The purposes of a due diligence review are to assess the value of the asset to be transferred and to identify and evaluate any risks involved in the transaction. The documents that the investigator will review and the matters that it will explore will depend on the transaction. The scope of the review can include such diverse matters as the financial assets of the target, regulatory concerns (for example, whether the relevant compliances have been met and clearances obtained), political factors, infrastructure factors, labor factors, taxation factors, general litigation risks, and intellectual property.

Intellectual property due diligence occurs in any transaction involving rights to technology, and may constitute the entire investigation or a large part of it. The issues in intellectual property due diligence generally fall within two categories:

Does the target have the legal right to practice the technology and will those rights remain intact if the transaction is completed? Among the questions relevant to this issue are whether there any patent rights held by others that would limit or interfere with the target's free ability, or the ability of any other party to the transaction, to continue to practice the technology after the transfer has been made.

Does the target have the legal means to exclude competitors from practicing the technology? In particular, is the technology covered by enforceable patent rights that are exclusively owned or held by the target? Does the target have the full right to assert the patents over infringers; and will this right be transferred intact when the transaction takes place?

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