

## Rock Star Suicides and Patent Apportionment

Solo performing rock stars are much more likely to die prematurely than rock stars that are members of a band. The reason is solo performers are more likely to engage in destructive behavior (e.g. drug and alcohol abuse) than members of a band.

According to research published in the British journal BMJ Open, solo rock star performers were about twice as likely to die earlier than expected (that is, earlier than the average for their demographic category) as members of a band. Among North American solo stars, nearly 23 percent died before their time, compared to just over 10 percent of band members. Among Europeans, the figures were 9.8 percent for solo stars and 5.4 percent for members of a band.

I have been told by music promoters that being an up-and-coming rock star is a solitary and volatile existence. One day you are waiting for a major music contract to come through, the next day a concert tour is canceled. Solo performers do not have the support system to see them through the peaks and troughs that group performers have.

So, what does any of this have to do with patent apportionment?

The life of inventors / early-stage entrepreneurs is similar to musicians in terms of the enormous volatility of business prospects and emotional roller-coaster rides. One day you talk to an inventor and he is on top of the world because he expects to receive a research sponsor. The next day, you are concerned that he might hurt himself as he is extremely depressed that a competing researcher won coveted media exposure.

So, what is the connection with patent apportionment?

Well, let's say that you believe an emerging company is valued at \$100. This young company only has two assets - founders and patents. You must allocate the \$100 valuation between the two asset classes. The more value assigned to the founders, the less can be assigned to the patents (and visa versa).

So, all things being equal, I award more value to founders when there are two or three founders than when there is only one founder. In addition to the risks associated with solo inventors (as discussed above), there is simply too much work to do for one person at an emerging company. More than three founders at a start-up company is just too many.

So, the number of founders is one issue that I consider when apportioning company value between founders and patents.

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