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Maximizing Technology Value on the Path to IPO | May 19, 2026

Building the IP Moat

Meet the Speakers

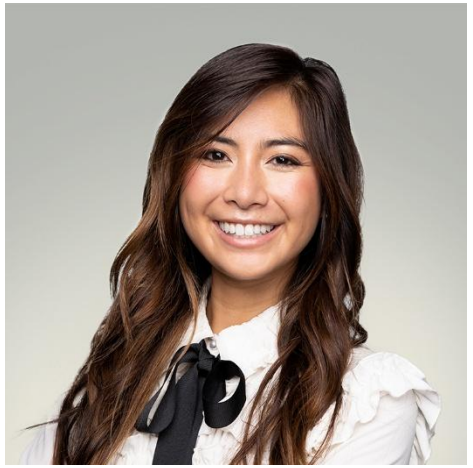
Benjamin Elacqua
Principal

elacqua@fr.com

Scott Flanz
Principal

flanz@fr.com

Jeanel Sunga
Associate



sunga@fr.com

Agenda

1 **The IPO as IP Stress Test**
Market-tested value

2 **Recent Tech IPOs**
Lessons from S-1s and earnings calls

3 **Beyond "We Have Patents"**
Tying IP to specific competitive advantage

4 **Internal Infrastructure**
Five pillars for systematic IP capture

5 **12-24 Month Checklist**
What IP counsel should be doing now

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1 | The IPO as IP Stress Test

An IPO Is a Public Stress Test

An IPO tests:

- Do you actually own what you say you own?
- Is your technology actually differentiated?
- Can a competitor copy you tomorrow?
- Can anyone sue you over what you're already selling?

KEY TAKEAWAY

Successful tech IPOs often reflect a years-long discipline of capturing the technology that drives revenue and helps protect the most valuable parts of the market.

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Patent-Backed IPOs Are Often Priced Higher

Peer-reviewed studies on IP signaling at IPO:

- **Heeley, Matusik & Jain (2007):** Across 1,413 IPOs, patents tended to reduce underpricing in industries where the link between patents and inventive returns was transparent.
- **Useche (2014):** Each additional patent application before IPO was associated with proceeds increases of ~0.5% (US) and ~1.1% (Europe).
- **Hsu & Ziedonis (2013):** Patents can act as quality signals that may raise venture valuations and probability of IPO exit, with effects strongest where founder credibility is uncertain.
- **Black & Arkles (2025):** Post-SOX, the market shifted toward rewarding captured IP results rather than R&D spend alone.

THE COMMON THREAD

The studies suggest value tends to follow IP that is transparently tied to revenue — not filing count by itself.

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The IPO Window Can Attract Litigation

The same disclosure that supports a premium can also attract plaintiffs:

- Significant increase in non-shareholder lawsuits pre-IPO for publicly-filing companies, concentrated in IP and contract claims. [1]
- Notable average decrease in IPO proceeds per pre-IPO business-related lawsuit. [1]
- Almost half of NPE lawsuits against recent IPO companies were filed within two years before or after the IPO. [2]
- Multiple Millions average reported cost to defend a single NPE lawsuit. [2]

CASE STUDY

Alibaba acquired 100+ patents pre-IPO and went on to raise a record $13B in its 2014 offering.

SOURCES

[1] *Hanley & Hoberg, Disclosure and Lawsuits Ahead of IPOs*, The Accounting Review (2023).
[2] Red Hat / HighTech-Solutions NPE study, reported in Legal Dive (2022).

The Point

The companies that win the IPO valuation game don’t show up at the S-1 drafting room with a list of patents.

They show up with a years-long record of capturing the technology that drives revenue and they can show the link.

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2 | Lessons from Recent Tech IPOs

What “Successful” Looks Like

The diagnostic question:

What, specifically, did this company protect — and what would a competitor have to do to displace them?

The pattern in successful tech IPOs:

- Identify the specific competitive driver in your industry
- Protect the specific mechanism that delivers on that driver
- Capture it systematically over years, not in a sprint before the S-1
- Tie the protection directly to a commercial outcome an investor can verify

Five Recent IPOs, Five Distinct Approaches

- **Cerebras:** Protect a key technical bet (wafer-scale integration).
- **Astera Labs:** Target first-to-market design wins at a bottleneck of AI infrastructure spend.
- **Rubrik:** Help define a new category, supported by patents and architecture.
- **Hinge Health:** Name a proprietary mechanism and tie it to a quantified outcome.
- **Figma:** Show that an IP moat doesn't always mean patents — when the choice is deliberate.

Cerebras

What they said about their moat:

- *"We believe that enduring moats are built by solving hard technical problems with novel solutions. Wafer-scale integration is one such moat that took a decade of invention and engineering to achieve."* [1]

How they framed shareholder value:

- *"We believe that shareholder value comes from doing the things customers want, but others cannot do."* [1]

Commercial validation in the same filing:

- *"In January 2026, we announced a multi-year deal with OpenAI valued at more than $20 billion dollars... a multi-year partnership with AWS to bring fast inference to an even bigger scale."* [1]

WHY THIS CASE STUDY

S-1 filed April 17, 2026. One of the more explicit articulations of moat-thinking in recent filings.

SOURCES

[1] S-1 Founders' Letter, April 17, 2026.

Astera Labs

What they said about their moat (S-1, Competitive Strengths):

- *"We believe our singular focus on cloud and AI connectivity, our software-defined platform architecture, and our system-level approach fortify our customer relationships... creating our durable competitive moat."* [1]

Commercial validation in the S-1:

- *"We have created and commercialized first-to-market PCIe, Ethernet, and CXL products, and with more than 300 design wins, we have become a trusted partner and a proven supplier."* [1]

Same language continued post-IPO (CEO Jitendra Mohan):

- *"We are learning this every day, building a competitive moat, and ensuring our solutions are ready for real-world deployments at scale."* [2]

THE LESSON

The S-1 moat language carried into earnings calls — the same story, year after year.

SOURCES

[1] S-1, February 2024
[2] Q3 2025 earnings call

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Rubrik

How they staked the category in the S-1:

- *"[Rubrik states they are] unaware of another company with a similar Zero Trust Data Security approach that secures data across enterprise, cloud, and SaaS applications."* [1]

How they describe the underlying tech on earnings calls:

- *"Rubrik Security Cloud is powered by a unique and proprietary system of record of last resort of data and identity. This is our secret sauce."* [2]

How they brand the moat itself:

- *"We have built a proprietary preemptive recovery engine that precalculates the clean points of recovery across data and identity. These make up Rubrik's PrO Mote."* [2]

THE PORTFOLIO

At IPO, Rubrik reported 255 issued U.S. patents and 207 pending applications backing the architecture.

SOURCES

[1] S-1, March 2024 (paraphrased in Meritech's S-1 breakdown)
[2] Q4 FY26 earnings call

Hinge Health

How they named the proprietary tech (S-1):

- *"We have weaved together AI-enabled capabilities — such as our AI-powered motion tracking technology, TrueMotion, our proprietary FDA-cleared wearable device, Enso, and our AI-supported care team — to deliver scalable and personalized MSK care."* [1]

How they tied named tech to a quantified outcome (S-1):

- *"According to our estimates based on data from 2024, our platform reduced the number of human care team hours associated with traditional physical therapy by approximately 95%."* [1]

THE TEMPLATE

Named proprietary tech (TrueMotion, Enso) tied to a quantified outcome (95%) — with ~47 patent filings backing it.

SOURCES

[1] S-1/A, May 2025

Figma

How they flagged generative-AI IP exposure in their Risk Factors:

- *"Our generative AI technologies could generate output that infringes on third-party intellectual property rights, and we could be subject to claims or lawsuits."* [1]

Why we include Figma:

- *"Figma went public with roughly 28 patents globally — a small portfolio relative to peers — leaning instead on trade secrets, ecosystem lock-in, and product velocity."* [2]

THE LESSON

When patents aren't the natural fit, the protection mechanisms that are (trade secrets, contracts, ecosystem) may warrant even more discipline.

SOURCES

[1] S-1, July 2025
[2] GreyB Patent Data, July 2026

The Common Thread

1. Identified the *specific* competitive driver of revenue and exclusion in their industry
2. Protected the *specific* mechanism that delivers on that driver
3. Captured that mechanism *systematically over years*, not in a sprint before the S-1
4. Tied the protection directly to a commercial outcome an investor can verify

THE PAYOFF

That's the pattern investors pay a premium for at IPO — and the pattern that supports the multiple on every earnings call after.

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3 | Beyond “We Have Patents”

Beyond “We Have Patents”

The diagnostic:

An S-1 that reads like an inventory — “we have 200 issued patents, 150 pending, 47 trademarks” — leaves analysts to do the work of connecting filings to value. A patent strategy protects the business: it shows how the protection ties to revenue and to specific competitive positions.

From inventory to architecture:

- **A patent** protects one thing one way.
- **A patent strategy** protects a SYSTEM — the components, methods, and configurations that make the product work.
- **Layered protection** creates defense and supports a coherent investor narrative.

THE HEELEY STUDY'S MECHANISM

Investors often pay a premium for patents when they can see how the patents protect specific products and revenue lines. In Heeley et al., the signaling effect was strongest in industries where the link between patents and inventive returns was transparent.

The Claim-to-Product Map

A living document tying every patent, trade secret, key trademark, and proprietary data asset to:

- The specific product or feature it protects
- The customer value proposition that feature delivers
- The revenue line tied to that product or feature
- The geographic coverage of the protection
- Notes on layering, expiration, and gaps

What this enables:

- **S-1 drafting:** The Competitive Strengths section can be drafted with specificity; Risk Factors are easier to calibrate.
- **Underwriter diligence:** Diligence requests on IP often move faster when the underlying map is already documented.
- **Analyst conversations:** Management can speak to how specific IP supports specific revenue lines — a question analysts often ask.

THE DIAGNOSTIC QUESTION

How long would it take a well-funded competitor to build what this company has built?

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Quality Beats Quantity

+47.2% increase in IoT patent portfolio strength within four years after shifting from quantity-driven to quality-driven strategy.

What Siemens leadership reported:

- Better integration between innovation and IP teams
- Patent attorneys proactively collaborating with researchers
- Patent strategy elevated to a board-level concern

THE GOAL STATE

IP as a board-level conversation, anchored in revenue and competitive positioning — not in filing counts.

SOURCES

Caldwell Law analysis citing TT Consultants case data on Siemens' IoT patent portfolio.

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4 | Organizing Internal Infrastructure

Organizing Internal Infrastructure

1. Understand the competitive drivers in your industry
2. Establish regular checkpoints with engineers
3. Itemize solutions and tie to specific profit drivers
4. Capture beyond patents: data, know-how, trade secrets
5. Get the agreements right: you cannot capture what you don't own

Pillar 1 – Competitive Drivers

The diagnostic problem:

Engineers pattern-match what they think is “patentable” to past examples. If those examples do not reflect what drives revenue and locks out competitors in this industry, your capture process generates the wrong inventory.

Tools and inputs:

- Patent landscape analysis: white space, portfolio benchmarking, citation analysis
- Competitor S-1 / 10-K review: their risk factors tell you what they think the moat is
- Customer-driven analysis: which features do customers say they pay for?

THE INSIGHT

Real competitors aren't always who you think they are. Landscape analysis surfaces players traditional market research misses — especially international startups.

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Pillar 2 – Engineer Checkpoints

The window for clean capture closes fast:

Public demos, investor pitches, conference talks, and Slack threads can all become prior art.

Operational checkpoints:

- **Sprint-level:** lightweight tagging of patentable concepts in engineering tickets
- **Quarterly:** structured invention review sessions with each product team
- **Pre-launch:** mandatory IP review before any product or feature ships
- **Pre-publication:** review before any conference talk, blog post, or paper

DESIGN MATTERS

Long invention disclosure forms kill submissions. A good form can have: title, inventor, problem-solution-benefits summary.

Pillar 3 – Tie to Profit Drivers

IP can become a board-level priority only when you can show its connection to revenue.

What this looks like in practice:

- Living dashboard mapping patent families and trade secrets to specific products and revenue lines
- Quarterly board reporting on revenue-tied IP coverage metrics, not filing counts
- Cross-functional patent committee: R&D, product, business, and legal
- Patent strategy synchronized with the product roadmap and commercial milestones

THE DESTINATION

The Siemens pattern: patent attorneys collaborating directly with engineers, IP strategy treated as a board-level concern, and measurable improvement in portfolio quality—describes the operating state Pillar 3 is meant to produce.

Pillar 4 – Beyond Patents

For many tech IPOs, the most valuable IP is not patentable or is more valuable kept secret.

- **The data lesson:** an accumulating proprietary dataset is IP, captured through TOS, access controls, and contracts.
- **The hybrid lesson:** algorithms as trade secrets, brand as trademark, peripheral inventions as patents.

Operational implications:

- Trade secret governance: formal policy, identification, access controls, employee training
- Data asset inventory: what you collect, what you can defensibly assert as proprietary
- Patent committee decisions: patent vs. publish vs. hold as secret

Pillar 5 – Get the Agreements Right

Agreement checklist — verify before the IPO:

- Founder IP assignment agreements (often the worst gap)
- Employee invention assignment + confidentiality agreements (PIIA)
- Contractor / consultant work-for-hire + assignment language
- Open source compliance and contribution policies
- Joint development agreements with customers and partners
- Acquired-company IP assignment chains

CAUTIONARY TALE

Angel investor quietly files patents personally, holds them in his own LLC. Discovered years later. Late-stage cleanups take 6-9 months — the kind of delay that negatively affects IPO timing.

Inventor Incentive Programs

Inventor incentives matter because inventor engagement is what feeds the pipeline. Programs can be calibrated to the volume and quality of submissions a company wants to encourage.

Industry-typical numbers:

- **Filing bonus:** Per filed application, split among inventors
- **Issuance bonus**
- **Plateau / milestone awards:** (IBM model) points system for filings and high-value submissions
- **Revenue-tied:** revenue-generating patents
- **Recognition:** Master Inventor titles, annual dinners, Society programs

TACTICAL ADVICE

Use the dial. Pipeline thin? Raise submission bonuses. Pipeline overloaded? Lower them.

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5 | The 12-24 Month Checklist

12-24 Month IPO Checklist (1 of 2)

The foundations — start here:

- **(a) Audit ownership chains.** Founders, employees, contractors, acquired IP. Gaps can take 6+ months to fix.
- **(b) Build the IP-revenue map.** Living document tying every patent family to specific products and features.
- **(c) Synchronize with product roadmap** and commercial milestones.
- **(d) Conduct freedom-to-operate analysis** on core products. Document design-arounds.
- **(e) Patent portfolio audit.** Maintenance fees current, ownership clean, expiration calendar.
- **(f) Trademark portfolio audit.** Core marks registered in commercial jurisdictions.

12-24 Month IPO Checklist (2 of 2)

The advanced items:

- **(g) Trade secret governance.** Formal policy, identification, access controls, training.
- **(h) Litigation and threat-letter review.** All IP litigation cataloged; demand letters with response strategy.
- **(i) Open source compliance.** License inventory; copyleft (GPL, AGPL) exposure flagged.
- **(j) Build the deal room early.** All IP documentation organized for diligence, not assembled at the last minute.
- **(k) Draft the S-1 IP narrative early.** Competitive Strengths with specific moat language.
- **(l) Strategic patent acquisitions.** The Alibaba precedent: 100+ patents pre-IPO, en route to a record $13B raise.

Common Failure Modes

Patterns worth recognizing:

- Late-stage assignment cleanup: founder forgot to assign IP from the first six months
- Open-source surprise: a core feature uses a copyleft library; product redesign needed
- Standards-essential exposure: standards body participation created licensing obligations no one tracked
- Inventor disputes when bonus structures collide with IPO money becoming visible
- Defensive gaps: no FTO on key product; competitor patent surfaces during S-1 review
- The “list” S-1: no claim-to-product map; IP section reads like inventory
- Trademark gaps: brand assets used commercially never registered, or only in one country

Questions?

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Benjamin Elacqua
Principal
elacqua@fr.com

Scott Flanz
Principal
flanz@fr.com

Jeanel Sunga
Associate
sunga@fr.com

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