

APPENDIX

Finally, the agreement will usually have a termination, expiration, or renewal date. You will want to refer to the agreement at that time to see what key terms have been advantageous and which should be revised if you will be renewing the license.

Note that this document is not intended as a substitute for legal advice. It is essential in any technology licensing negotiation to retain legal counsel. This list will familiarize you with the issues so that you can communicate effectively with your legal counsel.

Sample Internal Term Sheet

(FOR INFORMATION ONLY—NOT AN AGREEMENT, FOR TEAM USE ONLY)

Name of potential licensor (or licensee) and contact info:

Name of team members and contact info:

Technology to be used in (name of product and/or product line):

Important dates and deadlines (e.g. manufacturing start, press release. Has development, manufacturing, or distribution already commenced in advance of the agreement?):

1. Subject matter (use specification, technical description, patent numbers, name of a work, trademark, etc. Are any standards applicable?):
2. Ownership (check ownership):
3. Related agreements (development, consulting, training, purchase, investment, service, etc.):
4. Development (Is the technology completed? Is it fully functional? If not, who will complete development, do further research, do prototypes, correct design flaws, etc.):
5. Scope of license (What rights are being licensed? Non-exclusive or exclusive? Make, use, sell, make copies? Distribute?):
6. Derivative works, improvements (Will licensee have right to change the technology or make new products based on the technology):
7. Sub-licensing (Will licensee have right to sub-license? If so, what rights will sub-licensees get?):
8. Geographic territory (Where can the licensee use the license?):

9. Field of Use (Are technical fields limited?):
10. Financial (What fees are to be paid to licensor? What royalties? Other payments? Any warrants, stock? Any minimums on royalties? Any caps on royalties? Advances by licensee? How to pay back advances?):
11. Term (For how long will the agreement last? (term of agreement). Does this depend on events?):
12. Future versions (Is there an agreement on license rights to future versions of the technology? Related products?):
13. Obligations (What obligations should the parties have other than the license? (e.g. testing, marketing, clinical trials, meeting standards, etc.)):
14. Disputes (Where settled? Who indemnifies against risk from 3rd party claims?):