

# **Technology Growth and Development Over Time**

# Future Developments

- Improvements by Licensor or Licensee
- Joint Improvements
- New products
- New patents
- Service and support
- TECHNOLOGY IS ALWAYS CHANGING!  
BUT CONTRACTS are fixed in time.

# Future Developments by Licensor

- The Problem: Licensor will often make future versions, new products, new patents.
  - Licensee wants to be able to have these, without additional cost;
  - Licensor does not want to be bound to grant these without further negotiation;
- Right of first refusal: could be illusory; waiting periods may hold up other alternative business -> right of first view!
- Licensee will generally want access to the latest, but freedom to stay with the old;
- Avoid giving license to future patents.

# Future Developments by Licensee

- Avoid any commitments that limit options to develop new products;
- Options to acquire new IP are popular - but on what terms? The terms for a right of first refusal / first view have to be spelled out.

# Future Developments: Grant Backs by Licensee

- Grant backs: when licensee must give back to licensor a license to improvements to the licensed technology. Can be mutual.
- Platform strategy often involves grant backs: e.g. Linux /Open Source.

# Service and Support:

Who will Perform, Who will Pay for, and How to share:

- Teaching and training?
- Consulting, know how?
- Corrections to defects, design flaws?
- Maintenance, telephone support? (sometimes a separate contract)
- Spare parts

# Conclusion

- Financial Terms are always related to what is licensed.
- Look for a faire share of total value of all aspects of the deal, including new products, new versions, new patents if included.
- Give both sides financial incentives for improvement and for continuation to work together.

Thank you !