

INTELLECTUAL PROPERTY DUE DILIGENCE CHECKLIST

L. M. Brownlee, Intellectual Property Due Diligence Checklist, IP Due Diligence in Corp. Transactions, Form 16

1. DEFINITIONS

- a. **Agreement:** Any agreement, whether current, expired or terminated, and whether oral or written, express or implied, including, without limitation, licenses, VAR, distributorship and lease agreements; confidentiality, employment and consultancy agreements, options, franchise agreements, sponsorships, agreements not to enforce, consents, settlements, assignments, security interests, liens and other encumbrances or mortgages, and any amendment(s), renewal(s), novation(s) and termination(s) pertaining thereto.
- b. **Applicant:** Person or entity that filed a patent, copyright or trademark application, including non-inventor or authors, whether an assignment or instrument containing an obligation to assign was executed prior to filing or not.
- c. **Author:** Person or entity that prepared the Documents as defined in Form 16.
- d. **Business:** To manufacture, produce, process, purchase, supply, sell, or render Target Company's goods and services and to Exploit the Intellectual Property, as such activities have been in the past and are now conducted, and as are planned to be conducted following the Closing.
- e. **Closing:** The completion of all necessary steps to consummate the Proposed Transaction, as may be specified in the Definitive Agreement.
- f. **Disputes:** Any threatened, pending, decided or settled opposition, Post-Grant Proceeding (hereinafter also defined—including without limitation reexamination, supplemental examination, inter parties review, post-grant review, derivation proceeding and/or interference); injunction, claim, lawsuit, arbitration, mediation, demand for royalties, International Trade Commission (or other authority) investigation, decree, and any other dispute or disagreement involving Intellectual Property, and/or otherwise pertaining to the Business.
- g. **Documents:** Any information, regardless of the media on which it is stored, including, without limitation, registration certificates and applications therefore, correspondence, internal memoranda, notes of telephone conversations, electronic mail, shop drawings, laboratory notebooks, technical specifications, test procedures and specifications, technical information and data, marketing information, search results, Agreements, and other documents and information, whether sent or received by Target Company, in Target Company's possession or control; all Documents referenced in the aforementioned documents.
- h. **Employee:** Person in the full- or part-time employ of Target Company, or otherwise in an employment relationship (express or implied) with Target Company, and for the purposes of this Checklist, also including any person or entity in an independent contractual relationship with Target Company.
- i. **Exploit:** To make, have made, offer to sell, sell, have sold, use, import, make public, reproduce, transmit, extract, distribute (by sale or other transfer, or by rental, lease or lending), prepare derivative works of (including, without limitation, translation, dubbing, and/or undertitling), perform and/or display publicly, and including the right to have done and authorize third parties to do any of the aforementioned acts.

j. **Intellectual Property:** All registered and unregistered inventions, improvements, patents (including all provisional reissues, divisionals, continuations, continuations-in-part, revisions, extensions, and Post-Grant Proceedings thereof, thereon, or pertaining thereto), works of authorship, copyrights, databases, semiconductor chip/mask work rights, trademarks, service marks, logos, designs, slogans, trade names, domain names, package designs, product designs, other design (model) rights, and trade secrets and other proprietary rights, whether owned, Exploited, or planned to be owned or Exploited by Target Company, and all registrations thereof and applications therefor (as applicable), in all countries and territories worldwide and under any international convention.

k. **Interested Party:** Person or entity having a financial, inventive or other interest in the intellectual property.

l. **Inventor:** Person or persons contributing to the discovery or invention of the subject matter of the invention, inclusive of persons that carried out experiments, processes, etc., at the direction of others.

m. **Proposed Transaction:** [As defined in the Letter of Agreement dated [date of agreement] between the parties]] Buyer's entering into [type of transaction] with Target Company.

n. **Target Company:** [Name of Target Company] [OPTIONAL: and its [[predecessor][affiliated] companies [list].]

2. GENERAL

a. List of directors, officers, Employees and third persons, formerly and presently employed by or under contract or affiliated with Target Company, whose assignment, contract, job duty or actual performance involves the invention, creation, authorship, planning, development, modification, implementation, Exploitation, protection, enforcement, registration and/or litigation of or involving Intellectual Property, including name, title, address of employment or assignment, description of his/her responsibility involving Intellectual Property, date of departure from Target Company (if applicable) and name and address of former and subsequent employer (if known).

b. List of directors, officers, Employees and/or third persons who will be available to provide documents and information during the audit, including a specification of his/her area of technical and/or business expertise, telephone number, facsimile number, and e-mail address.

c. List of all countries and territories worldwide in which Target Company owns, Exploits, creates, acquires, or has owned, Exploited, created or acquired, or plans to Exploit, create or acquire Intellectual Property, including the country/territory, Intellectual Property related to each, activity conducted in each, and date upon which activity in each commenced or is planned to commence, terminated (if applicable), and reason for termination (if applicable).

d. Three-year retrospective Intellectual Property legal budget, including details regarding the Intellectual Property asset involved, the legal issue(s) being advised upon (including without limitation litigation, Intellectual Property clearance, validity and/or infringement opinions, applications for registration, maintenance fees for existing registration(s); licensing and other Exploitation agreements), and the name of the law firm and attorney responsible for the matter.

e. For each item specified in this Checklist, provide all Documents pertaining to the requested subject, whether or not specifically requested, for all countries/territories worldwide, whether registered or unregistered.

f. To the extent any Documents are in a foreign language, provide a copy of the original and a certified translation into English of the original.

g. Copy of Target Company personnel manual and all other Documents pertaining to Target Company personnel and independent contractor policies, including, without limitation, employee and independent contractor agreements, hiring and exit interview procedures and policies, and collective labor Documents and other labor union-related Documents.

h. List and copies of all Target Company insurance policies, including date of policy, location of original, location of any copies, and responsible party.

i. List and copies of all loan and/or financing agreements, and all other Documents granting Target Company Intellectual Property as collateral, security or capital contribution.

j. Search in U.S Copyright Office and U.S. Patent and Trademark Office and all foreign corporate authorities' corporate, financial, and/or Intellectual Property records for all Agreements and other Documents pertaining to Intellectual Property.

3. PATENTS

a. List and copies of all issued, pending, abandoned, and rejected patents (including any provisional reissues, continuations, divisionals, continuations-in-part, revisions, extensions, and reexaminations thereof) ("Patents") and list and descriptions of all discoveries, inventions, concepts, ideas and improvements which Target Company believes may be patentable or otherwise protectable or proprietary ("Inventions") that are owned, Exploited, or planned to be owned or Exploited by Target Company; information including date(s) of conception, name of inventor(s), date(s) of application and registration, and date of first use, sale or public disclosure of and laboratory notebooks and other Documents pertaining to such Patents and Inventions.

b. Entire "file wrapper" (prosecution history) of all Patents, including official correspondence (office actions, amendments, etc.) to and from, and notes of telephone conversations with, any patent authority regarding such patents.

c. List and copies of all invention disclosures received by Target Company from Employees and from third parties, including Employee invention disclosures and unsolicited third party invention disclosures.

d. Description and copies of invention disclosure policies and forms.

e. List and copies of validity, patentability and infringement searches and opinions pertaining to Target Company's Patents and Inventions or otherwise pertaining to the Business.

f. Search in the relevant jurisdiction(s) patent authority registries in the name of Target Company for Target Company Patents and any potential dominating and any potentially infringing patent(s). To the extent as may be indicated or as you deem appropriate, a search on the Internet, Dark Web and Deep Web pertaining to Target Company's patents and/or inventions and any infringements thereof.

g. List and copies of validity, patentability, and infringement searches and opinions requested by Target Company pertaining to any third party Patents and Inventions and otherwise pertaining to the Business.

h. List of all publications and speaking engagements by Employees and third parties on behalf of Target Company; information pertaining thereto, including Employee or third party name(s), date, location, and technical/Intellectual Property subject of publication/speech; copies of all Documents distributed or displayed at speaking engagements.

i. List of all trade shows and similar events in which Target Company has participated or at which Target Company's Patents and/or Invention(s) was/were displayed or demonstrated; information pertaining thereto, including name, date, and location of event; copies of all Documents distributed or displayed at such events.

j. List and copies of all Agreements pertaining to Target Company's Exploitation of third party Patents and/or Inventions; including specification of subject Patent(s) and/or Invention(s), and date of such Agreement(s).

k. List and copies of all Agreements pertaining to third party Exploitation of Target Company's Patent(s) and/or Invention(s); information regarding each, including specification of subject Patent(s) and/or Invention(s), and date of such Agreement(s).

l. All Documents pertaining to Disputes involving Target Company and/or third party Patents and/or Inventions or otherwise pertaining to the Business, including Patent and/or Invention involved, plaintiff party(ies), adverse party(ies), dates, situs and disposition or resolution of Dispute.

4. TRADEMARKS, SERVICE MARKS, AND TRADE NAMES

a. List and copies of all trademarks and service marks (including logos, designs and slogans), (hereinafter collectively referred to as "Mark(s)") and trade names owned, Exploited or planned to be owned or Exploited by Target Company; all registrations and applications therefor; information including Mark, country/state, application and registration numbers, date(s) of application and registration, International and local classes (as applicable), and descriptions of goods/services in connection with which such Marks and/or services are used.

b. Copies of promotional and marketing material, including all print and audiovisual advertisements, brochures, Internet web sites, and other marketing materials and promotional Documents used by Target Company, and including those of third parties which evidence Target Company's use of its own and third party Marks and trade names.

c. Copies of all Mark registrability, validity, and/or infringement searches and opinions pertaining to third party Marks and trade names.

d. Copies of all Mark registrability, validity, and/or infringement searches and opinions requested by Target Company pertaining to Target Company Marks and trade names or otherwise pertaining to the Business.

e. Search in relevant jurisdiction(s) trademark, trade name and domain name registries in the name of Target Company for all Target Company's Marks and trade names and for dominating and any potentially infringing Marks and trade names.

f. Search on the Internet for use by third parties of all Marks and trade names. To the extent as may be indicated or as you deem appropriate, a search on the Dark Web and Deep Web pertaining to Marks and Trade Names.

g. Search at tm.biz or equivalent social media username search site for all Marks, trade names, and key executives' names.

h. Evidence of date of first use and of continuous use of all Marks and trade names, and, if applicable, dates of lapse in use of Mark and explanation for such lapse.

- i. Evidence of proper quality control measures pertaining to Target Company's Exploitation of the Marks.
- j. List and copies of all Agreements pertaining to Target Company's Exploitation of third party Marks and trade names; information regarding each, including specification of subject Mark(s) or trade name(s), and date of such Agreement(s).
- k. List and copies of all Agreements pertaining to third party Exploitation of Target Company's Mark(s) and/or trade name(s); information regarding each, including specification of subject Mark(s) and/or trade name(s), and date of such Agreement(s).
- l. All Documents pertaining to Disputes involving Target Company or third party Marks and trade names or otherwise pertaining to the Business, including Mark and/or trade name involved, plaintiff party(ies), adverse party(ies), dates, situs and disposition or resolution of Dispute.

5. DOMAIN NAMES

- a. List of all domain names, owned, Exploited, or planned to be owned or Exploited by Target Company; all registrations and applications therefor; information including:
 - top-level, secondary and other domains to which the domain name(s) relate(s)
 - date(s) of application and registration
 - username and password of the account(s)
 - name(s) and contact information of administrative contact
 - name(s) and contact information of technical contact
 - name(s) and contact information of billing contact.
- b. Copies of promotional and marketing material displaying or otherwise promoting each domain name.
- c. Copies of all domain name registrability, validity and/or infringement opinions pertaining to Target Company's domain names.
- d. Copies of all domain name registrability, validity, and/or infringement opinions requested by Target Company pertaining to third party domain names.
- e. Search in relevant jurisdiction(s) trademark, trade name, and domain name registries for such domain names.
- f. Search on the Internet for each such domain name. To the extent as may be indicated or as you deem appropriate, a search on the Dark Web and Deep Web pertaining to each such Domain Name.

g. Evidence of date of first use and of continuous use of each domain name, and, if applicable, dates of lapse in use of domain name and explanation for such lapse.

h. All Documents pertaining to the domain name registration authority for each domain name.

i. List and copies of all Agreements pertaining to Target Company's Exploitation of third party domain names; information regarding each, including specification of subject domain name, and date of such Agreement(s).

j. List and copies of all Agreements pertaining to third party Exploitation of Target Company's domain names; information regarding each, including specification of subject domain name, and date of such Agreement(s).

k. All Documents pertaining to Disputes involving Target Company and/or third party domain names, including domain name involved, plaintiff party(ies), adverse party(ies), dates, situs and disposition and/or resolution of Dispute.

6. COPYRIGHTS

a. List, description and copies of all works of authorship (including, without limitation, literary works, musical works (including accompanying works), lyrics, dramatic works (including accompanying music), pantomimes and choreographic works; pictorial, graphic, sculptural and other three-dimensional works; motion pictures and other audiovisual works; sound recordings, architectural works, software, multimedia, collections, compilations, marketing materials, and Internet websites owned, Exploited, or planned to be owned or Exploited by Target Company; all registrations and applications therefor (including deposits made pursuant thereto); information including description of work, author(s), date of creation of work, and date and country or countries of first publication of work, and date of author(s)' death(s) (if applicable).

b. List, description and copies of all derivative works (including modifications, translations, and adaptations), and compilations and collections of the works of authorship specified above.

c. List, description, and copies of all prior works of authorship on which all such works of authorship specified above are based.

d. Copies of all registrability, validity and/or infringement opinions pertaining to Target Company's works of authorship.

e. Copies of all registrability, validity, and/or infringement opinions requested by Target Company pertaining to third party works of authorship.

f. List and copies of all Agreements pertaining to Target Company's Exploitation of third party works of authorship; information regarding each, including specification of subject work(s) of authorship, and date of such Agreement(s).

g. List and copies of all Agreements pertaining to third party Exploitation of Target Company's works of authorship; information regarding each, including specification of subject work(s) of authorship, and date of such Agreement(s).

h. To the extent as may be indicated or as you deem appropriate, a search on the Internet, Dark Web and Deep Web pertaining to Target Company's works of authorship and any infringements thereof.

i. All Documents pertaining to Disputes involving Target Company and/or third party work(s) of authorship, including work(s) of authorship involved, plaintiff party(ies), adverse party(ies), dates, situs and disposition and/or resolution of Dispute.

j. All Documents pertaining to copy and/or access controls to Target Company works of authorship.

7. SEMICONDUCTOR CHIP/MASK WORKS

a. List of all semiconductor chip and mask works, and modifications thereto, owned, Exploited, or planned to be owned or Exploited by Target Company; all registrations and applications therefor; information including description of semiconductor chip/mask work, author(s), date of creation, and date of first commercial exploitation; and all registrations and applications therefor (including deposits made pursuant thereto).

b. List, description, and copies of all prior semiconductor chip and mask works on which any Target Company semiconductor chip and mask works are based.

c. Copies of all registrability, validity, and/or infringement opinions requested by Target Company pertaining to third party semiconductor chip(s)/mask work(s).

d. List and copies of all Agreements pertaining to third party Exploitation of Target Company's semiconductor chip(s) and/or mask work(s); information regarding each, including specification of subject semiconductor chip(s) and/or mask work(s), and date of such Agreement(s).

e. All Documents pertaining to Disputes involving Target Company and/or third party semiconductor chips and/or mask works, including semiconductor chip(s) and/or mask work(s) involved, plaintiff party(ies), adverse party(ies), dates, situs and disposition or resolution of Dispute.

f. All Documents pertaining to copy and/or access controls to Target Company semiconductor chips and mask work on which any Target Company's semiconductor chip and mask works are based.

g. To the extent as may be indicated or as you deem appropriate, a search on the Internet, Dark Web and Deep Web pertaining to Target Company semiconductor chips and mask work on which any Target Company's semiconductor chip and mask works are based.

8. DATABASES

a. List, description and copies of all databases; all registrations and applications therefor owned, Exploited, or planned to be owned or Exploited by Target Company; information including description of database, an indication whether it fits into the category of directories, catalogue data such as numbers, taste, opinion and/or prediction of soft facts, or charts and forms, description of the material (data) from which the database elements are selected, a description of the rationale, logic and/or creativity of the selection, coordination and arrangement of those database elements; author(s), date of creation of database, and date and country or countries of first publication of database, and date of author(s)' death (if applicable).

b. List, description and copies of all derivative databases (including modifications, translations, adaptations), and compilations and collections of the databases specified above.

- c. List, description, and copies of all prior databases on which any such databases are based.
- d. Copies of all registrability, validity and/or infringement opinions pertaining to Target Company's database(s).
- e. Copies of all registrability, validity, and/or infringement opinions requested by Target Company pertaining to third party data/database(s).
- f. List and copies of all Agreements pertaining to Target Company's Exploitation of third party data and/or database(s); information regarding each, including specification of subject data and/or database(s), and date of such Agreement(s).
- g. List and copies of all Agreements pertaining to third party ownership or Exploitation of Target Company's data and/or database(s); information regarding each, including specification of subject data and/or database(s), and date of such Agreement(s).
- h. All Documents pertaining to Disputes involving Target Company or third party data and/or databases, including data and/or database(s) involved, plaintiff party(ies), adverse party(ies), dates, situs and disposition and/or resolution of Dispute.
- i. All Documents pertaining to copy and/or access controls to Target Company databases.
- j. To the extent as may be indicated or as you deem appropriate, a search on the Internet, Dark Web and Deep Web pertaining to Target Company data and/or databases.

9. TRADE SECRETS

- a. Description and copies of technical drawings, specifications and other Documents describing trade secrets and proprietary information owned, Exploited, or planned to be Exploited by Target Company.
- b. Description of, and copies of all Documents pertaining to, Target Company policies and procedures regarding confidentiality protection of trade secrets (nondisclosure documents, access to facility policies, facility and information system security measures).
- c. Copies of all registrability, validity and/or infringement opinions pertaining to Target Company's trade secret(s).
- d. Copies of all registrability, validity, and/or infringement opinions requested by Target Company pertaining to third party trade secret(s).
- e. Copies of all secrecy, confidentiality and/or nondisclosure agreements between Target Company and third parties or otherwise pertaining to such trade secrets.
- f. Specification of all circumstances in which Target Company may have disclosed, pursuant to a public or semipublic process, proprietary information of Target Company (such as regulatory submittals, bidding processes, litigation), including the date and the recipient(s) of such disclosure and, as applicable, any protective measures implemented by

Target Company in connection with each disclosure.

g. List and copies of all Agreements pertaining to Target Company's Exploitation of third party trade secret(s); information regarding each, including specification of subject trade secret(s), and date of such Agreement(s).

h. List and copies of all Agreements pertaining to third party ownership and/or Exploitation of Target Company's trade secret(s); information regarding each, including specification of subject trade secret(s), and date of such Agreement(s).

i. All Documents pertaining to Disputes involving Target Company and/or third party trade secrets, including trade secret(s) involved, plaintiff party(ies), adverse party(ies), dates, situs and disposition and/or resolution of Dispute.

j. Description of all processes used to make commercial goods or provide commercial services.

k. To the extent as may be indicated or as you deem appropriate, a search on the Internet, Dark Web and Deep Web pertaining to Target Company trade secrets.

R&D Project Basic Information and Equipment/Supplies

- List and description of each R&D project.
- Inventory of equipment and supplies for each R&D project.
- Projected necessary equipment and supplies for each R&D project to reach completion.

R&D Project development-human resources and life cycles

- Date(s) of each R&D project initiation.
- Projected date(s) of R&D project completion.
- List and salary schedule for each member on each R&D project.
- Man hours (and rates) spent to-date on each R&D project.
- Status of each project along the R&D technology development life cycle.
- Remaining man hours (and rates) required to complete each R&D project.
- Explanation of each discrete technology and its expected life cycle.
- Schedule of relevant technology development life cycles.

Market and competition information

- List and description of the scheduled products and/or services.
- Schedule of the relevant product life cycles.
- Marketing and pricing strategies for each product/service.
- Analysis of market demand for each product/service.
- Analysis of expected market share for each product/service.
- Analysis of expected rate of market penetration and customer acceptance for each product/service.
- Analysis of competition/competing technology for each discrete technology.
- List of competitors and the ten most critical items in the competitor's intellectual property portfolio that could have an adverse impact on Target Company's business model.

INTELLECTUAL PROPERTY LICENSING CHECKLIST

Parties

Effective date **Term/termination**

Renewal(s) **by whom**

Payment(s)(periodic, per item, % of gross or net, sliding scale)

Performance criteria/reporting **Marking requirements**

Technical or other support/assistance

Jurisdiction/venue

Information/materials furnished

Confidentiality

Properly executed? **Notarized** **Recorded** **Legible** **Complete?**

Other notable terms/conditions/comments:

Follow-up/additional information needed:

Rights licensed

Patent(s) (list all registrations on separate sheet)		Copyright(s) (including database(s)) (list all registrations on separate sheet)	
.....		
.....		
.....		
Exclusive <input type="checkbox"/> Nonexclusive <input type="checkbox"/>		Exclusive <input type="checkbox"/> Nonexclusive <input type="checkbox"/>	
Scope:		Scope:	
<input type="checkbox"/> make	<input type="checkbox"/> have made	<input type="checkbox"/> copy	<input type="checkbox"/> have copied
<input type="checkbox"/> use	<input type="checkbox"/> have used	<input type="checkbox"/> distribute	<input type="checkbox"/> have distributed
<input type="checkbox"/> sell	<input type="checkbox"/> have sold	<input type="checkbox"/> display	<input type="checkbox"/> have displayed
<input type="checkbox"/> import	<input type="checkbox"/> have imported	<input type="checkbox"/> import	<input type="checkbox"/> have imported
<input type="checkbox"/> export	<input type="checkbox"/> have exported	<input type="checkbox"/> export	<input type="checkbox"/> have exported
Improvements/grant-backs		Prepare derivative work(s)/grant back(s)	
.....		
Field(s) of use		Territory(ies)	
.....		
Territory(ies)	
.....		Copy/access control(s)	
.....		

Performance criteria		Enforce/defend
Enforce/defend		Warranty(ies)
Warranty(ies)		Indemnification
Indemnification		-----
-----		Semiconductor chip(s)/mask work(s) (list all registrations on a separate sheet)
Trademark(s) (list all registrations on separate sheet)		
-----		-----
-----		Exclusive ___ Nonexclusive ___
Exclusive ___ Nonexclusive ___		Scope: ___ make ___ distribute ___ import ___ export
Good(s)/Services		Field(s) of use
-----		Territory(ies)
Territory(ies)		-----
-----		-----
Quality control		Trade secret(s)
Performance criteria		-----
Enforce/defend		Exclusive ___ Nonexclusive ___
Warranty(ies)		Scope: ___ use ___ disclose (restrictions)
Indemnification		Field(s) of use
-----		Territory(ies)
Domain name(s) (list all registrations on a separate sheet)		-----
-----		Enforce/defend
Exclusive ___ Nonexclusive ___		Warranty(ies)
Field(s) of use		Indemnification
Territory(ies)		

Enforce/defend		Reviewed
Warranty(ies)		by:
Indemnification		Date(s):

