

# IPAA Advanced Training Course: Due Diligence and Acquisition Process



NVIDIA MELLANOX CASE STUDY

# Short Bio



Software  
engineering and  
SW/HW Project  
Management  
positions for ~8  
years

Patent Agent at  
**Given Imaging**  
since 2007  
Acquired by  
**Covidien** in 2013  
Acquired by  
**Medtronic** in 2014

Heading the  
Patent  
Department of  
**Soroker Agmon**

With **Mellanox**  
since 2016,  
**Nvidia** since 2020

# מַאֲיָגָרָא רָמָא





לְבִירָא עֲמִיקָתָא



# DD First Meeting

Upon receiving the list from the outside counsel – we had to provide lots of data in a very short time

Try to minimize the surprises (כמו ביקורת אוגדה)

Examples of trackers and policies to have ready at hand:

- Consortium/joint projects chart
- Royalties tracking
- Litigation/disputes tracking
- Inbound IP license tracking
- IP policy
- Open source policy

# INTELLECTUAL PROPERTY

## What to prepare? (Patents TMs, etc.)

Schedule of <a href="#">patent registrations</a> and applications
Schedule of <a href="#">trademark and service mark registrations</a> and applications. In those instances <a href="#">where registration has not been sought</a> , identify the mark and its date of first use anywhere in all relevant jurisdictions.
Schedule of <a href="#">mask work, copyright, domain name</a> registrations
Document detailing the procedures for maintaining the secrecy of <a href="#">trade secrets</a>
Communications to or from third parties relating to the <a href="#">validity or infringement</a> of the Company's patents, trade secrets, trademarks, service marks, copyrights and other intellectual property rights.
Studies or reports relating to the <a href="#">validity or value</a> of the Company's patents, trade secrets, trademarks, service marks, copyrights and other intellectual property rights, and the licensing thereof.

# INTELLECTUAL PROPERTY

## What to prepare? (Licenses)

IP necessary to conduct business of the Company on a stand-alone basis after the closing that will not be sold, assigned, licensed or otherwise transferred to the purchaser

Inbound licenses for IP that is material to the business of the Company or agreements with provisions under which Company has been granted any rights to any third party's IP that is material to the business of the Company, and a description of how the Company uses such IP

Outbound licenses for material IP owned by the Company or provisions under which Company has granted a third party any rights to any material IP owned by the Company.

IP sale or transfer recordation

List of all agreements and licenses the Company has entered into with employees relating to inventions, patents, patent applications, trade secrets, confidential information, trademarks, trade names or any other proprietary information.

# INTELLECTUAL PROPERTY

What to  
prepare?  
(External  
Funding)

List of any [government grants or funding](#) received in connection with development of intellectual property

All agreements that require to pay [royalties](#)

[Release of source code incorporating IIA supported know-how](#) to affiliates, customers or other third parties of the source code outside of Israel, or released under open source licenses

List [IIA supported know-how subject to escrow](#) and whether IIA approval was obtained for such arrangements



# INTELLECTUAL PROPERTY What to prepare? (Software)

List Company's [proprietary software](#) products

List of all [third party software components](#) incorporated in product, including [open source software](#) and non-open source third party software, and copies of licenses

Confirmation of conducting [scans on proprietary software](#) products, copies and scan results

[Open source policy](#) and how we ensure compliance

List of all [software contributed to open source](#) community and confirmation of the distributed license terms.

List of public software (i) used by the Company in connection with its business or (ii) incorporated in whole or in part, or has been distributed with any product or service

Agreements relating to source or object code escrows, and a list of all third parties which have received or have rights to source code for the Company's software.

Between  
Acquisition  
Announcement  
and Effective  
Date

## The Silent Treatment



# To a Huge Embrace



# Synergy Time: Adapting to New Processes

Global Team

Invention Filing  
Approach

Trademarks /  
Branding is  
merged

Managing  
litigation, pre-  
litigation and  
licensing

Training and  
patent harvest

Patent  
benchmarking and  
strategy

# Invention Filing Approach

How do we manage the technology cake?

Adapting to new ISF filing

Different perspective on claims

Joint patents with 3<sup>rd</sup> parties

Inventors' recognition and awards

Outside counsel





# Merging IP Data

- Porting the existing data into a new system, how hard can that be?
  - Is the data in our system accurate?
  - Can the new system accommodate all the data fields we're using?
  - Different processes and flows in a system (e.g. recording an OA response due date)
  - Mistakes happen, they're not always easily detectable when dealing with thousands of records



Who owns the IP now?



# Who owns the IP now?

Mellanox is a fully owned subsidiary but an independent company

In theory, the legacy IP stays with each company.  
What happens in practice?

Consider intercompany agreements.  
Can Mellanox use or sublicense Nvidia TMs?  
Patents? Technology? Software?

Tax perspective

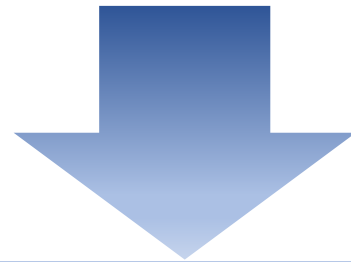
Example – © software copyright attribution



# Open Source Policy

Mellanox contributes a lot of Open Source code

Nvidia Corp. keeps most of its code proprietary



Creating a new process for Open Source contribution that matches the needs of our software teams and allows scalability

THANKS FOR  
YOUR  
ATTENTION!

