

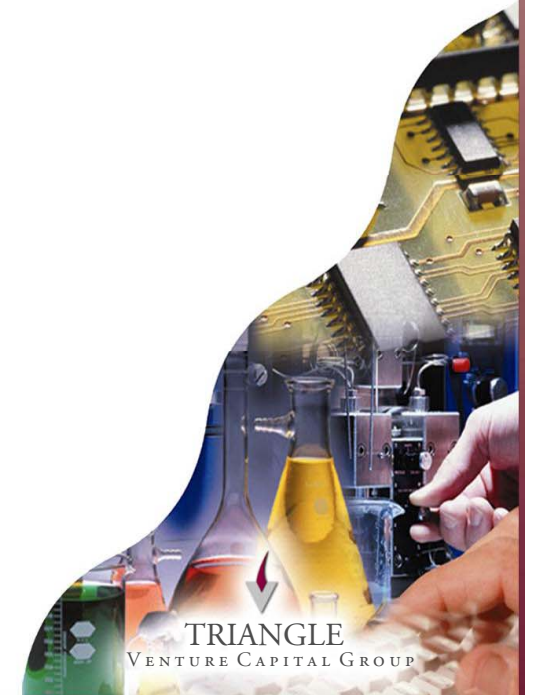


TRIANGLE

V E N T U R E C A P I T A L G R O U P

Acceleration in IPR Commercialization

Dr. Bernd Geiger / Triangle - on behalf of EVCA

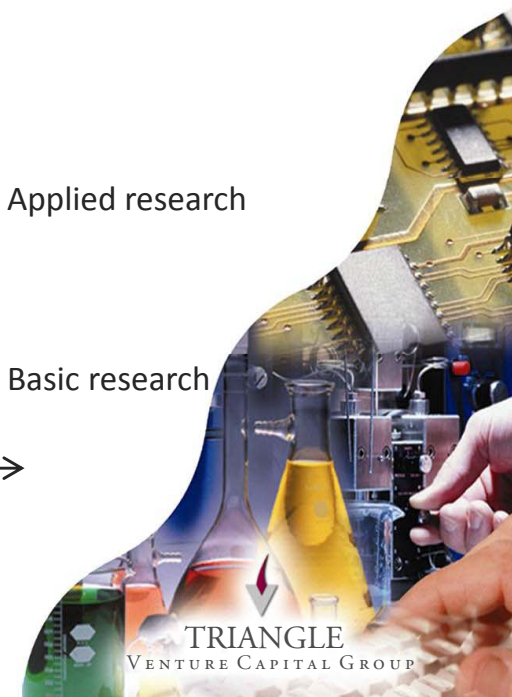
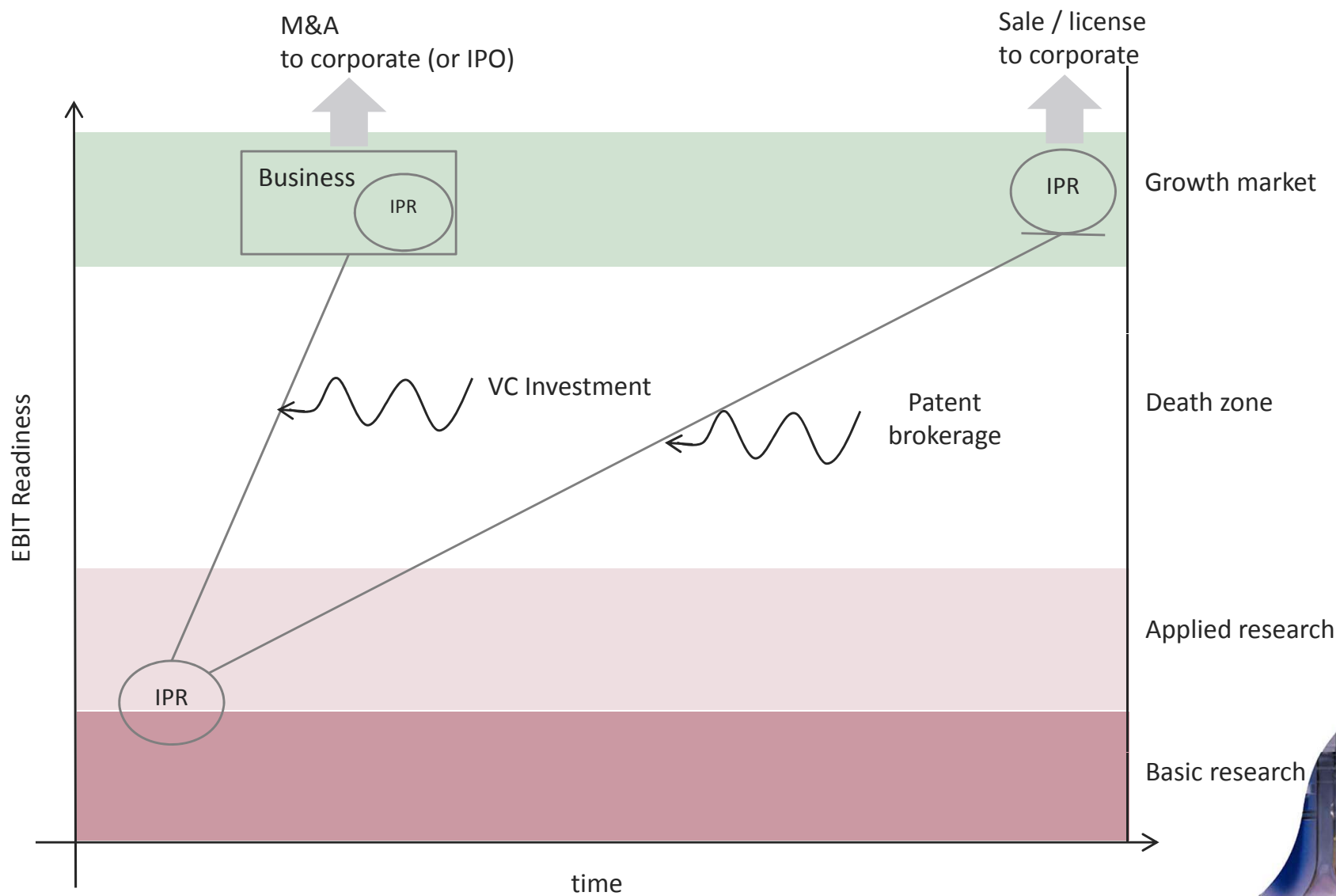


Triangle at a glance

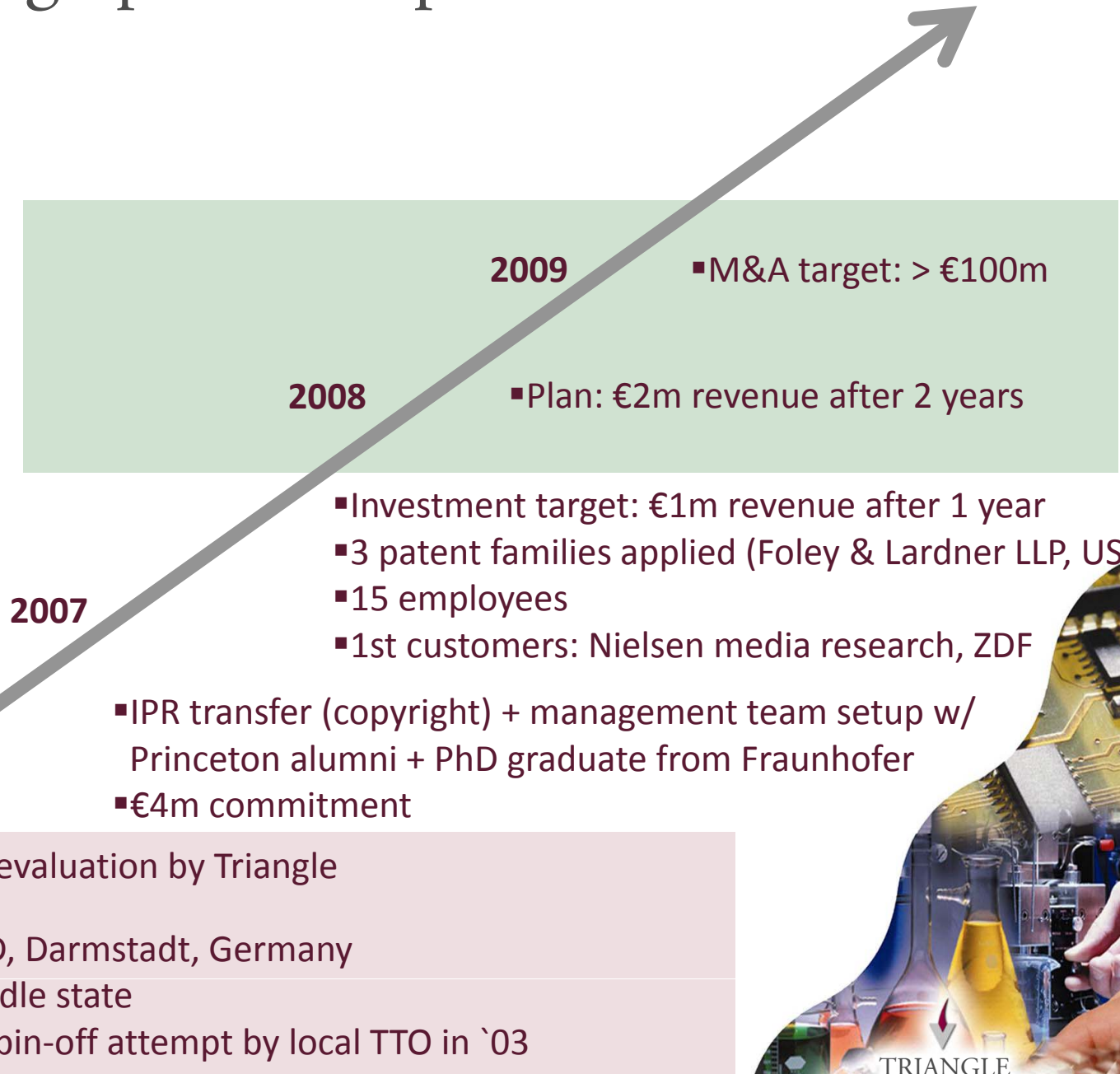
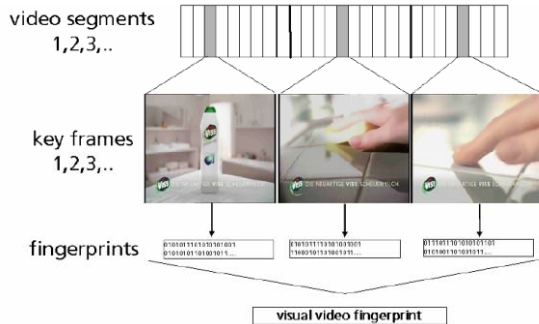
- Founded in 1997 – steady investment approach
- Focus on spin-offs from universities and research center
- Target technologies: software (mathematics), physical technologies
- Target markets: ICT, medical devices
- Regional focus: Germany and neighboring countries
- Team of 5 partner and 2 analysts
- Two fund generations, €80 million under management
- €92 million committed to existing portfolio companies incl. co-investors
- 14 investments
- Member of BVK, EVCA



IP from leading edge research is not easy to be commercialized



A case in point: iPharro - content detection by fingerprint comparison



2001-2005

- Fraunhofer IGD, Darmstadt, Germany
- Technology in idle state
- Unsuccessful spin-off attempt by local TTO in '03

2006

- Tech evaluation by Triangle

2007

- IPR transfer (copyright) + management team setup w/ Princeton alumni + PhD graduate from Fraunhofer
- €4m commitment

2008

- Plan: €2m revenue after 2 years

2009

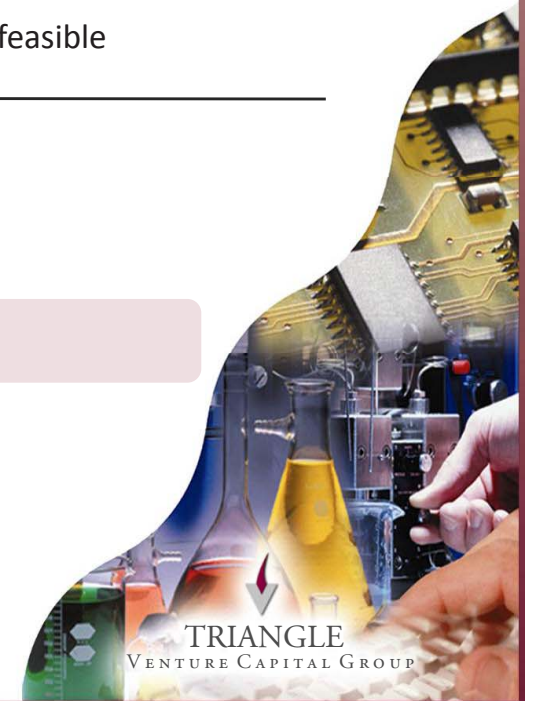
- M&A target: > €100m



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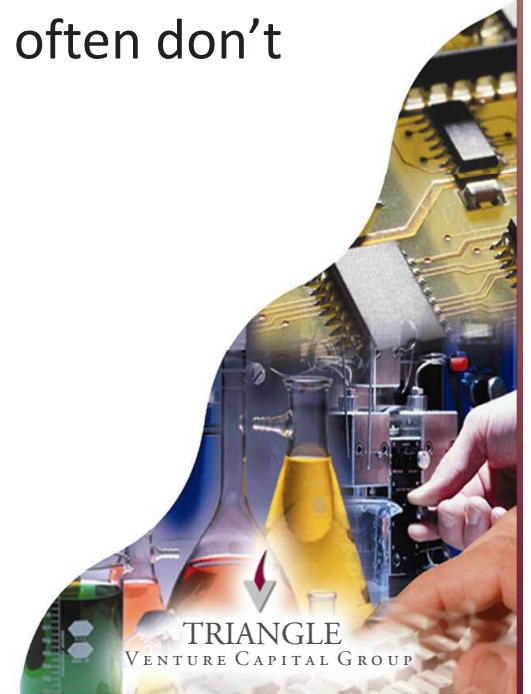
VC IPR commercialization vs. brokerage

	Pros	Cons
VC	<ul style="list-style-type: none">• Returns potentially orders of magnitude higher than with brokerage sale• Potentially faster commercialization• Positive effect for the national economy	<ul style="list-style-type: none">• Does only work for potentially disruptive technologies• Investment needed• Deep commercial understanding needed• Teams needed• Not for every technology feasible
Brokerage	<ul style="list-style-type: none">• No major investment needed to sell• Market for IPR trading is growing	<ul style="list-style-type: none">• Most often no market• Low price• „Tech only“ has no value



General hurdles for VC financed IPR commercialization

- IPR is typically not designed and prosecuted towards commercialization
- There are different species of IP lawyers – for research IPR most of the time the wrong one has been chosen
- IPR ownership is important for commercialization – TTOs often don't recognize value as the inventing professor does!



Specific hurdles (in EU) for VC financed IPR commercialization

- Ambiguous position of the EU bodies towards IPR - especially in the ICT area
- Large gap between US and EU IPR regime in favor of the US (costs, ruling, know-how of the involved stakeholder)
- Viral nature of open source software (OSS)
- Preferential treatment of OSS in public funded research





European Private Equity &
Venture Capital
Association

Thank you for your kind attention

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