

# DIN 77100:2011-05 (E)

## Patent valuation - General principles for monetary patent valuation

---

Contents	Page
Foreword .....	3
1 Scope .....	3
2 Terms and definitions .....	3
3 Principles of the monetary valuation of patents .....	5
3.1 Valuation object .....	5
3.2 Valuation purpose .....	5
3.3 Exploitation scenario .....	5
3.4 Valuation date .....	6
3.5 Valuation experts .....	6
3.6 Valuation report .....	6
4 Influencing factors .....	7
4.1 General .....	7
4.2 Legal factors of influence .....	8
4.2.1 Legal status .....	8
4.2.2 Protectability .....	8
4.2.3 Covered products .....	8
4.2.4 Scope of protection and possibility to circumvent the patent .....	8
4.2.5 Ability to act, freedom-to-operate .....	8
4.2.6 Enforceability .....	8
4.2.7 Right of disposal, ownership .....	8
4.2.8 Relevant standards .....	9
4.2.9 Approval restrictions .....	9
4.3 Technical factors of influence .....	9
4.3.1 Technical feasibility .....	9
4.3.2 Production-related feasibility (scalability) .....	9
4.3.3 Technology life cycle .....	9
4.3.4 Technical field of application .....	9
4.3.5 Technical substitution .....	9
4.4 Economic factors of influence .....	9
4.4.1 Market potential of the invention .....	9
4.4.2 Availability of complementary goods .....	9
4.4.3 Business model .....	9
4.4.4 Interdependencies .....	10
5 Risks and cash flows .....	10
5.1 Consideration of risk .....	10
5.2 Cash flows .....	10
5.2.1 General .....	10
5.2.2 Positive cash flows .....	10
5.2.3 Negative cash flows .....	11
6 Valuation approaches and methods .....	11
6.1 General considerations .....	11
6.2 The cash flow approach and its methods .....	11
6.2.1 General .....	11
6.2.2 Determination of the forecasting horizon with the help of the economic useful life of a patent .....	12
6.2.3 Determination of the discount rate .....	12

<b>6.2.4</b>	<b>Determination of the patent value using the incremental cash flow method .....</b>	<b>14</b>
<b>6.2.5</b>	<b>Determination of the patent value using the relief-from-royalty method .....</b>	<b>15</b>
<b>6.2.6</b>	<b>Consideration of taxes .....</b>	<b>16</b>
<b>6.3</b>	<b>The market approach and its methods .....</b>	<b>16</b>
<b>6.3.1</b>	<b>General .....</b>	<b>16</b>
<b>6.3.2</b>	<b>Determination of the patent value using the market-oriented method .....</b>	<b>16</b>
<b>6.4</b>	<b>The cost approach .....</b>	<b>16</b>