invented in India
share of world GDP: 1840

India 16%
USA 2%
rest of world 82%
“Our future progress and prosperity depend upon our ability to equal, if not surpass, other nations in the enlargement and advance of science, industry and commerce. **To invention we must turn** as one of the most powerful aids to the accomplishment of such a result.”

US President William McKinley
Annual Address, 1899
golden age of invention
golden age of invention
radio telephone vaccine
lightbulb movie automobile
surgery laser medical device
airplane x-ray computer
camera television games & toys
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“...innovation will be the currency of the twenty-first century.”

President Barak Obama – June 4, 2009, Speech at Cairo University, Cairo, Egypt.
share of world GDP: now

India 6%
USA 21%
rest of world 73%

a growth of 950% in 150 years

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India suffers from a chronic IP trade deficit

$3.7 billion payment of royalties & license fees

less (-) $410 million receipt of royalties & license fees

$3.3 billion deficit

* 1995 - 2005 data
Global Royalty Receipts


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Indian universities & research institutes share of global licensing revenue is only 0.0011% 

universities & research institutes in India $1.5 million  

global $130 billion  

* 2005 data
yet India has world class thinkers & research

15,000 science & engineering research papers

volume of published science & engineering articles

17,000 US patent applications

2% of world share

ranked 15th globally

0.4% of world share

* 2005 data
... what happened?

<table>
<thead>
<tr>
<th></th>
<th>India</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>$3 trillion</td>
<td>$14 trillion</td>
</tr>
<tr>
<td>licensing revenue</td>
<td>$1.5 million</td>
<td>$1.5 billion</td>
</tr>
</tbody>
</table>

If the market size is normalized to USA, India should have $321 million per year in licensing revenue.

Revenue gap of $319.5 million per year

*2007 data, refers to university licensing revenue*
What innovation models would work best in India?
India lacks capital, expertise, network.

The diagram illustrates the stages of a product's lifecycle from basic research to mass market, showing the need for various types of capital at different stages. The diagram highlights the critical role of invention capital, which is often lacking in India, leading to a 'death valley' where ideas fail to transition to viable products.
invention is the highest margin activity
but receives the **smallest** amount of capital
The right model for India is to focus on inventors and generate inventions.
INTELLECTUAL VENTURES

3 funds: each are different

IDF
relationship based
131 staff

partners with inventors
→
solves problems to enable future growth
→
harvests ideas, refines inventions and makes patent portfolios

IIF1 & IIF2
transaction based
250 staff

ISF
builds ideas
70 staff

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different sectors & time horizons

- Life science
- Physical science
- IT

- Past
- Present
- Future

IDF ISF

IIF1 & IIF2
design investment topics & broadcast to global inventor community

identify problem areas that can lead to future products, industries & companies

harvest ideas & nurture inventors

refine inventions & make into patents

assemble into IP products

distribute to market via financial instruments, spin outs & traditional licensing
like a manufacturer making products

1. identify consumer need
2. design & engineer product
3. gather raw materials
4. process & refine
5. assemble into final product
6. ship to buyers
partnering with inventors

individuals
universities
research institutes
companies

sources of invention

upfront fees & profit-sharing with inventors

we license invention rights to companies & investors

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we identify problem areas & broadcast them to a global inventor network
we are dedicated to inventors and focused on inventions
Manage a **virtuous cycle**

- **producers of innovation**
- **consumers of innovation & financial investors**
- **sponsors**

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July 2009
distribute ideas as broadly as possible ...

... to enable new companies & products
our goal
bring more revenue to Indian inventors
and reverse the IP trade deficit
already making a positive impact in India
example payments to Indian universities & research institutes

since April 2008, IV India has paid out $0.47 million unrestricted funds

~ 30% of Indian university & research institute licensing revenue
global footprint of IDF

Vancouver staff: 2
Seattle staff: 28
Tokyo staff: 18
Beijing staff: 17
Singapore staff: 22
Bangalore staff: 16

Total staff: 131

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July 2009
ignite

a thousand minds
MONISH SUVARNA
President
Intellectual Ventures India
Monishs@intven.com