

IP Due Diligence

No Time Like the
Present to Prepare

ENET

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What is IP Due Diligence?

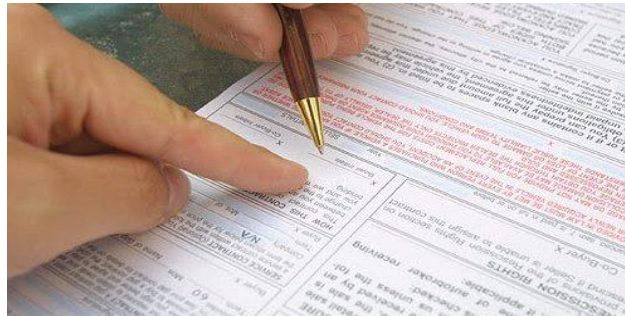
- Risk assessment
- Opportunity evaluation

Result:

- Go/No go
- Valuation of company/portfolio
 - Sustainable advantage
 - Fallback position
 - Negotiation leverage

Opportunity Concerns

- **Do you own the IP rights you think you own?**
- **Common pitfalls**
 - **Patents filed too late**
 - **Patents don't protect current or future products**
 - **Patents cover your products rather than competitive space**
 - **Lack of agreements conferring ownership**
 - **With consultants**
 - **With employees**



Opportunity Concerns

Common pitfalls

- **No election of title to government funded inventions**
- **No written or recorded assignments**
 - Copyrights
 - Patents
 - Trade secrets
- **No steps to protect trade secrets**
- **No coherent branding strategy**



Opportunity Concerns

Common pitfalls

- Open source software
- Non-exclusive licenses
- Licenses to needed technology are not assignable
- Technology licensed-in on terms that will not scale with the business



Risk Concerns

- **Do others own blocking IP**
 - Patent
 - Copyright
 - Trade Secret
- **Do others have a claim to your IP**
 - Un-named inventors
 - Secured lenders
 - Prior employers



Risk Concerns - II

■ Other risks

- Is your code free of open source content?
- Is open source used appropriately?
- Are you in compliance with all agreements?
- Do you have trademark registrations in important countries?
- Are any key employees hired from a competitor?



How Much Is Enough?

- **Good plans may be enough**
 - **Ability to articulate value of IP to the business and a plan to protect it**
 - **Awareness of competitors and dominant patents**
 - **Good practices around agreements and IP ownership**



How Much Is Enough?

- **The more central IP is to the business, the more you should expect**
 - Patent or trademark applications filed
 - Demonstrate compliance with licenses
 - Freedom to operate study
 - Opinions on identified patents



Which Would You Rather Be?



Thank you



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- Counsels clients on: IP strategy development and execution, patent prosecution, clearances and counseling, IP portfolio management, litigation, licensing, consulting agreements, and joint development agreements
- Technical expertise: semiconductor processing and high-speed circuit design, wireless communication and signal processing, software, networks and network management, connectors and interconnection technology, and many types of test equipment
- Served over 14 years as in-house counsel for technology companies, including Chief Intellectual Property Counsel for Teradyne
- Bachelors (BU) and masters (Stanford) degrees in Electrical Engineering, law degree from Suffolk Law School