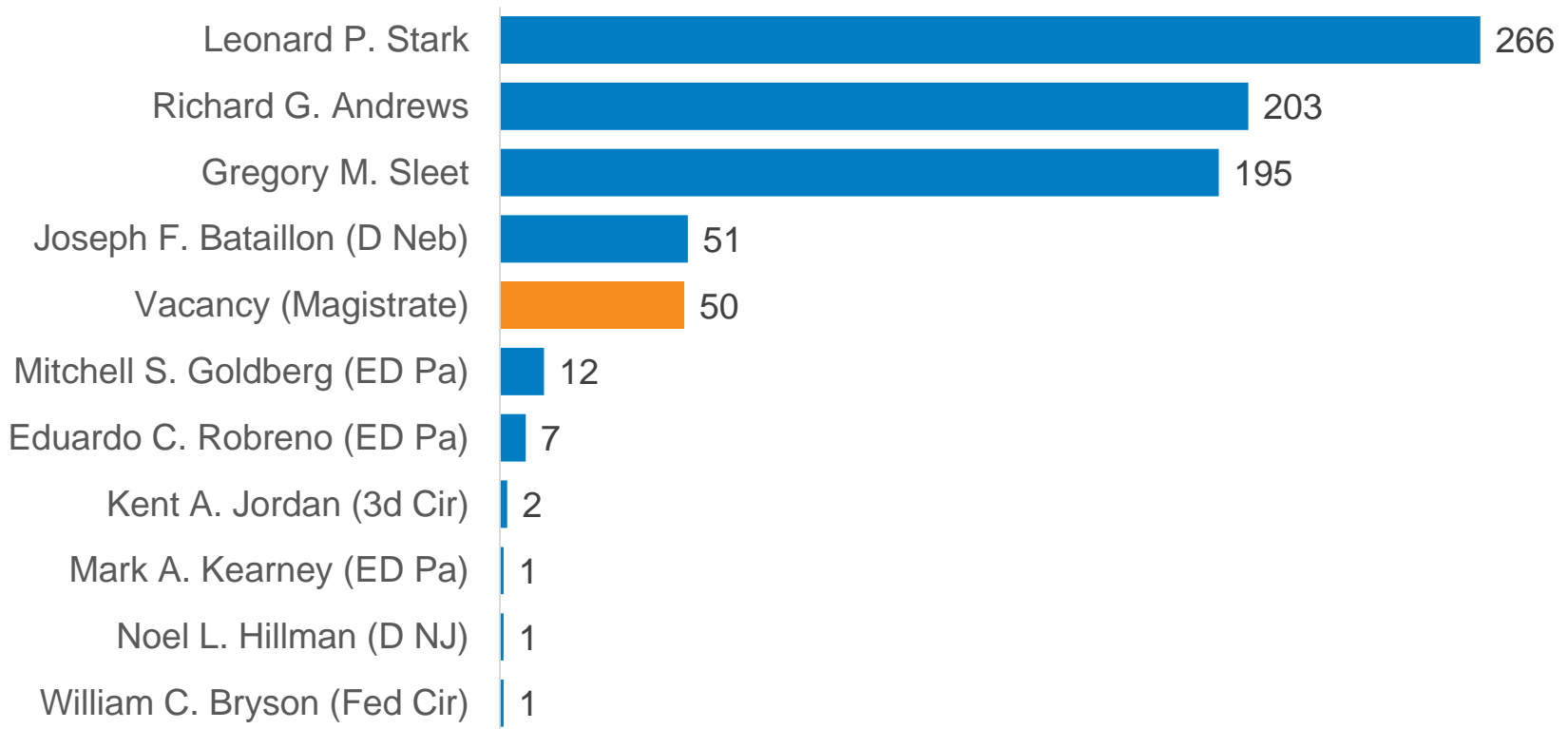
Cases Transferred Into Districts After *TC Heartland*



Source: PACER; RPX Research. Includes orders on motions to transfer from May 22 to September 30, 2017

Delaware's Significant Workload

Active Patent Cases in Delaware by Assigned Judge

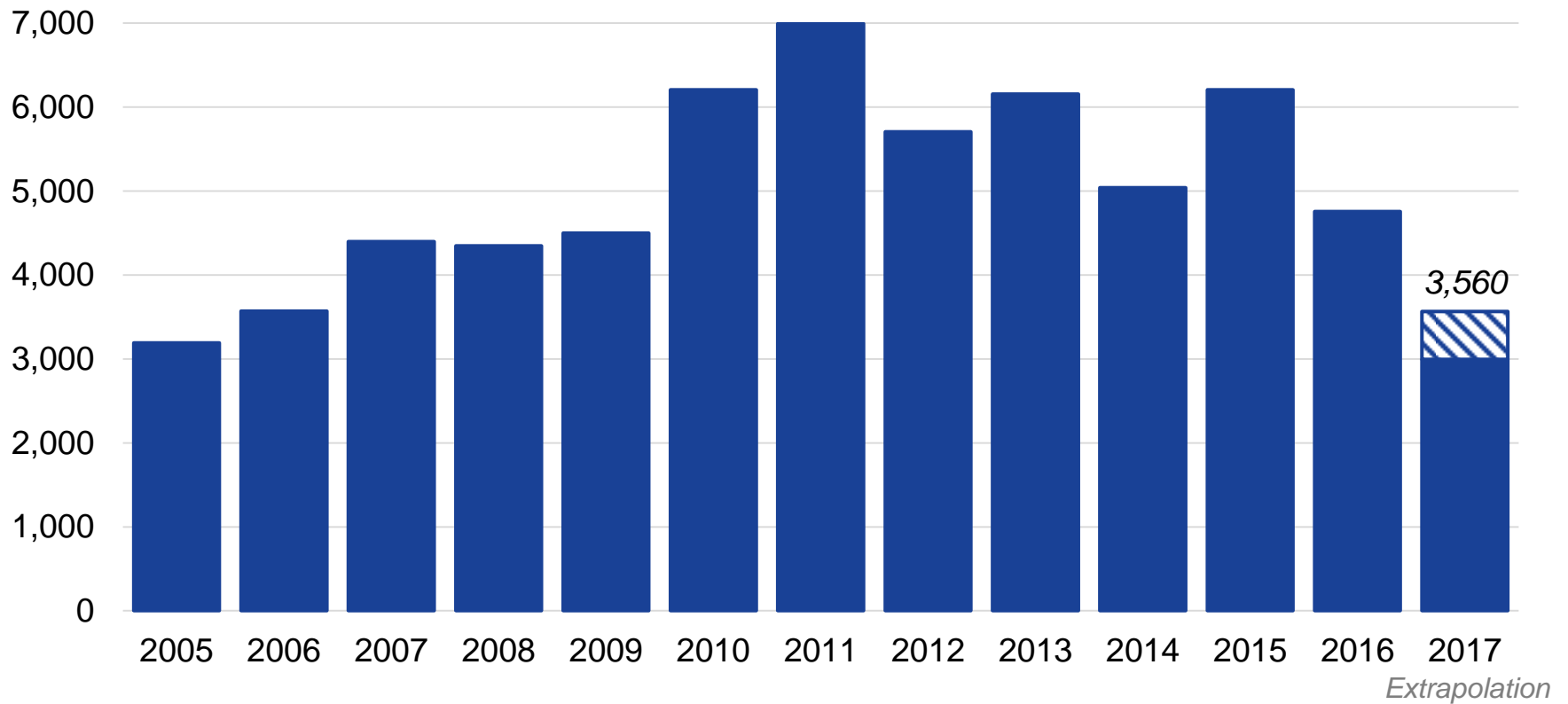


Source: PACER; RPX Research. Current as of October 31, 2017. Does not include 13 recently filed cases that remain unassigned.

Market Effects

Fewer US Patent Litigations Filed

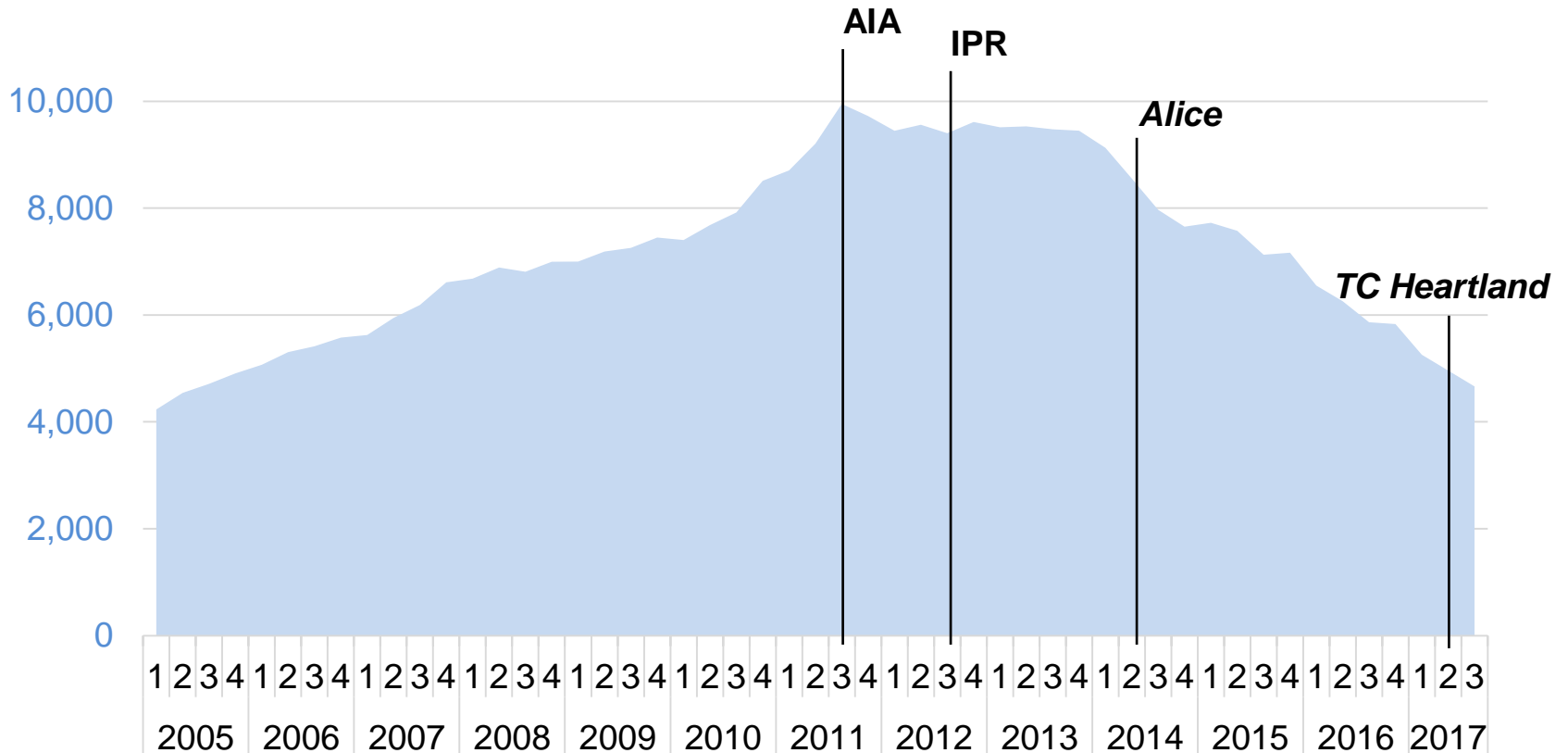
New Patent Litigation Disputes Filed Annually in US District Court



Source: PACER; RPX Research. Counts each instance of litigation against a defendant. Linear extrapolation uses data through October 31, 2017

Fewer Active Disputes in District Courts

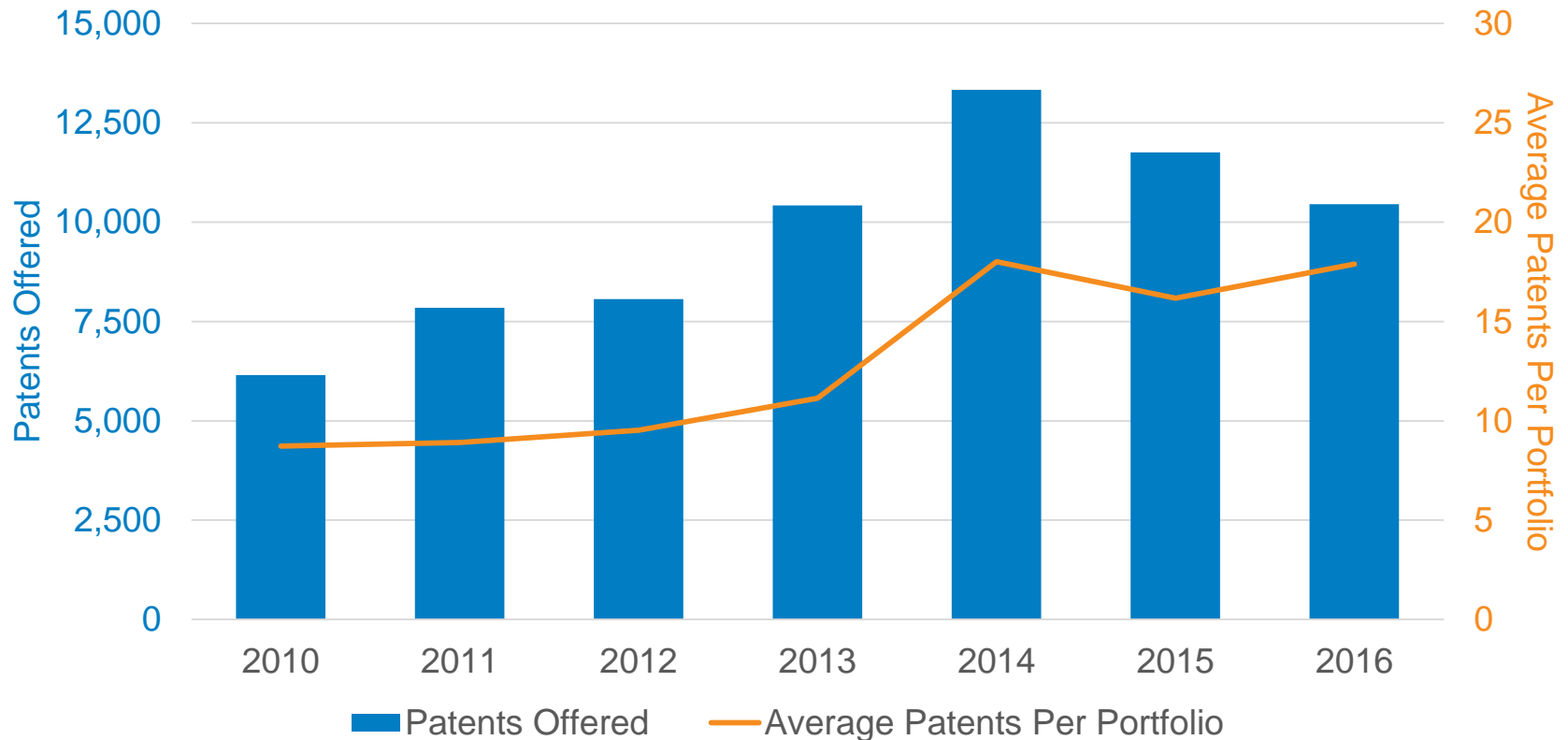
Active Patent Litigation Disputes in US District Court Quarterly



Source: PACER; RPX Research. Active defendants equal defendants added minus defendants terminated as of quarter end.

RPX Sees Larger Portfolios in Open Market

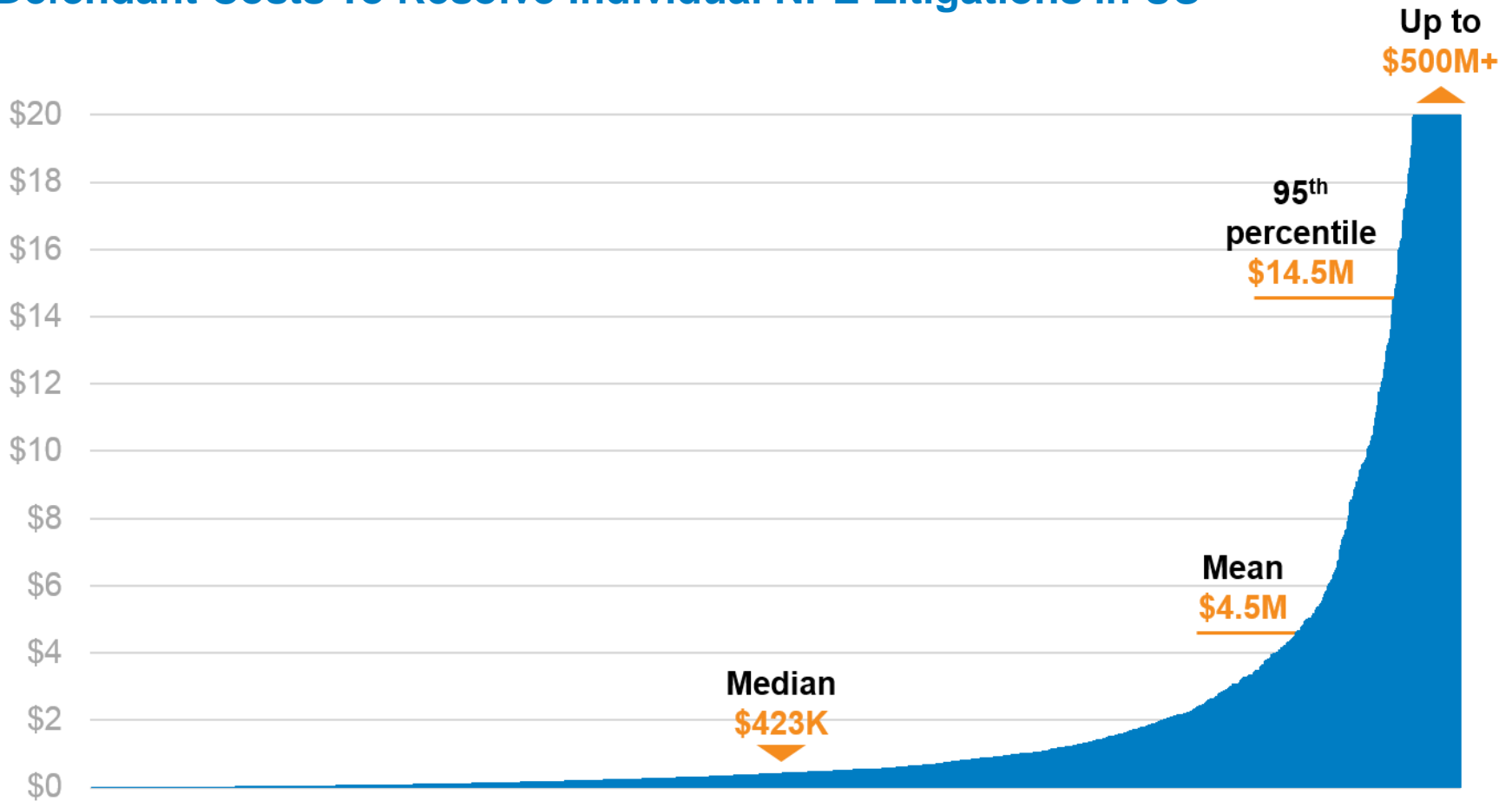
Patents Offered To RPX for Purchase in Open Market



Source: RPX Research

NPE Litigation Costs Vary Widely

Defendant Costs To Resolve Individual NPE Litigations in US

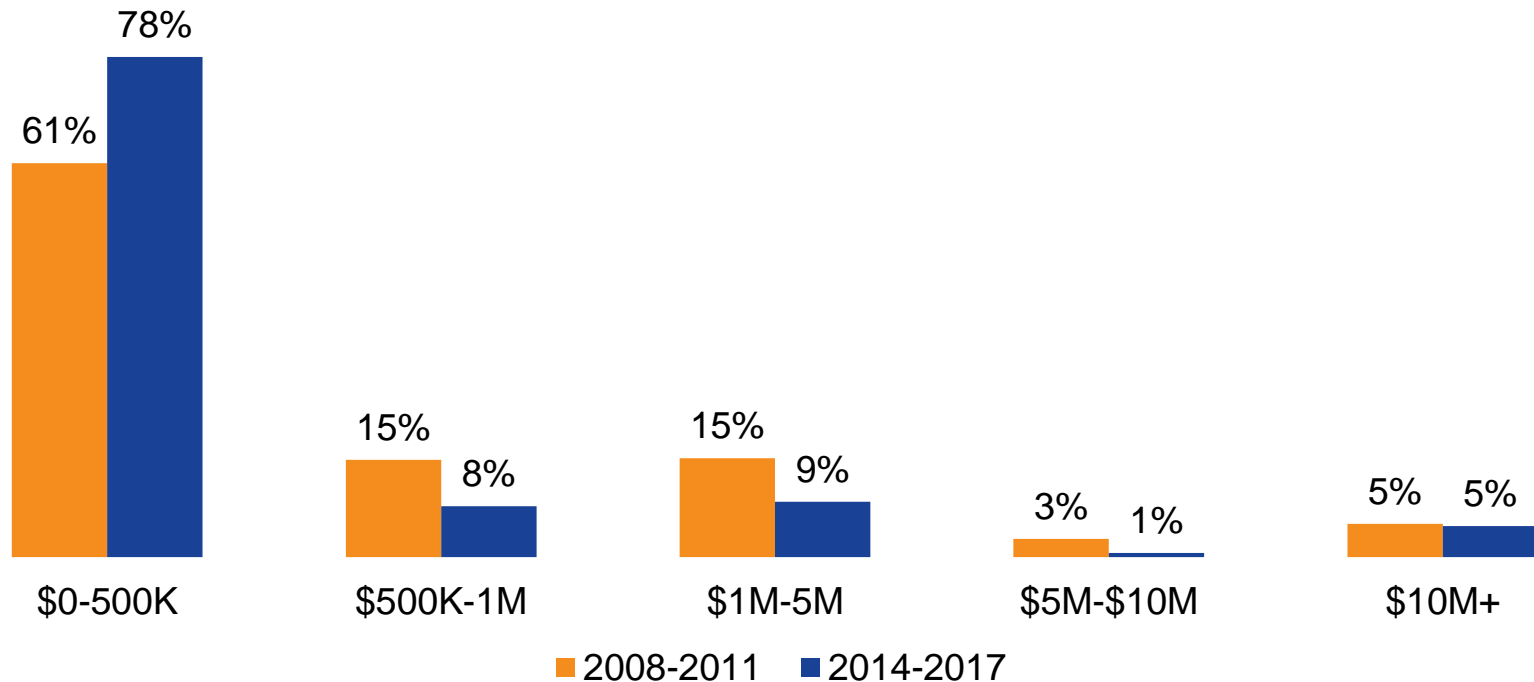


Source: RPX NPE Cost Study. Includes only resolved litigations ($N = 1,984$) with associated legal and/or settlement costs.

NPE Litigation Settlement Prices Are Changing

Distribution of NPE Case Settlements and Judgments by Year Resolved

Settlement values reported are for individual defendants in US NPE litigations



Source: RPX NPE Cost Study. Settlements counted by year resolved. Excludes resolutions without settlement (\$0)

Thank you
