

Christian LaForgia Discusses IP-Backed Finance in Above the Law

Banner Witcoff attorney Christian LaForgia was quoted in an Oct. 17 Above the Law article examining the practice of securing intellectual property as loan collateral, as well as the risks associated with it.

Christian told Above the Law that this model is gaining traction as a financing vehicle, and that the best time to utilize the strategy is when IP rights are generating revenue through licensing, patent

assertion or sales. He added, “Using IP as collateral in this sense may allow a company to further invest in building existing revenue streams into larger revenue streams.”

Christian, however, warned that the practice carries risks and recommended considering the downsides before proceeding. Among others, he said defaulting on the loan could jeopardize valuable IP rights.

The article, “IP-Backed Finance: When Using IP As Collateral Can Pay Dividends,” can be viewed online.

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