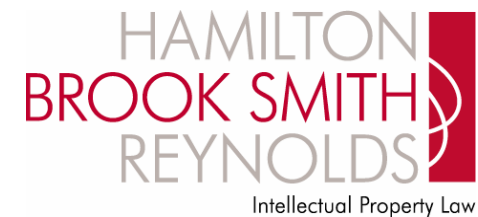


Protecting Shareholder Value Through IP Diligence

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Corporate Assets

- **Tangible**

- physical property
(equipment, inventory, cash and equivalents, etc.)

- **Intangible**

- intellectual property
- (patents, copyrights, trademarks, trade secrets, know how, goodwill, etc.)

Protecting the Intangible

- **Identify**
 - education
 - invention records
- **Perfect rights**
 - ‘careful’ contracts
 - assignments / covenants not to compete
- **Defend**
 - freedom to operate

Identify

- **Avoid “chicken and egg syndrome”**
 - no \$ <-> no IP
- **The “correct” assets**
 - technology (but....easy to design around?)
 - why do customers do business with you?

Establish Ownership

- **Different for different IP rights**
- **Formalize relationships**
 - (consulting, partner, officer / founder employee, vendor/customer, investor)
- **Document ideas**
 - Who....What....Where....When

Invention Assignments

- **Employee / consultant / vendor / customer / joint venture / NDA / other agreements**
- **Scope**
 - require disclosure
 - relate to business / use time & resources
 - promise not to use IP rights of others without permission
- **Each patent**

Covenants not to Compete

- **Employment agreements**
 - **MA/NH enforceable if**
 - reasonable in scope (subject, time, geography)
 - supported by consideration
 - in the public interest
 - **CA not enforceable**
 - **Stricter laws for corporate officers**
(fiduciary responsibility)

Defending

- **Don't lose what you own**
 - patents (public use / on sale)
 - trade secrets (divulcation without NDA or marking)
 - copyrights (sloppy contracts)
- **Freedom to operate — need story for**
 - explicit threats
 - implicit threats
 - top competitors
 - industry buzz / “trolls”
 - seek licenses or formal opinions

Recap - Top 5 Mistakes

- 1. Ignoring threats**
- 2. No IP**
- 3. Wrong IP**
- 4. Wrong contracts**
- 5. Lost IP**