turn intangible into investable

GUIDE

IP DUE DILIGENCE
CHECKLIST

breeze through due diligence
with this action plan

natalia james

absolute essentials

documentation

IP REGISTRY LISTING ALL YOUR IP ASSETS
Make a list of all your IP assets, together with their statuses and bibliographical details. They should all be recorded in a single file for a quick overview of your holdings. Don't forget about domains, social media handles, licences.

IP OWNERSHIP CLEAR & UP TO DATE
Make sure your IP ownership details are up to date in the registries. If your IP is in several entities, be prepared to clarify it, or even better pre-empt it. Also check that your domains and licences are in the company name rather than registered by founders, which is often overlooked.

IP RIGHTS RENEWED & DEADLINES IN HAND
The due diligence teams will first and foremost check if all IP rights on which basis you might justify your valuation are in good standing. All registered IP rights should have their maintenance fees paid and where other deadlines are due, things should be in progress. If you have any outstanding Examination Reports to respond to, you might be asked for the status, strategy, chances of success of overcoming all pending objections.

TIDY IP DOCUMENTATION
All your digital files with cases history should be stored in neat folders with a structure that allows a third party to quickly find their way around, without causing a bottleneck in the process.

relationships

IP OWNERSHIP CLAUSES IN CONTRACTS
Make a list of all contracts that govern or include any IP matters. Ensure that there are appropriate clauses confirming that the company owns the IP (without any conditions). Check contracts with employees, consultants, suppliers - anyone who might be producing IP on your behalf. Don't forget co-existence agreements and other undertakings you signed to get your trade marks registered.

FUTURE-PROOFED FOR PEOPLE LEAVING
The time it takes to get IP registered is often so long that the process runs even after some people left the business. Your contracts should bind people to execute any documents that might be required for submission at various IP offices in the future (at your cost).

advanced boosters

risk & opportunity

CRYSTAL CLEAR IP OWNERSHIP WITH THIRD PARTIES
Any references to universities, incubators, joint ventures or governmental grants will trigger further questions about IP ownership. Is the technology covered by the founder's PhD dissertation? Is there a risk a third party might claim ownership of IP? Did you list all inventors on your patent applications? If you omit acknowledging someone's inventorship, your patent might be invalidated.

IP AUDIT TO PRESENT IP OPPORTUNITIES
An IP audit is a review of all your IP, both registered and unregistered. Its aim is to classify currently owned IP and spot opportunities for strengthening your position with strategic patent and trade mark filings. IP is very much an asset that can function e.g. as collateral for a loan therefore it is a great way to impress investors. It shows both the value of what they're investing in now as well as the opportunity for increasing it with the help of their funding.

STRENGTH OF IP & FREEDOM TO OPERATE
Do you have Freedom to Operate (FTO) in all markets where you intend to sell your goods and services, or are there any active IP rights that can prevent you from commercialisation? A complex FTO might not be required from day one but you should at least conduct a novelty search for your invention to identify any knock-out prior solutions that would prevent you from protecting your technology. Don't forget about trade mark searches!

NO LITIGATION OR KNOWN LEGAL CLAIMS
Is there any on-going litigation or claims that might be made against you? Is your industry litigious? This all will be considered in establishing your valuation.

strategy

INTELLECTUAL PROPERTY ALIGNED WITH BUSINESS
You should have a clear IP strategy for building and managing your portfolio. Do you know who are the companies interested in or using your technology? Did you benchmark your IP activities against your competitors to ensure you maintain an edge? Preparing an IP strategy deck will allow you to explain your plans, justify your valuation and assure your investors, especially if IP is a driving factor for the transaction. It doesn't have to be a complex document, it could even be a slide in your pitch deck.

BE READY TO ANSWER ANY QUESTIONS
Early-stage investors invest in people. Your vision, strategy, experience and knowledge. However, a strategically built IP portfolio and the way you pitch it can make a big difference in the impression your investors get after meeting you.

basic checklist

- [ ] Do you have a list of all contracts with IP clauses (employment, assignment, consultancy, co-existence, NDAs)?
- [ ] Do your IP clauses confirm both your IP ownership as well as bind others to execute any future acts required to register the IP rights?
- [ ] Do you have appropriate agreements with any parties that create IP on your behalf (consultants, suppliers) to confirm IP vests in the company?
- [ ] Did the founders assign all IP rights to the company? (especially if they are directors but not employed by the company)
- [ ] Do you have an internal IP Registry with all details and statuses of your IP assets along with any pending deadlines?
- [ ] Are all your IP files stored neatly, divided into various IP rights, saved chronologically allowing a smooth review for third parties?
- [ ] Is all your data up-to-date in public IP registries (both address and ownership), registered rights renewed and pending deadlines handled?
- [ ] Are there any known IP risks? (ongoing litigation, IP infringement, unclear IIP ownership with partners or universities?)
- [x] **Did you contact Natalia to schedule a FREE IP Strategy Call here?**

I can help you solve any of these problems:

- Intellectual Property is too complicated.
- Intellectual Property is too expensive.
- Intellectual Property is too time-consuming.

If you're looking to impress investors and need to bolster (or build from scratch) your IP portfolio, you are in the right place. I can set your IP Strategy, benchmark against competitors and work as a part-time in-house counsel alongside your current attorneys to decrease your IP costs whilst increasing business valuation.

Let's turn intangible into investable.