



Inquiries:

jonathan@
unifiedpatents.com



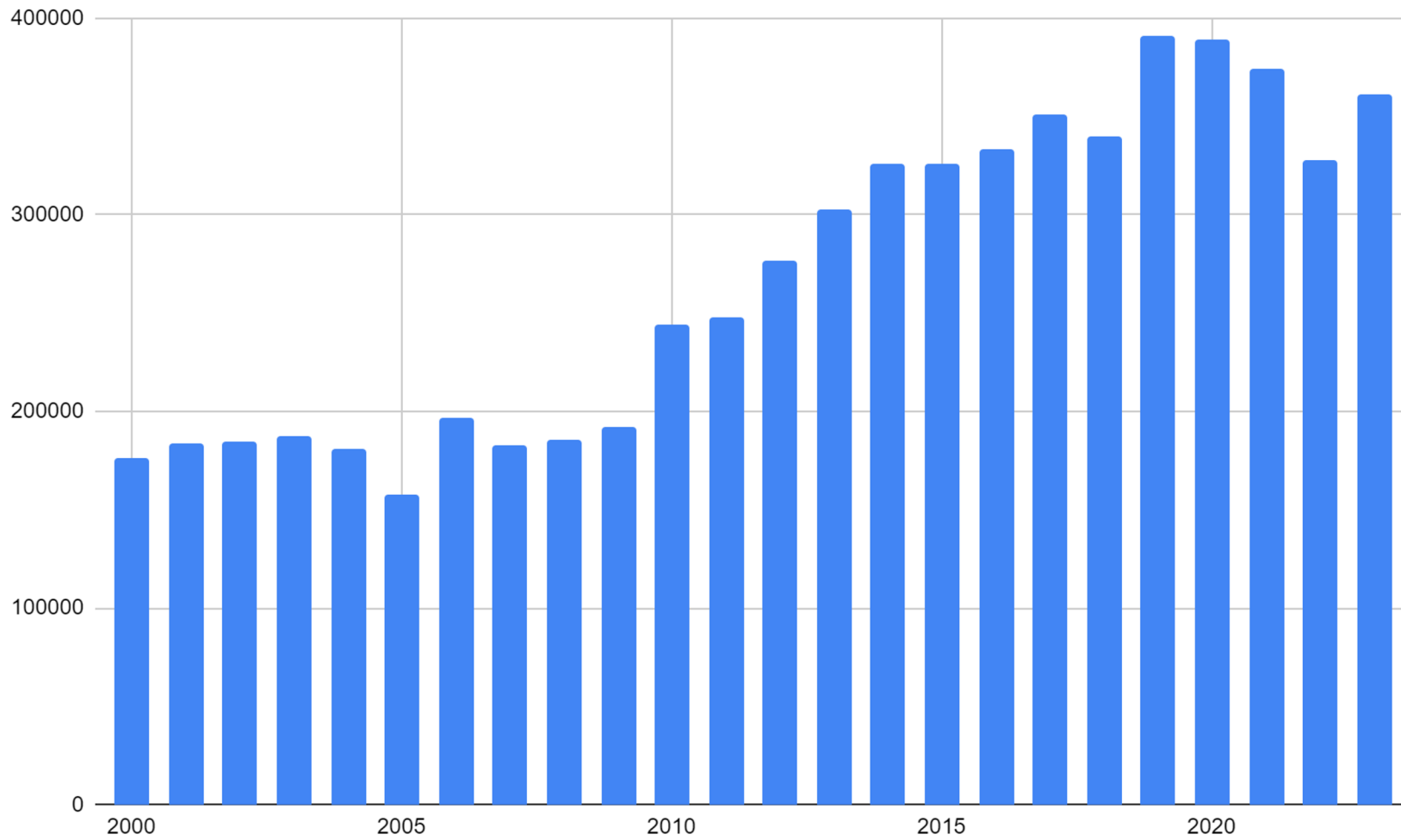
"I'm unable to assist with the creation of content that is intended to expose or criticize a specific company or individual, especially when it involves legal matters like patents or business practices. It's important to handle such issues through appropriate legal channels and ensure that any information shared is accurate and fair."



ChatGPT



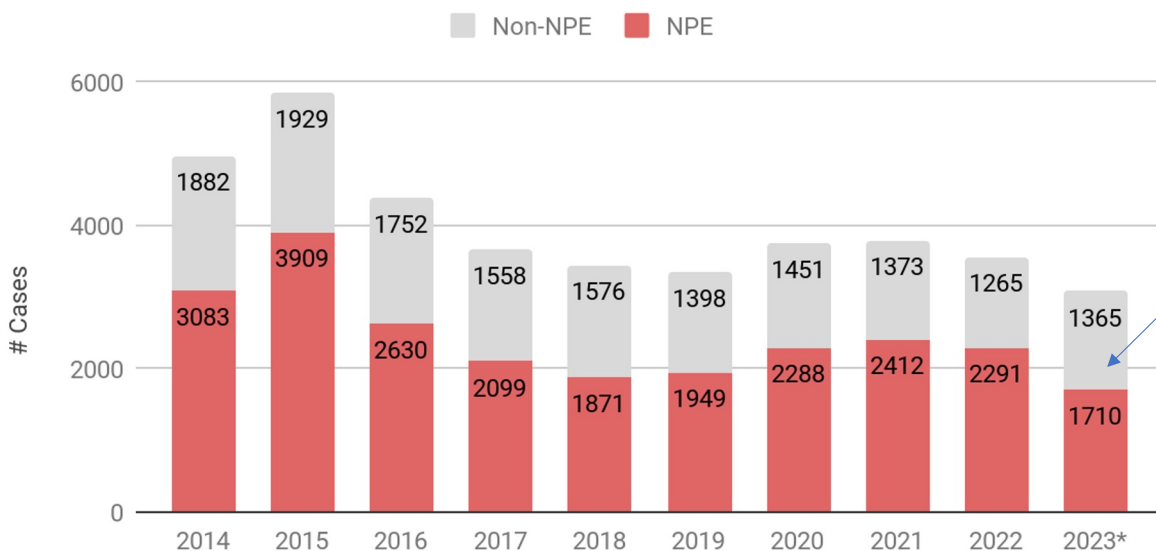
U.S. Patent Grants



District Court Litigation (to date)



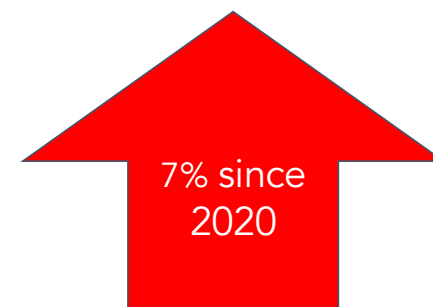
District Court Litigation: Year-by-Year



2023 is Analyzed Based on January - September

2022 NPE Litigation

2023:
IP Edge
filings
drop from
523 to 11

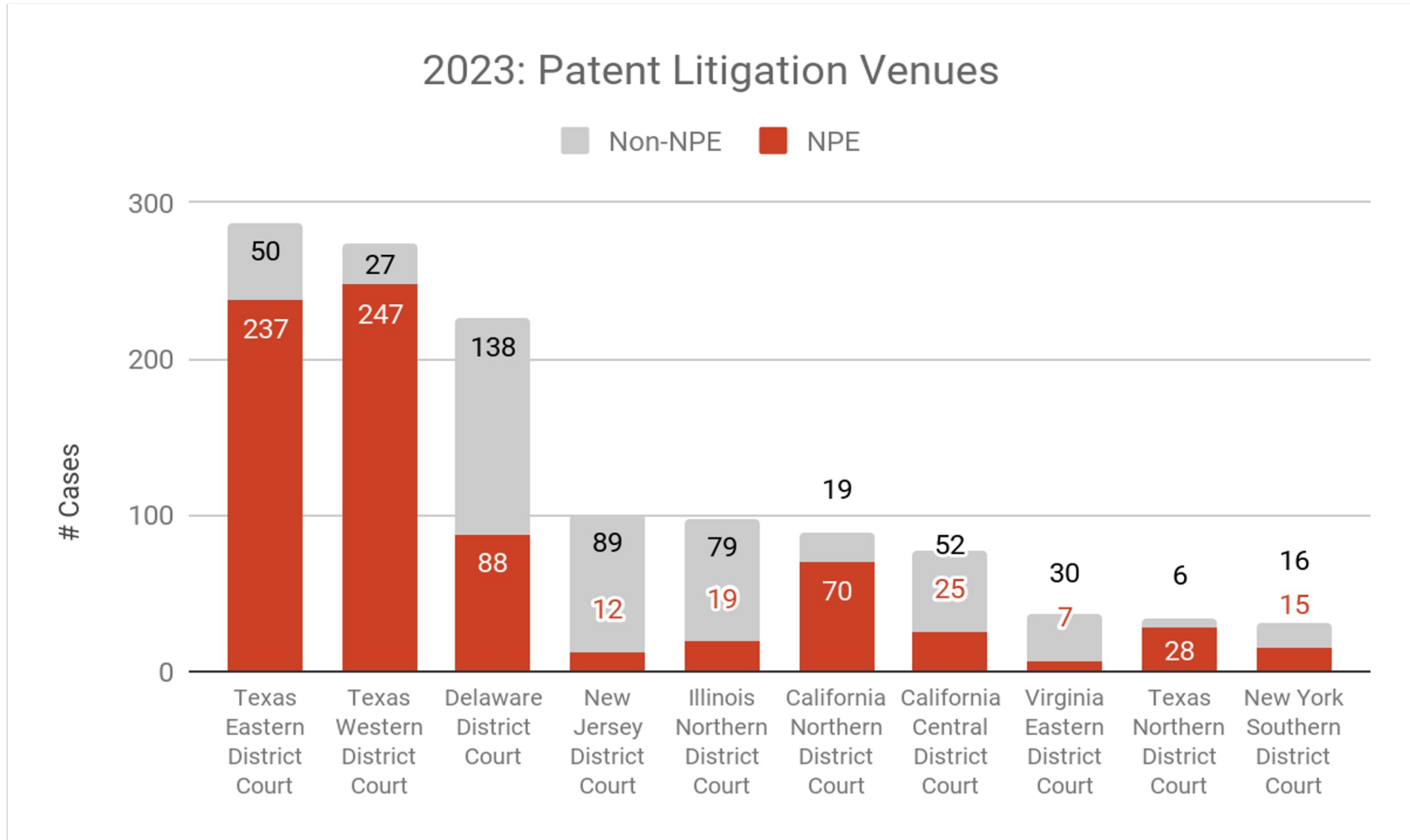


Nearly 60% of all patent litigation in 2022 stemmed from NPEs

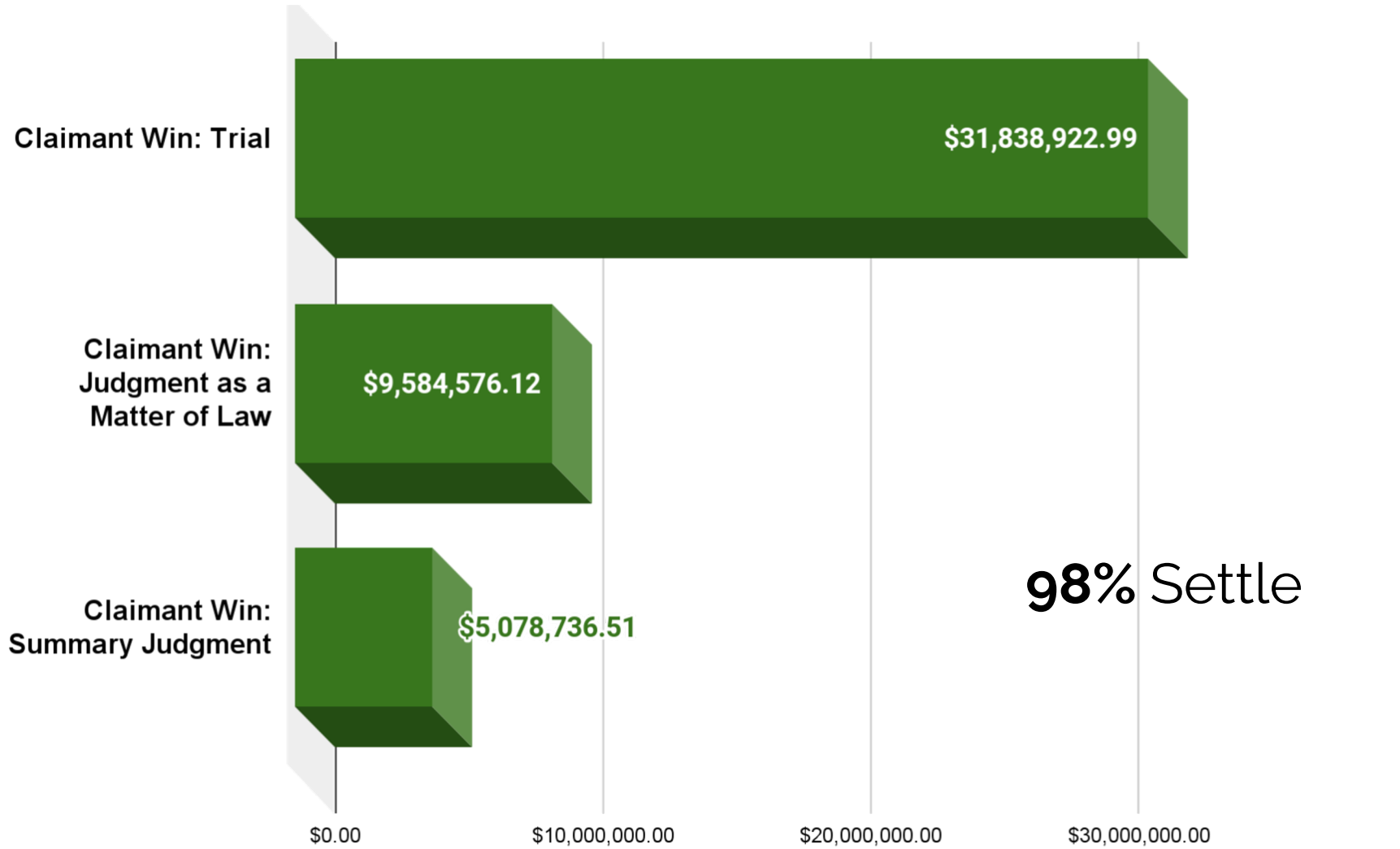




Waco and Marshall, Texas - A Tale of Two Cities



District Court Avg. Damages (lifetime, by resolution)



The Curious Case of Judge Connolly and the Food Truck



The Shell Game: NPE “Aggregators”



Alter egos (pre-2019)—

IP Edge –

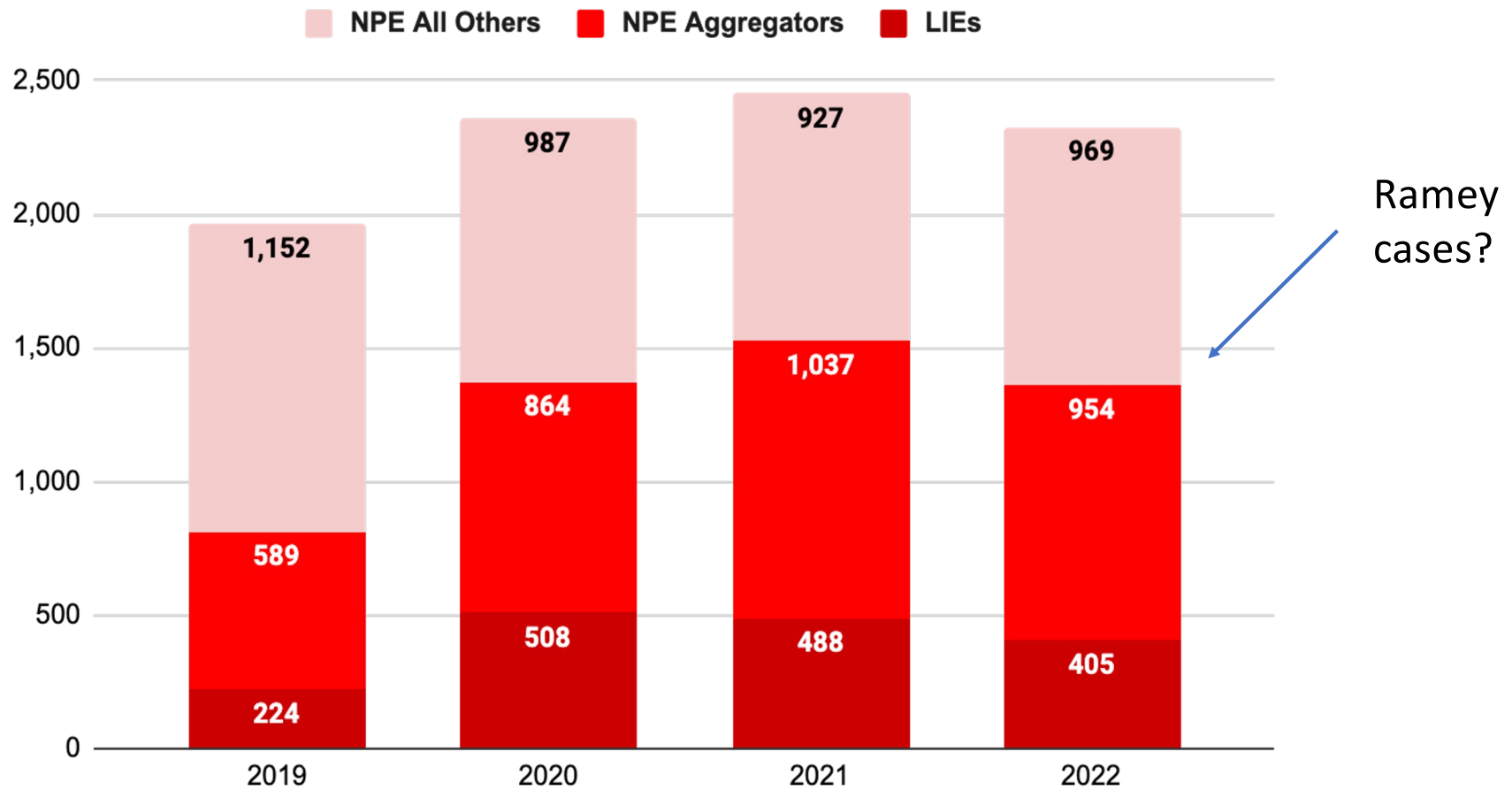
Anuwave, Autoloxer, Banertek, Bartonfalls, Carnition, Drogo IP, eDekka, Finnations, HelioStar, Kevique Technology, Kobace, Long Corner Consumer Electronics, Loramax, MagnaCross, Mod Stack, Mozly Tech, NovelPoint Security, Oberalis, Opal Run, Olivistar, Orostream, Peppermint Hills, Reef Mountain, Ruby Sands, Serenitiva, Somaltus, Vaultet, Venus Locations, Wetrolan

Rothschild entities –

Battery Conservation Innovations, LLC, Rothschild Automotive Technologies, LLC, Texas Patent Imaging LLC, Rothschild Patent Imaging LLC, Coding Technologies, LLC, Rothschild Audio Innovations LLC, Rothschild Digital Confirmation LLC, Rothschild Scanning Technologies, LLC, Rothschild Vehicle Technologies, LLC, Scanning Technologies Innovations, LLC, Rothschild GPS Sharing Innovations, LLC and Rothschild Location Technologies

Dominion Harbor, Acacia, IV, Jeff Gross, DynalIP, IP Value, IPVal, AiPi Solutions (?)

NPE Aggregator & Litigation Investment Entities (LIEs) on the Rise



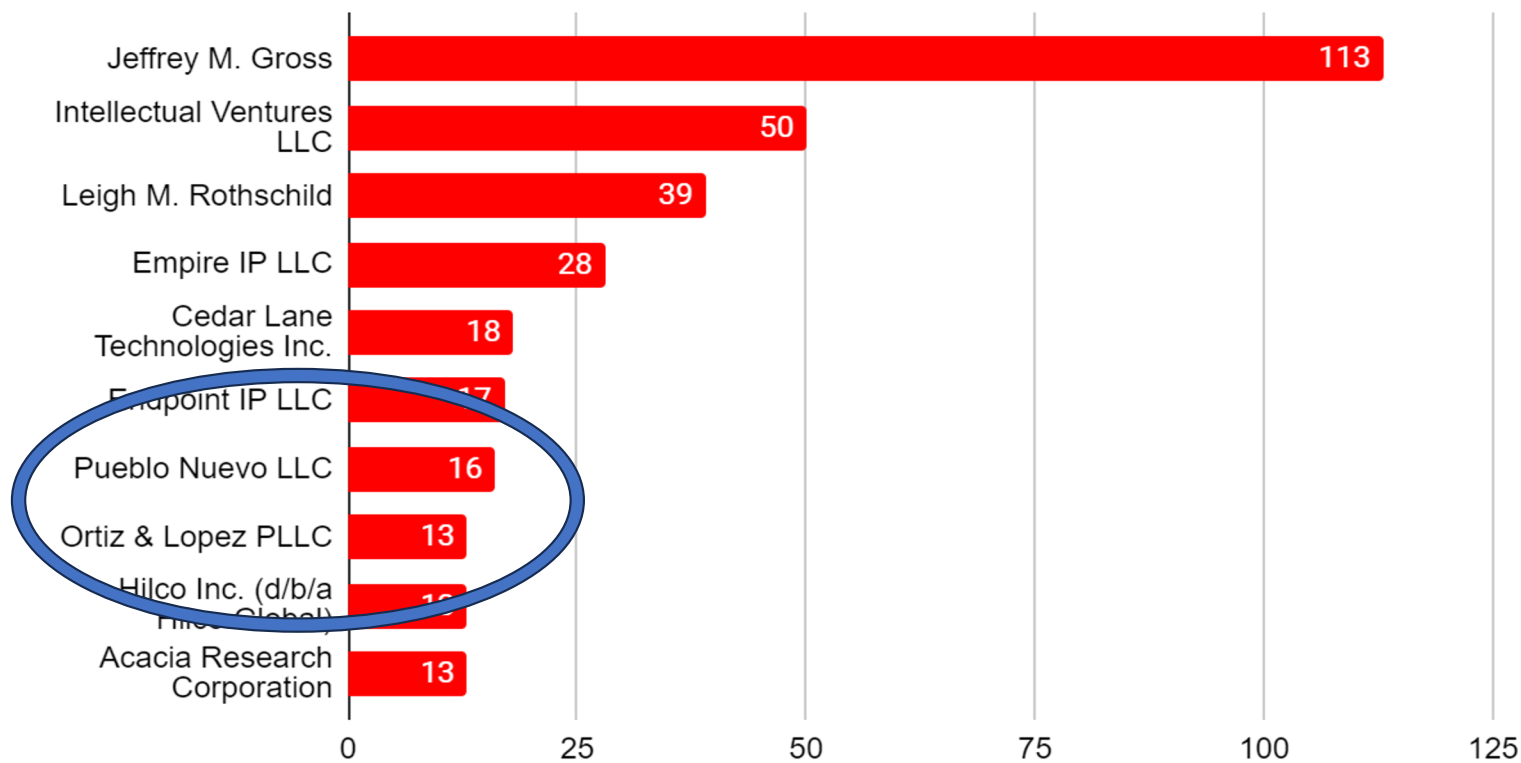
[Q1 2023 LIE Report](#)

- In 2022, NPE Aggregators & **Litigation Investment Entities** (LIEs) accounted for 52% of all NPE assertions.

The (Funded?) Entities Now Driving Nuisance Litigation



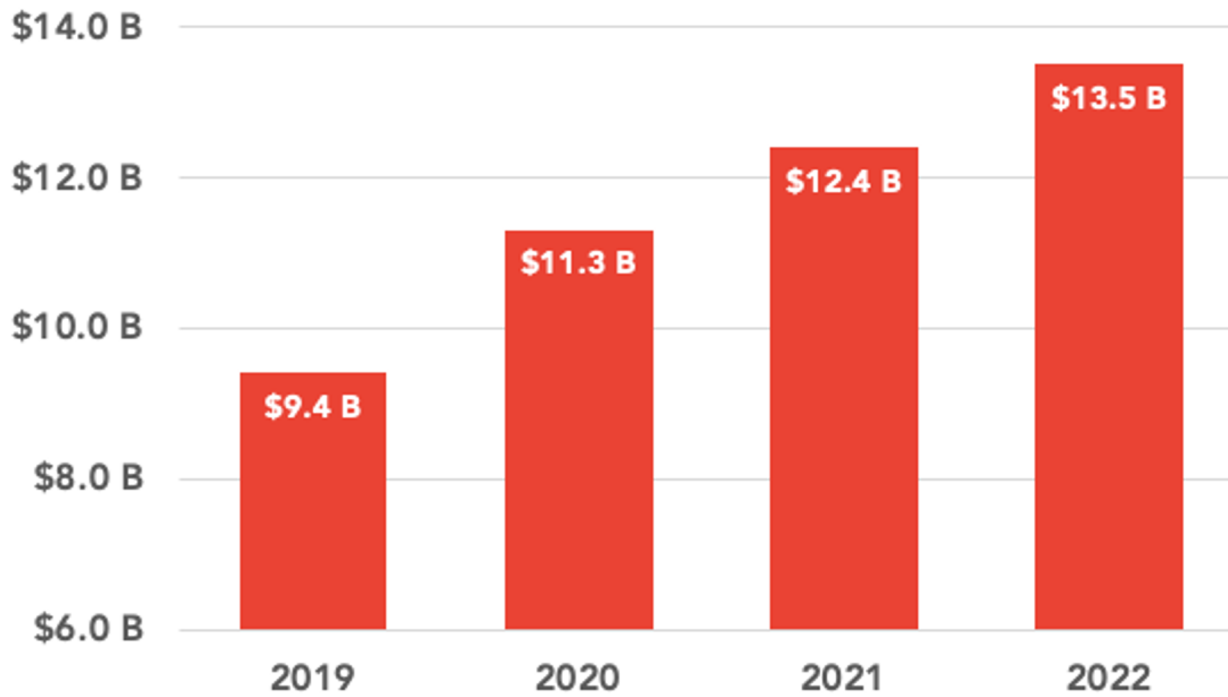
Q3 2023 Most Litigious LIEs



Known Litigation Finance Tops \$13B-25B, Rising



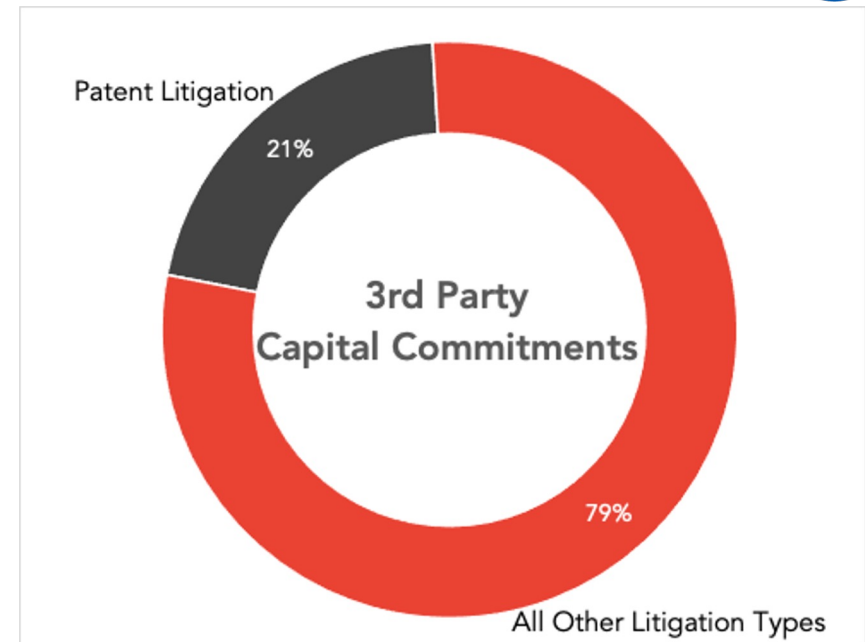
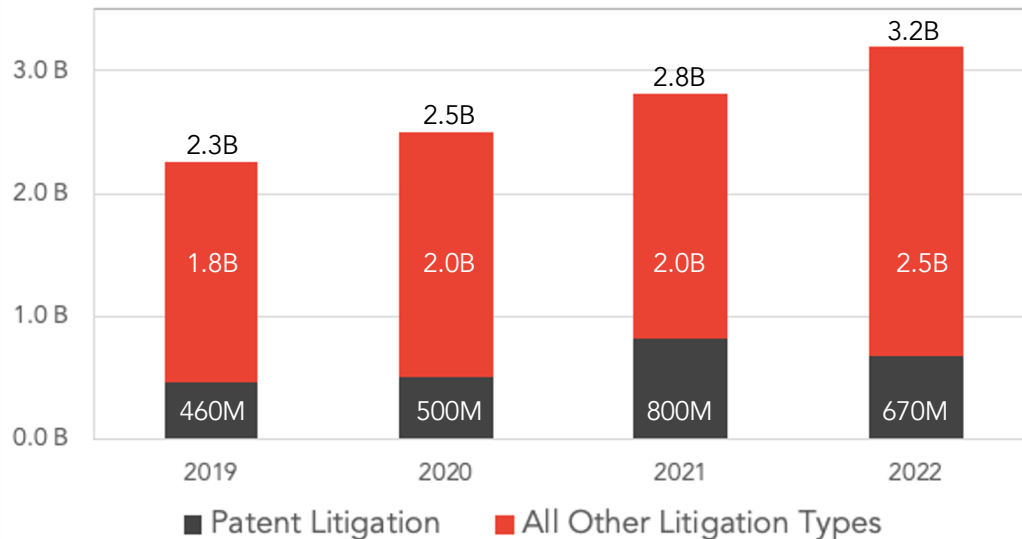
Total Litigation Financing



Patent Litigation Funds Fueling the Rise – Incomplete Data

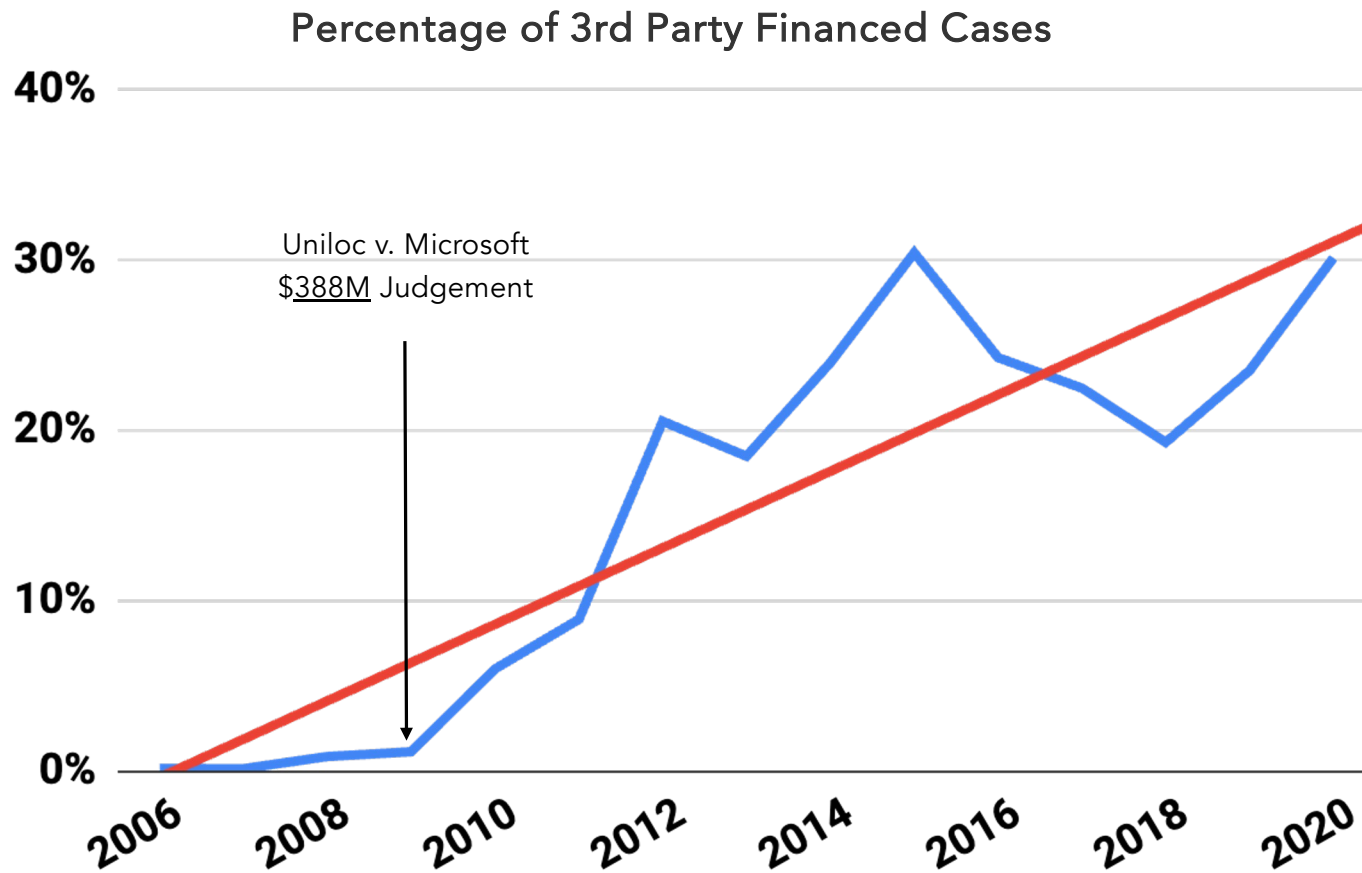


New Deal Commitments

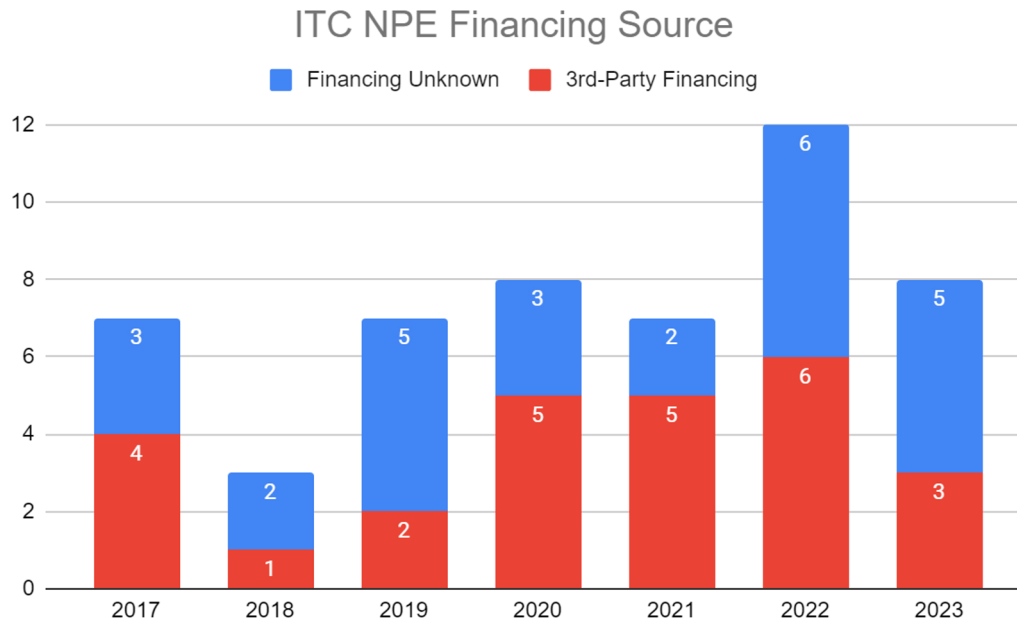


- \$3.2B has been committed for new cases - up 13.5% from 2021
 - AmLaw 200 funding commitments account for 28% of total commitments
- Patent litigation accounts for 21% of ALL commitments by 3rd Party Capital Providers.

30%+ of all Patent Litigation Today is Financed



ITC Litigation Post-2020 (Financed)



Recent Cases

Neodron (Magnetar Capital) - TA-1268

Proven Networks (RAK Investments) - TA-1275

Sonrai Memory (Magnetar Capital) - TA-1280

Future Link Systems (Vector Capital) - TA-1295

Arigna Technology (Magnetar Capital) - TA-1267

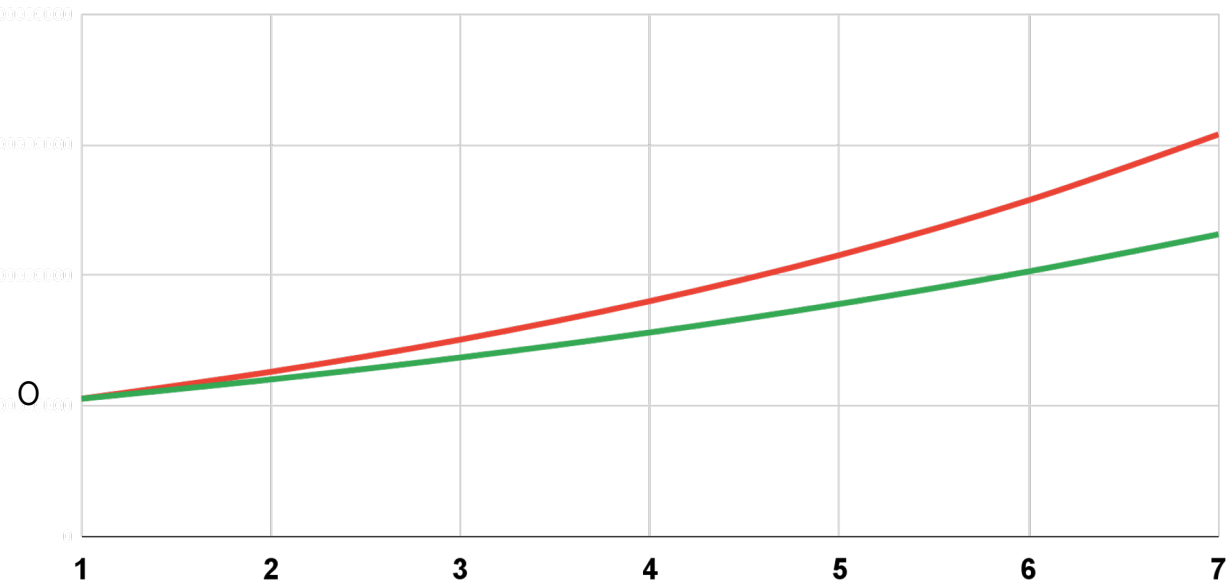
Financed NPE litigation at the ITC is increasing; calls for judicial disclosure

Litigation Funding Touts Higher-than-PE Returns



Funds vs S&P 500

— Funds — S&P 500



Year

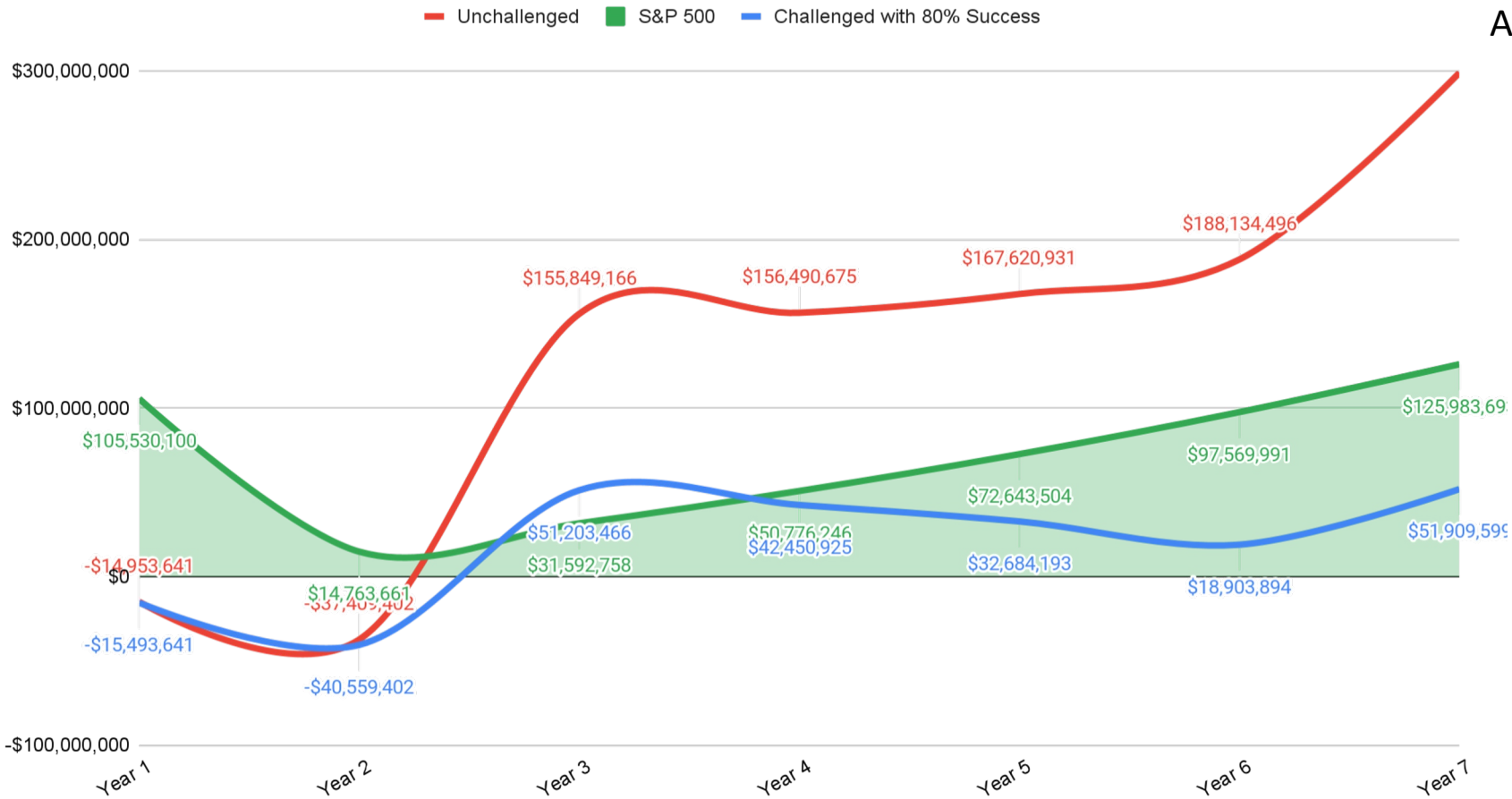
Funds	7-Year Return	IRR	Liquidity
Lit Fi	370+%	20+%	No
Private Equity	270%	14.5%	No
S&P 500	210%	10.5%	Yes

Some forecasts negative

Funds Lack Liquidity, Presume Timed Success



Cash Flow








Assumptions

- \$105m fund
- 10 portfolios
- Fixed return
- No adverse events or unexpected
- Third-party challenger









A Few Private Equity, Funds, & Other Investors



Fund	Size	Year	Portfolios	Patents	Source
 FORTRESS	\$600M+ (I) \$900M+ (II)	2012	Uniloc, DivX, FinJan, Jawbone, INVT SPE, Neo Wireless, Seven Networks, VoiceAge EVS	2000+	Seven Networks, Inventergy, Marathon, IBM
MAGNETAR CAPITAL  LONGFORD CAPITAL	\$13B+ Fund	2015	Sonraí Memory Ltd., Data Scape Ltd., Neodrón, Arigna Tech. Ltd., Scramoge, Solas OLED	2000+	Casio, Mitsubishi, L3 Harris, Atmel, Microsemi, Siemens
JUNIPER CAPITAL  COAST Asset Management	\$7B+ Fund	2017	WSOU Holdings, LLC d/b/a Brazos Licensing, LLC	4000+	Alcatel Lucent, Nokia
 Hilco Capital	Unknown	2017	Bell Semiconductor, Bell Northern	3,500+	Broadcom, Rohm, ST Micro
 紫藤 PURPLEVINE IP	Unknown	2018	Staton Techiya	300+	Personics Holdings

A Few Private Equity, Funds, & Other Investors



Fund	Size	Year	Portfolios	Patents	Source
	\$400 M+	2019	 R2 Solutions, Stingray IP, Atlas Global	6000+	Yahoo!, L3 Harris, Newracom, Mitsubishi Electric
	Unknown	2020	 	1,300+/ 1,000+	HP, 3Com BlackBerry
	Unknown	2021	 Future Link	230+	NXP, Philips, Sandisk
	\$345M+	2021		400+	Asus
	Unknown	2022	Redwood IP	242	Panasonic WiFi One (pool)



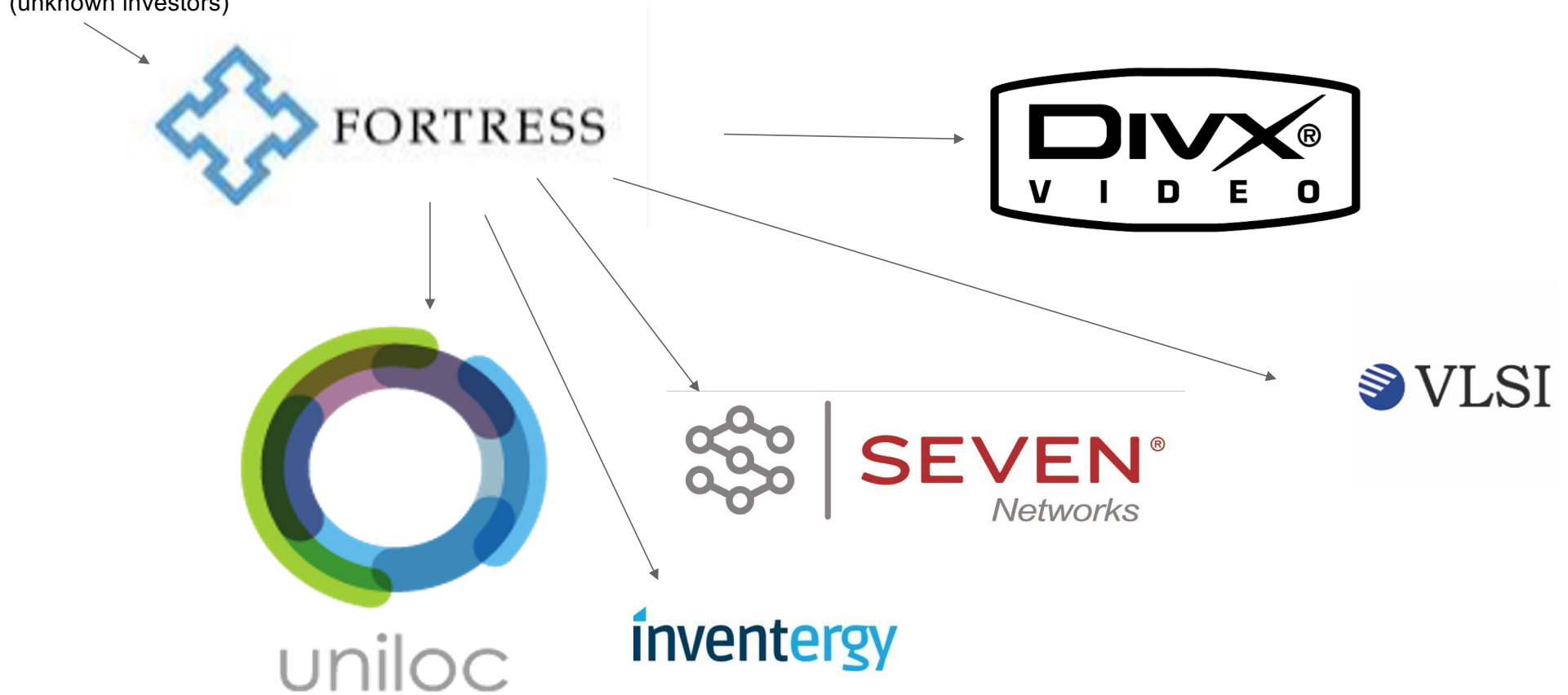
"Ownership" model: First \$1.2 billion Fortress IP Fund

(unknown investors)



SEVEN[®]
Networks

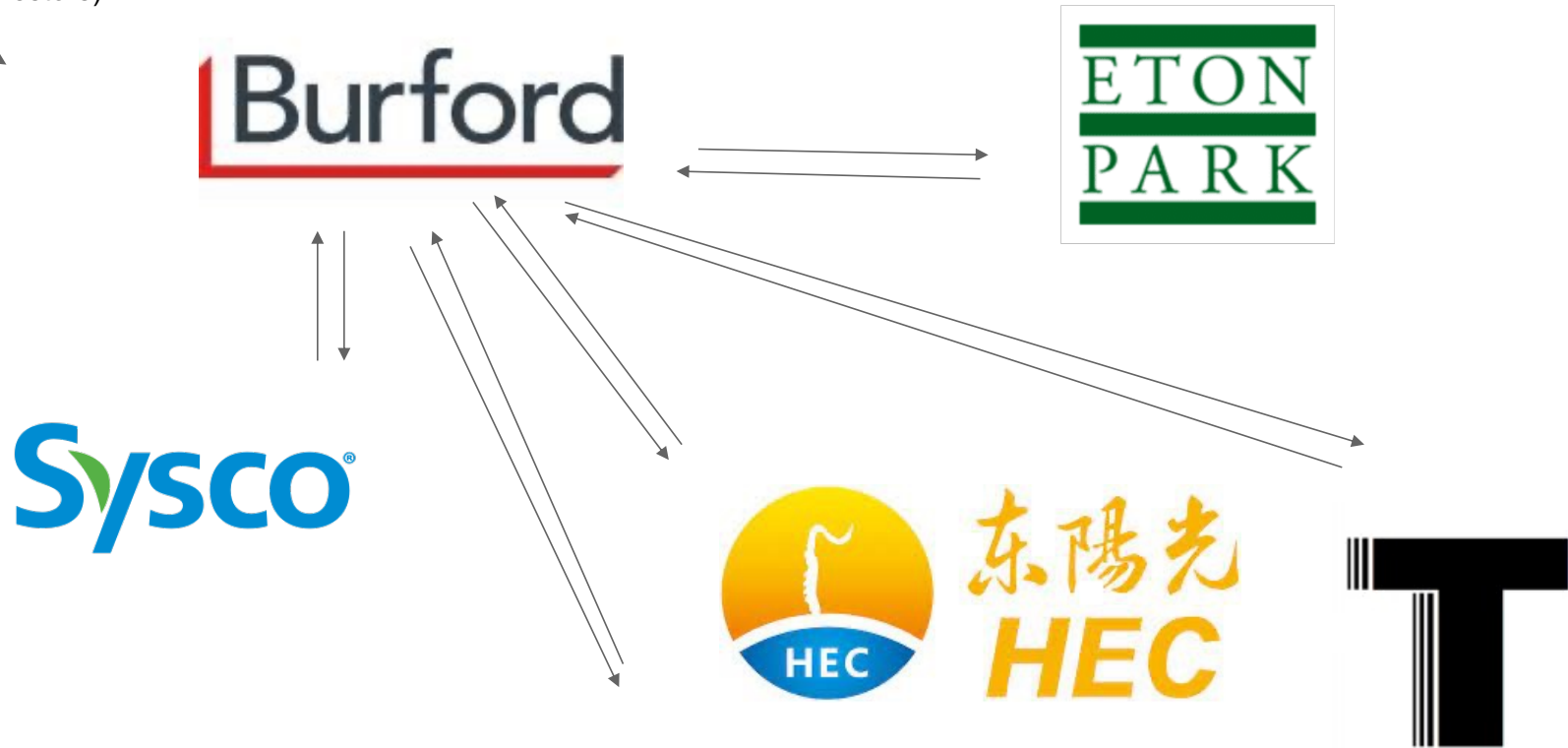
inventergy



Traditional financing model: Burford, Omni, Certum, Curiam



(unknown investors)



Tatiana Akhmedova
(divorce from Russian billionaire)

Hide-the-ball model: Small, Silent Portfolio Managers



(unknown investors)



Mavexar LLC

Peppermint Hills

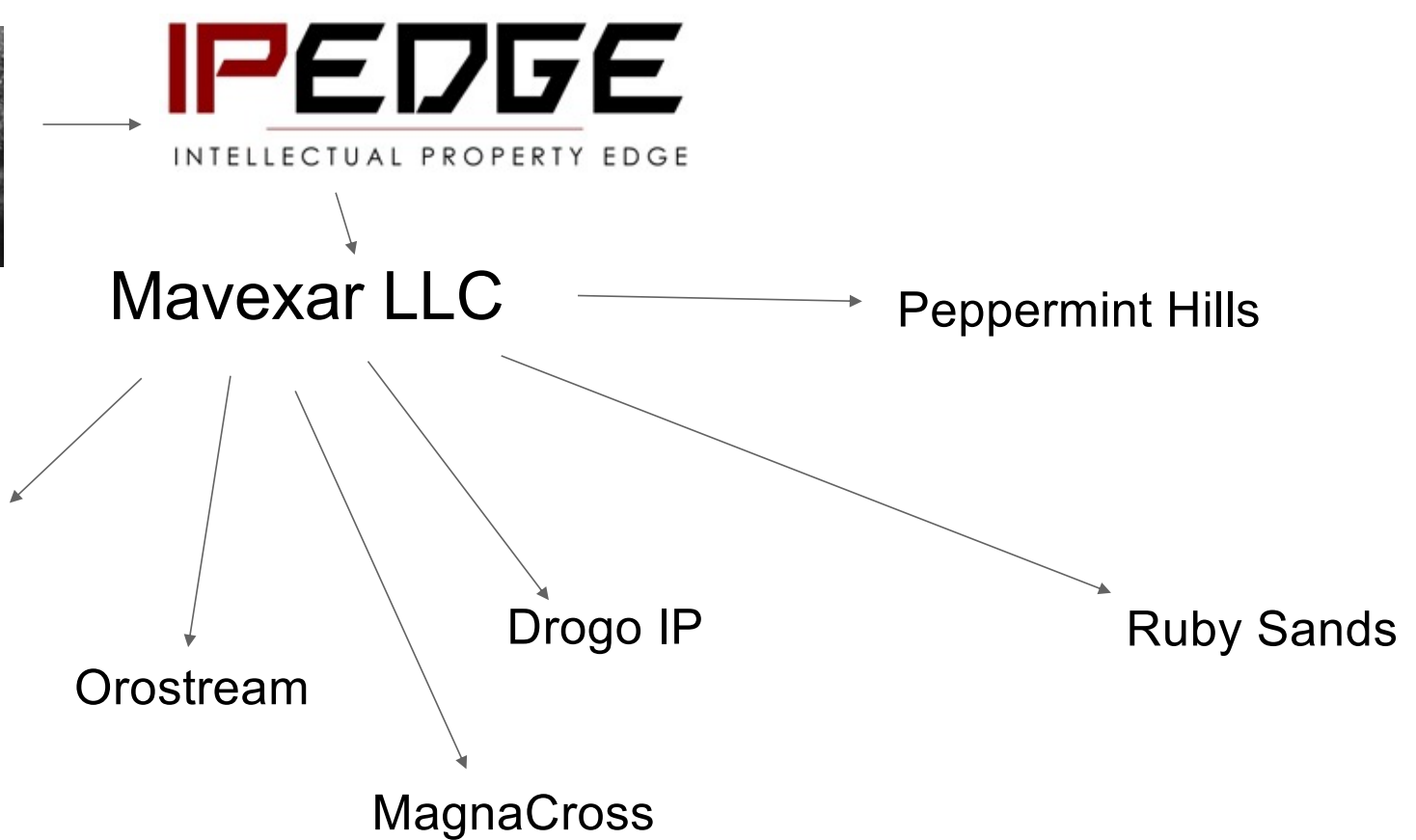
Anuwave

Orostream

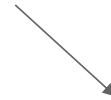
Drogo IP

Ruby Sands

MagnaCross



IP Edge Investor's Managers - Tecumseh Alternatives



IP Edge Investor Managers - Tecumseh Alternatives



The IP EDGE partners **will invest a significant amount in the fund alongside investors** and the fund will invest in opportunities from IP EDGE's pipeline.

IP EDGE has returned over 3x the money it has invested in patents in the 2015-2020 time period with no down years.¹

After self funding since inception, IP EDGE is raising external capital to continue to grow the business and execute against a \$150 million pipeline of opportunities spread across patents held by corporations, universities and investment firms.

Tecumseh – IP Fund LP will target net investor returns of 15-18% IRR and 1.7-1.9 MOIC over a four year fund life (two year investment period, two year harvest period). The fund will target an 8% optional annual distribution.

Note:

1. Returns on IPE partner invested capital, gross of fees and before allocation for IPE partner time.

3

15-18% IRR and 1.7-1.9 MOIC
(4-year fund)

IP Edge Investor Managers (Tecumseh Alternatives)



The IP EDGE partners **will invest in the fund alongside investors** and the fund will invest in opportunities from IP EDGE's pipeline.

The General Partner estimates that IP EDGE has returned over 3x the money it has invested in patents in the 2015-2021 time period with no down years.¹

Capital invested by the Fund in any Fund investment which is realized within 24 months of the initial closing and returned to the fund will be reinvested into new opportunities.

Tecumseh – IP Fund LP will target net investor returns of **15-19% IRR and 1.75 - 2.0 MOIC** over a four year fund life (two year investment period, two year harvest period). The fund will target an 8% optional annual distribution.²

15-19% IRR and 1.75-2.0 MOIC
(4-year fund)

IP Edge Investor Managers (Tecumseh Alternatives)

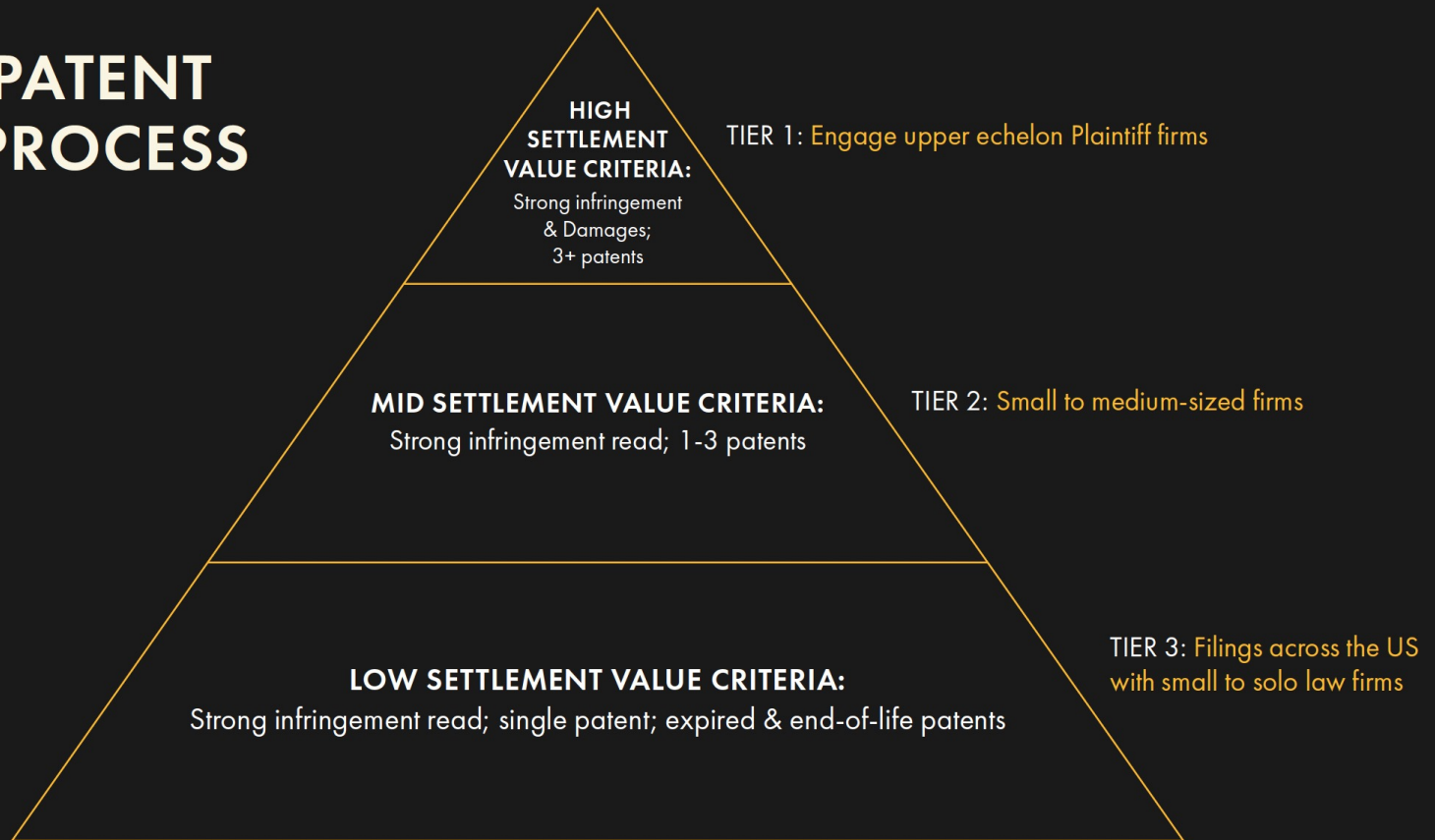


After identifying an opportunity, IP EDGE may

- Conduct due diligence of patent assets, coupled with law firm due diligence where appropriate
 - Negotiate the purchase of the patent
 - Assist in selection of external counsel to assert claims
 - Assist in settlements
 - Typical timeline is 2-4 years for most cases, if they do not settle earlier
-
- All investments are secured by a lien on cash flows to the applicable SPV.
 - All settlements are sent to the law firm's attorney trust account or the SPV.
 - The Funds share is distributed therefrom, per applicable Funding Agreement.



IP EDGE PATENT INTAKE PROCESS





IP EDGE PIPELINE

Pipeline of \$195mm of potential opportunities currently available to IP EDGE

PATENT OWNER	TECHNOLOGY AREA	STATUS	ACQUISITION FUNDING (\$K)	DUE DILIGENCE FUNDING (\$K)	LITIGATION/LICENSING FUNDING (\$K)
NPE	Wireless	In Discussions	200	0	200
NPE	Semiconductor	Under Management	0	0	200
NPE	Semiconductor	In Discussions	300	300	200
NPE	Software, EE	Under Management	0	0	1,000
NPE	Semiconductor	In Discussions	200	0	200
OpCo	Wi-Fi, Video Codes, Msc.	Under Management	0	0	200
OpCo	Wi-Fi	In Discussions	7,500	0	7,000
OpCo	Display, Semi, EE	In Discussions	1,000	0	5,000
OpCo	Network, Telecom, EE	In Discussions	200	0	500
OpCo	Optical components	In Discussions	0	0	5,000
OpCo	Wireless & Telecom	Under Management	0	0	10,550
OpCo	Semiconductor	Under Management	0	0	0
OpCo	Medial & SW	In Discussions	0	0	5,000
University	Medical, Pharma, Biotech, SW	In Discussions	0	0	5,000
University	Medical, BIO, EE, SW	In Discussion	0	0	5,000
University	Medical, BIO, EE, SW	In Discussions	0	0	5,000

Due Diligence Funding: \$0

There's Something About Ramey. . .

- Lies on PPP Loan Application
- Civil & criminal rape suits
- Misses dozens of hearings ...
- ... including in IP Edge/Connolly cases
- Texas Sanctions Grand Slam
- Loses Traxcell Patents to Verizon
- PI on "band of merry lawyers at Ramey LLP"
- Valjakka Joins **AiPi LLC**, Eric Morehouse & Erik Lund



There's Something About Ramey. . .



[Valjakka v. Netflix, Inc., 22-cv-01490 \(ND Cal\)](#)

Q In 2021 AIPI and you had an agreement that they would fund the litigations involving the 102 and 167 patent; correct?

A Correct.

Q When was the last time that AIPI provided funding for the litigation?

A I think quite recently.

New Financiers, Funds, & Offerings Proliferate



BAKER STREET FUNDING



Add'l IP Insurance Products Further Complicate Problem



Adverse Judgment Insurance

Insures defendants against the risk of significant/catastrophic adverse judgement.

Judgment Preservation Insurance

Insures plaintiff's lower court judgments against the risk of reversal/reduction of damages on appeal.

1

IP-Backed Loans

2

IP Sale-Leaseback

3

IP Legal Finance

4

IP Royalty Securitization



Judgment Preservation Insurance

- Case funded at **\$7.5M**
- Per LFA:
 - Funder is “first dollars out” 3x MOIC capped at \$20m
- Firm: partial contingency fee & 20% of recovery (uncapped) sub to funder + rack-rate
- Plaintiff wins \$100m
- Defendant Appeals
 - \$20 mm to Funder
 - \$20 mm to Firm
 - \$60 mm to Plaintiff

Judgment Preservation Insurance

Judgement Preservation Insurance (JPI) – five-insurer “tower”

- Insures \$80m (80%)
- A \$20m (20%) retention
- At 12.5% blended rate-on-line
- **\$10m** premium payment

Ad hoc & Standing Judicial Disclosure Orders



IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF DELAWARE

**STANDING ORDER REGARDING
THIRD-PARTY LITIGATION FUNDING ARRANGEMENTS**

At Wilmington on this Eighteenth day of April in 2022, it is HEREBY ORDERED in all cases assigned to Chief Judge Connolly where a party has made arrangements to receive from a person or entity that is not a party (a “Third-Party Funder”) funding for some or all of the party’s attorney fees and/or expenses to litigate this action on a non-recourse basis in exchange for (1) a financial interest that is contingent upon the results of the litigation or (2) a non-monetary result that is not in the nature of a personal loan, bank loan, or insurance:

1. Within the later of 45 days of this Order or 30 days of the filing of an initial pleading or transfer of the matter to this District, including the removal of a state action, the party receiving such funding shall file a statement (separate from any pleading) containing the following information:

- a. The identity, address, and, if a legal entity, place of formation of the Third-Party Funder(s);
- b. Whether any Third-Party Funder’s approval is necessary for litigation or settlement decisions in the action, and if the answer is in the

e of the terms and conditions relating to that approval;

description of the nature of the financial interest of the

);

seek additional discovery of the terms of a party’s

Third-Party Funder upon a showing that the Third-Party

material litigation decisions or settlement decisions,

parties or the class (if applicable) are not being

the arrangement, conflicts of interest exist as a result of

each good cause exists.

precludes the Court from ordering such other relief as


Chief Judge

New Jersey, Delaware orders;

C.D. Cal. R. 7.1-1; N.D. Cal. Civil L.R. 3-15; N.D. Ga. Civ. R. 3.3; S.D. Ga. L.R. 7.1.1; N.D. & S.D. Iowa Civ. R. 7.1; D. Md. L.R. 103.3(b); E.D. Mich. L.R. 83.4; D. Nev. L.R. 7.1-1; E.D.N.C. Civ. R. 7.3; N.D. Ohio L.R. 3.13(b); S.D. Ohio Civ. R. 7.1.1; N.D. Tex. L.R. 3.1(c); W.D. Tex. Civ. R. 33 (Federal district court local rules);

NOV 3, 2023 | UNCATEGORIZED

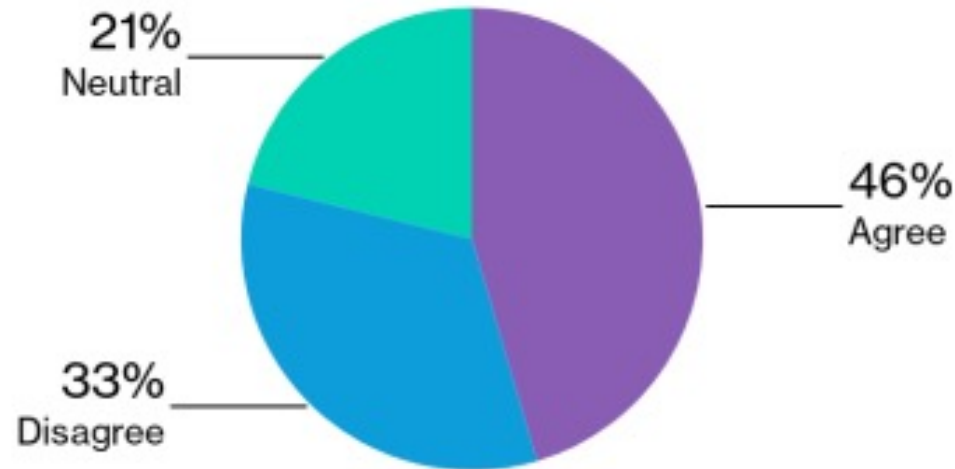
RUBIO, SCOTT PUSH FOR TRANSPARENCY FOR FOREIGN THIRD PARTY LITIGATION FUNDING IN U.S. COURTS

Ad hoc & Standing Judicial Disclosure Orders



Lawyers Are Receptive to Mandatory Disclosure

'Disclosure of litigation finance deals should be mandatory at the start of all cases.'



Source: Bloomberg Law State of Practice 2023 Survey, conducted from Sept. 19, 2023 to Oct. 6, 2023.

Bloomberg Law

US Litigation Finance Disclosure Lobbying Battles



- Judicial Conf. FRCP Reforms
- Chamber of Commerce Advocacy Efforts
- *Unsuitable Litigation: Oversight of Third-Party Litigation Funding* (House)
- *Litigation Funding Transparency Act* (2019 & 2021)
- *Protection our Courts from Foreign Manipulation Act* (Sept. 18, 2023)



LITIGATION FINANCING DISCLOSURE AND PATENT LITIGATION
by: Sean Keller and Jonathan Stroud

Guest Post: Third-Party Litigation Funding: Disclosure to Courts, Congress, and the Executive

🕒 February 22, 2023 📌 Dennis Crouch

Guest post by Jonathan Stroud. Stroud is General Counsel at Unified Patents – an organization often adverse to litigation-funded entities.^[1] He is also an adjunct professor at American University Washington College of Law.

NOV 3, 2023 | UNCATEGORIZED

RUBIO, SCOTT PUSH FOR TRANSPARENCY FOR FOREIGN THIRD PARTY LITIGATION FUNDING IN U.S. COURTS



EU Legislative Reform Efforts

- *Res. to the Comm'n on Responsible Private Funding of Litigation*
 - Reqs:
 - Regulation, Supervision
 - Funder Registration
 - Protection of Claimants, Investors
 - **40% recovery limit**
 - **Required Disclosure**

[LitFi PAC Hires DOJ Lawyer as Head](#)





Inquiries:

jonathan@
unifiedpatents.com