

Abstract

The United States patent system is undergoing changes, with a sharply increasing number of patent litigations and applications. This Thesis aims at analyzing the role of Non-practicing entities—companies which engage in licensing and litigating patents, as opposed to producing—in the system. Using two unique datasets of 533,720 U.S. patents, I investigate what type of patents these entities uphold. Specifically, I focus on two proxy variables for patent value (forward citations for social value and renewal rate for private value), and analyze patents owned by one of the biggest Non-practicing entities, the Intellectual Ventures. In comparison to two control groups, the results provide some evidence that patents owned by this company: 1) do have an above-average private and social value, and 2) show smaller relation between private and social value. The results support existing research which suggests that Non-practicing entities possess higher proportion of “strategic patents”, that are highly privately valuable mainly for their litigation potential.