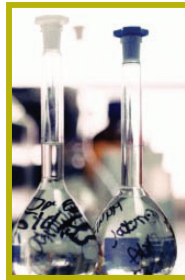
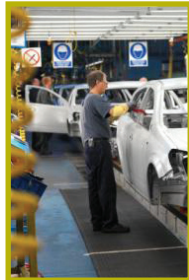


THE PATENT SCORECARD™ 2006



A Ranking of Industry Innovation Medical Devices



Advancing the New Asset Class.

Automotive & Transportation
Aerospace & Defense | Biotech
Chemicals | Consumer Products
Consumer Electronics | Electrical Products | Energy & Environmental | Governments, Universities, & Research Institutions
Industrial Equipment & Materials | Information Technology
Medical Devices | Pharmaceuticals | Semiconductors | Telecommunications | Automotive & Transportation | Aerospace & Defense | Biotech | Chemicals | Consumer Products
Consumer Electronics | Electrical Products | Energy & Environmental | Governments, Universities, & Research Institutions | Industrial Equipment & Materials | Information

THE PATENT SCORECARD™ 2006

Overview

The 2006 Patent Scorecard is an industry-by-industry ranking of corporate innovation and combines a series of indicators to arrive at patent quality, technological strength and breadth of impact. It has historically been published in MIT's *Technology Review* and tracks the U.S. patent portfolios of more than 2500 of the world's top technology firms. As some of these firms patent in multiple industries, they may appear in more than one ranking. This advance copy of the 2006 Patent Scorecard covers data through September 2005.

RANKING & MOVEMENT compares changes in company position within the industry from the previous year. Icons are used to illustrate change in position at a glance.

TECHNOLOGY STRENGTH™ is the basis of the rankings and provides an overall assessment of a company's Intellectual Property and innovation strength. For the purpose of the advance 2006 Patent Scorecard the calculations are extrapolated based on the number of patents as of September 2005.

SCIENCE LINKAGE™ reflects the core science referenced in a company's U.S. patents. A high figure indicates a company closer to the cutting edge than its competitors with lower values.

TECHNOLOGY CYCLE TIME™ indicates a firm's speed in turning proprietary research and innovation into Intellectual Property.

Ranking & Movement		Company	Technology Strength™		Current Impact Index™ (CII)		Science Linkage™ (SL)		Technology Cycle Time™ (TCT)		Patent Count	
2005	2004	(Includes subsidiaries and wholly owned companies unless otherwise noted.)	2005	5-Year Average	2005	5-Year Average	2005	5-Year Average	2005	5-Year Average	2005	5-Year Average
1	1	Honeywell	528	461	102	94	1.05	1.27	10.08	9.32	515	484
2	2	Boeing	393	223	90	79	0.49	0.54	11.37	10.82	437	276
3	3	Lockheed Martin	338	332	117	109	1.36	1.81	8.70	7.96	290	307
4	5	United Technologies	200	231	71	72	0.4	0.21	11.45	10.48	284	324
5	4	General Electric	90	100	100	100	0.73	0.73	8.36	8.36	100	100
6	6	Boeing	49	49	100	100	1.09	1.09	10.72	10.72	100	100
7	7	Boeing	42	42	100	100	0.84	0.84	8.47	8.47	100	100
8	8	Boeing	48	48	100	100	0.09	0.09	4.89	5.88	51	21
9	9	Boeing and Space	49	49	100	100	0.34	0.34	12.00	11.65	113	140

COMPANY listings, unless otherwise noted, include all subsidiaries and wholly owned companies normalized by industry and for mergers, acquisitions and divestitures. ipIQ's Corporate Ownership Tree™ provides the structure for this organizational view.

CURRENT-IMPACT INDEX™ showcases the broader significance of a company's patents by examining how often its U.S. patents are used as the basis for other innovation in the current year. A value of 100 represents average frequency, therefore a value of 140 would indicate a company's patents were referenced 40% more often than the industry average.

PATENT COUNT equals the number of U.S. patents awarded, excluding design and other special-case inventions.

THE PATENT SCORECARD™ 2006

MEDICAL DEVICES

Ranking & Movement		Company	Technology Strength™		Current Impact Index™ (CII)		Science Linkage™ (SL)		Technology Cycle Time™ (TCT)		Patent Count	
2005	2004	(Includes subsidiaries and wholly owned companies unless otherwise noted.)	2005	5-Year Average	2005	5-Year Average	2005	5-Year Average	2005	5-Year Average	2005	5-Year Average
1	▢ 1	Medtronic	575	680	195	208	3.74	3.41	9.47	8.24	296	327
2	▢ 2	Boston Scientific	394	965	155	265	3.06	2.63	10.13	8.23	255	359
3	▲ 4	Johnson & Johnson	370	638	99	135	5.79	5.03	10.66	8.67	375	471
4	▼ 3	Guidant	324	582	150	231	3.98	3.09	9.11	7.55	216	256
5	▢ 5	Olympus Optical	232	261	93	91	0.12	0.16	7.04	5.83	251	285
6	▢ 6	St. Jude Medical	168	188	163	168	2.30	2.15	8.25	7.07	104	110
7	▲ 13	Masimo	155	37	1294	256	1.88	3.27	5.51	10.80	12	13
8	▢ 8	Intuitive Surgical	143	62	563	418	12.35	9.22	9.84	7.73	26	13
9	▲ 11	Arthrocare	77	267	513	1257	19.00	10.26	9.69	8.05	15	21
10	▢ 10	Hillenbrand Industries	75	98	136	139	0.51	0.55	15.39	13.06	56	70
⋮												
12	▲ 21	Baxter	66	78	95	91	5.83	7.45	12.41	11.42	81	86
14	▲ 18	ResMed	57	66	224	314	0.41	0.61	12.77	10.46	26	21
15	▲ 28	Nektar Therapeutic Systems	47	45	210	250	18.33	12.02	12.43	9.94	23	17
20	▲ 31	General Hospital	35	41	59	64	40.92	36.07	7.94	7.43	59	64
24	▲ 40	Gyrus Group	29	60	380	498	0.00	8.97	8.88	8.54	8	11

The Patent Scorecard is organized at a company level, including all U.S. patents held by each company across multiple industry sectors. All 2005 rankings and indicators are predictive year-end numbers based on a September 2005 snapshot of ipIQ's data set. ipIQ continues to evolve our indicators as we advance the importance of Intellectual Property as the New Asset Class.

THE PATENT SCORECARD™ 2006

MEDICAL DEVICES

A focus on noninvasive technologies dominates patent quality.

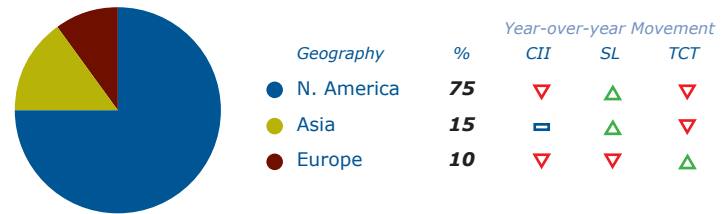
While the volume and quality of patents in the Medical Devices industry is trending downward, companies whose primary lines of business involve noninvasive technologies in areas such as surgical devices, drug delivery and patient monitoring are quickly climbing the ranks. Arthrocare, which broke into the top 10 with an impressive CII of 513, has internationally patented technology which allows for minimally invasive surgical procedures involving tissue removal and treatment. Their SL is also twice the industry average. Nektar Therapeutic Systems, which offers noninvasive deep-lung delivery systems, moved up thirteen positions to rank 15th and also has a CII that solidly out-competes the industry average. Masimo, with an industry crushing CII of 1294, ranked 7th, and ResMed, who ranks 14th, also follows this pattern.

Trends

Looking to the Future Nanotechnology has the potential of becoming one of the fastest growing industry drivers in history. Patenting in this area is on the rise with numerous inventions already at the intersection of medicine and nanotechnology. Companies to watch include Gyrus Group and Intuitive Surgical with high quality patents and CIIs that topple the industry average.

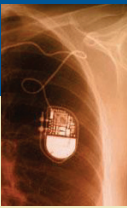
International Perspective

Patenting Activity



Significant Movers

Ranking & Movement		Company <small>(Includes subsidiaries and wholly owned companies unless otherwise noted.)</small>	Technology Strength™		Current Impact Index™ (CII)		Science Linkage™ (SL)		Technology Cycle Time™ (TCT)		Patent Count	
2005	2004		2005	5-Year Average	2005	5-Year Average	2005	5-Year Average	2005	5-Year Average	2005	5-Year Average
27	▲ 42	American Medical Systems	23	37	173	205	18.78	14.74	11.08	9.59	14	16
28	▲ 66	Animas	22	19	297	218	14.20	6.67	6.94	8.58	8	8
46	▼ 15	Cook Group	13	86	168	325	0.29	0.68	9.53	7.91	11	27
72	▼ 57	Welch Allyn	4	17	85	98	0.00	0.33	8.07	9.73	5	18



THE PATENT SCORECARD™ 2006

About ipIQ

ipIQ focuses on advancing patent-based Intellectual Property as a measurable financial asset and tightly integrates Intellectual Property into the corporate decision-making process. With over 30 years of experience and hundreds of published research reports, ipIQ maximizes the value of Intellectual Property using proprietary tools, data and indicators.

More information can be obtained by visiting www.ipIQ.com.



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