

**Title: How Scalable Private-Ordering Solutions Improve IP Law: Lessons Learned from Concept to Growth of the License On Transfer (LOT) Network**

**Abstract:** As of this writing, the License On Transfer (LOT) Network protects its members from more than 500,000 patent assets belonging to 75 member companies when those assets are sold to patent assertion entities. Moreover, LOT is growing rapidly for a variety of reasons including that LOT leverages the network effect, i.e., the more companies that join LOT the more attractive it is to join. The membership includes 2 of the top 5 patent recipients for 2015 in Canon and Google and a critical mass in the auto industry with companies such as Ford, GM, Hyundai, Kia, Mazda, Nissan, Subaru, and Uber. This paper reviews lessons learned that are applicable to other private ordering approaches, e.g., collaborative contractual arrangements designed to improve an area of law for an industry or a large common interest group. The lessons learned derive from obtaining management buy-in, recruiting founding members to form a small agreement review group, forming an independent non-profit entity, business model development, fund raising, soliciting members, forming a board, management and administration, launching and iterating on the foundational agreement and the operational structure, and learning from other existing private ordering approaches (e.g., the Open Invention Network). The paper investigates the common elements of a successful private-ordering solution. An improved process for developing successful private ordering solutions will improve our legal system. Private ordering solutions don't require legislative involvement and thus can be formed relatively quickly and can be structured to meet the needs of specific industries or common interest groups."