



ROYALTY RANGE

European Royalty Database

YOUR TRUSTED ROYALTY RATE DATABASE

'Comparability, and the possibility of making comparability adjustments, is especially important in considering potentially comparable intangibles and related royalty rates drawn from commercial databases [...]. In particular, it is important to assess whether publicly available data drawn from commercial databases and proprietary compilations is sufficiently detailed to permit an evaluation of the specific features of intangibles that may be important in conducting a comparability analysis.'

OECD BEPS (Organisation for Economic Co-operation and Development - Base Erosion and Profit Shifting Project) Actions 8-10, Intangibles, Revisions to Chapter VI of the Transfer Pricing Guidelines, paragraph 6.130.

RoyaltyRange data meets the strict requirements set by the latest OECD BEPS guidance.

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About RoyaltyRange

RoyaltyRange is a UK-based intellectual property royalty rate database. RoyaltyRange Europe is funded by Practica Capital and European Union's structural funds, with a total share capital of EUR 850,000.

RoyaltyRange provides data for setting, benchmarking and assessing royalty rates for intellectual property. The company offers its clients a wide range of services, including subscriptions to the database, benchmarking studies, performance of agreement searches based on the criteria provided by the client, and research and data collection.

Data and services provided by RoyaltyRange are used for various purposes: transfer pricing analysis, benchmarking studies, patent box analysis, the valuation of intangibles, licence agreement drafting and negotiation, infringement damage calculation, expert testimony, and litigation. The data contained in the database is fully compliant with the latest OECD BEPS guidance.

Key facts:

- The RoyaltyRange database contains manually gathered and professionally analysed data.
- The database was compiled by analysing approximately 150,000 publicly available agreements and selecting only the agreements that comply with our standards and requirements.
- The database is constantly being updated with data from the latest transactions.
- The agreements in the database were concluded recently (many in the last five years), typically between unrelated parties.
- All data complies with the latest international standards on transfer pricing, including guidance on transfer pricing aspects of intangibles, published by the OECD in October 2015 in the framework of the OECD BEPS Actions 8-10.

What makes RoyaltyRange different?

RoyaltyRange specialists analyse the data and add to the database only those agreements that comply with our quality standard criteria based on the newest OECD regulations. The following types of agreements are not included in the database:

- Agreements between related parties (typically not included)
- Agreements with undisclosed remuneration mechanisms
- Royalty-free agreements
- Agreements where royalties are expressed in other form than percentage
- Agreements with individuals, universities and other non-commercial entities (typically not included)

One of the main advantages of RoyaltyRange is that the data does not require much additional work from the client's side. This is why agreements that cannot be used in real analysis are rejected during the database compilation process, so that our clients do not need to do this work each time.

Moreover, the database consists of manually prepared royalty rate reports that already contain significant comparability analyses, including functional analysis performed in accordance with the OECD requirements.

Our clients

RoyaltyRange offers its services to industry leading multinational enterprises, global consulting companies, international law firms, government authorities and universities worldwide. RoyaltyRange provides the clients with a wide range of related services, including benchmarking studies, research and data collection, performance of agreement search in the database based on the criteria provided by client, granting of licence agreement examples and subscriptions to the database.



Royalty rate reports at a glance

- The database consists of royalty rate reports that contain manually gathered and analysed data, so each report is a result of deep and thorough analysis.
- The arm's length principle is taken into account when compiling the database. Generally, the most common approach in most jurisdictions is that the parties to the agreement are considered related when an entity participates, directly or not, in the capital by owning 25% or more shares. We apply this approach, where possible, by checking the publicly available information for this data and focusing on independent transactions.
- The reports contain more than 50 detailed and standardised comparability factors of royalty rates and licensing terms. Each report is supplemented with original non-redacted agreements, as well as filings and other types of documents from which the data is gathered.
- Each report contains: a detailed analysis of the identification of intangibles and the legal owner of the intangibles; characterisation of the transaction involving intangibles; royalty rate percentage and terms; and a functional analysis section that contains a detailed functional, risk, cost and asset analysis.

I. Identification of Intangibles and Legal Owner of Intangible Limitations												
No.	Unique Code	Type	Licensor	Licensor's activities	Licensee	Licensee's activities	Description of object	Geographical scope	Date of agreement	Time Period - Effective Date	Time Period - Expiration Date	Time Period - Terms
1	RR2015012570001	License Technology Patent	Co. Global Corporation	Academized Acquirers II, Inc.	Licensee intends to design, manufacture and market sustained-release slow-pulsed, monitoring glucose levels, using structures, open-circuits, aggregate panels and a set system of a pre-fabricated module as envisioned by a licensed owner or customer made before to continue bio-print.	Licensee under technology and patent rights to make, use and apply under technology known as Blood Concentration System (concrete monitoring module glucose system), which can be safely and efficiently assessed without any monitor.	Global grant	11/03/2011	11/03/2011	11/03/2011	projected	License shall continue for a period of 10 years.
2	RR2014007000001	Intangible License, Trademark, Technology, Patent	TerraNova Systems LLC	United Agricultural Corp.	Licensee was engaged to conduct indoor vertical farming business.	Licensee under Trademark, technology, system (including specialized equipment, nutrient delivery system, lighting equipment and software, patents and know-how related to growing plants in a controlled environment to grow, promote and distribute fruits, vegetables, herbs and spices.	Global grant for assets, distribution and promotion of licensed plants.	27/08/2010	27/08/2010	unspecified	unspecified	License shall continue until the expiration of the term-of-life of the licensed trademark.
3	RR2015071570001	Intangible License, Technology	BD Biosci. Inc.	Red Cardinal Holdings, Inc.	Licensee is engaged in infrastructure development, green energy development and operations, as well as some software and consumer hardware and master planning and some environment.	Licensee to use the know-how and technology rights to develop, manufacture, operate and promote state-of-the-art facilities for safe and sustainable construction of buildings.	Global grant	21/04/2012	21/04/2012	21/04/2030	projected	License shall last for a period of 18 years from the effective date.

Restrictions		Specific Features				(Numbers from 1 to 4 reflect the distribution)							
Class of Product Limitation	Exclusivity: Yes or No/Description	Restrictions of the Use, Exploitation, Reproduction, Further Transfer and Further Development	Extent and Duration of Legal Protection	Useful Life	Stage of Development	Rights to Enhancements, Revisions and Updates	Exploitation of Future Benefit	Development of New Products	Marketing	Support of Control of Quality	Manufacturing	Other Distribution	Performance
	Yes	Licensee has a right to transfer the license. Licensee has a right to sublicense and sublicensees shall be prohibited from either assigning its sublicense or granting further sublicense. Licensee has no right to assign the license. Licensee will not directly or indirectly compete with licensee, nor the licensee, authorized or permit any third party to compete with licensee with respect to the use of the licensed technology.	The license includes the use of US patent with an expiration date of 16-5/2025.			Licensee shall retain all rights to the improvements, but such improvements shall also be a part of the license.		✓	✓	✓	✓	✓	✓
	Yes: Licensee has an option to convert license to non-exclusive, in which case no further minimum royalties will be payable.	Licensee has no right to sublicense. Both parties have a right to assign the license.	Licensee includes 4 issued and 1 pending U.S. patent, 9 foreign patents (3 pending and 1 abandoned); if licensee does not file, prosecute or maintain patents related to its improvements to licensed growth systems, licensee may assume such responsibilities at its own cost; and if licensee does not perform same responsibilities in connection with its improvements, licensee may assume such responsibilities at its own cost.			Improvements to licensed plant growing system made by licensee shall be included in the license. Licensee shall make available to licensee (on royalty-free and non-exclusive basis) improvements made by licensee.		✓	✓	✓	✓	✓	✓
	No: Upon full satisfaction of obligations, licensee shall become exclusive.	Both parties have a right to assign the license; licensee has a right to sublicense.	Licensee shall cooperate with licensor for the purpose of securing, preserving and protecting licensed technology.					✓	✓	✓	✓	✓	✓

Functional analysis of functions, risks, costs and assets between the parties. First number represents Licensor, second - Licensee (1-10)										II. Characterisation of the Transaction Involving Intangibles				III. Remuneration			IV. Reference	
Identified Development	Manufacturing	Marketing	Support of Control of Quality	Manufacturing	Other Distribution	Performance	Transaction involving transfer of rights in intangible	Transaction involving transfer of rights in intangible	Royalty Rate	Base	Other Payments	Compensation and other details	Document Title	URL				
✓	✓	✓	✓	✓	✓	✓	✓	✓	3.00%	Gross revenue	Licensee shall pay 3% of all royalties and fees received from sublicensees.	Licensee shall pay licensor a royalty of 3% of all gross revenues resulting from the use of the technology by licensee.	Licensing Agreement	http://www.ami.com/royaltyreport/2015071570001				
✓	✓	✓	✓	✓	✓	✓	✓	✓	8.00%	Net sale	Licensee shall pay to licensor a license fee of US \$1,000,000 for each facility constructed for licensed plant growing and minimum annual royalty of US \$60,000 (increasing by \$6,000 per year and minimum royalty per licensed facility is \$76,000).	Licensee shall pay to licensor a royalty of 5% of net sales of licensed plants and by licensee, its agents or distributors. Royalties shall be payable as long as licensee owns an issued patent for licensed technology, provided that if obligation to pay royalties is based solely on licensed technology (not including patents), such obligation shall continue to 15 years after the first commercial sale.	TerraNova License Agreement	http://www.ami.com/royaltyreport/2014007000001				
✓	✓	✓	✓	✓	✓	✓	✓	✓	10.00%	Actual revenue	Licensee shall pay to licensor a guaranteed minimum royalty of \$10,000 annually.	Licensee shall pay to licensor a royalty of 10% of actual revenues collected by licensee in connection with manufacturing, distributing and selling of buildings using the licensed technology.	License Agreement	http://www.ami.com/royaltyreport/2015012570001				

Transfer pricing regulatory framework and the arm's length principle

The arm's length principle and the related OECD guidelines on transfer pricing form the internationally accepted standard for testing the appropriateness of intercompany transactions. The arm's length principle is generally applied by 35 member countries of the OECD and many non-member countries as well.

The arm's length principle is incorporated in Article 9 of the OECD Model Tax Convention on Income and on Capital, which forms the basis of the extensive network of bilateral tax treaties between countries.

CUP method

The OECD guidelines on transfer pricing impose the requirement that the most appropriate method be applied under the applicable facts and circumstances.

The CUP method compares the price charged for property or services in a controlled transaction to the price charged for property or services in a comparable uncontrolled transaction.

Comparability of transactions

Application of the arm's length principle is based on a comparison of the economically relevant characteristics of the tested transaction with the economically relevant characteristics of transactions between independent companies. The tested controlled transaction must be sufficiently comparable to an external uncontrolled transaction.

In the course of the application of the CUP method, an external uncontrolled transaction should comply with the following OECD factors for comparability:

- Characteristics of property or services.
- Functional analysis.
- Contractual terms.
- Economic circumstances.
- Business strategies.

RoyaltyRange data is used by a wide range of professionals in different fields, and each client has a different set of requirements. We offer a range of services to meet the specific needs of our clients and make sure that we offer an individual approach and tailored solutions for all of our clients' projects.

Our services include:

- **Database subscription.**
- **One search.**
- **Benchmarking studies.**

Database subscription

The subscription service is a flexible and advantageous solution that RoyaltyRange offers to professionals who want to access RoyaltyRange data themselves.

Subscription access allows performing unlimited searches 24/7 with more flexibility for each search. The user can try various search criteria and approaches in order to arrive at the optimal strategy for each particular project.

When using the RoyaltyRange subscription module, subscribed users can always count on the assistance of our specialists, who are ready to help and happy to provide the guidance and training required to get the best out of the RoyaltyRange database.

Database subscription options (plus VAT)

	POPULAR PLAN			POPULAR PLAN		
	Pay per use	Boutique	Base	Standard	Business	Enterprise
Term	30 days	Unlimited	6 months	1 year	1 year	
Type	Office	Office	Office	Office	Office/country	
Accounts	1	1	1	2	Unlimited	
Downloadable reports	Unlimited	300	Unlimited	Unlimited	Unlimited	
Unlimited access 24/7	✓	✓	✓	✓	✓	
Unlimited searches	✓	✓	✓	✓	✓	
Live online training	✓	✓	✓	✓	✓	
Live chat support	✓	✓	✓	✓	✓	
Phone support	✓	✓	✓	✓	✓	
Search assistance	✓	✓	✓	✓	✓	
Money-back guarantee		✓	✓	✓	✓	
Follow-up training				✓	✓	
Ask us to search					✓	
Pause subscription					✓	
Extend if not used					✓	
In person training						
Custom integrations						
Billed yearly	€500 / 30 days	€200 / month for 1 year	€400 / month	€300 / month	€400 / month	
Billed monthly		€250 / month for 1 year	€450 / month	€350 / month	€450 / month	



[Contact us](#)

One search

We offer to perform searches for royalty rate data upon request, taking into account the search criteria provided by the client. We take this search criteria and perform a thorough search in our database. We then manually analyse the initial data in our database and deliver the results for client's review.

The results are presented in a list of free primary reports containing all pertinent information about particular agreements, with the exception of royalty rates, other remuneration terms and the names of the parties involved in the transactions. The information contained in the primary reports allows the client to make an informed decision regarding the agreements for which he or she would like to purchase full access. This way, we make sure that the client is only paying for the agreements that are most relevant for his or her analysis.

The client then decides whether the search results are relevant and contain a sufficient number of reports. The fee is fixed for all requests: after the payment of **EUR 400** (plus VAT) is received, the client gets all royalty rate reports relating to the search strategy, including full details on up to 50 comparability factors for each agreement, links to original sources, and full texts of original agreements or filings. The cost of the search is included in the fee and the client can expand or refine the search without an additional charge.

A benchmarking study is a detailed comparison of publicly available licence agreements and royalty rates in order to determine the arm's length (market) royalty rate range for specific products or services. Following the search criteria provided by the client, we conduct a comparable uncontrolled price (CUP) analysis to determine an arm's length (market) range of royalty rates for the intellectual property licensing in this sector.

The search is performed in the RoyaltyRange proprietary database. Each report is supplemented with original non-redacted agreements, as well as filings or other types of documents from which the data is gathered.

The search process consists of the following stages, which are documented in the benchmarking study report in detail:

- Quantitative screening – the search process yields a list of potentially comparable reports.
- Qualitative screening – the sample is manually reviewed and the final set of reports is selected.
- Financial analysis – the range of royalty rates for third-party licensing agreements, an interquartile arm's length (market) royalty rate range, and a median are calculated.

Our fee for performing a benchmarking study is **EUR 1,500** (plus VAT). This fee covers the preparation of a benchmarking study from A to Z, which consists of the following documents:

- A benchmarking study report presentation containing the description of the search, steps of the analysis and calculation of an arm's length royalty rate range.
- An appendix with a list of all primary reports used during the quantitative screening and a list of all final reports used during the qualitative screening.
- PDF sources of the original agreements, filings or other types of documents used in the calculation of the royalty rate range.

The term for the preparation of one benchmarking study is about four working days after the payment.

For our clients who have a constant need for benchmarking studies for transactions involving intellectual property, we offer special discounts for acquiring sets of several benchmarking studies.

The presentation of the results can be tailored to the specific needs and formats of our clients and can follow their standard practice.

Example of a benchmarking study

A study report presentation

Executive Summary



RoyaltyRange has been requested by Client to conduct CUP analysis to determine an arm's length range of royalty rates for intellectual property licensing for immunostimulant and other drugs. The search study was conducted using the RoyaltyRange proprietary database.

Results

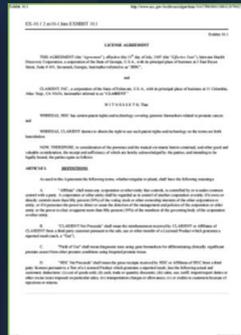
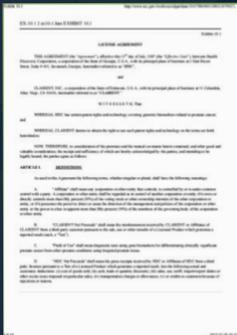
The search resulted in 11 comparable third-party agreements associated with the licensing of intellectual property in the field under review.

Royalty rates for licensing agreements range from 1,00 % to 7,75 % with an interquartile arm's length royalty rate range of 2,22 % to 5,75 % and median of 5,00 %.

Arm's length range of royalty rates	Median
2,22 % - 5,75 %	5,00 %

An appendix with all data used

Original sources of agreements in PDF



Contact us

We welcome the opportunity to discuss our services with you in greater detail by phone, email or online conference at your convenience. In the meantime, if you have any questions or comments, please do not hesitate to contact us.

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What do our clients think about RoyaltyRange?



"Thank you for your prompt assistance, I was impressed"



"Your last benchmark was highly appreciated by our client"



"It is very convenient to receive data in Excel"



"Our colleagues very much appreciated your support"



"Thank you for your great service and useful database"



"I'm really pleased by the quality and the match of the results with my topic"



"Data you provided me with was very pertinent"



"I would recommend all of my partners to use RoyaltyRange"



"Thank you for your excellent support, truly excellent support and awesome works also"

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