

Unlocking IP Finance

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The potential of IP finance

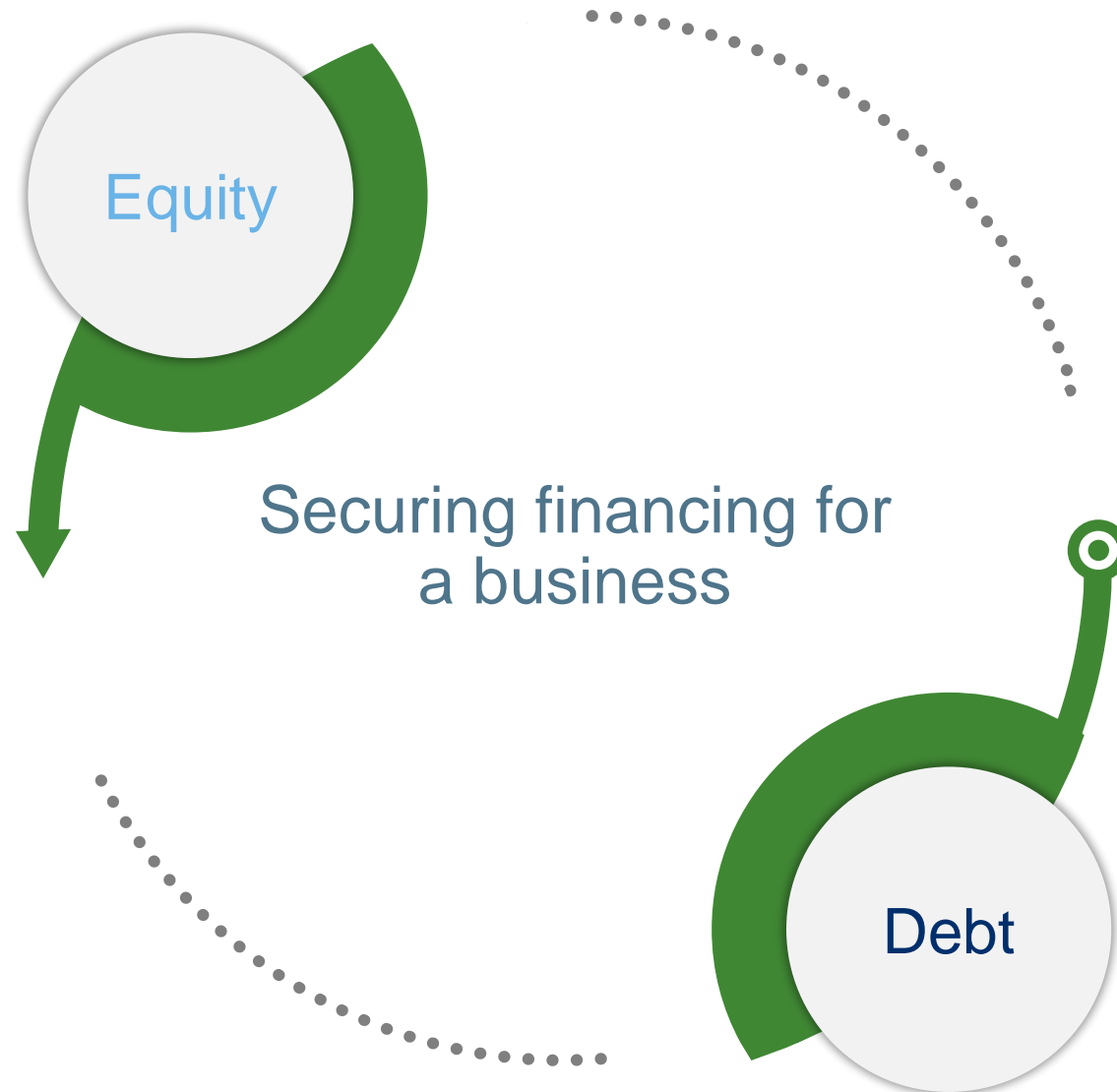
The total value of
intangible assets
globally rivals the
GDP of some
members
of the G20



Businesses are
turning to these
assets to
secure finance.

⊕ Opens the door to new resources and expertise

⊖ Can be expensive, reduces control



Retains control for owners and investors



Intangibles can be difficult to value and liquidate



BIG IDEAS BIG DEALS

While far from mainstream,
IP backed transactions are
becoming more common



\$160MM CAD Fund



¥25 billion



\$196 MM USD fund



\$400MM USD Fund
+ Insurance offering



2+ trillion won



\$1 billion USD

We need to unlock the full potential of IP-backed financing

Enabling evolution from singular / traditional financing...

- Intransparent early stage / VC financing
- Traditional IP-backed non-bank lending and licensing
- Sporadic transactions

... towards future IP-based financing models

- Creation / backing of public market infrastructure, e.g., matching platforms for early stage investment in SME IP, IP exchanges
- Incentivization for mainstream financing providers, e.g., SME / innovation promotion programs, development banks
- Innovative models, e.g., sale-and-leaseback, securitization, sovereign funds

If challenges and market imperfections can be reduced, this would unlock a new universe of instruments for IP-based financing

IP-backed financing landscape and WIPO's approach

HERE'S THE CHALLENGE




- Limited information available to policymakers on potential actions
- No accepted approach to IP valuation, which is context dependent
- SMEs and Lenders are not familiar enough with the potential of intangible assets as financial instruments

- Partner with key players (IGOs, financial institutions, SSOs)
- Facilitate the discourse
- Encourage market driven solutions and guide state initiatives
- Working with both potential lenders and SMEs
- Work across sectors (e.g. innovative, creative) and government (finance, IP, etc.)




**AN ACTION
ORIENTED
APPROACH**

unlocking IP finance

raise the profile of
IP-backed financing 

High level conversation
that describe the
potential and major
obstacles
(November 2022)

formation of an Expert
Consultative Group
*Participants with first
hand knowledge or an
institutional stake
in IP finance*

reveal what's
happening
on the ground 

Document current
state of affairs,
including the actions
and challenges: gov't,
financiers, commercial

e.g. Country reports –
starting with [Singapore](#)

also economic studies
on creative industry,
commercial trends

equip participants
in the IP finance
& valuation ecosystem 

Create practical tools
to improve use of IP for
financing and better
equip financiers to
participate

e.g. *Hands on IP
finance series*

Thank You

For more information about WIPO's work
in the area, visit:
<https://www.wipo.int/sme/>

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