



LANDO &
ANASTASI

Intellectual Property Transactions Master Class: Practical Guidance for the Non-IP Specialist

IP Due Diligence:

Efficient and Cost-Effective Approaches to Your Life Sciences Deal



Today's Panel



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Overview

- IP Due Diligence Planning
 - Early planning call with client
 - Call with Target company
 - Report to client
- Litigation Issues
- Post Grant Challenges
- Attorney/Client Privilege

IP Diligence: Major Areas of Focus

- Strategic IP Assets
 - Ownership
 - Status
 - Control
 - Flow of \$
- The strength and breadth of IP assets
- Potential liability for infringement
 - Freedom to Operate
- Deal specific considerations

Early Planning Call with Client: Mechanics

- Time and budgetary limitations
- Identify key people at client and target
- CDA
- Community of Interest Agreement
- Establish division of tasks between IP, transactional, regulatory and other counsel
- Establish distribution lists, if relevant
- Opinion of IP counsel, other deal documents, if relevant

Early Planning Call: Deal Parameters

- What drives the deal?
- Where is the value?
- Agree on a product description
- Deal-specific unique issues

Early Planning Call: Review Major Areas of Inquiry

- IP-conferred exclusivity
 - How effectively will the Target company's IP keep others out?
- Title security
- License in/out issues
- Regulatory exclusivity
- International IP counsel

Call with Target Company

- CDA/Community of Interest Agreement
- Confirm understanding of the product(s)
- Identify the key patents or applications
- Freedom to Operate analyses?
- Walk through convoluted histories
- Litigation
- Diligence checklist
- Follow-up on action items

Conclusions/Report to Client

- Report conclusions
- Identify follow-up
- Confirm subject matter not reviewed
- Make sure conclusions and outstanding issues are communicated to drafters of representations and warranties in the agreement
- Determine if additional opinions are necessary

Litigation Issues

- Evaluating risks of pending litigation
 - Litigation involving Target company
 - Patent infringement / trade secrets / inventorship
 - Indemnification

- Evaluating risks of future litigation
 - Litigation involving competitors that could impact Target
 - ANDA/NDA
 - Patent litigation
 - Global litigation issues
 - Joint ventures/ inventors

Damages

- Damages vs. injunctive relief
 - Types of damages
 - What is the time frame for the investment?
 - What is the time frame for the relevant products?
 - On sale
 - Pending regulatory approval

Post-Grant Challenges

- Pending post-grant challenges
 - IPR
 - Inter partes / ex parte reviews
- Potential post-grant challenges
 - Accused infringers
 - Investors

Attorney/Client Privilege

- Identify the client
- Common interest agreements
 - Define the common interest
 - Identify what law will apply
 - Pick jurisdictions with broadest interpretation of common interest
 - e.g. New York, Connecticut...

Attorney/Client Privilege

■ International deals

– Does the attorney-client privilege apply?

- EU: yes, but rules vary by member state
- China: no

– In-house counsel

- U.S., England, Canada: yes, privilege applies to in-house counsel
- EU: depends on member state; not all member states apply privilege to in-house counsel
 - No: Austria, Belgium, Finland, France, Greece, Italy, Netherlands, Sweden, Switzerland
- Know where participants are located
- Direct communications through outside counsel, if necessary



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Thank you!

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