These are the companion templates for the Hands-on IP Finance: Securing Loans with your IP Assets. Click on the links below.

|  |  |  |  |
| --- | --- | --- | --- |
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# Template 1: Schedule of registered IP

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Type** | **Number** | **Name/title** | **Recorded owner** | **Country/ territory** | **Application date** | **Official status**  | **In use?**  |
| Patent |  |  |  |  |  |  |  |
| Trademark |  |  |  |  |  |  |  |
| Design |  |  |  |  |  |  |  |
| Registered copyright |  |  |  |  |  |  |  |

## Example of Schedule of registered IP for TechCo

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Type** | **Number** | **Name/title** | **Recorded owner** | **Country/ territory** | **Application date** | **Official status**  | **In use?**  |
| Patent | USXXXXXX | Energy storage and conversion system | Tech Co | US | YYYY-MM-DD | Granted | Y |
| CAXXXXXX | Energy storage and conversion system | Tech Co | CA | YYYY-MM-DD | Pending | Y |
| Trademark | USXXXXXX | CoName | Tech Co | US | YYYY-MM-DD | Registered | Y |
| EUXXXXXX | CoName | Tech Co | CA | YYYY-MM-DD | Applied for | Y |
| Design | -- | -- | -- | -- | -- | -- | -- |
| Registered copyright | XXXXXX | Energy system software code | Tech Co | US | YYYY-MM-DD | Registered | Y |

## Example of Schedule of registered IP for FoodCo

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Type** | **Number** | **Name/title** | **Recorded owner** | **Country/ territory** | **Application date** | **Official status**  | **In use?**  |
| Patent | -- | -- | -- | -- | -- | -- | -- |
| Trademark | EUXXXXXX | ProductName | FoodCo | EU | YYYY-MM-DD | Registered | Y |
| EUXXXXXX | ProductLogo | FoodCo | EU | YYYY-MM-DD | Registered | Y |
| Design | -- | -- | -- | -- | -- | -- | -- |
| Registered copyright | -- | -- | -- | -- | -- | -- | -- |

## Example of Schedule of registered IP for GameCo

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Type** | **Number** | **Name/title** | **Recorded owner** | **Country/ territory** | **Application date** | **Official status**  | **In use?**  |
| Patent | -- | -- | -- | -- | -- | -- | -- |
| Trademark | EUXXXXXX | GameName | GameCo | EU | YYYY-MM-DD | Registered | Y |
| Design | EUXXXXXX | CharacterName | GameCo | EU | YYYY-MM-DD | Registered | Y |
| Registered copyright | -- | -- | -- | -- | -- | -- | -- |

# Template 2: Checklist for core copyright assets

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Tick with solid fill | **Type** | **Example** | **Used for** | **When created/ last updated** | **Who created/ updated it** | **Directly revenue-generative?** |
|  | Software or app |  |  |  |  |  |
|  | Database design |  |  |  |  |  |
|  | Website |  |  |  |  |  |
|  | Process documentation |  |  |  |  |  |
|  | Original literary, artistic or musical creation |  |  |  |  |  |
|  | Broadcast or recording rights |  |  |  |  |  |
|  | Performance or adaptation rights |  |  |  |  |  |
|  | Other (please describe) |  |  |  |  |  |

## Example Checklist for core copyright assets for TechCo

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Tick with solid fill | **Type** | **Example** | **Used for** | **When created/ last updated** | **Who created/ updated it** | **Directly revenue-generative?** |
| Tick with solid fill | Software or app | Code for energy control system | Automated regulation of electricity supply | YYYY-MM-DD | In-house R&D team | Y |
| Tick with solid fill | Database design | Database design for energy control system | Automated regulation of electricity supply | YYYY-MM-DD | External contractor | Y |
| Tick with solid fill | Website | Product website at www.TechCo.com | Product brochures, distributor support | YYYY-MM-DD | External contractor | N |
| Corporate website at www.TechCo.co | Investor comms | YYYY-MM-DD | External contractor | N |
| Tick with solid fill | Process documentation | Assembly manual/ bill of materials | Manufacture of system hardware | YYYY-MM-DD | In-house R&D team | Y |
| Software manual | Operation of system software | YYYY-MM-DD | In-house R&D team | Y |
| Installation guide | Installer instructions | YYYY-MM-DD | In-house R&D team | Y |
| Brand guidelines | Distributor guide to correct use | YYYY-MM-DD | Design agency | N |
| Tick with solid fill | Original literary, artistic or musical creation | System diagrams | Illustrations for installation guide | YYYY-MM-DD | In-house R&D team | N |
| Original photography | Website and brochure illustrations | YYYY-MM-DD | Marketing team | N |
|  | Broadcast or recording rights | -- | -- | -- | -- | -- |
|  | Performance or adaptation rights | -- | -- | -- | -- | -- |
|  | Other (please describe) | -- | -- | -- | -- | -- |

## Example Checklist for core copyright assets for FoodCo

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Tick with solid fill | **Type** | **Example** | **Used for** | **When created/ last updated** | **Who created/ updated it** | **Directly revenue-generative?** |
|  | Software or app | -- | -- | -- | -- | -- |
|  | Database design | -- | -- | -- | -- | -- |
| Tick with solid fill | Website | Product website at www.foodco.com | Online brochure | YYYY-MM-DD | Design agency | N |
| Tick with solid fill | Process documentation | Product recipes and lists of ingredients (kept as trade secrets) | Product formulation | YYYY-MM-DD | In-house | Y |
| Instructions for outsourced manufacturing partners (subject to NDAs) | Product manufacture and quality control | YYYY-MM-DD | In-house | Y |
| Tick with solid fill | Original literary, artistic or musical creation | Social media content | Brand awareness and promotion | YYYY-MM-DD | In-house marketing team | N |
|  | Broadcast or recording rights | -- | -- | -- | -- | -- |
|  | Performance or adaptation rights | -- | -- | -- | -- | -- |
|  | Other (please describe) | -- | -- | -- | -- | -- |

## Example Checklist for core copyright assets for GameCo

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Tick with solid fill | **Type** | **Example** | **Used for** | **When created/ last updated** | **Who created/ updated it** | **Directly revenue-generative?** |
| Tick with solid fill | Software or app | Mobile app for Game (OS and Android versions) | Game play | YYYY-MM-DD | In-house R&D team | Y |
| Tick with solid fill | Database design | Game parameters | Game calibration/ progression | YYYY-MM-DD | In-house R&D team | Y |
| User subscriptions and system interactions | Game calibration/ progression | YYYY-MM-DD | In-house R&D team | Y |
| Tick with solid fill | Website | Promotional site at www.GameCo.com | Marketing and downloading | YYYY-MM-DD | In-house marketing team | Y |
| Tick with solid fill | Process documentation | Code documentation | Code updating and maintenance | YYYY-MM-DD | In-house R&D team | N |
| Rule sets | Game play | YYYY-MM-DD | In-house R&D team | N |
| Tick with solid fill | Original literary, artistic or musical creation | Original in-game music  | Game play | YYYY-MM-DD | Specialist music producer | N |
| Original character designs (lead characters also protected by design registration) | Game play | YYYY-MM-DD | Design agency | Will be when licensed |
| Tick with solid fill | Broadcast or recording rights | Original in-game soundtrack recordings | Game play | YYYY-MM-DD | Specialist music producer | Y |
|  | Performance or adaptation rights | -- | -- | -- | -- | -- |
|  | Other (please describe) | -- | -- | -- | -- | -- |

# Template 3: Checklists for other intangibles

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Tick with solid fill | **Internal resources** | **Example** | **Used for** | **Revenue-generative?** |
|  | Data (produced by your business) |  |  |  |
|  | Data (obtained from external sources) |  |  |  |
|  | Proprietary algorithms or AI |  |  |  |
|  | Trade secret processes or designs |  |  |  |
|  | Unique formats/styling |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Tick with solid fill | **External awards and recommendations** | **Example** | **Used for** | **Revenue-generative?** |
|  | Regulatory approval |  |  |  |
|  | Company accreditation |  |  |  |
|  | Permissions or rights to operate |  |  |  |
|  | Industry awards |  |  |  |

## Example Checklist for other intangibles for TechCo

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Tick with solid fill | **Internal resources** | **Example** | **Used for** | **Revenue-generative?** |
|  | Data (produced by your business) | Continuous feed from all connected systems on individual unit configuration, performance, utilization | Quality control, distributor support, product R&D | N |
|  | Data (obtained from external sources) | -- | -- | -- |
| Tick with solid fill | Proprietary algorithms or AI | Controller algorithms  | Used to ensure electrical safety/security | N |
|  | Trade secret processes or designs | -- | -- | -- |
|  | Unique formats/styling | -- | -- | -- |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Tick with solid fill | **External awards and recommendations** | **Example** | **Used for** | **Revenue-generative?** |
|  | Regulatory approval | -- | -- | -- |
| Tick with solid fill | Company accreditation | Compliance with standards (especially IEC 60076,60364,62271) | Electrical safety certification | N |
|  | Permissions or rights to operate | -- | -- | -- |
| Tick with solid fill | Industry awards | Energy Efficiency award | Marketing and promotion | N |

## Example Checklist for other intangibles for FoodCo

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Tick with solid fill | **Internal resources** | **Example** | **Used for** | **Revenue-generative?** |
| Tick with solid fill | Data (produced by your business) | Product sales data by SKU, location, day, season | Promotions, offers, retailer sales targeting | N |
|  | Data (obtained from external sources) | -- | -- | -- |
|  | Proprietary algorithms or AI | -- | -- | -- |
| Tick with solid fill | Trade secret processes or designs | Product recipes and methods of formulation (held as trade secrets) | Product design and manufacture | Y |
| Tick with solid fill | Unique formats/styling | Product packaging – style, color and shape | To stand-out on supermarket shelves | N |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Tick with solid fill | **External awards and recommendations** | **Example** | **Used for** | **Revenue-generative?** |
|  | Regulatory approval | -- | -- | -- |
| Tick with solid fill | Company accreditation | ISO22000 | Food safety management system | N |
|  | Permissions or rights to operate | -- | -- | -- |
|  | Industry awards | Best New Specialty Product (Good Food Awards) | Marketing and promotion | N |

## Example Checklist for other intangibles for GameCo

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Tick with solid fill | **Internal resources** | **Example** | **Used for** | **Revenue-generative?** |
| Tick with solid fill | Data (produced by your business) | User/game interaction, purchase behavior insights | Drives game progression; informs new feature development | N |
|  | Data (obtained from external sources) | -- | -- | -- |
| Tick with solid fill | Proprietary algorithms or AI | Game feature display | Generating in-app purchases | Y |
| Tick with solid fill | Trade secret processes or designs | Game rules | Creates highly specialized modes of user interaction | N |
|  | Unique formats/styling | -- | -- | -- |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Tick with solid fill | **External awards and recommendations** | **Example** | **Used for** | **Revenue-generative?** |
|  | Regulatory approval | -- | -- | -- |
| Tick with solid fill | Company accreditation | -- | -- | N |
|  | Permissions or rights to operate | -- | -- | -- |
|  | Industry awards | Best New Game award | Marketing and promotion | N |

# Template 4: Checklist for core contractual assets

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Tick with solid fill | **Type** | **Best example** | **Relationship to IP and revenue** | **How many are there like this?** |
|  | IP license or franchise to others |  |  |  |
|  | IP license or franchise from others |  |  |  |
|  | Public or private sector contracts |  |  |  |
|  | R&D funding agreements |  |  |  |
|  | Agent/reseller agreements |  |  |  |
|  | Exclusivity arrangements |  |  |  |
|  | Customer order book |  |  |  |
|  | Domain names |  |  |  |
|  | Employee contracts (granting rights to IP) |  |  |  |

## Example Checklist for core contractual assets for TechCo

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Tick with solid fill | **Type** | **Best example** | **Relationship to IP and revenue** | **How many are there like this?** |
|  | IP license or franchise to others | -- | -- | -- |
|  | IP license or franchise from others | -- | -- | -- |
| Tick with solid fill | Public or private sector contracts | California State Highways contract | Concerns patented systems, generates recurring revenues | 12 |
| Tick with solid fill | R&D funding agreements | Industrial collaborative development award with control systems manufacturer | Access to background IP to support future product development | 1 |
|  | Agent/reseller agreements | -- | -- | -- |
|  | Exclusivity arrangements | -- | -- | 3 countries |
| Tick with solid fill | Customer order book | US order book | Concerns sales of patented systems |  |
| Tick with solid fill | Domain names | www.techco.com | promotes products | 2 |
| Tick with solid fill | Employee contracts (granting rights to IP) | Standard employment contract | Safeguards ownership rights in invention | 39 |

## Example Checklist for core contractual assets for FoodCo

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Tick with solid fill | **Type** | **Best example** | **Relationship to IP and revenue** | **How many are there like this?** |
|  | IP license or franchise to others | -- | -- | -- |
|  | IP license or franchise from others | -- | -- | -- |
| Tick with solid fill | Public or private sector contracts | Supermarket supply contract | Secures commitment to purchase products that utilize the IP  | 3 |
|  | R&D funding agreements | -- | -- | -- |
| Tick with solid fill | Agent/reseller agreements | Specialist retailer orders | Secures commitment to purchase products that utilize the IP | 25 |
|  | Exclusivity arrangements | -- | -- | -- |
| Tick with solid fill | Customer order book | Specialist retailer orders | Secures commitment to purchase products that utilize the IP | 25 |
| Tick with solid fill | Domain names | www.foodco.com | Acts as online catalogue to support sales negotiations with distributors/retailers | 1 |
| Tick with solid fill | Employee contracts (granting rights to IP) | Standard employment contract | Safeguards ownership rights in inventions | 22 |

## Example Checklist for core contractual assets for GameCo

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Tick with solid fill | **Type** | **Best example** | **Relationship to IP and revenue** | **How many are there like this?** |
| Tick with solid fill | IP license or franchise to others | Work in progress – to develop a franchising model using the game concept, characters and properties | Will be a separate profitable income stream based on IP licensing |  |
|  | IP license or franchise from others | -- | -- | -- |
|  | Public or private sector contracts | -- | -- | -- |
|  | R&D funding agreements | -- | -- | -- |
| Tick with solid fill | Agent/reseller agreements | App Store and Google Play | Distribute the game via industry standard app platforms | 2 |
|  | Exclusivity arrangements |  |  |  |
|  | Customer order book |  |  |  |
| Tick with solid fill | Domain names | www.Game.com | Product downloads | 1 |
| www.GameCo.com  | Product info and downloads | 1 |
|  | Employee contracts (granting rights to IP) | Standard employment contract | Safeguards ownership rights in inventions | 14 |

# Template 5: How IP relates to the business plan

|  |  |  |
| --- | --- | --- |
| **Sample heading** | **Content suggestions** | **Further evidence** |
| Business model | Explain how IP supports and protects revenue and growth (through direct monetization, or through its incorporation in products and services) |  |
| Company assets | Specifically reference IP rights and intangibles and the investment made in them, whether or not shown on the balance sheet | Append a full inventory (asset listing) |
| Company strategy | Include a section on IP strategy: what forms of IP protection are important for the company, where does it file, what further filings are anticipated to support growth |  |
| Competitive position | Describe how the company’s offering is differentiated in the marketplace and how this creates advantages that are made defensible through the IP strategy |  |
| Summary financial forecasts | Ensure lines that are directly attributable to the IP assets are clearly set out, e.g. licensing revenues, IP protection costs | Detailed Excel files |
| Historical financial performance | Ensure lines that are directly attributable to the IP assets are clearly set out, e.g. licensing revenues, IP protection costsCheck that notes adequately explain the accounting policies applied to research & development activity | Company accounts |
| Uses of funds | Explain how you intend to invest further in IP and innovation and the benefits you expect this to deliver |  |

## Example Checklist on how IP relates to the business plan for TechCo

|  |  |  |
| --- | --- | --- |
| **Sample heading** | **Content suggestions** | **Further evidence** |
| Business model | * TechCo makes money by selling its products and systems through distributors and installers
* TechCo’s IP rights provide a means of retaining control over its most valuable assets throughout extended distribution chains
 |  |
| Company assets | * The company has granted and pending patents, trademarks and registered copyrights
* The development cost of the software has been capitalized on the company’s balance sheet over its expected useful life
 | Detailed listing of all IP rights and their current status provided in an annex |
| Company strategy | For the IP section:* Patent protection is applied for in domestic market, major export markets, and sub-contract manufacturing territories
* Trademarks are registered in domestic and export markets, prior to entering into distribution agreements
* Assignments are obtained wherever any software code development is outsourced
* Copyright is registered where national systems offer an official record
 |  |
| Competitive position | * A direct link can be demonstrated between TechCo’s patent protected technologies and the superior performance attributable to its products
* For the present TechCo wishes to generate maximum margin in accessible export markets by marketing its own products, but the patent protection gives it the option of entering into licensing agreements in the future
 | Matrix comparing TechCo’s direct competitors in each market of interest by their product attributes, highlighting where IP protection is of most value |
| Summary financial forecasts | Would include commentary on: * Sales by territory (to demonstrate adequacy of IP protection strategy)
* Split of sales by product group, clearly distinguishing between one-off sales and recurring revenue streams
* Budget for IP protection (including renewals)
 | Detailed forecasts |

|  |  |  |
| --- | --- | --- |
| **Sample heading** | **Content suggestions** | **Further evidence** |
| Historical financial performance | Would include commentary on:* Software capitalization policy
* Historical accumulated investment in all R&D
* Proportion of this investment that is visible on the company balance sheet
 | Audited financials |
| Uses of funds | TechCo will invest a further $1m in R&D activity over the next 2 years to ensure its products and their supporting systems retain their competitive advantage |  |

## Example Checklist on how IP relates to the business plan for FoodCo

|  |  |  |
| --- | --- | --- |
| **Sample heading** | **Content suggestions** | **Further evidence** |
| Business model | * FoodCo makes money by selling its products through supermarkets and other retail outlets
* FoodCo’s IP protects its mark of origin and creates a basis for developing brand recognition and loyalty
* This existing IP will facilitate range expansion/diversification and repeat purchasing
 |  |
| Company assets | * The company has registered trademarks and trade secrets which protect its formulations

Historically, these have not been recognized as assets on the company’s balance sheet | Detailed listing of all IP rights and their current status provided in an annex |
| Company strategy | For the IP section: * Trademarks are registered in the home market. Searches have been conducted and confirmed availability in export markets. Registrations will be made in key markets prior to entry
* Formulations are protected as trade secrets; all subcontractors are under NDA; all staff terms and conditions contain specific confidentiality provisions
* Copyright will be registered where national systems offer an official record, when the company starts trading there
 | Results of TM searches; and copyright registration certificates (where relevant) provided in an annex |
| Competitive position | * FoodCo is creating a profitable niche with strong evidence of repeat purchase activity and interest from retailers in production of “white label” goods
* FoodCo has identified several new product segments not currently well served by its closest competitors which would provide opportunities to up-sell and cross-sell
 | Matrix showing closest comparative brands and availability of target product ranges |

|  |  |  |
| --- | --- | --- |
| **Sample heading** | **Content suggestions** | **Further evidence** |
| Summary financial forecasts | Would include commentary on: * Sales of current products through existing distribution routes
* Sales of new products through existing distribution routes
* Sales of current products through new distribution routes
* Sales of new products through new distribution routes
* Budget for IP protection (including renewals)
 | Detailed forecasts |
| Historical financial performance | Would include commentary on: * Historical accumulated investment in all R&D

Proportion of this investment that is visible on the company balance sheet | Audited or unaudited financial |
| Uses of funds | FoodCo will invest a further $500,000 over the next two years on new products | Description of products and any IP protection already obtained or in progress for them |

## Example Checklist on how IP relates to the business plan for *GameCo*

|  |  |  |
| --- | --- | --- |
| **Sample heading** | **Content suggestions** | **Further evidence** |
| Business model | * GameCo currently makes money by selling subscriptions and in-game purchases to end users
* GameCo’s plan is to create a franchise based on the game concept and its lead character which will greatly expand the range of physical and virtual goods it can sell
 |  |
| Company assets | * GameCo owns the copyright in its code, the design of its lead character and has a trademark covering the name of its game
* The development cost of the software has been capitalized on the company’s balance sheet over its expected useful life
 | Detailed listing of all IP rights and their current status provided in an annex |
| Company strategy | For the IP section:* The primary asset is the copyright in the code that runs the game
* This has all been written in-house based on standard gaming engine platforms which do not limit GameCo’s ownership
* Design registrations have been obtained in the domestic and major export markets for the lead character in the game
* The game name is trademark protected in the domestic market. The company has confirmed the availability of the chosen brand in major export markets (and will extend protection on receipt of funding)
 |  |
| Competitive position | * GameCo currently outperforms market norms in terms of subscriptions and purchases
* GameCo has an opportunity to move beyond mobile app consumption for its loyal and growing target audience
 | Evidence to support statement on market norms; matrix comparing GameCo’s direct competitors using available metrics |

|  |  |  |
| --- | --- | --- |
| **Sample heading** | **Content suggestions** | **Further evidence** |
| Summary financial forecasts | Would include commentary on: * Virtual goods sales (subscriptions and direct sales by GameCo)
* Virtual goods sales (revenues that can be generated by franchising/licensing properties to other software companies)
* Physical goods sales (revenues from licensing character properties/brand to suitable manufacturers)
* Budget for IP protection (including renewals)
 | Detailed forecasts |
| Historical financial performance | Would include commentary on:* Software capitalization policy
* Historical accumulated investment in all R&D
* Proportion of this investment that is visible on the company balance sheet
 | Audited or unaudited financials |
| Uses of funds | GameCo will invest a further $500,000 on new games, new features and marketing |  |

# Template 6: Template for due diligence

|  |  |  |
| --- | --- | --- |
| **Sample heading** | **Content suggestions** | **Further evidence** |
| Title to assets | Confirm your business owns and has rights to all the assets listed and that they are not subject to any disputes | Employment contracts, any rights assignments |
| Status of assets | Expand on your asset inventory by setting out further information on your strategy for IP protection for any rights not yet registered or granted  | Asset inventory |
| Scope of assets | Explain why the rights you have are appropriate and sufficient to support your current and future business model and that there is clear evidence of market demand for them  | Business plan |
| Spread of assets | Explain the relationship between the geographical markets in which you trade and the countries where you have IP protection in place | Business plan |
| Maturity of assets | Show that the rights are sufficiently mature to support product or service revenue generation, but not so mature they are becoming obsolete | Table showing relationship of primary IP assets to revenue-generative products/services  |
| Asset disputes | Provide information on any infringement you have identified, or which has been alleged against you, and explain what has happened in any such cases. If you have successfully enforced your IP, this should be regarded as a plus. If there are no disputes, make it clear that there aren’t any |  |

## Example Template for due diligence for TechCo

|  |  |  |
| --- | --- | --- |
| **Sample heading** | **Key points and useful supporting evidence for TechCo** | **Further evidence** |
| Title to assets | Concern may be whether TechCo invented, and owns, all relevant aspects of its goods and services | * Explicit IP assignment provisions in staff employment contracts
* NDAs with suppliers
* Copies of any collaborative development agreements, if applicable, showing TechCo’s entitlement to the results
* Assignment of any rights suppliers may obtain in TechCo’s IP
 |
| Status of assets | Concern may be whether TechCo’s portfolio is sufficiently mature (how much is enforceable) | * Inventory of assets showing status, emphasizing rights that are granted, and setting out opportunities to extend existing protection
* Forward-looking IP protection strategy showing what TechCo intends to apply for in the future
 |
| Scope of assets | Concern may be whether TechCo’s IP strategy is appropriate and covers its core differentiators | * Business plan incorporating an IP strategy section
* Explanation (in the plan, or separately) of why TechCo has opted to use patent protection (e.g. because it simplifies future licensing, if this is a route the company decides to pursue)
* Matrix setting out relationship of primary IP assets to current and future products
 |
| Spread of assets | Concern may be whether the territorial scope of the rights is sufficient for the company’s aims  | * Matrix showing current trading activity vs. existing IP protection
* Matrix showing proposed future trading activity vs. existing IP protection
* Commentary setting out scope/plans to expand existing rights
 |

|  |  |  |
| --- | --- | --- |
| **Sample heading** | **Key points and useful supporting evidence for TechCo** | **Further evidence** |
| Maturity of assets | Concern may be that the value of the IP rights is compromised because these are not directly related to revenue-generative goods and services | * Matrix setting out relationship of primary IP assets to current and future revenue streams
 |
| Asset disputes | Even if there have been no disputes to date, concern may be that distributors/installers could abuse the company’s IP rights | * Distributor and installer agreement wording showing appropriate IP management terms, e.g.:
* Limited license to use brands, with no sublicensing permissions
* Prohibition on reverse engineering or decompiling of TechCo’s products or systems
 |

## Example Template for due diligence for FoodCo

| **Sample heading** | **Key points and useful supporting evidence for FoodCo** | **Further evidence** |
| --- | --- | --- |
| Title to assets | Concern may be whether ownership of IP may have been compromised by any supplier collaborative development | * NDAs with suppliers
* Assignment of any rights suppliers may obtain in FoodCo’s IP
 |
| Status of assets | Concern may be that FoodCo does not yet have many assets in its IP rights portfolio | * Inventory of all the IP and intangibles FoodCo owns and uses
* Business plan incorporating branding strategy and explicit statement of reasons for adopting trade secrecy for IP protection
 |
| Scope of assets | Concern may be whether trade secret protection is robust enough to safeguard formulations  | * Documented trade secret policy
* Confidentiality provisions in staff employment contracts
 |
| Spread of assets | As with status, concern may be that FoodCo does not yet have many assets in its IP rights portfolio  | * List of target products, territories and brands
* Results of searches that confirm availability of desired trademarks
 |
| Maturity of assets | Concern may be that products, and therefore IP, lacks market traction | * Sales figures by individual product line showing revenue growth trend over time
* Mapping of products to IP rights to demonstrate association between assets and income
 |
| Asset disputes | Concern may be whether emerging ‘copycats’ will undermine future market share | * Evidence of entitlement to trademarks
* Action taken to address potential copying (e.g. cease and desist letters)
 |

## Example Template for due diligence for GameCo

|  |  |  |
| --- | --- | --- |
| **Sample heading** | **Key points and useful supporting evidence for GameCo** | **Further evidence** |
| Title to assets | Concern may be whether anyone else holds IP rights in the game | * Licensing terms of the underlying gaming engine
* Staff terms and conditions
* Assignments of rights from any subcontractors engaged in coding
 |
| Status of assets | Concern may be that GameCo is dependent on copyright in software which is hard to protect against imitation (as opposed to theft) | * Inventory of all the IP and intangibles GameCo owns and uses, by type
* Business plan incorporating branding strategy and ways in which character properties can be used to drive future growth
 |
| Scope of assets | Concern, as above, may relate to the limitations of copyright protection |  |
| Spread of assets | Concern may be that mobile apps can be played anywhere and protecting IP across the world can become very expensive | * Matrix comparing statistics on current user profiles with territories in which registered IP protection is in place
* Extended matrix showing which additional territories can readily be protected (bearing in mind time limits on extension of certain existing registered rights)
 |
| Maturity of assets | Concern may be that IP associated with games is often short-lived and that assets that are valuable today will not retain their value tomorrow | * Market research showing successful development of franchise and licensing models from comparable games
* Business plan containing a product development roadmap showing how further investment will increase loyalty and traction
* Also containing clearly articulated steps to drive value from the assets created to date
 |
| Asset disputes | Concern may be that developers will take unique and novel features/ways of working with them when they leave GameCo and undermine competitive advantage | * •Staff terms and conditions showing explicit copyright ownership and confidentiality clauses
 |

# Template 7: Valuer questions

|  |  |  |
| --- | --- | --- |
| **Valuer question** | **Sample answer** | **Your answer** |
| What contribution does your IP make to future incomes if things go to plan? | Well-evidenced forecasts that are backed up by contractual commitments and/or established business relationships and evidence of demand |  |
| What are the risks that might stop you from achieving your plan, and are any of these IP-related? | Information on the regulatory context; ways in which you have hit your targets in the past; details of any IP disputes or infringements that have arisen; plus competitor insights (see below) |  |
| Would anyone else be interested in buying your assets if your business got into serious difficulties and a bank had to sell them? | Details of any merger & acquisition activity in your sector involving similar businesses, and of any commercial approaches you have received to buy, license or collaborate based on your IP |  |
| How much have you invested in building your assets – do you have real ‘skin in the game’? | Schedule of historical investment – sources and uses (where has the money come from and where has it gone) |  |
| Do your investment, your know-how and your IP represent meaningful barriers to other people entering your market? | Information on competitor activity and your unique selling points in relationship to theirs |  |
| How much will you need to spend on your IP to keep it competitive? | Incorporation of sensible R&D budgets within your business forecasts |  |

## Examples of Valuer questions for TechCo

|  |  |
| --- | --- |
| **Valuer question** | **TechCo’s Answer** |
| What contribution does your IP make to future incomes if things go to plan? | * Patents protect the energy generation and storage system
* Software is proprietary –
* Company also has an increasingly well recognized brand
* Sales are growing rapidly

Forecasts are supported by signed contracts with distributors and installers |
| What are the risks that might stop you from achieving your plan, and are any of these IP-related? | * The business needs the right level of working capital to scale up its production and sales to meet confirmed international demand

There are no specific identified IP or regulatory risks |
| Would anyone else be interested in buying your assets if your business got into serious difficulties and a bank had to sell them? | * Company is now backed by venture capital
* They bought into TechCo because merger and acquisition activity in the sector is prevalent – expected to be good exit opportunities
* There have been two expressions of interest in buying TechCo in the past 12 months, but management want to expand the operations first
* TechCo has also received approaches to license its patents
 |
| How much have you invested in building your assets – do you have real ‘skin in the game’? | * In total over USD 8 million has been invested in developing patented hardware, systems and software to date

TechCo’s management has retained a majority share in the company |
| Do your investment, your know-how and your IP represent meaningful barriers to other people entering your market? | * TechCo’s technology is market-leading in its field, which is why the business has successfully secured agreements with leading distributors
* These distribution contracts represent an additional barrier to entry for others
 |
| How much will you need to spend on your IP to keep it competitive? | * Budgeting USD 1 million in R&D over the next two years to develop new software and hardware systems
* Further trademark registrations will be made to protect sub-brands
 |

## Examples of Valuer questions for FoodCo

|  |  |
| --- | --- |
| **Valuer question** | **FoodCo’s answer** |
| What contribution does your IP make to future incomes if things go to plan? | * Trademarks protect FoodCo’s launch products; their formulations are closely guarded trade secrets
* Sales grew by 80% in the last year thanks to new distribution routes
* Letters of intent from supermarket chains confirm order potential for planned new ranges
 |
| What are the risks that might stop you from achieving your plan, and are any of these IP-related? | * No regulatory risks have been identified and FoodCo has all the certifications it needs
* Primary concern is inability to meet demand for existing and new products, which would also reduce marketing effectiveness – hence need for the loan
* Awareness of the need to protect the brands has been heightened by detection of first ‘copycat’ product – which confirms products are meeting a perceived need
 |
| Would anyone else be interested in buying your assets if your business got into serious difficulties and a bank had to sell them? | * FoodCo has already been approached by other supermarket chains enquiring about ‘white label’ products
* Informal discussions on licensing of brands and formulations have been initiated with an international F&B manufacturer
 |
| How much have you invested in building your assets – do you have real ‘skin in the game’? | * Founders and business angels have invested $4m in cash to date
* Founders own a majority stake
* All profits made to date have been ploughed back into FoodCo
 |
| Do your investment, your know-how and your IP represent meaningful barriers to other people entering your market? | * FoodCo has identified a profitable niche market
* It has a well-differentiated offer that satisfies consumer demand for sustainable production
* Surveys indicate increasing brand recognition
 |
| How much will you need to spend on your IP to keep it competitive? | $500,000 set aside over 2 years for product R&D and brand development |

## Examples of Valuer questions for GameCo

|  |  |
| --- | --- |
| **Valuer question** | **GameCo’s answer** |
| What contribution does your IP make to future incomes if things go to plan? | * GameCo’s IP is embedded in its mobile app, which represents the income stream (it enables all income to be generated)
* Conversions to paid subscriptions are running well above industry averages – attributable to unique ‘sticky’ in-game features. It is unusual for a relatively young gaming company to be generating substantial revenues, as GameCo already does
* The business plan is to create a franchise that can be applied to a wider range of goods and services
 |
| What are the risks that might stop you from achieving your plan, and are any of these IP-related? | * Mobile apps market is highly lucrative but fast-moving
* Importance of continuous game feature development to maintain interest and attract new users – GameCo wants to accelerate this
* Need for external assistance to build out the franchise/license concept and capitalize on success to date
 |
| Would anyone else be interested in buying your assets if your business got into serious difficulties and a bank had to sell them? | * GameCo is still relatively young, so no concrete approaches received to date – however high conversion rates are likely to generate strong interest
* GameCo’s profile has been raised by winning multiple industry awards (which are themselves intangible assets)
 |
| How much have you invested in building your assets – do you have real ‘skin in the game’? | * Founders invested large amounts of ‘sweat equity’ to create the first prototype game
* Two crowdfunding rounds have been massively over-subscribed, raising $1 million, reflecting the popularity of the game concept – these investors also provide an excellent test bed for new features and enhancements
 |
| Do your investment, your know-how and your IP represent meaningful barriers to other people entering your market? | * GameCo’s game has carved out its own specialist niche in the market, with high trackable levels of user engagement
* Whilst it is not difficult to tell what GameCo’s unique features are, it is impossible to determine how these have been created simply by playing the game
* GameCo’s lead character has registered design protection and its game brand is trademarked in our biggest markets – these assets are licensable in their own right
 |
| How much will you need to spend on your IP to keep it competitive? | $500,000 target spend on games, features and marketing  |