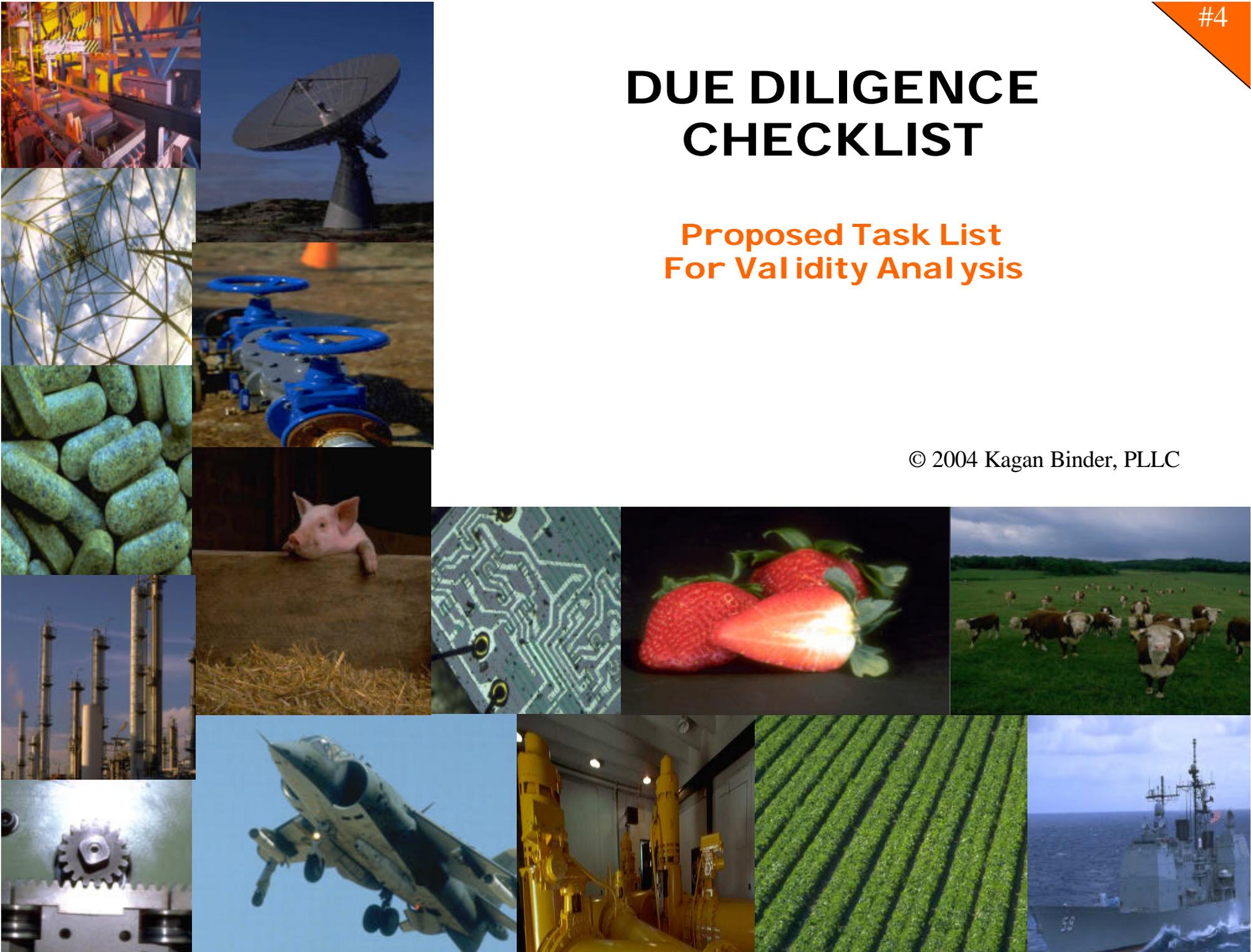


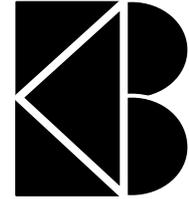
# DUE DILIGENCE CHECKLIST

Proposed Task List  
For Validity Analysis

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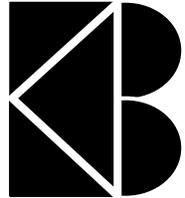
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When a patent has been identified as raising a potential issue with respect to a product or potential research direction of your company, a validity study should be carried out. Not all validity studies are the same. The tasks that must be carried out to complete the study, and costs of each task, vary with the issues raised, nature of the technology, and closeness of the product or research direction to the claims of the patent.

A useful first step in conducting an efficient validity 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. Understanding the steps to be carried out in advance and assigning tasks to the party that is able to execute these tasks in the most efficient manner is important to achieve a satisfactory result for all involved.

The following mock project analysis outline is a typical analysis format that is used at Kagan Binder as a tool to explain the validity 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-**

**Proposed Task List and Budget for Due Diligence Re  
Due Diligence re Project Ralph (Cereal Glue)**

- (a) Preliminary study, including initial review and study of the '111 patent; prepare initial task list and budget
- (b) Study specification and claims of the '111 patent
- (c) Order or otherwise obtain prosecution histories
- (d) Study US, EP, PCT prosecution histories, as available
- (e) Obtain technical articles, if any, authored by inventors
- (f) Obtain all X and Y references from search reports of foreign counterparts
- (g) Identify worldwide family counterparts and chart patent family
- (h) Title search
- (i) Identify other assignee patent rights relating to the technology at issue
- (j) Formulate validity search strategies for patent and technical literature
- (k) Conduct validity searches
- (l) Obtain copies of documents uncovered in searches
- (m) Screen patent and technical documents uncovered in searches to assess validity of patent claims over prior art
- (n) Screen patent documents uncovered in searches to uncover third party patent rights pertinent to freedom to operate
- (o) Study EP Opposition proceedings and assess impact upon validity of US claims
- (p) Assess validity of claims under 35 USC 101, 112
- (q) Ongoing discussions with ACME personnel to discuss project and project results
- (r) Discuss project results with J. Smith and determine whether written report is desired and, if yes, the desired format

**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.**