

Malikie Innovations is busy one year after buying BlackBerry patents

Angela Morris

09 May 2024



Key Patent Innovations Managing Director Angela Quinlan. Courtesy photo

This Saturday marks the one-year anniversary of Ireland-based NPE **Malikie Innovations'** major purchase of a 33,000-patent portfolio from BlackBerry.

Malikie, operated by Key Patent Innovations, has hit the ground running with its monetisation programme. It has hired expert staff – doubling its headcount – and partnered with qualified outside counsel to aid its efforts. The company has already inked some licences and filed litigations against those who would not engage in negotiations, reveals Key Patent Managing Director **Angela Quinlan** in an exclusive interview with IAM.

Quinlan, who was named an **IAM Market Maker of 2023** for her role in the deal, notes the company is also in advanced talks with patent licensing companies who want to buy assets from the trove.

To mark the one-year anniversary of the transaction, we caught up with Quinlan in a video interview to learn about the steps that Malikie has taken to extract value from the high-quality portfolio. Here are her answers, edited for IAM style, brevity, and clarity.

First, congratulations on your one-year anniversary. That's a big one!

Angela Quinlan, managing director, Key Patent Innovations: Thank you very much. It is huge. Buying the portfolio for Malikie was a phenomenal step for us and probably the biggest transaction that we can think of in the industry in the last number of years. We were very excited about getting our arms around it and a year later, I think we're even more excited about it as an acquisition and all the steps we've taken since then. Everything we had hoped for is bearing out.

I saw that you announced the hiring of people right away and I thought 'wow, they are not wasting any time'.

Quinlan: We firmly believe that the three key aspects to maximise the value of any portfolio we own are having the right people, having the right assets and being fortunate enough to have the right financial backing. We are very fortunate that we do have the right financial backing. Running portfolios is not cheap and we have investors who understand that. The key for us was hiring the right team to exploit the portfolio to its maximum potential and we put a lot of thought into that. I've been in the industry for quite a number of years and we set about building the right internal combination of expertise technically and legally. We were very fortunate to have come across people in our past careers who we were able to call on – to use our networks.

What was your priority when you closed on the portfolio?

Quinlan: One of the first things we had to consider was onboarding the portfolio. It was the actual mechanics of getting a 33,000-patent portfolio on board and making sure all the maintenance fees were paid, making sure that we had all the right records. We were very fortunate to hire an unbelievable portfolio manager, Amiee Pipes, who had worked with me in a previous job and had actually started at BlackBerry a long time ago herself. When I contacted Amiee, she jumped at the opportunity as long as she could build the database from scratch. She's done that and we're so fortunate to have her.

We were also fortunate here in Ireland, Key Patent hired people who had worked as outside prosecution counsel for BlackBerry in a local firm, Murgitroyd in Dublin. We were able to hire both at KPI and at our partners, Patent Platform Services, people from BlackBerry itself, and people who had worked in similar technologies. We were able to add a lot of technical expertise, patent expertise, legal expertise – and combine it together.

A new licensing programme can take a long time to ramp up. What process have you followed and where are you in those steps?

Quinlan: Licensing programmes do take a while to bed in. But I think we had a head start with this portfolio in that BlackBerry had already been engaged with some companies. We were able to step in and continue those discussions. In that sense, we weren't starting from scratch. Once the deal went through, we spent a lot of time – the last six months of 2023 – getting to know the portfolio. There are certain technologies that everybody jumps to think of automatically when you think of BlackBerry, but we wanted to really get under the hood and get to understand the other technologies.

The approach we've taken is to look at the portfolio in what I call a 'Lego' way – looking at the basic blocks in the portfolio. We looked at technology protocols, video, audio, security, cellular communications and Wi-Fi. We looked across the market and thought of every company and technology sector that are built up by those verticals. Computer gaming, for example: that has video, there's audio, there's messaging, there's notifications. We've gotten to know the portfolio in its basic elements – its smallest units, and then we can put them together. Taking that approach has led us very systematically to get to know the portfolio and build the campaigns in a lot more areas.

What are the industries, sectors or company types do you want to license?

Quinlan: One takeaway we've had over the year is that the use of the technology that BlackBerry developed is ubiquitous. It's across so many sectors and we have to be strategic in how we address those sectors. BlackBerry was synonymous with phones, cellular and Wi-Fi technology. But BlackBerry had its own servers, it had the first remote-access devices – that is the foundation of cloud computing. So really, [licensing sectors span] from cloud computing companies, any of your subscription-based streaming companies, IoT, as well as the usual suspects of cellular and anything to do with security.

BlackBerry was huge in security and that was what made Barack Obama and the UK prime minister very famously use BlackBerrys when they were in office. Security is huge: for payments, medical devices, online stores, everything with payment processing.

Gaming companies and the handset companies obviously, that's hugely relevant any Wi-Fi devices, IoT, asset-tracking sensors, PCs, laptops, smart TVs, automotive with the infotainment systems. In every kind of big technology sector, we're seeing applicability.

What have you done to start licensing the patents?

Quinlan: We've been contacting companies. Last June, we already had been in touch and speaking to a lot of companies. People appreciate when we contact them because we don't contact people until we have evidence-of-use and until we have done our due diligence. By the time we contact them, we have something of importance to say that is well-researched. We're not sending frivolous letters to people. We are keen to engage in negotiations.

We know we've put together a good case, and by doing that, we closed our first deal in almost record time – it was within six months that we had our first licence agreement negotiated, done and dusted. That was great. Since then we've built on that, we've got a lot of momentum and I'm pleased to say that, a year in, things are going well.

Have you filed any litigations yet?

Quinlan: In an ideal world, we would negotiate and come to settlements for everything. We are pragmatists and that's unlikely to ever happen in real life. We can gauge quickly whether they are interested to engage with us properly and meaningfully – not just to say, 'yes, we'll get back to you in six months'.

On that front, we have found indications where we felt that there just wasn't meaningful engagement. We could see it wasn't going to change. We're not going to let the grass grow under our feet. We're willing and must go the other route.

We filed three litigations in Texas against Acer, ASUSTeK, and D-Link.

What about litigation anywhere else?

We would shortly envisage our first litigation in Europe. The Unified Patent Court is obviously a really big thing for us. That's something that we've been watching closely. We're very excited about the progress that the UPC has made in the past year. It's a great venue to help push negotiations along. That's how we see litigation: it stops hold out and helps people move things along. That's the one thing that the UPC really seems like it could do because everything is done and dusted in a year, with potentially injunctions within a few months. There is no option for holdout and delay. We are quite excited to start to make use of our European routes and turn to the UPC. That is going to be a big and important part of our campaigns.

I can recall the deal structure to buy the portfolio was interesting because there are milestones you meet and, if they are triggered, BlackBerry receives extra payments. Do you feel those milestones are within grasp and where are you in meeting them?

Quinlan: Without telling any specific details of what we've made to date, we had every belief when we started out and we firmly believe still that everything we've seen in the portfolio has backed up those early estimates and diligence calls. We have not revised our forecasts and we've increased our confidence in the value of this portfolio and in our own ability to extract that value.

BlackBerry's press release announcing the sale spun it as a \$900 million value because of the revenue sharing, but some patent people did not believe that. I have always been curious if that was a realistic estimate?

Quinlan: I didn't see any press release from BlackBerry that I would have thought was silly. Everything they said was absolutely credible.

The BlackBerry portfolio was widely licensed. Are you finding the encumbrances hinder your licensing efforts, or can you get around them?

Quinlan: The good side of it having been licensed previously is this is a tested portfolio. People have licensed it and people have looked at the patents. Some of the big players who are not naive, not innocent, not easily convince people have looked at it, seen the value in it, and taken significant licences. I think that's a really strong recommendation. This is a good portfolio. There's a lot of technology in it and there's a lot of value in it. That's how we see a lot of the encumbrances – as a testament that these patents are good.

One comment that is important to highlight: while BlackBerry was a member of the Avanci pools, the Malike portfolio is not in the current Avanci pool. Sometimes there can be confusion, but we had bought the portfolio before that pool setup. We are not part of the 5G Avanci pool.

During the long sales process, people gossiped that the patents didn't have enough life left to enable licensing over a long-enough period to earn high-enough return-on-investment. Is this a concern to you or not?

Quinlan: We've hit a sweet spot with the age of the portfolio. With a very new portfolio it always takes a while for the technology to be used. When you get to licensing you need patents to be a certain age. There's significant life still left in the portfolio, and we definitely plan to be involved in a lot of licensing over the course of those years. We've built up momentum quickly. We don't have time to waste. That's less dictated by the age of the portfolio and more by our plan strategically. We invested a lot in the portfolio and we need to hit returns.

Another thing that we found interesting since we bought the portfolio is we've had an awful lot of interest to buy patents from us. It is shared across the market that there's a lot of value in this portfolio. We have multiple, advanced discussions on sales going on at the moment. We always anticipated we might sell some, but we hadn't fully anticipated the volume of inbound requests before we planned a sales campaign. From the very first announcement in IAM, we started getting inbound requests to buy the portfolio. That again validates our position that they're great patents. They're a good age for licensing. A lot of those requests are coming from licensing companies with similar business models to ours.

Also, I recall BlackBerry kept some 2,000 patents and it is earning revenue from old licensing programmes on them.

Quinlan: They did keep some cellular SEPs but we are authorised to license those on BlackBerry's behalf. We have exclusive right to license those patents to certain companies and sub-licensees in certain fields. They did keep some core patents themselves that are covering their new area of operation.

The idea is just that it gives efficiencies to everybody involved for us to be able to do a one-stop licence for the cellular SEPs. We're talking to a lot of handset companies and this ensures they're not talking to multiple people about patents that came from the same source. People appreciate that. I hear feedback that it makes it more efficient for everybody.



Angela Morris

Deputy editor
IAM

angela.morris@lbresearch.com

[View full biography](#)

Copyright © Law Business Research Company Number: 03281866 VAT: GB 160 7529 10