

Commercial due diligence for Finance Wales

Background:

Finance Wales makes commercial investments in Wales-based businesses with the potential to grow. They invest in small to medium-sized enterprises (SMEs) and also in social enterprises and creative commercial projects.

IP Pragmatics has been working with Finance Wales on a number of their investments by providing commercial IP due diligence. Two examples, Mesuro and Diurnal are highlighted in this case study.

Mesuro's technology ensures the efficient design and operation of power amplifiers, a key component within mobile phone networks.

Objectives:

Mesuro and Diurnal were seeking funding of £1million and £250k, respectively, with Finance Wales looking to invest £375k and £150k in the two companies alongside other institutional investment funds.

Finance Wales asked IP Pragmatics to carry out commercial due diligence on the company's respective IP portfolios in order to identify issues relating to ownership, the scope of patent protection and the overall patent landscape surrounding the company's own IP portfolios.

Approach:

The IP due diligence for these early stage investments by Finance Wales was carried out on a tight timetable and, commensurate with the size of investment, a relatively limited budget. Consequently the assignment focussed on the key aspects of the IP including: status and scope of portfolio, ownership/control, patentability/validity, strength, and other specific areas of concern raised by Finance Wales.

The aim in the case of each company was to provide a focussed but thorough examination of their IP portfolios, and to report on any potential areas of concern with the IP in the context of the business plans.

Result:

IP Pragmatics provided Finance Wales with sufficient information on both companies' IP portfolios for Finance Wales and the other investors to positively move forward and complete the intended investment rounds.

- In this first funding round, Mesuro, a spin-out from Cardiff University, received £1m co-investment from Finance Wales, Fusion IP and the Era Foundation.
- Diurnal received £250k co-investment from Finance Wales, Fusion IP plc and the Viking Fund.