IP INVESTOR READINESS CHECKLIST

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IP Investor Readiness Checklist

Securing investment is one of the major milestones to commercialisation; however, the company's IP position will be thoroughly scrutinised by investors. This checklist covers the main areas to help you through due diligence processes.

> **What you do, not how you do it.**
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> *To secure investment, it can be tempting to reveal all details in a bid to impress investors. Describe what you do, not how you do it, as it is often the 'how' where valuable IP resides. Instead, describe the benefits or the impact to the customer. Without a confidentiality agreement in place, a disclosure could hinder or prevent a later attempt to secure registered IP protection.*

Awareness – Do you know what IP you have?

Conducting an internal IP Audit will demonstrate to an investor that the company is aware of the IP it has already created and may bolster the valuation. Founders consistently underestimate the breadth of their IP which will likely go beyond the core technology created.

	Checklist	Best Practice
☐	Have you conducted a formal IP audit, a documented inventory of all IP assets?	*A written register exists, covering technology, brand, content, software, data, and processes.*
☐	Does the audit cover all forms of IP, not just patents?	*Trade marks, copyright, design rights, confidential know-how, and trade secrets are all accounted for.*
☐	Do you have processes in place to capture new IP as it is created?	*An invention disclosure or IP tracking process is in use, not just a one-time exercise.*

Ownership – Does your company legally own its IP?

An investor will only value IP that is cleanly held in the entity they are investing in. Part of IP due diligence is to discover ownership gaps or defects. Often companies do not own the IP they think they do.

	Checklist	Best Practice
□	Is all key IP held in the investable entity, not an individual, holding company, or third party?	*IP sits in the same entity receiving investment, with no splits or uncertainties.*
□	Is there a clear, unbroken chain of title from each creator to the company?	*You can trace ownership of every significant asset. No gaps or assumed transfers.*
□	Have all founders, employees, and directors assigned their IP into the company?	*Employment and director agreements contain explicit IP assignment clauses.*
□	Do contractor and supplier agreements include IP assignment provisions?	*Every external engagement has a written clause transferring IP into the company on creation.*
□	Have you identified any IP created outside the company that is used in your product or brand?	*All third-party IP has been licensed or assigned. Nothing is assumed to be freely usable.*
□	If the company was spun out of a university or research institution, is the IP position with that institution documented and agreed?	*A formal agreement exists covering ownership, licensing, and the path to full commercial self-sufficiency.*

Defensibility – How is value secured within the company?

Investors will be looking for evidence of a functional moat; in other words, IP protection that is commercially relevant, makes use of the appropriate tools, and is correctly scoped.

	Checklist	Best Practice
□	Do you have registered protection in place for your core technology or invention?	*Patent applications have been or will be filed, covering the relevant technology going to market. The current progress of the applications is consistently monitored against changes in commercial objectives.*
□	Is your IP protected in the jurisdictions where you will operate, manufacture, or face competition?	*A jurisdiction strategy exists with a clear rationale for each territory.*
□	Are confidentiality measures in place to protect IP that is not yet registered?	*Confidentiality agreements are in place with all relevant third parties. The team understands what must not be disclosed and why.*
□	Do you have a clear position on trade secrets?	*Valuable know-how is identified, access is limited, and there is a deliberate strategy for maintaining secrecy.*
□	Is your brand protected by registered trade marks in the relevant classes and jurisdictions?	*Trade mark applications or registrations exist in your primary markets, covering your core name and mark.*

□	Has any IP been inadvertently disclosed publicly before filing for protection?	*You are confident that no unplanned, disclosures have occurred, or you have taken advice on the impact of any that have.*

Freedom to Operate – Is there clear space to operate?

Investors also need confidence that your company can operate without infringing the existing rights of others. A Freedom to Operate assessment reviews the relevant patent and IP landscape to identify third-party rights that could block your path to market. A company that has done this assessment and can demonstrate clear space, or a credible plan to navigate any obstacles, is a significantly more attractive investment proposition.

	Checklist	Best Practice
□	Have you assessed whether any third-party patents or IP rights could affect your ability to make, use, or sell your product?	*An FTO assessment has been carried out, covering your core product, competitors and primary markets.*
□	Have you developed a mitigation plan or taken a considered view on the risk?	*Any areas of risk are documented and have a mitigation plan, ideally incorporating expected resourcing needs.*
□	Have you considered design-around options where a third-party right poses a potential obstacle?	*Alternative technical approaches have been evaluated where relevant, with legal input on whether they avoid infringement.*
□	If any third-party licences are required, have these been identified and is there a plan to secure them?	*Required licences are identified. Negotiations are underway or the cost and feasibility of securing them has been assessed.*

IP Roadmap – What is your plan for the future?

The IP Roadmap demonstrates that you understand how your protection needs to evolve as the company grows. It should be tied to commercial milestones, show where investment will be deployed, and reflect a realistic understanding of cost, timing, and priority.

	Checklist	Best Practice
□	Do you have a documented IP roadmap linked to your commercial and fundraising milestones?	*A written plan exists showing what will be filed, in which jurisdictions, and at which funding stage.*
□	Does your financial model account for the costs and time lines?	*IP costs are line-itemed in your financial model. You know what your strategy will cost and when.*

☐	Is your IP strategy aligned with your exit or licensing objectives?	*You can explain how your IP portfolio supports a trade sale, licensing revenue, or further investment rounds.*

Investment Support

For 20 years, IP Asset has partnered with organisations across the UK and globally to create and extract value from ideas.

IP Asset provides commercially driven intellectual property strategy advice to help build value in a company, and more importantly, realise that value through its IP.

Our legal professionals support our clients in achieving their commercial goals by developing a targeted IP management strategy, identifying key sources of value and putting the appropriate protection in place to secure them.

IP Asset provides support for clients to prepare for investment, to simplify and streamline due diligence processes and increase the likelihood of securing investment. Find out more about the support we provide such as our IP Audit and IP Roadmap processes via the links below:

IP Audit **IP Roadmap**

To discuss support for your raise, reach out to: generalenquiries@ipasset.com

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