



Knobbe Martens

Presented to:



Presented by:

Michael Fuller
Knobbe Martens
May 29, 2020

Reviewing IP of Target Company

- There is a tension between innovators desire for confidentiality, and your desire to see their IP.
- “We have filed our IP” doesn’t tell you anything useful.
 - May be one page provisional patent application
- Most IP is confidential for 18 months after its filed.
- Possible Strategies:
 - Sign CDA so you can review the IP
 - Hire outside attorneys with CDA to review IP
 - Ask for written summary of what is covered in filed IP

Thoughtfulness

- Does startup have an IP program in place?
- Do startup have “freedom to operate”?
- Has startup clearly articulated their innovation?
- Are all types of IP being considered?
 - Trade Secrets
 - Trademarks
 - Designs
 - Confidentiality
 - Employment/Consulting Agreements

What is level of risk from 3rd party IP?

- ✓ Who are startup's competitors?
 - Litigious?
 - Many patents?
 - Can they prevent the startup from selling product.
- ✓ Compare company product to competitor's patents.
 - Focus on competitor's patent claims.
 - Does any aspect of startup's product infringe?

Review pending patent applications

- Provisional patent applications
 - Lower cost, so filed by many startups
 - No requirements on content – can be one paragraph
 - Do they fully describe the innovation?
- Full patent applications
 - More expensive, filed one year after provisional
 - Do they fully describe the innovation
 - What is likelihood of broad protection issuing?
 - International protection needed?

Is IP owned by startup?

- IP ownership resides with the inventors
- Inventors can sign a contract to give up their rights
 - Employment agreement
 - Consulting agreement
 - Assignment of rights
- Be *cautious* if you learn that work was done while they were employed at another company
 - If work relates to full time job, it may be owned by company
 - Universities are particularly aggressive on this point

QUESTIONS?

