

Startup IP Audit Template (India)

Comprehensive IP audit template for identifying gaps, risks, and opportunities in startup IP portfolios

HOW TO USE THIS TEMPLATE

1.	This is a working document for dpiit / startup documents — fill in all bracketed fields before use.
2.	Review annually or whenever relevant laws, regulations, or business circumstances change.
3.	Keep a signed copy on file and ensure the IP Manager has the current version.
4.	Template only — not legal advice. Consult a qualified IP advocate for your specific situation.

MODULE 1 — IP IDENTIFICATION AND INVENTORY

1.1 Technology IP. List all technical IP: source code and software (including version numbers); algorithms, models, and data structures; hardware designs, circuit diagrams, and firmware; product formulations or compositions; manufacturing or production processes; test protocols and quality standards; and all technical documentation and specifications. For each item: who created it, when, under what arrangement (employee / contractor / co-development), and whether it has been assigned to the Company.

1.2 Brand IP. List all brand IP: company name; product names and sub-brands; taglines, slogans, and brand phrases; logos, icons, and visual identity; trade dress (distinctive product or packaging appearance); domain names and social media handles; and any colour trademarks or shape trademarks. For each: registered or unregistered; territories covered; registration status; renewal dates.

1.3 Content and Creative IP. List all content IP: website content; marketing materials and advertising; training materials and documentation; blog posts, whitepapers, and reports; photographs and images; videos; and user interface designs. For each: author/creator; date; employment/contractor status; whether work-for-hire or assignment has been executed.

MODULE 2 — IP GAP ANALYSIS

2.1 Assignment Gaps. For every IP asset identified in Module 1, verify whether a valid written assignment has been executed. Red flags: IP created by a founder before incorporation with no pre-incorporation IP assignment; IP created by a contractor without an IP assignment clause in the contract; IP created jointly with a third party (academic institution, co-development partner) without a joint development agreement that allocates ownership; IP created by an employee who has since left without signing an exit IP clearance form.

2.2 Registration Gaps. For IP that is registrable (patents, trademarks, designs), assess whether registration has been obtained or applied for. Key question: is the Company exposed to competition copying registered IP? If a core technology is not patented and could be independently developed and patented by a competitor, that is a significant strategic gap. If the brand is not trademarked, a competitor could register a similar mark and create confusion.

2.3 Contractual Protection Gaps. Assess all key commercial relationships: Do all key technology suppliers, development partners, and research collaborators have appropriate IP provisions in their contracts? Do all distributors and resellers have restrictions on using the Company's brand outside the scope of their agreement? Are all customer-facing contracts clear about who owns any customisations or derivative works?

MODULE 3 — IP RISK ASSESSMENT

3.1 Third-Party IP Risk. Identify key areas where the Company's products or services may face IP risk from third parties: Does any core feature closely mirror a competitor's known patent? Has any cease-and-desist letter or IP claim been received? Is the Company using any technology that was developed by a founder at a previous employer? Is any significant open-source component used without a proper licence compliance review?

3.2 IP Value Assessment. Rate each IP asset on commercial importance: Critical (product cannot function without it — very high priority for protection); Important (provides competitive advantage but alternatives exist — high priority); Supportive (useful but not core — medium priority); and Marginal (minimal commercial significance — low priority or allow to lapse). Focus protection resources on Critical and Important IP.

AUDIT CONCLUSIONS AND ACTION PLAN

MODULE 4 — IP COMMERCIALISATION ASSESSMENT. Review the Company's IP from a commercial lens: (a) Licensing opportunities — are there any patents or trade secrets that third parties would pay to use, either in non-competing fields or adjacent markets? (b) IP-backed financing — is the IP portfolio sufficiently registered and valued to serve as collateral for a loan or venture debt facility? (c) M&A; positioning — how does the IP portfolio affect the Company's valuation as an acquisition target? A strong, clean, and well-documented IP portfolio commands a premium in M&A.; (d) Defensive IP — does the portfolio provide adequate protection against competitor attack? Are there any gaps that a competitor could exploit by filing patents around the Company's core technology?

MODULE 5 — AUDIT CONCLUSIONS AND PRIORITY ACTIONS. At the conclusion of the audit, prepare a summary: (a) Critical Issues (resolve within 30 days): unsigned assignment agreements; lapsed registrations; pending deadlines at risk of being missed; (b) High Priority Issues (resolve within 90 days): gaps in trademark class coverage; unpatented core inventions still within filing window; OSBOM not current; (c) Medium Priority Issues (resolve within 6 months): defensive registration strategy for adjacent classes; international trademark coverage gaps; IP policy updates required; (d) Low Priority Issues (resolve within 12 months): trade secret documentation updates; IP portfolio valuation refresh; employee IP training refresh.

MODULE 6 — IP HEALTH SCORE. Rate the Company's overall IP health across five dimensions on a scale of 1 (critical gaps) to 5 (excellent): (a) Ownership Clarity — are all IP assets clearly owned by the Company with no gaps? (b) Registration Coverage — is all registrable IP registered in all relevant classes and territories? (c) Policy Compliance — are all IP policies being followed and all obligations met? (d) Commercial Value — is the IP portfolio creating measurable commercial advantage? (e) Future-Readiness — is the IP portfolio positioned to protect the Company's strategic roadmap? Record the score for each dimension and use it as a baseline for tracking improvement over time. Repeat this audit annually.

CONDUCTING THE AUDIT AND IMPLEMENTING FINDINGS

7.1 Who Should Conduct the IP Audit. An IP audit can be conducted in several ways: (a) Internal audit — conducted by the IP Manager with input from technical leads and HR. Cost-effective but may lack objectivity. Best for annual internal health checks. (b) IP attorney-led audit — conducted by an external IP law firm. Provides legal privilege and expert IP analysis. Best for pre-investment or pre-M&A; audits. (c) IP consulting firm audit — conducted by specialist IP consultants who also provide valuation and commercialisation analysis. Best when the audit purpose is valuation or licensing strategy. Regardless of who conducts it, the CEO must be directly involved in reviewing findings and approving remediation priorities.

7.2 Audit Preparation Checklist. Before starting the audit, gather: all IP registration certificates and prosecution files; all founder and employee IP assignment agreements; all contractor agreements and vendor agreements with IP provisions; all licence agreements (inbound and outbound); the trade secret identification register; the OSBOM; all FTO analyses conducted in the last 3 years; all cease and desist letters sent and received; past IP audit reports (if any); and all domain name registration records. Incomplete documentation is itself an audit finding — the absence of documents highlights gaps that must be remedied.

7.3 Implementing Audit Findings. An IP audit that produces a report but no action is a wasted investment. Implementation process: (a) Within 1 week of audit completion, present findings to the CEO and relevant department heads; (b) Prioritise findings into Critical/High/Medium/Low as described in Module 5; (c) Assign a specific owner to each finding with a specific deadline; (d) Track remediation progress on a monthly basis; (e) Conduct a follow-up review 6 months after the audit to confirm all Critical and High priority items have been resolved; and (f) Use the completed audit as a basis for updating all IP policies and procedures. Document the remediation steps taken — this creates a clear record of the Company's proactive IP management for investor and acquirer due diligence.

PRE-INVESTMENT IP AUDIT — INVESTOR READINESS CHECKLIST

8.1 IP Investor Readiness Score. Use the following checklist to assess IP investor readiness before a funding round. Score each item 0 (not done), 1 (partially done), or 2 (fully done). Target score: 20/24 for Series A readiness. (a) All founder IP assignment agreements executed and on file [0/1/2]; (b) All employee IP assignment agreements in current employment contracts [0/1/2]; (c) All contractor IP assignment agreements executed [0/1/2]; (d) Core technology IP filed or assessed for filing [0/1/2]; (e) Brand trademark filed in key classes [0/1/2]; (f) Domain names and social handles secured [0/1/2]; (g) OSBOM current and clean [0/1/2]; (h) No material third-party IP claims outstanding [0/1/2]; (i) IP ownership chain is complete and documented [0/1/2]; (j) Key trade secrets documented in trade secret register [0/1/2]; (k) IP policies reviewed by legal counsel [0/1/2]; (l) No pre-incorporation IP gaps [0/1/2].

8.2 Data Room Preparation for IP. Before granting investor access to a data room, prepare the IP section as follows: create a clean, structured folder hierarchy (see IP Due Diligence Checklist — Cross-Border); redact any highly confidential trade secret details from documents placed in the data room — investors see the structure and validity but not every technical detail; include an IP summary memo prepared by your IP attorney that provides a clear overview of the portfolio; address any known gaps in a separate 'Known Issues and Remediation Plan' memo — investors appreciate transparency more than surprise gaps discovered during diligence; and brief your CEO on the IP portfolio so they can speak to it confidently in investor meetings.

8.3 Responding to Investor IP Questions. Common IP questions from VCs and PE investors and how to respond: 'Who owns the IP?' — answer by describing the assignment chain clearly from inventors to company; 'Do you have any IP litigation risk?' — describe any FTO analyses conducted and confirm no claims received; 'Can your IP be reverse-engineered?' — explain your combination of patent and trade secret protection strategy; 'What happens to your IP if you raise a round?' — explain that the IP stays in the company and is not personally pledged; 'Is your data an IP asset?' — describe your data collection, proprietary datasets, and DPDP compliance; 'Could a competitor copy your product without infringing your IP?' — answer honestly and describe your protection layers (patents, trade secrets, brand, data network effects).