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Nasdaq Private Market Sues Hiive Over Venture Secondaries Patent

The lawsuit that will reshape the pre-IPO market

PitchBook is a Morningstar company providing the most comprehensive, most accurate, and hard-to-find data for professionals doing business in the private markets.

Key takeaways

- The venture secondary market has never been standardized, and the race to build efficient infrastructure for closing trades has now become a legal battleground. In March 2026, NPM received a patent for its automated clearing and settlement platform. Weeks later, it filed a lawsuit against Hiive for allegedly building a nearly identical product.
- NPM is seeking a permanent injunction that could bar Hiive from using the patented technology in the US entirely and make Hiive pay for all past, present, and future damages.
- NPM is not filing this lawsuit to extract a licensing fee and move on. By demanding a trial by jury, NPM seeks a public verdict that establishes US Patent No. 12,572,980 as foundational IP, deters competitors from building similar products, increases NPM's market share, and removes Hiive's rival offering from the market.
- The harsh reality is that most venture secondary platforms have not yet automated processes end to end, and if the verdict is in NPM's favor, they may never.
- This case will settle more than a patent dispute. The outcome will decide who holds the keys to an essential component of venture secondaries trading.



About US Patent No. 12,572,980

NPM standardizes the clearing and settlement of private company share transfers through its Private Company Securities Clearing and Settlement Platform.¹ This platform provides an end-to-end workflow that increases speed, reliability, and transparency in the venture secondary market.²

The platform's main feature is transforming nonstandardized inputs, such as emails and phone call transcripts, into standardized outputs. Once the standardized order is created, the platform automatically notifies the issuing company, which typically triggers a countdown for the issuer's right of first refusal. The issuer can then log in and decide on the transfer. Once that decision is made, the platform generates necessary documents and sends signature requests to all relevant parties. Next, the platform initiates wire transfers and distributes relevant fees upon receipt of the funds. Finally, the platform generates transaction confirmations and other relevant documents. The platform completes each of these steps automatically.

This development is a major leap forward for private market settlement times, which have historically lagged those of public markets largely due to workflow inefficiencies. This patent is NPM's claim to the infrastructure behind closing private company trades.

What this patent does not cover is secondary price discovery and the matching of buyers and sellers, which many secondary platforms like Caplight currently offer.

The lawsuit that will define secondary infrastructure

The unfortunate reality is that the venture secondary market is inefficient. Startups do not have standardized transfer policies. Most trades involve right-of-first-refusal clauses, co-sale agreements, and board approval requirements that add weeks to the process. Some of venture's biggest names, including Anthropic and OpenAI,^{3,4} have [banned unauthorized secondary trades](#) altogether. When a deal does move forward, it typically does so through emails and phone calls, with someone manually shepherding the process from paperwork to wire transfers. Start to finish, these transactions routinely take 90 days or more. The process is not broken; rather, the infrastructure for it was never built.

That structural inefficiency is exactly what Nasdaq Private Market (NPM) has spent years trying to solve. The firm built a platform that automates private securities clearing and settlement for startups, from ingesting all types of transfer documents, to converting them into a standardized format, to notifying all parties. In March 2026, the US Patent and Trademark Office issued Patent No. 12,572,980 to NPM, protecting that entire workflow.

The problem is that Hiive, a Vancouver, British Columbia-based pre-IPO marketplace, built a product called Hiive Transaction Administration that automates the same clearing and settlement process.⁵ No other secondary platform offers a commercial product specifically for closing private market transactions.

NPM filed a lawsuit in the US District Court for the District of Delaware for three counts of infringement—the unauthorized use of intellectual property (IP), including patents—and is demanding a jury trial.⁶ Here are the counts in plain English:

- **Count 1: Direct infringement:** NPM claims that Hiive's platform replicates its patented workflow. For example, Hiive's platform also converts nonstandardized inputs into a standardized-order format using an API and uses automatic notification systems for all relevant parties.
- **Count 2: Induced infringement:** NPM claims that Hiive is deliberately encouraging others to infringe on the patent by promoting the use of its platform.
- **Count 3: Contributory infringement:** NPM claims that Hiive is knowingly and willfully contributing to customers' and partners' infringement of the patent by continuing to sell its platform in the US.

NPM sent Hiive a cease and desist letter three weeks after the patent was issued. Hiive's continued operations after the formal notice of infringement could trigger enhanced damages under patent law.



NPM is seeking a permanent order that will prevent Hiive and any affiliates from continued acts of infringement. This would bar Hiive from using the patented technology entirely. In addition, NPM would like compensation for all past, present, and future damages—this could cover lost revenue, lower market share, or a royalty on every infringing transaction that Hiive has processed—as well as repayment for all its attorney fees.

One patent, every platform's problem

This lawsuit is ultimately a fight over who controls the most efficient infrastructure for closing venture secondary transactions, and the timing could not be more consequential. The annualized [value of direct venture secondaries](#) has grown 62.7% over the past four quarters, and appetite for pre-IPO exposure is at an all-time high.

NPM and Hiive are two of the most prominent secondary platforms, so this ruling will be significant. NPM has processed over \$80 billion in liquidity for shareholders and has more than 200,000 participants across its ecosystem.⁷ Hiive, the younger of the two, has a robust marketplace with over 3,000 startups and a monthly transaction volume of over \$250 million.⁸

NPM is not filing this lawsuit to extract a licensing fee and move on. By demanding a trial by jury, NPM seeks a public verdict that establishes Patent No. 12,572,980 as foundational IP, deters competitors from building similar products, increases NPM's market share, and removes Hiive Transaction Administration from the market.

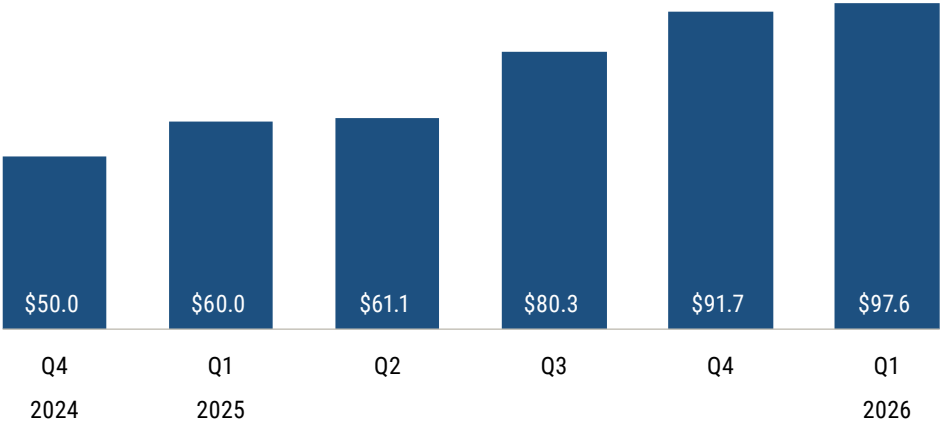
The harsh reality is that most platforms have not yet automated their closing processes, and if the verdict is in NPM's favor, they may never. Forge Global, another all-in-one secondary platform and the closest direct competitor to both NPM and Hiive, still warns users on its website that transactions require significant time and multiple manual touchpoints.⁹ Hiive's case study on how its Transaction Administration platform helped Kraken streamline stock transfers not only is the most cited piece of evidence in NPM's court dockets but also helps quantify just how powerful automation can be in the secondary market. Through its use of Hiive's platform, Kraken saw a 45% reduction in closing times and a 90% drop in buyer fees.¹⁰ This lawsuit can wipe away these advantages.

In court, NPM will likely face an uphill battle to prove that its patent is protectable. The patent covers a broad scope of processes, including the automatic creation of transaction confirmations, which is a routine part of any financial trade. Hiive may try to weaken NPM's claims by pointing to automation in the public markets, not NPM's patent, as the blueprint. It may also argue that its process is mostly automated but still involves humans.



At the end of the day, both companies are genuinely trying to assist a challenged market. Secondary transactions are slow, manual, and opaque, harming all parties: Sellers wait months for liquidity, buyers are unable to move quickly, and issuers are burdened with administrative overhead. The case’s outcome will settle more than a patent dispute. It will decide who holds the keys to an essential component of venture secondaries trading. If this case closes in NPM’s favor, other secondary platforms should prepare for lawsuits as the patent is enforced across the industry.

Trailing 12-month VC direct secondary market value (\$B) by quarter



Source: PitchBook • Geography: US • As of March 31, 2026



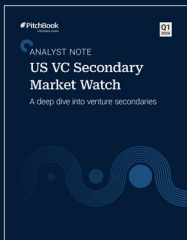
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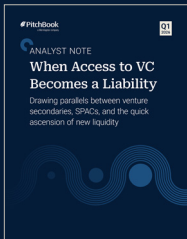
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