

Acacia acquires Biotech Stakes: An insight into the companies and patents behind the deal

On 5th June, a **portfolio of shares in 19 life science companies was agreed to be sold by Neil Woodford's LF Equity Income Fund to Acacia Research for up to £224 million.** The stakes sold range from 7% to 20% equity in both public and private companies. Seventeen companies were detailed in the 10th June [8K SEC filing](#) concerning the transaction.

To date, nine assets estimated to worth around £150m have been transferred to Acacia Research. Much of these assets have already been sold on by Acacia Research, raising around £129m.

Acacia Research CEO, Clifford Press, says that the company is planning on managing the investment stakes that have yet to be transferred, which includes Oxford Nanopore and Immunocore.

Key findings

- Stakes in 19 life science companies were agreed to be sold by Neil Woodford's LF Equity Income Fund to Acacia Research for up to £224 million.
- To date, nine assets have been transferred to Acacia Research, many of these have already been sold on.
- The remaining stakes, including Oxford Nanopore and Immunocore, are to be managed by Acacia.
- Which companies were involved in the transaction, what patents do they hold and what could this say about Acacia Research's strategy?

Acacia Research rebuilt their patent litigation effort in 2018 and have been investing in portfolios such as the former Yahoo! patent portfolio and Excalibur IP. In November 2019, Acacia Research announced a strategic partnership with the New York hedge fund Starboard Value. The investment by Starboard Value provided Acacia Research with up to USD 400 million to carry out strategic investments and acquisitions. Starboard will work directly with Acacia Research on identifying and executing opportunities.

When speaking about the Life Science portfolio acquisition, Chief Investment Officer [Al Tobia](#) said: "This is an exciting step in transforming Acacia into a leading absolute return-focused platform for investing in intellectual property, technology, and other unique investment and acquisition opportunities."

Many announcements have been light on the detail, so here's a helpful summary of what they've bought, sold and intend to manage so far.

Table 1: Companies which Acacia Research acquired and then sold shares

Company	Partially or fully sold stake	Details of the asset sale
Midatech Pharma	Fully	Has sold 9.90% stake.
Theravance Biopharma	Fully	Has sold 7.67% stake.
4D Pharma	Fully	Has sold 10.81% stake.
Mereo Biopharma	Fully	Has sold 15.29% stake.
Evoform Biosciences	Partially	Reduced from 11.70% to 0.01% stake.
Tissue Regenix	Partially	Reduced from 19.98% to 2.62% stake.
NetScientific	Partially	Reduced from 19.9% to 10.35% stake.
Synairgen	Partially	Reduced from 14.28% to 12.56% stake.
Open Orphan	Partially	Reduced from 6.51% to 2.29% stake.

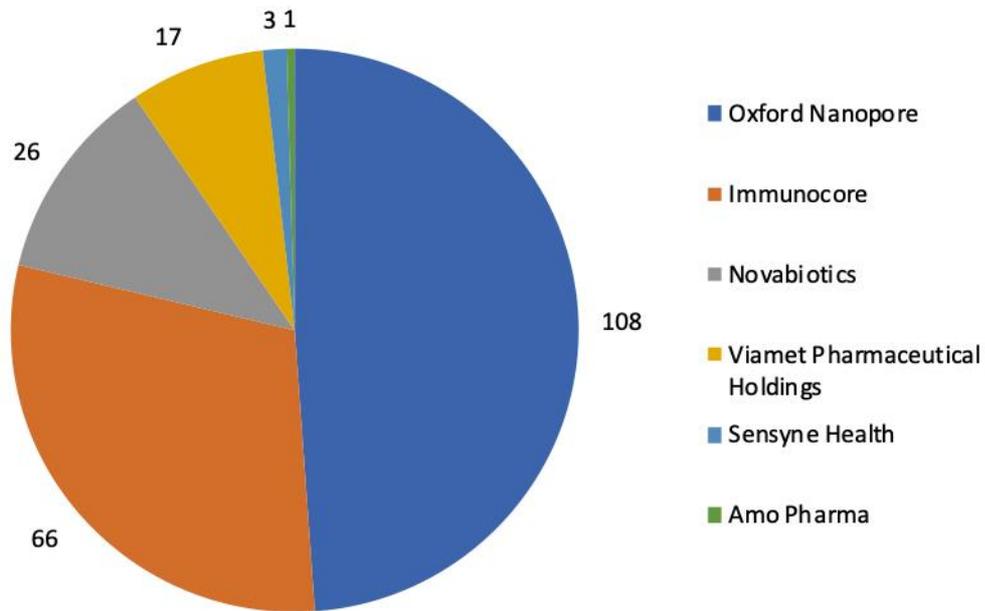
The other nine companies that are part of the deal which have not yet been sold.

Table 2: Retained portfolio

Company	Description
Oxford Nanopore	Nanopore technology for DNA and RNA sequencing.
Immunocore	Biological drug development for cancer, infectious and autoimmune diseases.
AMO Pharmaceuticals	Pharmaceuticals for rare and orphan disease.
Induction Healthcare Group	Develops software for the healthcare sector.
Sensyne Health	Develops clinical AI software for accelerating research and patient outcomes.
Viamet Pharmaceuticals Holdings	Develops anti-fungal biopharmaceutical products.
NovaBiotics	Develops anti-infectives for difficult-to-treat, medically unmet diseases.
Malin J1 Limited	Investment company focused on life sciences.
Arix Bioscience	Investment company focused on life sciences.

Conscious of Acacia’s interest in intellectual property, Chart 1 is a summary of the patent families owned by these companies.

Chart 1: Active patent families by organization



Interestingly, only 4 hold significant patent holdings. This either reminds us that intellectual property is more than just patents or tells us that Acacia now has a new investment strategy. However, for those who remember Starboard’s time with MIPS Technologies, it’s unlikely that the threat of patent assertion is far away.

Overall, it is unclear what Acacia’s plans are for the shares it intends to manage and if they will be related to patent monetisation.

For more information on who owns what and where within the biotechnology space, access CIPHER via your subscription or if you’d like to understand more about the landscape report used in this article, contact us directly at www.cipher.ai.

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