

**IP Management and Technology Transfer**  
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**Lecture - 36**  
**Introduction to TT Contracts**

A very warm welcome in module 1 of week 8 of the course, Intellectual Property Management and Technology Transfer titled TT Contracts. Now, when we are dealing with that TT contract actually, its a now part of a contract act we can say. So, we are dealing with IP different acts there are 8 IP acts actually, 8 types of IPs are there and 7 statutory provisions are there in India obviously, for that IPs and then one more that is a biodiversity act is there.

Then we dealt with like a technology transfer basics and now we are dealing with a contracts which will be executed when that particular technology transfer will happen. We have already seen the different ways by which technology is transferred and whenever such kind of a transfer will happen obviously, the contract will come into the picture. So, whenever you are dealing with this technology transfer you will come across the agreement the contract actually.

There is a difference between agreement and contract we will not go into details of that just remember that you are dealing with the contracts when you are doing technology transfer you are dealing with a contract. Now, when we are talking about a contracts we have to just remember first thing that it is a relationship. And when we are doing this technology transfer that relationship must be like there will be like lot of we can say the processes or things happen before actually this contract will be executed.

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Now, we will not go into details of that what exactly will be, but the major I will just the important thing I will put here is the negotiation and during negotiation there are that its a whole detail about the discussion is there or details are there about the negotiation that how we should do the negotiation during technology transfer and all that details.

But again we will not go into details just remember that technology you are transferring from one party to other party and that particular transition that transfer actually will be kind of controlled by the legal document and that is the contract. This much as a information is good enough when you are dealing with the this technology transfer agreement.

Ok, again I have already clarified there is a difference between agreement and contract we will not go into details of that. Now, it is a relationship why it is a relationship? Because party

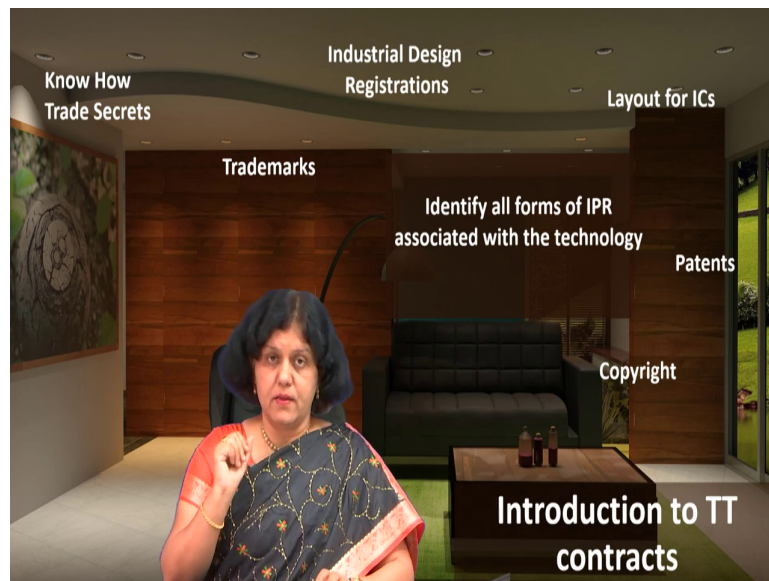
1 is giving something to the party 2 or a party A is giving something to party B and every detail of that will be written that will be documented in the contract all terms and conditions whatever are there that will be written in that particular contract.

And this is a relationship because when you are like a transferring it is expected that the technology will further groom and this growth is always possible when there is a positive relationship is there, ok. So, that is very important. So, we have to remember that there should be like we have to remember that when you are dealing with the technology transfer the both party should be happy.

Then only we will say that technology transfer will be like successful it will be possibility of it success will be more when both the parties were happier. Now, why I am saying it purposely? That when you will do the negotiation you have to take certain kind of cautions actually and when this transfer will happen you have to remember that it is like you are building up a not a legal contract kind of a thing you are building up a relationship.

If we remember that probability technology transfer success of technology transfer will be more actually, ok. Now, we will go into details of that actually. So, when we are talking about a technology transfer you can just check that it is like a different types of IPs will come into the picture because we are focusing on IP here.

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So, I will just focus on IP there are so many other things are there when you are dealing with the contract we will not able to focus on rather technology transfer we learn it as a 4 credit subject actually. And then if you see further that when we go into details of a technology transfer contract analysis and all that is again the big topic, right.

So, we will not go that much details here because we have just given two sessions. So, only one hour is like dedicated for this TT contract. So, we will try to just give the glimpses just try to give you the idea that yes there will be a technology transfer agreement and what different parts will be there and what is the focus actually. So, when you are dealing with now this IP management and technology transfer we our focus now is very much on the technology and obviously, the different types of IPs.

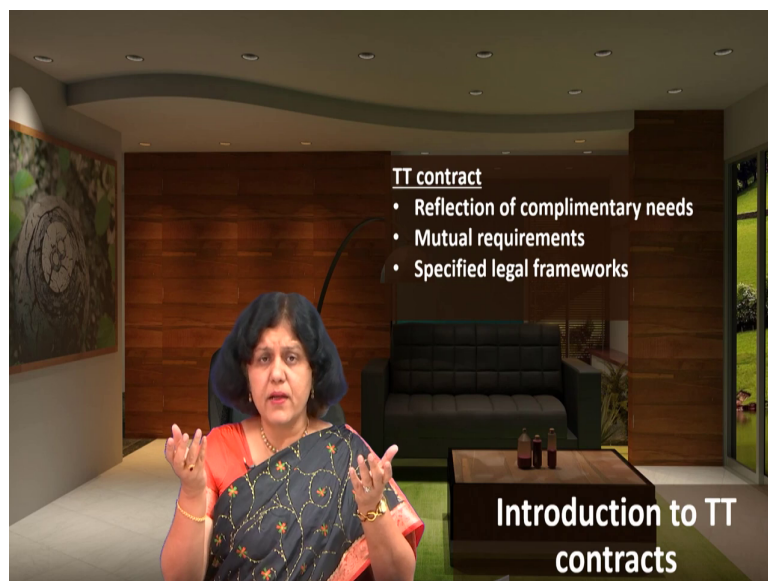
Now, you can just see here that know how is there or a trade secret will be there or industrial design will be there, layout of integrated circuit will be there, patterns, copy rights, right. So, what we have to do when we are dealing that one part is transferring the rights to other for that stipulated time whatever it may be depends on the that negotiation. We have to identify this all different types of IPs which are associated with the technology please remember this.

So, whenever you are dealing with that is this executing this particular technology transfer deal actually you are going into details of that writing agreement and then it will be like further executing. We have to remember that first we have to list down what are the different types of IPs which are associated.

So, obviously, along with IPs you can just see here that ok that layout for integrated circuit or patent copy right industrial design trademark all things are there, but there is also know how and a trade secret. That is also very important and that is rather I will say its most important thing and you have to take care how you are going to deal with the transfer of this know how or a and the trade secret, right.

So, that is we can say the trade secret and know how again there is a minor difference actually. So, dont get so, we will not go into details of that, but there is a difference ok. So, just try to list down what exactly the transfer is right related to that particular technology that is very very very important, ok.

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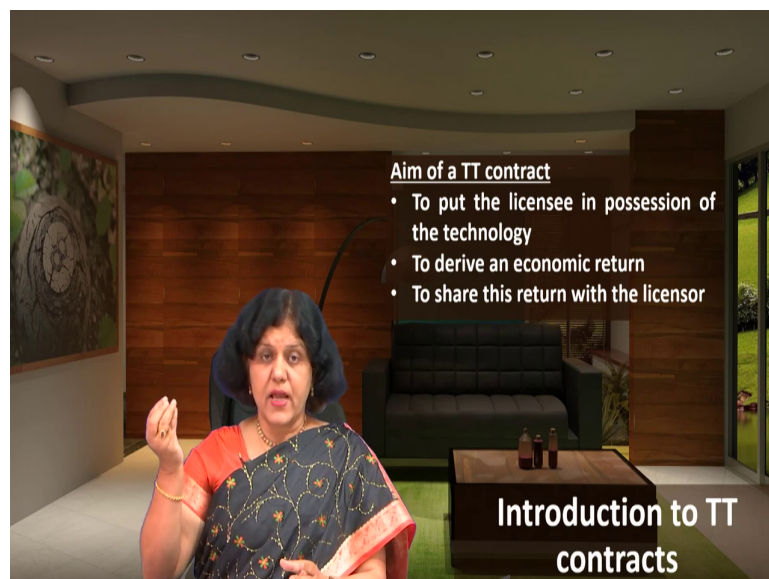
Now, next you just see here that it is a reflection of a complimentary needs the two parties there may be multi-party agreement or may be there I will just fo focus as a two parties I will just say for the convenience or for understanding. So, we can say that it is a reflection of a complimentary needs, which are satisfied by a formal contract, right.

So, both the parties are in some need and that particular need is satisfied and appropriately and equitably that particular requirements are addressed. So, it is expected that nobody should be dominant, nobody should be recessive and it will be like kind of imposed and all that if that kind of scenario will be there. Probably that technology transfer agreement will be executed that contract will happen, but success may not be there.

So, it should be appropriate equitably addressed ok and it should be within the framework of that enforceable laws actually. So, legal framework wherever jurisdiction wise scenario will change right that we have to remember where exactly the transfer is happening. If it is in two different countries jurisdiction is changing and we have to take into consideration the that specific laws of the land actually and that we have to address in the contract.

This much information is good enough its like a much more details are required, but we have to remember that both parties are in need and that need is satisfied by this particular the contract. And there it is like a one is giving technology, one is receiving what it is expected that after receiving it will further develop right. Now, if you see further what is the aim of that technology transfer agreement or a contract.

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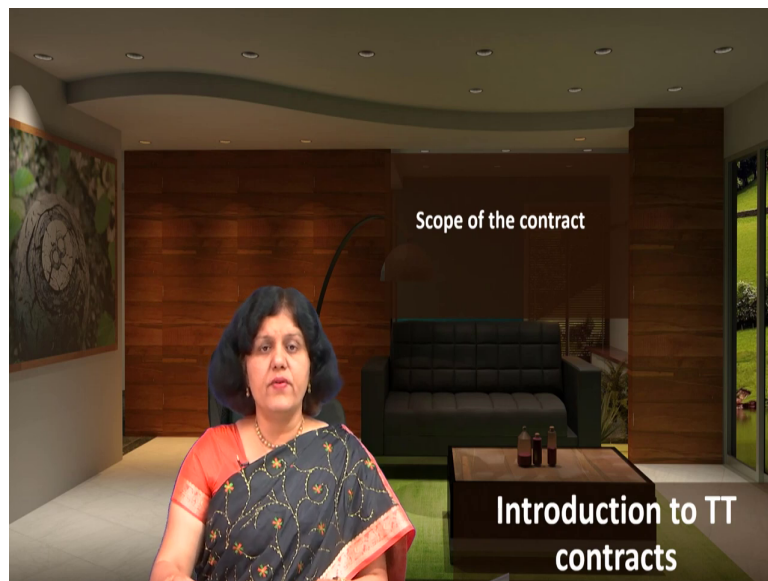


Put the that agreement in position of a technology needed to manufacture the license product to derive an economic return and to share the return with the licensor. So, one part is giving that technology expecting that technology will give that that there will be the manufacturing of the product; like license product or whatever it service may be there that will be further developed. Economic returns will be received right and that economic returns will be shared with the licensor.

So, licensor is giving to licensee, product is coming into the market product will that sale of that product will give money to the licensee, licensee will give back share to the licensor. So, this is the kind of a flow in the that complete process actually. Now, when that is and then in this flow what is happening it is a win-win situation for both licensor and licensee both are getting benefited, right.

So, this is like a we have to remember this that both parties are getting benefited and the product after selling or service after giving the return is received that return is like a shared with a that original creator that is a licensor. Now, if you see this the T T contracts whenever you are entering into you have to define the scope now. So, when you are defining that scope of that contract.

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So, what you have to do? Define all the obligations of the receiver and the knowledge transferer during and after the term. So, first thing is very important that whenever TT contract will be drafted what are the obligations on the receiving end. So, licensor is giving to the licensee or the creator is giving it to the one who is kind of now practicing it and final product or final service whatever the outcome is that will be given to the that that consumer.

So, it will end into the market. So, what are the obligations expected that is very important then whatever the knowledge it is like a transferred during that after the term of the contract will be over that also we have to define that what is the conditions during the contract and after that completion suppose that contract is for 5 years.

So, after 5 years what will be the is there any conditions to be followed by the receiver that also we have to particularly write down in the contract here only. Because many times what happens the confidential information is there and we don't want that receiver to use it further or share it or disclose it into the market although the contract is over. So, that kind of a binding we have to impose in the contract before transferring that technology, ok.

So, that what will happen receiver will understand that yes these are the cautions he has to take or these are the conditions that after the contract will be over because that may be of a limited time, but that also some conditions has to be fulfilled by the receiver. So, that must be that receiver must be aware of what and how he can use and or disclose actually delivered right, that he can use and or disclose delivered knowledge during and after the term of the agreement.

So, when we are talking about a scope of that contract during the contract, after the contract what exactly receiver is taking or gaining what caution he has to take after the end of the contract everything we have to specify in the contract, right. So, that is very important when we are talking about a scope of a contract, ok. I hope you understood.

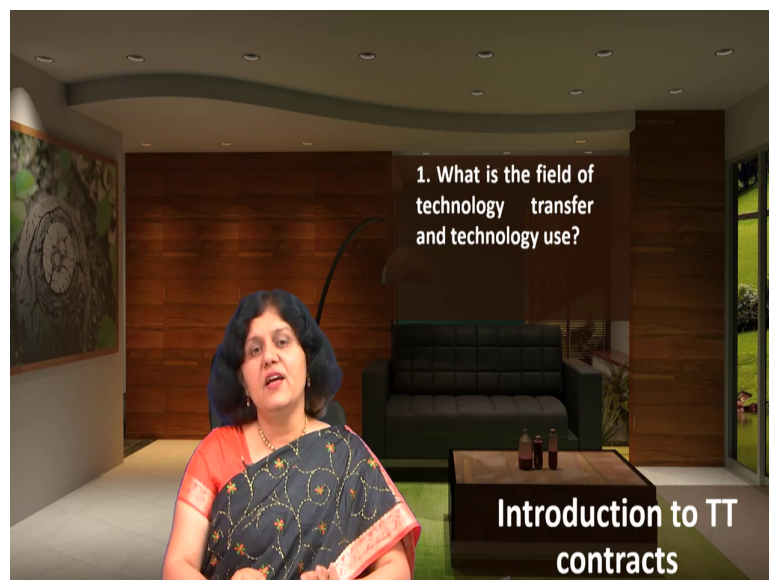
So, what first we have emphasized is like a we have first emphasized that you have to remember this it is a relationship, then we have emphasized that just make a identify make a list of the IP associated I am just taking into consideration IP there are so many other things, but we are just focusing on IP management and technology transfer.

So, I am emphasizing on IP. So, list down all that particular thing then when we are talking about a contract we have to remember that it is a complimentary need of both the parties is satisfied and it should be appropriate and equitable actually and the legal framework that enforceability of a that particular contract according to that legal terminal that legal framework is very important third important point.

Then what is the aim of that contract? That the technology is like a given to the licensor he will get some economic like return and that economic return will be shared that is a four point we have dealt now. And then fifth point we have just understood that is a scope of the contract we have to determine that obligations what receiver will have that during the contract and after the contract, ok.

So, that is very important. Now, we will move further and we will just understand what that scope when we want to say we will just go into details of that.

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So, we have now the few in the question format we have just put the what exactly you are dealing with when you are drafting TT contract this we may act as a checklist for you. So, if you are dealing with any contract the technology transfer agreement you are entering into just

see that if and we are not able to mention every point. We have just mention a few points here there are so many other points are there.

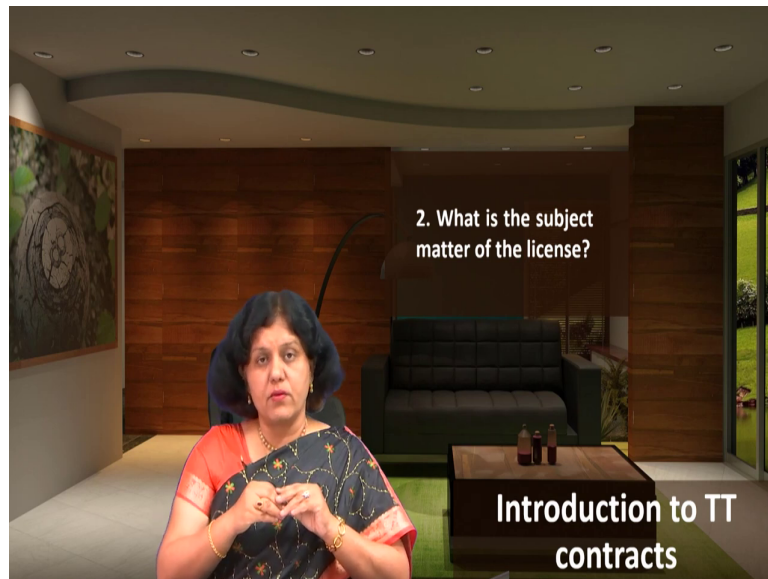
So, the first point I will just give you the that particular point and try to explain that and again explanation will be very brief and basic, but I guess that will be sufficient for you when you will start with the technology transfer agreement or a contract that execution and all.

So, what is the first thing is what is the field of technology transfer and the technology use? That field is very important because now I had just one caution that if I say that particular technology I am giving to someone and if I say that she or he should use it in a medical sector then this contract is limited to the medical sector only.

This receiver should not use it in a chemical or some electronics field he or she should not use the that content or that particular technology whatever it may be it is not allowed to use in other sector, very clear.

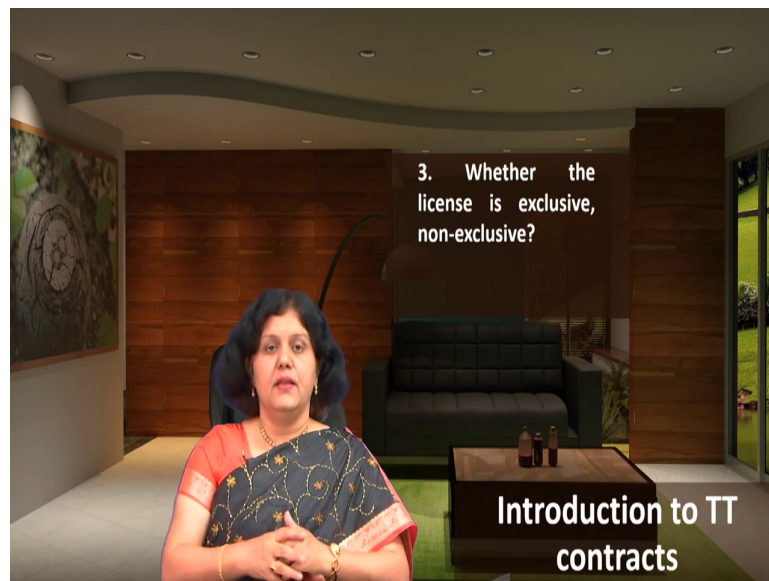
This is very very important because you are defining because many times what happen technology one technology it can be helpful in 10 different sectors. And therefore, this field is very important please negotiate it very carefully when you are dealing with a tech transfer agreement. So, you have defined now the field of technology now the next is like a subject matter of the license.

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Now, when we are dealing with the subject matter of the license what exactly you are explaining here that the within that field whatever that field is there that technology is there how the technology will be used. And therefore, that particular details you are going to kind of giving in the subject matter of the license.

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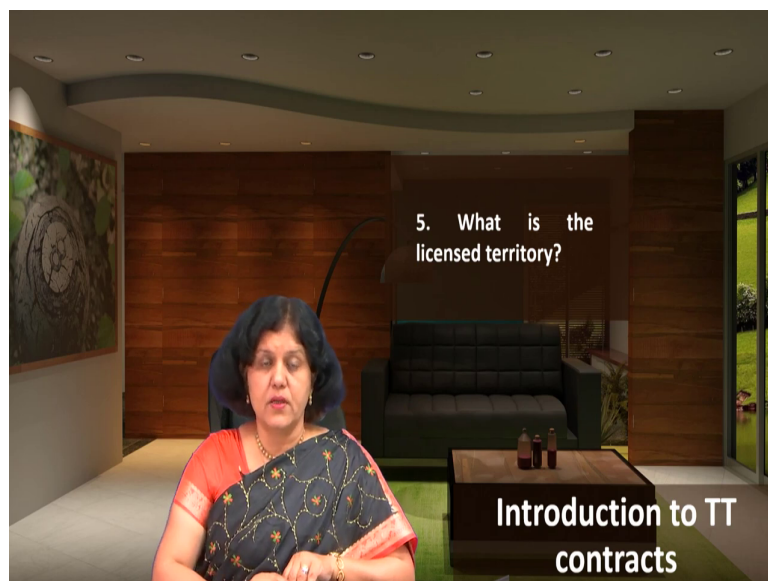
The third one is like a whether the license is exclusive, non exclusive or it is some other type of license is there that is a like sole license and other types of things are there. So, what is the type of license you are giving whether it is exclusive license or whether it is a non exclusive license that we have to very clearly mention when you are dealing with the this particular scope of the license.

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Now, the next that is a what are the license activities the fourth one is like a what are the license activities. So, whenever you are like giving that particular technology what different activities will be there considering that particular technology. So, that we have to determine that we have to specify in the agreement.

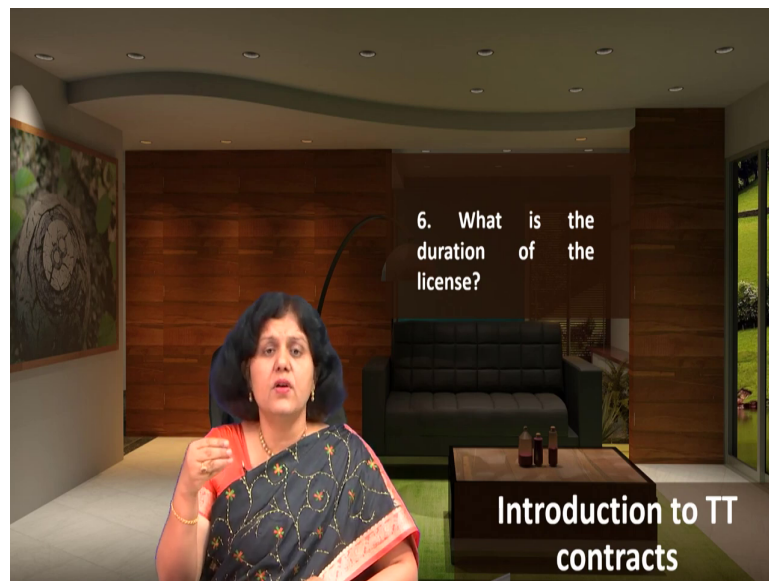
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Next is like a fifth one is a what is the license territory. So, this is again very important. So, for example, what will happen suppose you are in India and suppose you want to give the license only to specific state. Say for example, Kerala or Karnataka and rest of India you are not going to give the license to that particular entity or the party actually.

So, we have to specify or whether you are giving the worldwide license. So, technology is allowed to use worldwide or not. So, what is that territory that is very very important when you are dealing with the this particular agreement you are drafting that territory is important.

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Next the next is like a sixth one is a duration of the license. So, for what time you are giving this particular this agreement is for what is that duration whether it is 2 year, 3 year, 4 year or it is a perpetual. What is that kind of a that duration is there any kind of possibility is there.

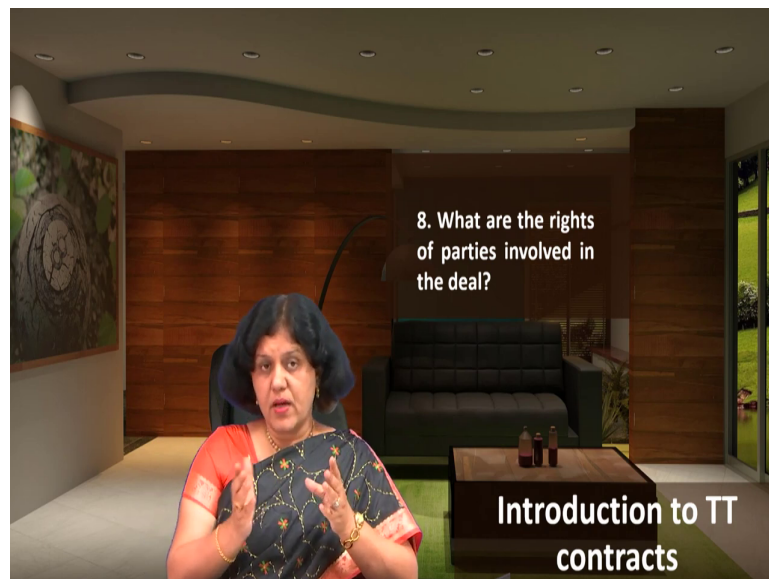
So, we have to mention that it is a perpetual license it is for 2 years, it is for 3 years, it is for 5 years generally it is minimum 3 years because you are transferring technology. So, minimum time generally it is good to have 3 years, but again it depends upon the what exactly that technology stage and all that, ok. So, that duration is very important the next now.

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So, what is the IP covered by that particular technology? We have already listed we have already taken that question. Now, we have to mention properly into the agreement ok, what are the different types of IPs which are covered by the license, ok. So, we have covered total 7 points now. Now, the next one that is a what are the rights of parties involved in the deal.

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So, what happen that you have transferred that technology 2 parties are there and everybody again it depends on whether it is exclusive whether it is non exclusive. But the what are the rights in a sense that how that particular receiver can develop, what is his scope of development what he has been allowed to do, what he has been not allowed to do that is very clear actually. So, for example, if I say what are the rights of the parties which are involved in the deal.

Suppose, some litigation comes like invalidity, somebody challenge the IP which is like already granted. So, who will deal with such kind of a litigation. So, who has a right to deal with or some patent is there. So, maintenance fee you have to give. So, who will give that maintenance fee, yearly maintenance fee. So, all these particular things we have to mention it carefully in the contract.

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The next now the 9th one is like a what are the financial and a commercial aspects of the agreement. Because you are all doing this activity and we are expecting consideration financial gain that is the IP we are doing like a for wealth for social welfare because yes sometimes what happens that you want to give it as a social benefit for the social benefit.

We have that examples also that many scientists give their patents to government for the that kind of examples are there that yes patent is freely given to the or cost like 1 rupee cost is given and government is utilizing it for a that the public we can say the social welfare.

So, that is a one example is there, but generally if you see there is a financial consideration is there. Now, again if you go into details of this there are different models actually considering this financial arrangement.

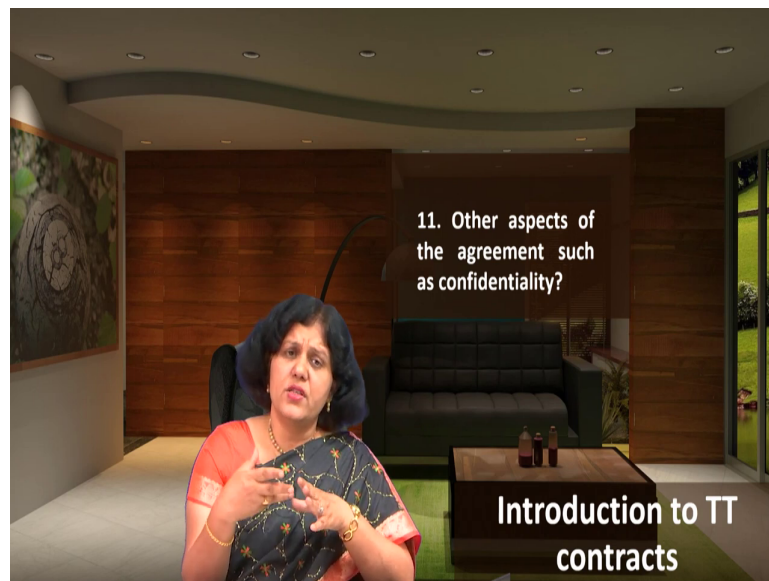
So, which model you are accepting and again it depends on the parties, it depends on the technology, it depends on the that stage of development of the technology all factors are very important. And we will not go details, but we have to consider these all factors when you are determining that financial aspect or a commercial aspect of the technology, ok.

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Next the 10th is like a what is the term of license and we have seen that duration or term actually. So, we have to very specifically we have to give that particular term. Next, then the next is like what are the other 11th point actually what are the other aspects of the agreement.

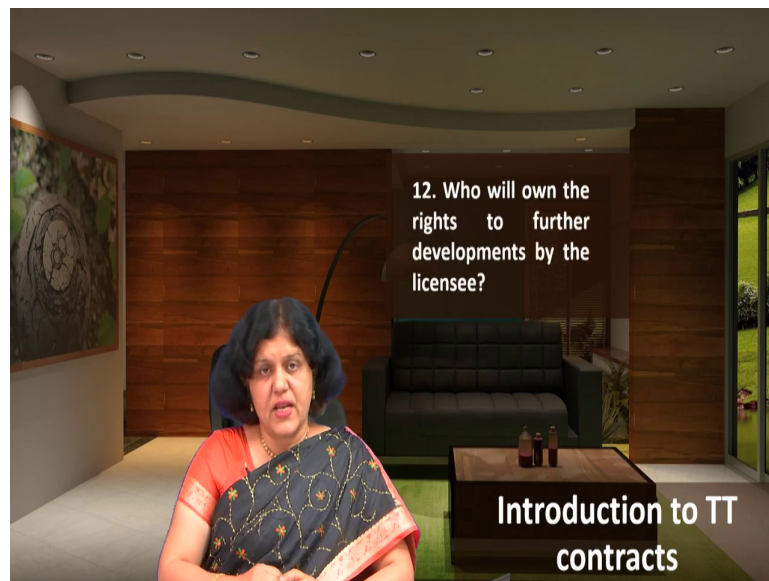
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So, may be confidentiality may be there may be trade secret, right. So, if trade secret is there especially if confidential information is there again every confidential information may not be a trade secret we have to remember that, ok. So, here we have to remember or we have to give details that what caution you are going to take related to the confidential information.

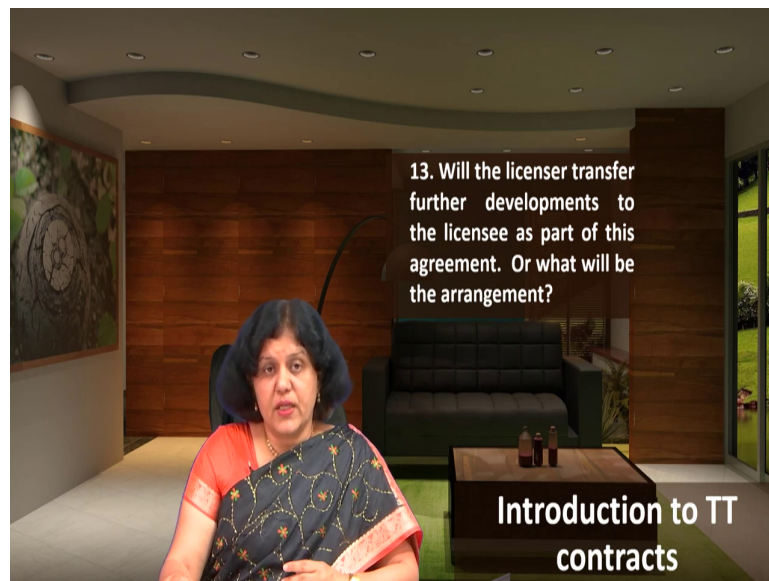
Because probably after end of this contract if it is for 5 years till why people are going for trade secret or keeping things confidential? Because they want to protect it for a years together. Because if they could take a caution to protect it they can keep it for 100 years also. So, if you want to achieve that particular thing obviously, you have to give that details what will be the obligations on the receiver end. So, that other aspects are very important 11th.

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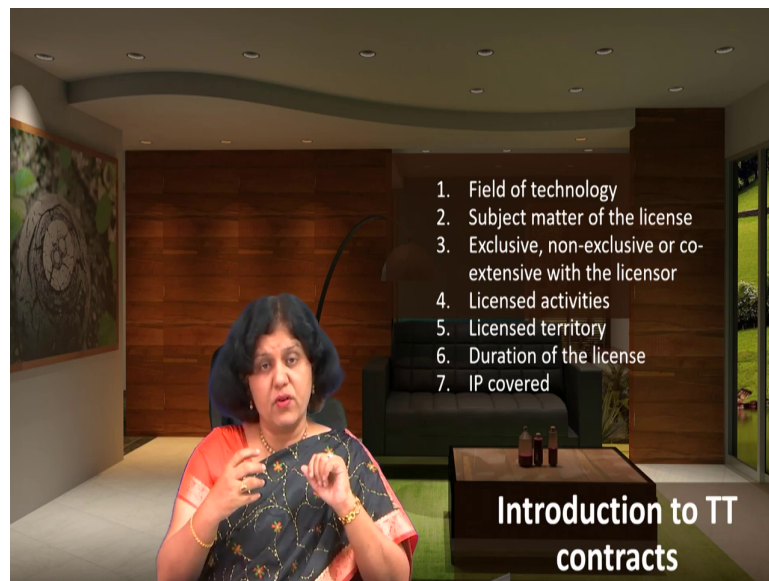
Now, the next is like a who will own the rights to further develop the license. Means whenever that technology is transferred obviously, further development will be done. Now, when that further development is there again IP will be created. So, who will own that IP whether it will be given back the rights are given back to original creator from whom the technology is received or it will not be given that grand black clauses and all that are there. But we have to just see that what is arrangement in the contract, ok.

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Next, will the licensor transfer further development to the licensee as a part of this agreement or what will be the arrangement? So, that giving back is there to the that original creator the developments the incremental changes whatever will happen or you will not give that. So, you should be very clear on that particular that particular development, ok. So, this is another important thing.

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The next is like a when you are like a dealt with all this particular types then there are so many other factors actually that ok, we have developed the technology we have just mentioned you the few factors here or few points which are related to that particular technology transfer. But now the more things like a when tacit knowledge or a know how comes is there any what kind of arrangement you are dealing with the transfer of that know how what in a sense for example, I can give you the example.

We have just seen that mobility imply mobility, right. So, whether you are supporting in that transfer by hand holding the at the receiver end whether you are helping us to like a develop that technology that hand holding will be there or not.

So, such kind of a things again that there are there and that also you have to clarify in the particularly in that agreement very clearly. And then along with this the standard the clauses of the contract that indemnity clause, jurisdiction then that preamble then the effective date all will come into the picture.

So, we have just given you the glimpses what is there in the contract and the important things actually which we are dealing when we are talking about intellectual property considering that what is important we have just given that. But this not it is a very I can say the tip of the iceberg actually because lot many things goes when you are dealing with the this technology transfer negotiation. And then that development of a draft acceptance of the draft and then the final kind of a contract.

Its a lot of lot of activities goes behind this, ok. So, if we try to understand or if you want to just take a recap of what we have seen I will say that we again I will just reiterate that we have to remember that it is a relationship. The 2nd point we emphasized is like a that listing of IPs I am just saying IPs again I reiterate that because we are dealing with IP management.

3rd thing we have to remember that both the parties are getting something. So, that the attitude or I should very clearly say that sometimes what happened that some party becomes like a dominant and some part the other party becomes recessive. And if such kind of a relationship will be there it is a relationship and if such kind of relationship is there probably there is a harm to the technology transfer. Because that technology may not develop further because of this particular situation.

So, we have to always remember and therefore, we are emphasizing that complementary need is satisfied of the both the parties. So, that is the 3rd important point we have to remember. The 4th important point is like a that economic return is there right to license who is receiving and who is like a creating both are getting the benefit.

So, obviously, the economic return is there and then the scope of that particular TT agreement is very very important whatever obligations because before starting only if you clarify everything it is easier for a receiver to appreciate the expectations.

And if they have any kind of queries they can clarify and latter there will not be any issue. So, that scope of the contract must be determined that that is very very important. So, that five these five points we have emphasized and then we have given you the idea that which are the different important we can say the points like a field of technology you can just see here.

Then there is a subject matter of the license then the whether it is exclusive or non exclusive whether the licensing activity, what type of that activity is there, what is the territory, what is the duration, what is the IP covered then there is a rights of the parties.

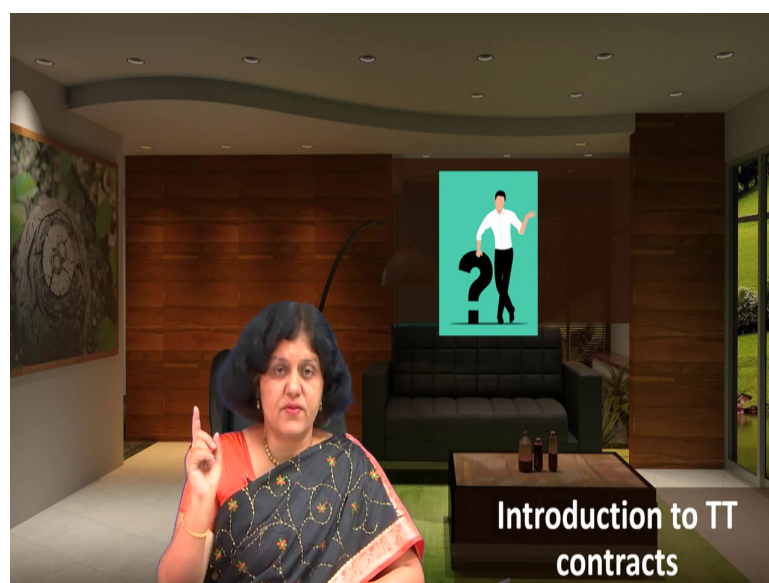
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Then there is a commercial aspect, then the term other aspects ok, which we have not covered, then rights to the further development, then the transfer of further developments. So, that the further IP creation and transfer and all. So, that all things are given then I have already clarified that know how will be there, that tacit knowledge will be there, how that will be transferred what will be the arrangement for that and few more things are there.

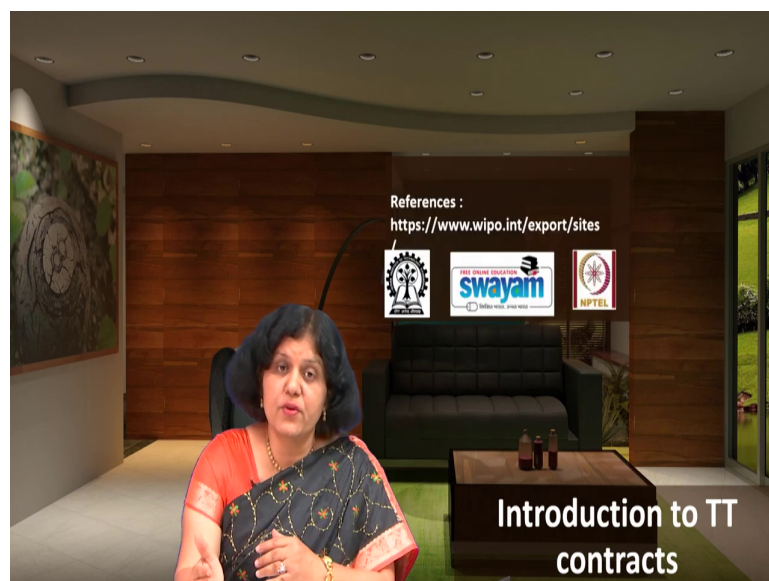
So, but this much information I guess this much is information is more than enough now to appreciate that yes, technology transfer agreement when we are dealing with we have to be very careful we have to take caution that what exactly we are transferring, what we are expecting and then the that how exactly the execution of that contract will be there, ok. So, this much information is good enough considering this TT contract we will go for the details in the next session, but here we will conclude this session and now the quiz time.

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So, what I would like to you to do? I have mentioned the exclusive and non exclusive licenses. So, can you please find out what is the understanding of exclusive and what is the understanding of the non exclusive. And there is a one more I have just mentioned, but if you could find out that other one that is fine, but just find out for the exclusive and non exclusive that is good enough, ok.

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So, with this we are coming to the end of this session. See you in the next session where we will go into further details of this TT contracts.

Thank you.