

VLP Partner Edward Kwok Authors Daily Journal Article “IP Due Diligence is Key in Corporate Transactions”

VLP Intellectual Property Partner Edward Kwok wrote an article for the *Daily Journal* titled “IP Due Diligence is Key in Corporate Transactions.”

The article stressed the importance of due diligence on the intellectual property of a company in a corporate transaction. This includes equity investments, mergers, acquisitions or asset purchases, and even initial public offerings. Regardless of transaction type, the IP due diligence process is usually the same.

Mr. Kwok noted in his article that IP protection prevents competitors from offering in competing products the same or similar features that provide a significant competitive advantage. Commercial success comes first from having such features, while IP protection ensures a reasonable lifespan for the enjoyment of the advantage.

Mr. Kwok went on to describe the due diligence process when an attorney is engaged by an interested party who does not own the IP being reviewed. This process includes making sure that counsel and client agree on what a reasonable expectation of the outcome of the study should be. He also noted that clients should understand that patent attorneys cannot reasonably provide a valuation of any particular patent. There should be a complete inventory of the IP and you must identify which portions of the IP are relevant to the target's product offerings. All findings should be reported back to the client to determine what impact the findings should have on the transaction, and recommendations on how to correct these post-corporate transaction, if possible.

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