Intellectual Property Due Diligence

Delivering Value

High value transactions in today's marketplace increasingly feature the acquisition of intellectual property assets in the form of proprietary technology, patents, copyrighted materials and brands. Kilpatrick's dedicated team of intellectual property attorneys deliver transactional experience in assessing and evaluating the commercial strength and value of these valuable intellectual assets. We understand that deal teams need more than a legal opinion – they need business savvy legal counsel who can articulate the value of intellectual property to key stakeholders.

Our collaborative approach focuses on identifying risk, assessing possible business outcomes and brainstorming with deal counsel on possible solutions. This expertise puts our due diligence team at the table for crucial negotiations and we are frequently called on to lead expert sessions and participate in management level review sessions.

Staffed with IP lawyers skilled in drafting contracts, Kilpatrick's team also provides real-time support to deal counsel by drafting or commenting on deal-related technology agreements, IP licenses, right of publicity releases and IP assignments.

With experience honed over hundreds of transactions in a diverse range of industries, Kilpatrick's dedicated due diligence team knows how to quickly and efficiently navigate the IP provisions of a broad range of transactions and agreements – from simple letters of understanding to complex mergers and acquisitions.

Our due diligence team is anchored by the support of one of the Nation's leading IP practices – featuring more than 300 lawyers advising clients on every aspect of patent, trademark, copyright and trade secret protection.

Proven Patent Diligence Process

We understand that valuable patent due diligence must go beyond simply verifying chains of title and counting patents. With our years of experience leading patent due diligence projects, we have built a proven value-add due diligence process that focuses on:

- **Scoping.** We use advanced software tools to assess patent landscapes and use our industry knowledge to determine which patent assets are critical.
- **Patent Mapping.** We determine if patent assets map to actual or planned products or abandoned dead-ends.
- **Patentability Analysis.** We analyze the likelihood of patent issuance and claim scope based on cited prior art.
- **Conflicts Analysis.** We evaluate risks due to infringement letters received, competitor patents and products in the marketplace and, when appropriate, perform freedom to operate, non-infringement,

and validity studies.

- **Contract Analysis**. We analyze patent-focused agreements, such as licenses and development agreements, to determine their impact on the scope of the target's patent rights and the acquirer's ability to broaden its product offerings and/or geographic reach under the target's trademarks.
- **Remedies and Conclusions.** We provide recommendations to remedy issues before they threaten the completion of the deal or the business interests of the parties.

We provide practical recommendations to mitigate risk, including patent opinions to protect against enhanced damages, design change recommendations, and licensing options. We also provide and assess patent valuations. We also help our clients evaluate what is or should be protected as trade secrets, rather than via patents. We assess the effectiveness of trade secret policies and protection measures. We understand that trade secrets can sometimes be more valuable to a transaction than patents.

Proven Trademark Diligence Process

Our trademark team has over 120 dedicated trademark attorneys. Our trademark practice is the largest in the United States. We are recognized internationally for our sophistication and depth. We specialize in helping our clients create, build, and protect some of their most valuable assets — their brands. We are the primary trademark counsel for 15 of the world's 100 most valuable brands, several of which are owned by major players in the IoT industry.

Trademark due diligence requires more than verifying ownership of trademark applications and registrations. As part of our typical due diligence review:

- **Assess the Target's Rights.** We assess the strength and scope of the target's trademark applications, registrations and common law rights.
- **Identify Competing Rights.** We identify competing trademark rights on a world-wide scale to determine whether the target has adequate trademark protection in the marketplace and whether further expansion of the target's brands is possible.
- **Review Trademark Use.** We review the target's packaging, advertising, and products for proper trademark usage.
- **Analyze Relevant Contracts.** We analyze trademark-focused agreements, such as licenses and co-existence agreements, to determine their impact on the scope of the target's trademark rights and ability to broaden its product offerings and/or geographic reach under the marks.

Each transaction is different, and each has its unique trademark twists and turns. Our primary focus is to uncover those twists and turns that may impact our client's ability to achieve its business goals, and to provide practical advice for addressing them.

Post-transaction, we assist our clients with integrating the newly acquired brands into their portfolios. We work with them to develop a thoughtful and well-articulated plan to identify the key marks, maximize the protection for those key marks, pare down protection for marks with waning or no business significance, remove duplicative protection, update trademark records with current information, consider additional potential marks, and take advantage of certain international registration protocols where they are available and advisable. In short, we work with our clients to implement those branding strategies that the transaction was designed to achieve.

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