

# Due Diligence

*the Fish & Richardson analytical process*

## How we know, how we evaluate

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IN CORPORATE DEALS of the past, intellectual property was sometimes an afterthought. Today it is often the primary driver.

In some deals, where the intellectual property is relatively unimportant, you may not need us. But when intellectual property issues are critical, you need to turn to the intellectual property experts. If you know the difference, you know Fish & Richardson.

### Knowing

- the patents, the industries, the prior art
- copyrights and trademarks, domestic and international
- licenses, agreements, relationships

### Evaluating

- asset value
- litigation and licensing risk
- litigation and licensing opportunity

### Performing

- process management
- constructive collaboration
- efficiency under pressure

These days many law firms have IP “departments” – which can range from a trademark counsel with a checklist to an experienced patent litigation team – but few law firms can match the intellectual property history, depth and scope of Fish & Richardson. With more PhD’s and Federal Circuit clerks than any other firm has, and more than 100 years of intellectual property experience, Fish & Richardson has been synonymous with intellectual property since long before intellectual property was fashionable.

We conduct due diligence in sync with our clients’ business plans and timelines. Managing the vast technical data related to patent scope, as well as the prior art that could be at issue in enforceability, is crucial in intellectual property due diligence and directly impacts cost and timeliness. Because of our decades of experience and institutional knowledge in efficiently managing large patent portfolios, as well as patent litigations, we bring honed information management team work skills to the due diligence process.

## MANAGING THE VAST technical

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A reliable assessment of potential infringement claims requires more than a thorough analysis of the claims in the granted patents, it requires a deep understanding of how all the arts in question are practiced in the relevant industries. Because we have one of the world’s largest and oldest patent prosecution practices, and more PhD’s than any other firm has, we are uniquely positioned to conduct intellectual property due diligence.

# Due Diligence

In scientifically advanced fields, such as biotech and life sciences, it is impossible to accurately value a patent portfolio – with a clear sense of expansion and licensing opportunities – without understanding “freedom to operate.” Doing it right requires skillful and experienced patent prosecutors, with the advanced technical knowledge and the institutional experience that sets Fish & Richardson apart.

Litigators are a crucial part of the IP due diligence process as well – to help ensure the reliability of the patent litigation “threat assessment” component. Because we conduct more patent litigation than any other firm does, our litigation department provides an experience-based assessment of likely litigation threats and opportunities.

We form our due diligence teams for maximum effectiveness and efficiency. Drawing from each part of the firm, depending on the scope of the deal, time constraints, nature of the company and its IP portfolios, as well as the company’s industry and competitors, we constitute the team that will do the most effective work in the most efficient manner.

To the right are a few examples of how our due diligence expertise helped our clients, and each instance represents a several-hundredfold ROI.

## Freedom to operate

**We represented a venture capital firm that was looking to invest in a leading-edge medical device company with ambitious expansion plans. After conducting due diligence on the target company’s patent portfolio, utilizing our depth of scientific expertise and diverse patent staff, we advised the VC of certain hidden risks associated with the company’s “freedom to operate” in its field of intended expansion. The deal price was then adjusted to reflect the issues we uncovered.**

## Saving the deal

**We advised an investor interested in a company involved in the field of cryogenic cooling devices. Our client, having made a strong business case, was eager to invest, but warning flags had been raised indicating the technology may have infringed some patents. The deal was in jeopardy. We analyzed the patents and discovered a “design-around” solution for the target company’s technology. The deal was saved, and the target company’s value – with the design-around solution – was dramatically increased for our investor client.**

## International prior art

**An investor asked us to review a deal that had been priced almost entirely on the strength of the company’s intellectual property. We conducted due diligence on the target company’s patents and found prior art in Europe that knocked out several of the patents and thus significantly changed the value of the investment. Although the investment remained attractive, the pricing would have to be changed to reflect the fact that the target company did not have the exclusivity it believed it had prior to our due diligence. Indeed, the target company’s value was just a fraction of what had been assumed. After due diligence was completed, our corporate lawyers helped modify the terms of the deal to more accurately reflect the intellectual property value.**