

1. Create an IP Plan

An incomplete IP strategy can:

- Deter seed funding – due diligence often places significant value in IP rights
- Cause loss of IP assets
- Risks infringement of 3rd party IP

What to consider:

- Identify current and future IP assets – how can they be protected and maintained?
 - Review both registered and unregistered types of IP
 - Decide key countries and markets where IP rights will provide the most commercial benefit for your business
- Do you have a freedom to operate (FTO)?
 - Search for IP rights that might stand in your way
- Is your IP-related budget adequate?
 - Remember to include the cost of maintaining IP rights after grant.
- Regularly review all contracts & agreements for IP implications
 - Consider confidentiality, IP ownership, and licensing provisions amongst others
- Ensure your plan is periodically reviewed



2. Establish Confidentiality Protections

Pitfalls of non-confidential disclosure:

- Start-ups occasionally publically disclose patentable matter and trade secrets
 - At investor meetings
 - On company websites
 - On social media
 - At pitch events
 - At trade fairs
 - Once an idea is disclosed, the opportunity for patent protection is lost in many countries

What should be kept secret?

- Business strategy
- Business methods
 - Pre-patented or unpatentable methods or devices
 - Formulae
 - Patterns
 - Programs
 - Customer lists and price lists

What to do:

- Non-disclosure agreements before talking
- File an initial patent application before talking
- If necessary, speak only in general terms
- List what's confidential (have employees sign an agreement for this)
- Mark documents / presentation slides confidential
- Limit access to protected material
 - Check-in/out procedures
 - Secure storage



3. Establish Clear IP Ownership

Unclear ownership can scare off seed funding and cause serious problems:

- IP was made by a founder in the course of previous employment
 - IP belongs to its creator or their employer if the IP was made in the course of normal employment
 - No rights exist for someone following instructions
- Co-founder(s) who splinter off and start(s) a rival company

What to do:

- Carefully review your contracts for confidentiality, invention assignment or non-compete agreements.
- Discuss the project/ invention with your employer.
 - Employer's agreement not to claim ownership rights
- Don't use employer resources or company time to develop projects without an employer's agreement.
- Founder's agreement to assign IP rights to the start-up, preventing splinter rival companies.
- Use IP assignment agreements with all employees and contractors.



4. Identify Third Party Rights

Do you have the right to commercialisation?

- You may not have the rights to proceed
- You can be liable to be sued for infringement
- Rebranding due to trademark infringement is expensive and confusing to customers

What to do:

- Commission a freedom to operate (FTO) search
 - Professional search to assess infringement
 - Commercial products, marketing and use of the product, process or service
 - Any existing IP which blocks your start-up may be bought, licenced, an agreement made or worked around

Beware:

- Open-source software
- Photographs, images or text
- Employees with trade secrets from previous employers



5. Have Strong IP-Related Agreements

Using poorly drafted or no written agreements can jeopardise the start-up's IP:

- Scare off investors, include IP-damaging clauses etc.

Start-ups may rely on:

- Employment, consulting, funding, collaboration, settlement, licensing, research, non-disclosure, confidentiality and material transfer agreements

These can all include confidentiality, publication, and IP clauses

What to do:

- Have all IP-related contracts vetted by a professional so that suitable clauses are included
 - Are all IP rights assigned to the start-up?
 - E.g. research contracts: Can the start-up review and edit manuscripts prior to publication?
 - Does a licence agreement:
 - Include everything needed for commercialisation?
 - Give the start-up rights to improvements?
 - Permit sublicensing?
 - Permit termination or amendment of the contract?
 - Permit expansion into other fields?