# IP Due Diligence in M&A

This playbook describes the steps to conduct intellectual property due diligence during mergers and acquisitions. It outlines how to assess IP portfolios and mitigate associated risks.

### Step 1: Preparation

Establish a due diligence team with legal, technical, and business expertise. Ensure understanding of the target’s industry and market position. Compile a list of the target company's known IP assets.

### Step 2: Documentation

Request and review all relevant IP-related documents, including patents, trademarks, copyrights, trade secrets, and licensing agreements.

### Step 3: IP Analysis

Analyze the validity, enforceability, and scope of the IP assets. Assess any existing or potential IP litigation or disputes.

### Step 4: Risk Assessment

Identify any risks, such as gaps in IP coverage, potential infringement issues, or third-party claims, and plan for their mitigation.

### Step 5: Valuation

Determine the value of the IP portfolio. This involves considering market value, replacement cost, and the income approach.

### Step 6: Strategy

Develop a strategic plan for the IP post-transaction, including alignment with business goals, integration into existing portfolios, and future IP management.

### Step 7: Negotiations

Support the negotiation process by leveraging the IP due diligence findings, to correct valuations and secure warranties or indemnities.

### Step 8: Final Report

Prepare a final IP due diligence report summarizing findings, risks, mitigation plans, valuation, and strategic recommendations.

## General Notes

### Expertise

The due diligence team should include experts with background in intellectual property law, as well as professionals who understand the technology and the business environment of the target company.

### Confidentiality

Ensure all due diligence processes honor confidentiality agreements and the exchange of sensitive information is secure and lawful.

### Ongoing Monitoring

Due diligence is an ongoing process, requiring continuous monitoring of the IP landscape, even after the M&A deal is closed.