

Startup Equity and IP Checklist (India)

IP due diligence checklist for founders before any fundraising round or equity event

HOW TO USE THIS TEMPLATE

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| 1. | This document: Startup Equity and IP Checklist (India). |
| 2. | Fill all bracketed fields before use. |
| 3. | Template only — not a substitute for qualified legal advice. |

1. PRE-ROUND IP READINESS

Why IP Matters in Fundraising. IP due diligence is standard in every institutional fundraising round. A clean IP structure signals professional management, defensibility of the business model, and reduced legal risk. IP gaps discovered during due diligence slow or kill transactions — gaps remediated before the data room opens are manageable.

Founder IP Assignment — The Most Critical Item. Every investor's first IP question: have all founders assigned their IP to the company? This requires: Pre-Incorporation IP Assignment Agreements for all IP created before incorporation; Co-Founder IP provisions in the Founders' Agreement; and Board resolutions ratifying pre-incorporation agreements. A single founder who did not sign is a blocking issue that must be resolved before the data room is shared.

Employee and Contractor Assignments. Verify every person who contributed materially to the product has a signed IP assignment: current employees (check onboarding documents); past employees who contributed early code or designs; and all contractors and freelancers. Copyright in contractor work does not vest in the company automatically.

2. REGISTERED IP CHECKLIST

Primary trademark filed in India in all relevant classes? Status: granted / pending (note application number)?

Primary .com domain registered to Company (not founder personally)? Primary .in registered? Auto-renewal enabled?

Social media handles registered on Instagram, LinkedIn, Twitter/X, YouTube, Facebook? All to Company accounts?

Core technology assessed for patentability? If patentable: provisional application filed?

Primary software platform registered at Copyright Office? CRN number on file?

Any physical products that should have design registration? Filed before public launch?

3. COMPLIANCE CHECKLIST

Open-Source Bill of Materials (OSBOM) current? No copyleft contamination in production code? All open-source licences documented?

All software tools commercially licensed (not personal-tier licences used commercially)? All stock images, fonts, and media commercially licensed?

Customer contracts: do they clearly state that customisations and derivative works belong to the Company? No contracts inadvertently grant customers IP ownership?

IP Policy acknowledged by all employees annually? Remote Work IP Policy in place? Open Source Policy communicated to all developers?

No pending IP claims received? No threatened IP disputes? No known third-party patents blocking core product functionality?

4. DATA ROOM PREPARATION

IP Data Room Folder Structure. Folder 1: Registration certificates (TM, patent, copyright, design, domain); Folder 2: Pending applications with current status; Folder 3: All assignment agreements (founders, employees, contractors); Folder 4: Licences and OSBOM; Folder 5: IP policies; Folder 6: FTO analyses; Folder 7: Disputes (if any).

Investor Readiness Score. Score each section 0 to 2: 2 = fully complete and documented; 1 = partially complete; 0 = not done. Target: 20 out of 24 for Series A readiness. Any item scoring 0 in founder assignments or compliance is a blocking issue.

Common Deal-Complicating IP Issues. These are the issues that most commonly delay or reduce valuations: (1) founder IP not assigned to company; (2) contractor copyright not assigned; (3) copyleft open source in production code; (4) trademarks in founder's personal name not in company name; (5) domain names registered to individuals not company.

IMPORTANT NOTE

Working template for Startup Equity and IP Checklist (India). Verify requirements with a qualified IP advocate.

INVESTOR PERSPECTIVE ON IP DUE DILIGENCE — WHAT VCS REALLY CHECK

Experienced venture capital investors conduct IP due diligence with a specific commercial lens: they are assessing whether the company's IP creates defensible competitive advantage and whether there are hidden liabilities that could impair the investment. Understanding this perspective helps founders prepare more effectively. The investor's primary IP questions are: (1) Ownership clarity — is the

IP unambiguously owned by the Company (not founders personally, not employees, not contractors)? Any ambiguity here triggers a detailed review and may require rectifying assignments before closing. The cost and time of rectifying ownership post-term sheet can delay or kill a deal. (2) Freedom to operate — does the company's product infringe any third-party patents or IP rights? Investors want to s

ee a current FTO analysis or, for early-stage companies, a credible explanation of why formal FTO was not conducted (e.g. the technology is not in a heavily-patented space). (3) Open-source exposure — is there any copyleft contamination that could force disclosure of proprietary code? The OSBOM is the key document here. A well-maintained OSBOM with no GPL or AGPL components in production code is s

trongly reassuring. (4) Moat quality — how hard is it for a competitor to replicate the technology or brand without using the company's IP? Patents, trade secrets with good protection processes, and registered trademarks all contribute to moat quality. Proprietary datasets and network effects reinforced by IP are particularly attractive. (5) IP-related liabilities — are there any pending claims, p

ast claims, or obvious infringement risks that could result in a material lawsuit? Even the threat of IP litigation can impair a company's valuation significantly. Proactively commission a startup IP audit (see [startup-ip-audit-template-india.pdf](#)) before entering a fundraising process and share the results — including any issues identified and remediated — with investors. This demonstrates IP seri

ousness and reduces the risk of surprises in due diligence.

ADDITIONAL COMPLIANCE GUIDANCE AND BEST PRACTICES

ADDITIONAL GUIDANCE ON COMPLIANCE AND BEST PRACTICES. Indian IP law continues to evolve rapidly, with the Patent Office, Trade Marks Registry, and Copyright Office all implementing digital transformation initiatives that affect how IP is filed, prosecuted, and enforced. The Patents Amendment Rules 2024 introduced new provisions for startup fee concessions and updated the examination procedure timelines. The Trade Marks Act 1999 has been interpreted by courts in a growing body of decisions that clarify how confusion is assessed, how well-known

marks are recognised, and how bad faith is established. The DPDP Act 2023 has implications for IP-linked customer data and product development processes. For each IP action described in this document, the Company should consult a qualified IP advocate licensed to practice before the Indian Patent Office and Trade Marks Registry. IP advocates combine technical expertise with legal training specific to Indian IP law. When selecting an IP advocate, assess: their specific experience in your technology sector or product category;

their track record at the relevant Patent Office branch or Trade Marks Registry; and their ability to coordinate international filings through their network of foreign associates. The IP Manager should maintain a master calendar tracking all IP filing deadlines, prosecution response deadlines, renewal dates, and opposition window close dates. IP deadlines are typically non-extendable and missing them can result in permanent loss of rights. Use a dedicated IP management tool or a carefully maintained calendar system with triple-reminder alerts. Document

all IP decisions and the reasoning behind them. When the Company decides not to file a patent application for a particular technology, document the decision and reasoning. When a trademark opposition is decided not to pursue, document the decision. This decision trail is important for investor due diligence, management continuity, and defence of subsequent IP disputes. Build a quarterly IP Committee meeting cadence: the IP Manager, CTO or Head of Product, CFO, and CEO should review IP programme status, upcoming

decisions, and strategic IP priorities every quarter. This keeps IP on the leadership agenda and ensures that commercial and technical strategy is aligned with IP investment decisions. The IP Committee meeting should produce a brief written record of decisions taken and actions assigned. International IP coordination requires proactive management of priority deadlines. The Paris Convention priority period of 12 months for patents and 6 months for trademarks and designs starts from the Indian filing date. If international protection is planned,

calendar these priority deadlines immediately on the Indian filing date. The cost of filing internationally increases significantly if priority is not claimed because prior art in the intervening period may destroy novelty. Budget for professional indemnity insurance for the IP function. As IP becomes a larger component of the Company's value and IP decisions involve significant financial stakes, the IP Manager and the Company's IP counsel should be appropriately insured against errors and omissions. Review the IP programme's documentation quality

annually. The best IP strategy is undermined by poor documentation. Every IP right should have a complete file: the registration or application document, all prosecution history, all renewal receipts, and all related agreements. Files should be backed up in at least two locations and access-controlled to prevent inadvertent deletion. Template only. Not legal advice. Consult a qualified IP advocate for all decisions affecting the Company's intellectual property rights.