

# Verify*iP*

The easiest way to confirm facts  
and steer clear of risk

POTTERCLARKSON.COM





# Check facts Confirm assumptions **Verify*iP***

We all know no one pitches to their weaknesses and it's no different when companies are seeking investment.

**We help you to understand the full picture.**

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**Companies will always accentuate their strengths and the opportunities they offer.**

They'll enthuse about their products, their plans and the profits they'll generate once they start to edge closer to world domination, all painting the attractive picture they hope will persuade you to take the plunge.

The only problem is, you need much more than just their word for it.

As an investor, you need to establish that everything you are being told is credible before you can even consider closing an investment.

You need to verify the facts. You need to know effective intellectual property (IP) protection really does exist. You need to be confident they have a solid IP strategy in place to protect the future of your investment from IP-related risks at exit or during further fundraising rounds.

**This is where *Verify*iP** will help.**

# How does VerifyiP work?

Traditionally, IP due diligence has been a predictable exercise with very narrow parameters.

It can quickly become far too detailed and far too expensive. And, despite all the effort and expense, it is an exercise that often delivers little more than a long list of IP rights, a list that offers little insight as to the value those rights contribute to the business.

As an investor you're unlikely to be investing in the IP alone. You are investing in the company as a whole - its ideas, products, people and plans. This means you need to take a much

more commercial view of the IP. You need to verify that the company you are planning to invest in has the IP rights and the IP strategy in place to drive its business plan through to exit. These are the questions **VerifyiP** was designed to answer.

Rather than just examine paperwork from a distance, we will spend time with the people behind the company you're interested in. We get to know as much about them and their business as we can find out. We build a complete picture, so we can give you an accurate and honest overview of the IP.

Although every conversation is slightly different, the key points we always cover include:

A detailed review of the business plan from an IP perspective, including the technology roadmap.

- > The IP strategy they have in place to deliver that plan
- > Assessing whether the IP they have (or don't have) will support the business plan
- > The ownership of the IP
- > The way they manage IP within the company (is it a Board-level consideration or is it managed at a lower level?)
- > How they plan to work with third parties to develop and market the technology, and the impact this may have on their IP strategy
- > Their attitude to IP-related risks, including an assessment of the company's approach to freedom to operate (FTO)

We will spend time talking to the company to understand how it works with its patent attorneys because in our experience this can often be a critical success factor.

As you'll be investing a significant amount of money in the business, it is in your interest to know whether it might be beneficial to make changes to ensure the IP contributes as much as it should to the growth and value of the company.

In short, **VerifyiP** independently checks the facts and confirms your underlying assumptions so you have the reassurance you'll need to make the right decision.

# Why should you choose VerifyiP?



The main reason for choosing *VerifyiP* when conducting IP due diligence is that by the end of the process, you will have a candid assessment of your potential investment from the perspective of:

- > An experienced attorney who has worked alongside investors and start-ups for many years.
- > A specialist IP solicitor with extensive experience in IP-focused corporate due diligence, commercial agreements (including licences) and uncovering and managing any potential legal disputes.

This unique combination means you will benefit from the technical expertise and perspective of both the attorney and the solicitor so you enter every investment with a comprehensive picture of all the associated IP and legal elements.

While the final decision as to whether you invest is yours, you will be able to make that decision safe in the knowledge the key facts and underlying assumptions have been independently verified.

## However, *VerifyiP* provides much more. It will also confirm:

- > The company has protected the IP required to deliver its business plan
- > How well its IP maps to the commercial products/processes
- > Who owns any existing and future IP
- > Whether there are FTO considerations you should be aware of
- > That when it comes to selling the business, IP will contribute to the valuation of the company rather than put it at risk
- > If there are any additional IP-related issues that could impact on a successful investment

This will be delivered in the form of a concise report clearly setting out how IP is relevant to the business plan and how the key products/processes are protected. You will have the information necessary to support your investment decision.

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## We also deliver three additional benefits we feel are unique to **Potter Clarkson**:

1. We can host a detailed IP debriefing for the company (and you if you'd like to attend), summarising not only our findings from the due diligence but also IP-focused recommendations that will help strengthen the business. To deliver the maximum value, we will also share broader perspectives we've learned from working with similar businesses.

led by an experienced lead attorney who'll be chosen depending on the main technological focus of the IP due diligence.

2. When there is a crossover of technologies in a target company (for example the use of AI in healthcare or pharma), we always assemble a multi-disciplinary team of attorneys from across our technical departments. They will work closely together in a team

3. If the IP due diligence exercise in question needs broader legal support, we can refer internally to our experienced team of IP solicitors at Potter Clarkson who can advise on a wide range of non-contentious and contentious matters. This adds depth to the IP due diligence process whilst controlling costs and making the due diligence process easier for you to manage.

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