

Jeanne C. Curtis
Director
CDF Consulting



Jeanne C. Curtis has practiced intellectual property law for close to 30 years, both in private practice and in academia. Most recently, Jeanne was a member of the faculty of Cardozo Law School where she was a Visiting Assistant Clinical Professor of Law and the inaugural director of the Google-funded Patent Diversity Project., a program directed to increasing the number of U.S. patents issued to women and underserved minorities. As inaugural director, Jeanne built the Project from the ground up, taking the Project mission and making it a reality. Jeanne's scholarly work includes publications addressing the issue of increasing gender diversity in the patent bar. Ms. Curtis's work has received recognition across media outlets including Bloomberg Law and Law 360.

Before joining Cardozo, Jeanne spent several decades in private practice specializing in patent litigation and counseling. Jeanne was a partner at Fish & Neave LLP and then at Ropes & Gray LLP upon its merger with Fish & Neave. She has tried patent and trade secret cases, handling all aspects of pre-and post-trial activities in federal courts around the country. Jeanne also counseled clients on the creation and use of their intellectual property, including opinion work and licensing, and conducted due diligence in various types of transactions. Ms. Curtis's clients were varied in size and resources and that has contributed to the nature and breadth of her experience. Ms. Curtis also held numerous firm leadership positions at Fish & Neave and Ropes & Gray, including a multi-year rotation head as a department head of the litigation department at Ropes & Gray and as a member of the steering committee of Ropes & Gray's Women's Forum. Jeanne's skills as a litigator have been recognized by her peers many times over the years, through for example, inclusion in *New York Super Lawyers*, publication of articles and book chapters, as a regular speaker on intellectual property topics, and as an inaugural member of the Hon. William C. Conner Inn of Court.

For the past 5 years, Ms. Curtis has also been teaching pretrial patent litigation as an adjunct professor at the University of New Hampshire School of Law (formerly Franklin Pierce).

Jeanne is a member of the NYIPLA, the Federal Circuit Bar Association, the American Bar Association, the Association of the Bar of the City of New York, and ChIPS. Jeanne also serves as a member of the Dean's Advisory Board for the Boston University College of Arts & Sciences.

Jeanne received her J.D. from Boston University School of Law. Jeanne attended Boston University for her undergraduate studies as well where she received a B.A. in mathematics.

Nora E. Garrote
Partner
Venable LLP



Nora Garrote co-chairs the Intellectual Property Transactions Practice Group, and is a member of the Technology Transactions and Outsourcing team. Nora focuses on technology and intellectual property commercial transactions and counseling, internet and new media law, technology transfers, data protection and exploitation arrangements, and marketing/entertainment contracts. She counsels clients in a variety of sourcing engagements, including those involving business process outsourcing and information technology solutions and systems, typically involving complex data privacy and security issues. She represents clients in the information technology, social media, hospitality, healthcare, energy, direct marketing, financial and insurance sectors, among others.

Nora offers clients a combination of in-depth business law, technology, intellectual property, and commercial transactions knowledge that leads to practical and creative solutions to the client's needs regarding procurement, use, exploitation, and disposition of technology, data, content and other critical business assets. With more than 30 years of experience and deep familiarity with the full range of established and evolving technologies, including in highly regulated industries, she assists companies with comprehensive technology, intellectual property, and the full spectrum of commercial contracting matters.

Nora's work includes:

- Advising on and negotiating contracts for licensing, development, procurement, integration, implementation, and support of software, digital platforms, analytics solutions and computing devices
- Negotiating software as a service (SaaS), cloud computing, hosting and managed services transactions, and data exploitation and content licensing agreements
- Negotiating complex contractual arrangements for the collection, transfer and processing of sensitive or protected personal data under applicable privacy and security laws and in highly regulated environments
- Preparing joint venture agreements, intellectual property sale agreements, marketing and advertising affiliation agreements, professional services contracts, e-commerce arrangements, and partnering agreements
- Drafting branding agreements, patent and copyright licenses, entertainment program agreements, and intellectual property infringement settlements
- Negotiating mergers and acquisitions and related due diligence involving key technology, data, digital and intellectual property assets
- Representing businesses in marketing and sponsorship contracts and the full spectrum of commercial contracts

Nora chairs Venable's Diversity and Inclusion Committee, where she helps develop and implement programs, practices, outreach and mentoring opportunities that foster inclusiveness and diversity at Venable. She is a 2019 Fellow of the DMV Diversity and Inclusion Institute of the Leadership Center for Excellence, Arlington, VA. She also serves as the deputy professional development partner for the Washington, DC office, where she is involved in matters involving the professional development of associates.

Khue Hoang
Partner
Reichman Jorgensen LLP



Khue Hoang is a partner in Reichman Jorgensen's New York office. She has more than 20 years' experience representing clients in high-stakes patent infringement and licensing disputes. A former semiconductor engineer, Khue infuses her technical background and industry insights with her courtroom skills to effectively guide clients through their most complex intellectual property issues. She works closely with clients and experts to absorb complex technologies and craft effective strategies to protect and enforce their interests.

Khue represents companies across a broad range of sectors, including telecommunications, data storage, consumer electronics, and medical devices. Her clients include a who's who list of industry leaders, including EMC, Google, Apple, Samsung, Motorola, RSA Security, and BioTelemetry among others. Khue also routinely advises clients on intellectual property and privacy issues affecting M&A, private equity, and complex business disputes.

Khue is a member of the National Asian Pacific American Bar Association, and Chips, national nonprofit organization that advances and connects women in technology, law and policy. In 2018, she received the Legal Aid Society Pro Bono Publico Award, a special honor awarded to lawyers and institutions that have demonstrated outstanding commitment to volunteer legal services for the poor and disadvantaged.

Khue is a graduate of the University of California, San Diego, where she earned a MS in Electrical Engineering. She received her law degree from the University of California, Berkeley Law School.

Chloe Steadman
Vice President & Underwriter
Euclid Transactional



Chloë Steadman is a Vice President and an Underwriter for Euclid Transactional. Chloë is responsible for underwriting Representations & Warranties Insurance policies for complex Mergers & Acquisitions transactions throughout the Americas.

Prior to joining Euclid Transactional, Chloë was a Business & Finance Associate at Ballard Spahr, LLP, where she advised clients on mergers and acquisitions and corporate finance matters. She also represented clients at the state and federal level as a lobbyist.

Chloë received a J.D. degree from the Arizona State University in 2016 magna cum laude, Order of the Coif, where she was an Associate Editor on the Arizona State Law Journal. She received a B.A in Political Science from the University of Arizona in 2013, magna cum laude.

Dorothy von Hollen

Vice President and Corporate Counsel for Intellectual Property
Prudential Financial, Inc.



Dorothy von Hollen is Vice President, Corporate Counsel for Intellectual Property for Prudential, overseeing all trademark, patent, copyright, trade secret, and domain name issues for the company. Previously, she was an Assistant General Counsel with Nike, Inc. in Oregon, where she was responsible for a variety of trademark, copyright, and domain matters.

Dorothy has practiced law in the intellectual property groups of several general practice and intellectual property boutique firms in New York City. She was on the trial team in *Hershey Food Corps. v. Mars, Inc.*, an early trademark dilution case, and is the co-editor of the book *Law and the Environment: A Multidisciplinary Reader*, published by Temple University Press.

She graduated with a BA in English from Yale University, and a JD with honors from the University of Maryland School of Law, where she was an associate editor of the *Maryland Law Review*. She also has a Masters of Science in Conservation Biology from the University of Maryland.

Patent and Non-Traditional IP Diligence in Technology Transactions

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Panelists: Nora Garrote, *Partner*, Venable LLP
Khue Hoang, *Partner*, Reichman Jorgensen LLP
Chloe Steadman, *Vice-President*, Euclid Transactional
Dorothy von Hollen, *Vice-President & Corporate Counsel*, Prudential Financial

Moderator: Jeanne C. Curtis, *Director*, CDF Consulting

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Overview

- Traditional and evolving roles of IP due diligence
 - Patents, trademarks, and copyrights
 - Data
 - Cybersecurity
 - Confidential information & trade secrets
 - Insurance considerations
- Q & A

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Evolving Role of Due Diligence

- Traditional IP due diligence: determine intangible asset status/ownership/rights in M&A or technology asset dispositions
 - Patent, trademarks and registered copyrights, domain names
 - Searching, clearance, and basic contract review are key tasks
 - Shapes key contract items, e.g., asset lists, warranties, indemnities, and limitations of liability

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Evolving Role of Due Diligence

- Information economy = broader scope of diligence efforts
 - Online assets – tools, sites, hosted platforms
 - Data rights/data protection and security – user, marketing, health, financial, aggregations, de-identified uses
 - Competitively important Information/trade secrets
 - Crowdsourced assets, Open source
- More reliance on thorough interviews and complex contract and litigation risks analyses

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Evolving Role of Due Diligence

- Diligence in non-M&A transactions is now required too
 - Technology procurement, cloud arrangements, outsourcing deals, licensing and collaboration arrangements
- Due diligence results are frequently used as a risk management/vendor management exercise
 - Counterparties to transactions involving some of the more costly risks are less willing to provide a full remedy

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Evolving Role of Due Diligence

- Due diligence analysis bridges gap between material transaction risks and more limited remedies contract counterparty will provide
- Diligence also informs important insurance decisions regarding identified risks
- More complex contract and transfer/assignment analysis required
- Analysis of litigation risks and remedies are key to the diligence effort

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Traditional Patent Due Diligence

- Traditional patent-related due diligence is rarely enough
 - Identify and review portfolio: domestic and foreign
 - Consider scope of search
 - Ownership, Status, Chain of title: registrations, maintenance fees, gaps in title
 - Validity/enforceability: Is the patent valid and enforceable?
 - Encumbrances

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Traditional Patent Due Diligence

- Traditional patent-related due diligence is rarely enough (cont'd)
 - FTO: What's the competitive landscape? Do other patents block ability to operate?
 - Long-term objectives: Strategies to best situate the acquiring company for the future?
 - Review all key agreements for IP issues – not just IP agreements
 - Scope: breadth of coverage? Ease of design arounds?

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Added Twists on Patent Diligence

- Combination claims as applicable to online transactional assets or hosted technology
 - Activities of various parties or use of own technology or database contributing to infringement – difficult for buyer or technology user/customer to know
 - Exclusion from indemnities can severely undermine the remedy
 - Contribution may also bring in infringement indemnity by buyer or user/customer

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Added Twists on Patent Diligence

- Combination claims as applicable to online transactional assets or hosted technology (cont'd)
 - Remedy may become subject to limit of liability if not within counterparty's indemnity
 - Party at risk may not have insurance to cover this
 - Opinions; Probe counterparty knowledge of demand letters and troll activity in the field; conduct litigation searches for similar technologies; push back on these exclusions

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Added Twists on Patent Diligence

- Online tools and platforms may practice patents that are subjects to standards/pool licensing
 - E.g., visual or audio codecs used in video creation, distribution and/or management online tools
 - Counterparty may be covered by a license but the other party may still need to obtain its own from the designated licensing entity
 - Software may be open source but the work product may require licensing
- Important to create diligence inquiries around these and create remedies around it

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Traditional Trademark Diligence

- Determine scope and identify assets
 - Trademarks/brand central to business?
 - Marketing plans of purchaser
- Assess ownership, registration and enforcement
 - Consider corporate policies

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Traditional Trademark Diligence

- Restrictions
 - Transfer, scope of use, expansion, exclusivity (disclaimers)
 - Licenses
- Third party claims
 - Coexistence and settlement agreements
- Recordals
- Ordering full searches
- Domain names

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Added Twists on Trademark Diligence

- Online assets present added challenges
 - Genericized uses/evidence of use
 - Establishing first use
- Applications/registrations owned by founding owners
- Non-traditional trademarks scope of protection
- Establishing and expanding int'l use

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Traditional Copyright Diligence

- Determine scope and identify assets
 - Copyrights central to business?
- Assess ownership, registration and enforcement
 - Contractor issues
 - Corporate policies

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Traditional Copyright Diligence

- Identifying key unregistered copyrights
- Restrictions?
 - Transfer, scope of use, expansion, exclusivity
- Third party claims
 - Termination rights

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Added Twists on Copyright Diligence

- Open Source Compliance
- User-generated content/DMCA Compliance
- Use of Templates and Third Party Formats
- Derivative Works/Wearables/Content translated to tools
- Thumbnails and Abstracts
- Related rights of privacy and publicity issues

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Data as a Key Business Asset

- Collaboration economy – data is currency but hard to identify sources sometimes and difficult to diligence
- Identify the various types - internally generated; from consumers, users and customers; purchased/licensed; crowdsourced; marketing leads
 - Ownership
 - Critical to identify and understand the applicable regulatory context – e.g., CCPA, GDPR, HIPAA, GLBA, state financial agencies

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Data as a Key Business Asset

- Identify the various types - internally generated; from consumers, users and customers; purchased/licensed; crowdsourced; marketing leads (cont'd)
 - Diligence of sensitive data – mapping the data flows
 - Who owns the data/clear contractual rights/how is it protected
- Scope of use/complying with restrictions
 - Privacy policy impacts

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Data as a Key Business Asset

- Scope of use/complying with restrictions (cont'd)
 - Ability to assign rights to it
 - Aggregation and de-identification Rights
 - Transfers and processing Rights
 - Open data licenses
- Liability for inaccurate data (AI, IoT)

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Cyber Security Risks

- Key diligence in hosted/cloud, online, IoT and outsourcing contexts
- Requires expert review and involvement of risk management function
- Must understand the types of data involved and their regulatory context

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Cyber Security Risks

- Reliance on third-party audits and assessments/certifications/standards
- Information security program/business continuity plans
 - Use of encryption
 - Contractual protections and commitments
 - Remedies provided for a data security breach

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Confidential Information and Trade Secrets

- What is the difference
 - Contractual vs legal protection; burden of proof
 - Documentation and markings
- Scope of diligence
 - How to identify; locations
 - Internal and external contractual arrangements
- Bring your own device issues

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Insurance Considerations

- Alternative solution to cover breaches of IP/ IT / data security representations and warranties
- Expectation of robust buyer diligence
- Reduces escrow (seller benefit)
- Reduces purchase price (buyer benefit)

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Insurance Considerations

- Increases indemnity cap
- Increases survival period
- Improves security (as opposed to recourse from seller)

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Insurance Considerations - Claims

- IP/ IT/ Data Security related claims typically arise within 18 months of closing
- Claims typically fall into three buckets:
 - Third party infringement claims
 - Patent trolls and competitor claims

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Insurance Considerations - Claims

- Claims typically fall into three buckets: (cont'd)
 - Licensing issues
 - Multiplied damages
 - Infrastructure failure
 - Sufficiency of systems

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Questions?

Thank you!

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