

# The Business Case for Effective Patent Due Diligence

Representative and selected practical conclusions of our investigations (paraphrased) include:

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“There are indemnity provisions with major vendors covering patent infringement for their portions, which are the main infringement risk portions we identified.”

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“Target B has a similar product and revenues, an earlier and better patent portfolio, and for patent purposes, would be a better acquisition than target A.”

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“The target’s patents and patent applications cover the major features of its products and are well written.”

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“The following 4 companies also have [key feature], but with very different technology with tradeoffs.”

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“Capability A is the key to the target product’s success, and target may want to license patents we found on one of a variety of techniques to add this capability.”

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“The patent portfolio the target is touting is mostly duplicates of the same application, and is directed to an early development that was abandoned and is not included in the product.”

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“Every significant company that has entered this space has been sued for patent infringement by the same 6 companies, so that should be factored into the acquisition cost.”

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“Target has no patents yet, and competitor A has patents directed to feature X. We identified 3 patents that read on competitor A products and could be purchased.”

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“We identified 3 third party patents that present patent risks to the Target, but we also identified earlier articles that should invalidate each of the 3 patents.”

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