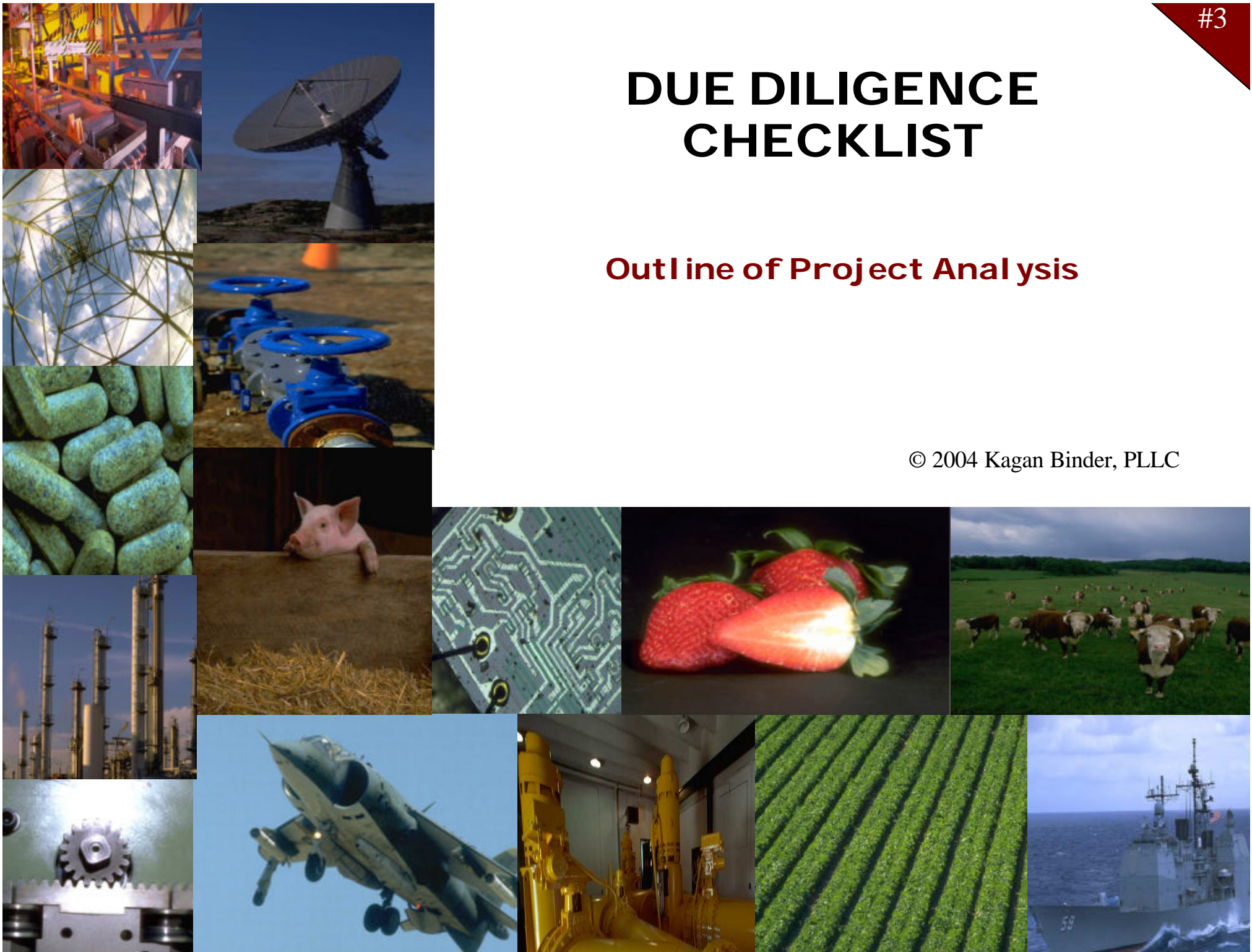


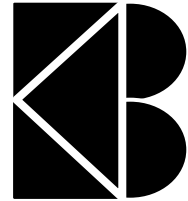
DUE DILIGENCE CHECKLIST

Outline of Project Analysis

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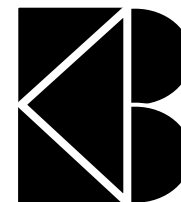


When considering acquisition of patent rights by purchase or license, it is desirable to conduct a study to determine the value of a patent. A useful first step in conducting an efficient valuation study is to identify tasks and potential issues to be considered for a comprehensive and meaningful analysis of the particular patent to be analyzed. It is helpful to list these tasks and issues in outline form to understand the potential scope of the project and to efficiently plan the steps to be carried out. The degree of rigor of the study that is actually executed is determined by the value of the deal and the significance of the various potential issues.

The following mock project analysis outline is a typical analysis format that is used at Kagan Binder as a tool to explain the valuation study process to the client, and to work with the client in arriving at an agreed-upon estimate of the cost of the analysis process prior to incurring expenses.

-Sample-

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ACME CONFIDENTIAL AND PRIVILEGED

1	Background	4.7	EP Prosecution
	1.1 Patent Family and Focus	4.8	% xlinking v. molar ratio
	1.2 Foreign Equivalents		
	1.3 Title Search (putative Assignee is XYZ Co.)	5	Freedom to Operate
	1.4 Litigation Status		
	1.5 Maintenance Fees	6	Enforceability
2	Priority Claim/Written Description Analysis	6.1	Prosecution statements v. other knowledge (priority, operability, examples)
	2.1 Terms at issue	6.2	Reaction conditions not critical
	2.2 Impact upon priority claim	6.3	Assertions of entitlement to priority
	2.3 EP Prosecution supports conclusions	6.4	Mono-nuts v. bis -nuts
3	Validity: Prior Art	6.5	Thesis abstract/Thesis data
	3.1 Theory of patentability	6.6	Cited art matrix
	3.2 Jones	6.7	Foreign prosecution
	3.3 Johnson	6.8	Overlapping text
	3.4 James	7	Claim Coverage
	3.5 Jesser	7.1	No nuts in PD
4	Validity: Section 112	7.2	Biocompatible
	4.1 Biocompatible	7.3	Mono v. bis -chocolate
	4.2 Coverage of chocolate	7.4	Chocolate v. salt
	4.3 Best mode re thesis	8	Open Items
	4.4 Best mode in CIP re 1991 article	8.1	What xlinker does Acme use
	4.5 Examples	8.2	Best Mode re 1991 article
	4.6 Impact of reexam	8.3	Validity re Jiller report

The foregoing is intended to provide you with helpful suggestions in protecting your organization from avoidable liability concerns in intellectual property matters. Each matter is different, and the advice of competent counsel in each situation should be obtained.