

## An IPv4 Address An Asset With Considerable Monetization Potential

Here, we will discuss the potential that organizations such as universities, corporations, and others can get with a block of <u>IPv4 addresses</u>. It is an often misunderstood and underused IP asset.

The term IPv4 represents the fourth Internet Protocol version that addresses much of the internet traffic even today. Internet Protocol version 4 addresses enable computers to communicate in their local area networks as well as recognize when the communication happens outside of the networks and interact with high levels of efficiency.

When the blocks were first allocated 40 years ago, the largest recipients included the US Department of Defense (DoD), supporting research institutes like universities, and the country's defense contractors. Many other large entities also got over 65,000 blocks of IP addresses that accommodated their user components. Over time, the entities used parts of their assigned blocks, often allocating small bits right through the relatively larger blocks to their internal network devices in a nonsequential way.

It is worth noting that during their allocation, the blocks were offered for free and without any true value assigned to those. Consequently, IPv4 address recipients did not have any reason to categorize those blocks as balance sheet assets.

Regional internet registries will not allocate any more IPv4 blocks, and ARIN's reissuance of parts of recaptured IP blocks is seriously limited. Given the above-mentioned information, there is a noteworthy market for the scarce resources among enterprises that need more of these than they presently possess. Moreover, since these are not a balance sheet entry, Internet Protocol version 4 addresses are found to be an unknown thing even among senior corporate, organizational and university leaders.

The IT area usually knows much about the existence, utilization and functionality of these addresses. Even organizations with strong expertise in IP laws often do not know that their address blocks have considerable potential in terms of monetization. In some situations, even registered <a href="IPv4">IPv4</a> address space holders do not know about their holder statuses. It is especially the case when the addresses were essentially acquired in the form of an invisible asset during an acquisition or merger.

Imagine that the IT department may know that its organization has 10 IPv4 address blocks and maybe using those in its data center. However, it may realize that that would not always preclude the organization from selling parts of the blocks. Moreover, over time, it may not have

| focused much on how IP address assignment in those blocks is likely to make it more capable of monetizing the resources one day. |
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