

**IP Management and Technology Transfer**  
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**Lecture - 37**  
**Structure of TT Contracts**

A very warm welcome in the 2nd module of week 8 of the course, Intellectual Property Management and Technology Transfer, titled Structure of a Technology Transfer Contracts. Now, in the earlier session what exactly we have gone through is like what is the technology transfer contracts and how exactly the what are the points we have to cover or which are the important points in the technology transfer contract.

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Now, in that what we have focused on is like you can just check here that field of technology, then subject matter of license, then what is the type of the license whether it is a exclusive or whether it is a non exclusive or whether it is a sole license, coextensive what is the type of that license we have like we have to focus on that.

We have focused on the field of technology what is we are like when we are doing the technology transfer in which field or what is that limit where we are going to focus when we are talking about that technology transfer. Then the what is the exactly we are transferring that who that who have created that particular technology and who is receiving that what is that subject matter of that technology that is the details of the technology all are covered in that particular transfer that technology transfer agreement.

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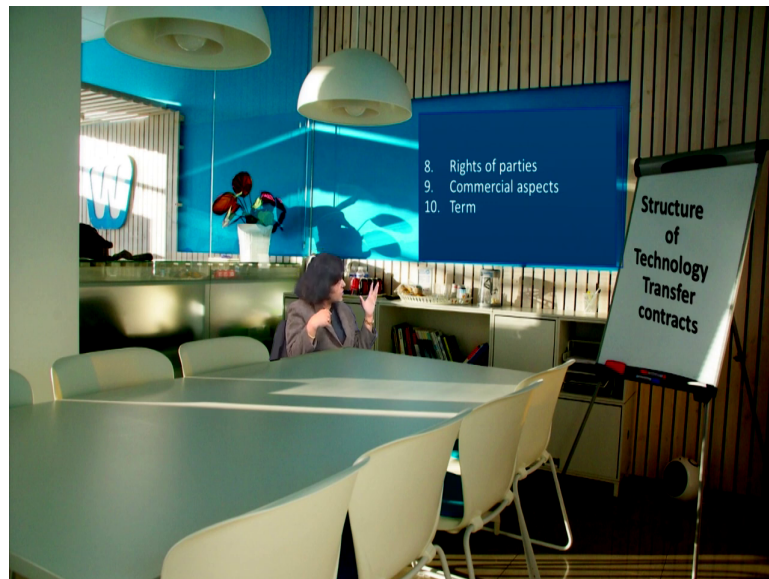


Then we have seen that next you can just check here that license activities, license territory then duration of the license that is again very important. That how many like what is a year's maybe 3 years, 4 years that duration is very important. Then what is a territory that is again important that whether you are limiting it to the particular state, whether you are limiting it to particular nation or whether you are like a giving it for the whole world that particular license.

Then you can just check there is like a which are the IPs covered means probably what will happen that there may be some pattern trademark industrial design that particular types of IPs will be there. So, what exactly you are covering in that which type of IPs you are covering in that particular technology transfer agreement.

Again; obviously, the know how will be there that also you have to consider and that also we have studied in detail in last session that what are the different types we are coupling. The next you can just say see here that who are the parties. So, we have to give the details about the parties.

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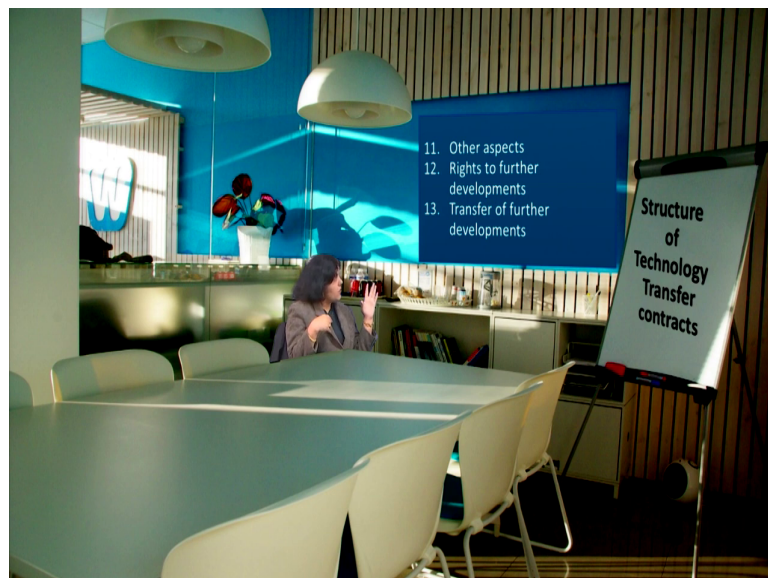


So, we are giving that details about the parties commercial aspect that is very very important when you are doing technology transfer; obviously, one part is giving that technology and; obviously, in turn that part is receiving the some consideration come some kind of a returns. So, what is that commercial aspect actually that we are like a we have seen that that is very important.

Then some other aspects which are not covered in the that particular that earlier points whatever we have mentioned if any specific if anything unique is there; obviously, we are going to give that that confidential information or further details about that after that exhaustion of that or that after that completion of a period, whether we are like a like what a caution regarding the confidential information you have to take. So, something like that may be there very specific to that particular agreement. So, we are covering that.



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Then what exactly we are covering? Then we are covering the rights to further development you can just check here that what are the further what about the rights to further development? Because when we are doing technology transfer; obviously, what is happening that there will be further development and if and there will be the further development what will happen that who will own that particular IP, which will be created.

The next is like a that if like that development will be there in absence of the creator in short; obviously, that no hand holding is there, but that the receiver end develop something whether something like a grand back policy will be there that you have to give back that development to the creator whether such kind of arrangement will be there.

So, that also you have to take care when you are talking about the that particular, we can say the that the agreement. So, we have already covered this particular points in the earlier

session. Now, we will move further and we will go into details about the how exactly that structure is there.

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So, we have already covered that what is the aim of licensing what is the scope of that what are the key issues what are the various aspects actually then we have covered the like a structure, the commercial consideration, subject matter scope of the rights term of a license all these things we have covered actually and these are the parts.

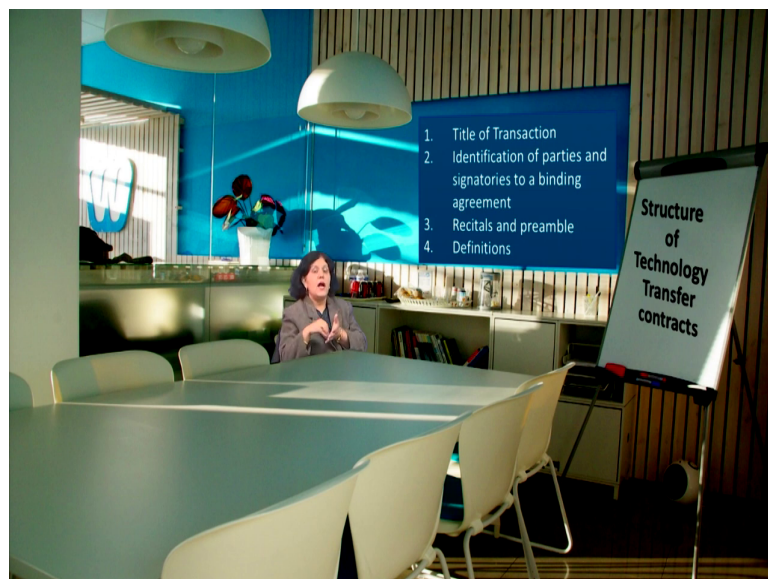
So, now we are moving into the structure of the that particular agreement or structure of that particular whatever the document you are creating there is a standard template kind of a scenario is there. So, we have seen we know that like a patent when we are talking about a patent that is the standard like a format is there, ok.

Field of invention, background is there, object is there summary is there then we are talking about a detail description drawings and then lastly we are giving the claims and the abstract. That is the standard procedure or that is a standard format we are following in the in that particular patent.

So, similarly here when we are drafting the TT contract technology transfer that agreement when we are developing, we are when we are drafting that particular agreement, we have to follow the standard guideline.

So, there are certain like a sequence is there. So, we have to follow that sequence and give the all details already what details are there we have seen, but now we have to put in the proper format, ok. So, how that format is. So, first important thing is like a title of a transaction.

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So, you can just check here that, ok. What is the title what is this transfer or what that agreement is? So, you have to give the title actually that particular document is there. So, that document must have some title actually. So, for example, I can just say when patent is there what we are doing we are giving the title to that patent system and method and all that.

Ah Further whatever you or you can just say that there is the like the machine or we can say that the cleaning machine, the writing machine whatever the title you have decided for that patent you are giving it first. Similarly, when you are dealing with this technology transfer agreement you have to give the title of that agreement what exactly you are calling this agreement. So, that is first important thing is there.

Next you can just see here it is a identification of parties and a signatories to be who are like responsible for this execution of the this particular contract. So, you have to give the details of the parties that generally you if you have seen the agreement, you give the name then you give the address if individual is there you are giving the age and then you give the residing and then you give the address.

If it is a company, you are writing the name of that company then you are like a giving the address of that company, right. So, all these details so, you are identifying the parties that A party is giving for example, B party is receiving suppose. So, you have to give the details of both the parties here and that is like a identification of parties.

And then again signatories is important we will go into that signatories in the last because this agreement will be finally, after it is drafted. Whatever the that iterations and all that thing will be there the final draft will be signed and that signature that signatories are important. So, we have to first very clearly identify who are the parties for that particular agreement.

Now, further if I want to add into this, I will just say that. So, for example, if academic institute is one of the kind of a we can say that that academic institute is one of the parties. So, it is not necessary that in the academic institute you if you give just only the name of that

academic institute it does not work many times because for example, if for example, if I want to give little more in detail if IIT is there.

Now, in IIT, within IIT so many departments, so many schools are there and then the authorities for that school or for that we can say the units for example, there is a separate unit that is a industrial that consultancy related whatever things are happening that one unit is taking care of that.

Now, if you see that here who will be the signatory? So, we have to specify that within that academic institute also suppose if I take IIT, Kharagpur if (Refer Time: 09:34) is the authority then the Dean R and D will be the authority to sign the that particular agreement or if IIT, Bombay is there and if I IRCC is there like who is taking care of that industrial consultancy and projects. And if agreement is between IIT and they say suppose the Philips or maybe Simmons or maybe any IBM or something like that ok, some industrial organization is there.

So, in that case what happens that the signatory of the IBM, and then the signatory of the IIT will be like a Dean R and D. So, generally that is a scenario in IITs actually. So, we have to very clearly identify the parties. So, when we will write down the details, we have to give all that details I mean you should be very clear that who is like a going to take responsibility. Then the next you can just see here that is a recitals or definitions are recitals is there and then the definitions are there.

Now, when we are talking about that recitals and preamble we have to give in short the background of that particular agreement. Why you are entering into this particular relationship we have already seen that this agreement is a relationship. So, why you are entering into that relationship why you are doing this contract. So, you have to give that details actually.

And then the definitions this is very important because what happen that if I am if I want to give you example what generally the one word which the meaning of that one word especially suppose you can say for example, only if I take acquisition if I say acquisition many a times what happens that acquisitions and merger the one meaning is there. And there is one some

people use acquisition like acquiring IP rights that is a registration of IP rights, but the context is totally different.

So, we have to be very clear that if whatever words we are using in this particular agreement what is the meaning we are expecting we have to be very clear about that and therefore, definition is very very important. So, for example, if we say we have already said here that we are giving the details about the that the field actually the title actually we are giving.

Now, in that title also if something you are some details you are giving field for example. So, what is exactly that field you are talking about? So, it is whether chemical engineering, whether it is a electronics, whether it is a electrical engineering. So, we have to be very clearly define the field when we say in the field or related to this field we are executing this technology transfer agreement then what is that field that definition you have to be very carefully give into this particular agreement.

So, if unfortunately, if you have to go into the court for your enforcement of rights. If some party is like you are not happy you are you are like a get the breach of contract is there then you have to go you have to use the legal means. At that time this agreement only is going to help you any other thing will not help you in the court of law. So, we have to be very careful when we are drafting this agreement, ok.

So, that definition is very important what exactly you are expecting to that particular word whatever you are using you have to be very careful about that. So, for example, confidential information so, the definition of confidential information whatever I am pursuing probably some other person may have a different definition for confidential information.

So, if you see any agreement there, they clearly define that particular confidential information or something like that. If I want to give you example what I will do I will just read for you one agreement actually you know. So, I have this agreement and I will just give you the idea that how exactly it is working.

Ah So, for example, here it is written that this is a technology transfer agreement. So, this is very clearly said at the title that it is a technology transfer agreement. And then for example, I just give you the one like idea that suppose know how they are defining the know-how. So, what the definition of know-how according to this agreement is there.

So, it says that know how means discoveries, observations, inventions know how trade secrets listen carefully I repeat again know-how means discoveries, observations, inventions, know-how, trade secrets, techniques, methodologies, modifications, improvements, work of authorship, designs and data in bracket about the data they are clarifying whether or not protectable under patent copyright trade secrecy or other laws bracket complete.

So, you just see how nicely they have defined know-how again repeat. So, that you can get a clear idea that how precisely you have to define or how detailed information you have to give in the agreement. Know-how means discoveries, observations, inventions, know-how, trade secrets, techniques, methodologies, modifications, improvements, work of authorship, designs and data and then for the data they are giving further details that whether or not that in the bracket after data they have put the bracket and they have said whether or not protectable under patent copyright trade secrecy or other laws.

So, they are very clear that whatever information that know how is that list they have given probably they can the this list or they that can be covered under IP laws like patent copyright, trade secret, but there may be some other laws also and again they are clarifying it may be covered or it may not be covered by the laws and then whether or not protectable. So, they are very clear on that.

So, we have to understand that or work of authorship such a broad term they have used. So, why when we say work of authorship whole copyright act is coming into the picture, right. So, everything like a when they have said this definition, they have covered everything in the know-how.



So, very very nicely drafted we can say. So, this is how the definitions are drafted and if this agreement is there if they have very clearly said this agreement is between the RTI that realm therapeutics. And then there is a the that that they have kind of a given the short form for that like RTI and there is the licensure is Bakir Mr. Bakir who is a licensure. So, the this agree and then the date of the agreement.

So, I just given you the glimpses of that technology transfer agreement, but you can just whenever you will get chance we will try if possible to host this document on the website there on the this course website reading material so, that you can just go through the details of this particular agreement, ok.

So, I hope this point you are able to appreciate that how detailed or how we can say the carefully we have to use the terminologies when you are drafting the agreement. We will move further and we will get into that what exactly further means after definitions what is there actually in the that particular technology transfer agreement.

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So, here you can just check here that there is like after this definition there is a period of agreement you can just check here that there is a period of agreement, warranties and representations from both sides then description of rights, licensor's and licensee's obligation. I will just focus on that and then we will go further into that actually.

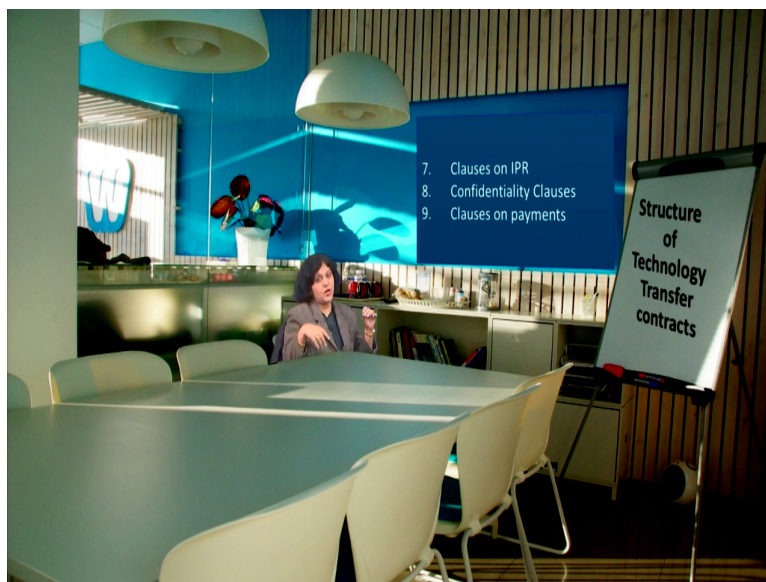
So, we can just we have already discussed period of agreement. So, whether it is for 1 year, 2 year, 3 year or perpetual that is very important. So, that is a period of agreement warranties and representations from both the sides what exactly you are like ready to give that as a warranty or representations that we have to be very clear actually means it is like related to technology.

If any litigation is there unfortunately if any litigation is there or some requirement is there some details are required or some technology related details or working of the technology is

there what exactly the both parties are ready to share that warranties and representations are very important.

Next is like a description of rights that ownership right then who are like we have already seen that it is a technology transfer further development will be there further IPs will be produced further technology will be advanced. So, in that case whatever IP will be created who will going to own that rights all things we have to be very clear on that when you are drafting this agreement.

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Next is a licensors and licensees obligations actually. So, for example, the obligations if you see the only the sixth one the earlier one only, we will cover first and that in that like licensors if you just check out here the licensors and licensees obligations are. So, for

example, if any unfortunate event happen the litigation comes then what obligations at that time licensor will have and what obligations licensee will have.

So, considering the data sharing, considering the code proceedings, considering the prosecution related part if any government inquiry comes who will kind of take responsibility for that sharing of the data, everything we have to be very clear in the agreement, right.

So, that obligations or if any confidential information is shared what licensor is expecting from the licensee or what licensee is like expecting from licensor. So, that whatever obligations are there both party should clarify that and that also should be covered into the agreement, ok.

So, this is a sixth point actually, ok. So, we just covered we just covered this title then this table of content sometimes it may be there sometimes it may not be there. Then there is a identification of parties preamble is there definitions are there and then we are just talking now about this period of agreement warranties, representations then the description of rights licensors and licensees obligations what are there so, we are covering that. Next now, we will move further then what about the clauses of this IPR, right.

So, in some cases clauses related to right of first refusal. So, that is also important like who will like have that right of first refusal. So, that is again we have to be very very clear about the IPR that clauses. Again, the whether you are going into the IP protection whether you are going to go for open like innovation kind of scenario. So, open source software and all that thing if you are having that kind of approach whether both parties are agreeing to that that should be very clear.

If you are going to go for the patent filing who will be the inventor who will be the assignee that is again very important that whatever new development will be there who will be the assignee the licensor or a licensee or it will be a joint everything we have to decide now only. So, this may happen maybe after 3 years maybe 4 years, but we have to kind of be ready with

the possible situations which are arising in the future all things we are covering in the agreement actually.

So, that clauses of that IPR we have to be very very careful I will say because revenue sharing and then the ownership issues, we have to be very careful here, ok. Next is a confidentiality clauses that when we are dealing with the confidential information and all how exactly you are dealing with that confidential clauses. Then the clauses related to payment we can say.

So, here you can just and try to understand that how you are going to do the consideration related transaction whether it is a equity, whether it is a lump sum payment, whether it is like in a particular slabs or whether it is like on a net sale, whether it is on a cross sale, what is your understanding about that. And there are so many different models are there.

So, we have to be very careful about that clauses of the payments because this is the finance finances will come and we have to be very careful, ok. So, we have to be very careful how exactly the payment will be there and generally with the dates and all everything will be generally given into the that particular agreement.

So, let me see that if I can give you some more information to go through means this document and I can give you the some for example, IP related clause I will just read that one clause. So, it is very small clause is there what it says RTI shall be responsible for payment of maintenance fees for US patent dash dash dash that become due after the effective date.

So, we know that after the patent is filed, we have to take care about that post grant formalities are there in that form 27 is there in India then there is like a maintenance fee you have to give. So, here it is very clear they are talking about a US patent it may be in various jurisdiction whatever it may be they are very clear that maintenance fee will be given by the RTI who is receiving the technology. Licensor is not going to give the maintenance fee. So, that is very clearly said here.

So, there is no question of we can say the ambiguity in the latter that maintenance fee is not given. So, patent is now in the public domain such kind of scenario and then the related

dispute will not be there, ok. Or a the assumptions that licensor will say we assume that you are going to take responsibility of that maintenance fee that assumptions never work in this kind of agreement, ok.

One more clause I will read because that is very interesting actually if ha read just listen carefully if either party learns of any actual or threatened infringement actual infringement or a threatened infringement. Now, I will not go into details of what is actual infringement and what is threatened infringement these two are like a big discussion is we can do on this particular word actually what is actual infringement and a threatened infringement. So, we have to appreciate or we have to understand this terminologies.

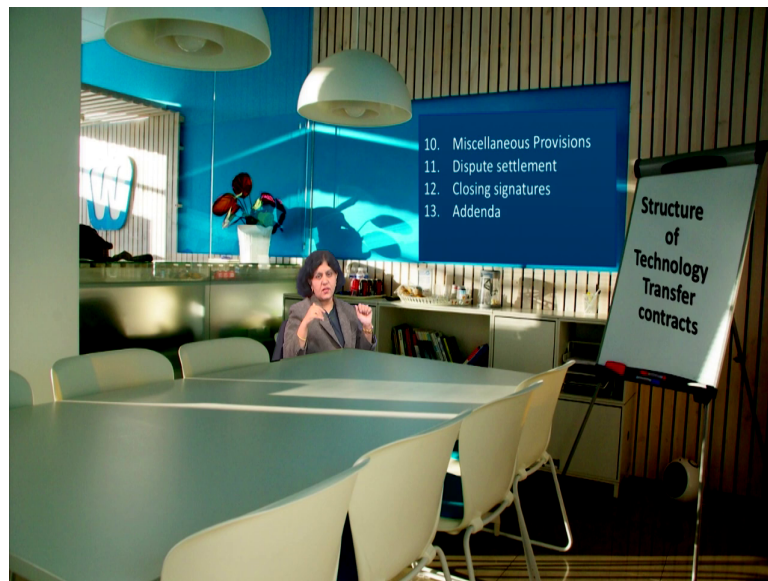
So, what it says if either party learns of any actual or a threatened infringement or misappropriation or any attack on the validity, claim validity or enforceability by a third party with respect to licensor patent rights and the licensor IP in the field. So, field they have defined already and they are talking about patent and then other IP, ok. Such party shall promptly notify the other party and shall provide such other party with available evidences of such events.

I again read again read just listen carefully it is a; it is a very much we can say such information is like a if you go on deliberating on this there will be a kind of a 3-4 hours easily you can like deliberate on this particular point what it says. If either party learns of any actual or threatened infringement or misappropriation or any attack on the validity or enforceability by a third party with respect to licensor patent rights and the licensor intellectual property in the field.

Such party shall promptly notify the other party and shall provide such other party with available evidence of such particular event. So, you can just see that it looks like these are the four lines, but you can just see that how they have covered actual infringement, threatened infringement, misappropriation, invalidity and then enforceability issues, ok. So, all things they have covered.

So, this agreement is a wonderful agreement if you go on details of this agreement you will understand that how carefully that draft is created, ok. So, this is the point what we are talking about the clauses that is the confidentiality then the that payment related issues whatever are there, how you are going to handle everything is like a covered in the agreement.

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Next, we will move further what next is there, the miscellaneous provisions such as like if I want to give you example of that miscellaneous provisions there will be non-assignment, good faith, best efforts, waivers, securities and pledges, liabilities, damages or non-performance or if there is a breach of that contract, force measure, termination of this agreement right, extension of this agreement, then survival clauses, litigation, expenses and so on.



So, I hope that few words probably you may not terminologies may not be knowing, but we have to whenever you will enter into this technology transfer agreement, we should be aware of all these terminologies, right. So, we can just say that when anybody is drafting that technology transfer or doing the negotiation for that technology transfer, I can say that minimum 30 years of experience in the field is very important.

And field in a sense here, field definition of agreement I am not talking I am talking about the you should know the technology which is transferred carefully. You should know the IP laws, you should know the law because contract law then if India scenarios there CPC, CRPC, Limitation Act ok.

Then any environment related that policies are there, regulations are there, everything we should know because whenever we are dealing with this kind type of a technology, if you are not aware about that particular provision probably this agreement will not be like a full proof, ok. And you should know the negotiation also.

So, it is like a very skilful job actually when we say that technology transfer agreement drafting it is a big challenge because one word you make a mistake and there will be the problem. So, again I just give you few examples that when we are talking about a miscellaneous provision you have to talk about the good faith maybe best efforts means then the securities and pledges, liabilities and damages ok then there is a non-performing means non-performance if there.

You have given patent right, you have transferred the rights of a patent, but if that patent does not work what will be the other party will do, breach of contract what is the provision, right. If you want to terminate this contract after 2 years what will be the repercussions, how you are going to terminate it.

So, all things we have to be very careful that it is not like you are like a suddenly say that no I want to like take back I want to withdraw from this particular relationship because you have and therefore, the word relationship is very important.

It is like a you just imagine the situation and the complexity of this particular technology transfer agreement, you are transferring something, which is very secret probably some confidential information is there know how is there. And then that skills are there you are training somebody you transfer to the other party and suddenly that other party says that no we want to terminate this particular contract, how it will work?

So, we have to be very careful about the termination clauses right, maintenance, extensions if you have you feel this technology transfer will be complete in 3 years, but if not what will be the provision, you have to extend that thing, right. So, what is the provision when you will do the extensions?

And extension unnecessary also you will not allow because again the market competition and all kind of scenarios are there. So, we have to be very careful when we are dealing with this particular thing, ok. Then next is like a when we are like covering this miscellaneous then next is like a dispute settlement.

So, when we are talking about a dispute settlement what exactly it is that there whether you are have a arbitration provision whether you have clarified the jurisdiction of a court because you have to be very careful that in the agreement in the that particular contract only you have to define that if unfortunate event happen. If you have to go into the court, which court will have the jurisdiction? That should be very clear.

Then because when you are filing the case in the court you have to prove that yes this court has a jurisdictions. So, your contract should be very clear talking about this jurisdiction of the court. Applicable laws, which are the applicable laws we should be very clear about that, ok.

The next is like a closing signatures, I have already a given you information that you are very and the first place you are defining the parties. So, when parties are defined what happen? That you have to give the details of the who will be the signatory. Now, again I will give you the same example. So, for example, this Dean R and D is the authority in that particular that agreement suppose I am taking example in the academy in the IIT.

You go into any IIT there is a separate centre for this projects and industrial consultancy and Dean R and D is authority. And again, the scenario is like that it is very standard procedure that Dean R and D is a signatory for this particular whatever the technology transfer related contracts are there.

And it is very clear and it is very important that, ok. After every 3 years generally the Dean R and D there may be change actually of his whole that the whosoever is Dean R and D is there even ever his term will be completed that will be like new Dean will come. So, whether it is mandatory, but mandatory that person only will sign no you have to write down Dean R and D. So, it is authority.

So, when we are talking about a company you write ok director of this unit. So, that director may change, but that authority you have very clearly mentioned there. So, whatever happens so, if term is completed that person is now not associated with the that institute still the we can say that as that authority has we have like given that general we can say the understanding is a ok Dean R and D director, ok. So, these authorities are already there, right.

So, these the that signatures when they sign that date and place whenever there is there this institute have the whole responsibility to take care of any kind of unfortunate event if happen that will be the responsible institute and the whosoever is holding that position will be responsible to handle that matter and resolve, ok; so, that is very important actually so, you have to be very careful when you are dealing with this closing signatures and all.

So, this is a institute example I have given if it is a individual you have to be very careful that. So, for example, in this case Mr. Bakir is the licensor. So, he is a signatory actually he is a signing authority here. So, again this is a perpetual if you go into details of this license actually this agreement is a perpetual license.

So, what will happen up to that there may be chances that there may be some trademark there may be some IP rights, which are trade secret and all that which we if you keep the proper, we can say the cautions you have taken it is a perpetual kind of a thing right there is no limit. So,

in that case the heirs of that Bakir will have the rights to take it further. So, that also we have to remember when we are drafting this agreement, right.

So, that closing signature then date, place then the signing of that agreement that effectiveness of that agreement everything you have to be very clear about that, ok. And after that after doing all this caution all these points whatever we have discussed you have written still if something like a point is like missing and all that thing then addendum or addenda is there. So, that you can add that particular points additions you can do. So, the clause related to that also you have to be very carefully you have to put into the that contract.

So, that because we never know that when the project goes on it is a like you are moving into the dark and technology transfer happen. We have we have already seen that something you are entering into the like a next step which probably you are not aware about and then while doing that some problems may arise. So, at that time what will be the solution for that and therefore, that is very important.

So, you can just check that what we have covered is like a that title, then table, then identification of the parties then the recitals and preamble then definitions are there, then period of agreement is there, then the clauses related to IPR confidentiality clauses are there payment related clauses are there miscellaneous provisions are there, dispute settlement is there, then there is like closing signatures and addenda is there.

So, when you will cover all this particular points that will like a and you are thinking about next 10 years, now only what will happen right. And again, I can just say that you have to be very careful when you are drafting and this will be very specific to that situation one template it may be customizable, but that clauses may not apply to another technology transfer agreement.

Party changes, technology changes, government policy changes the administration changes everything will affect on your work that technology development. And therefore, what will happen you have to be very careful when you are drafting you have to take all these points into consideration and you have to draft the agreement in considering all that points. So, I

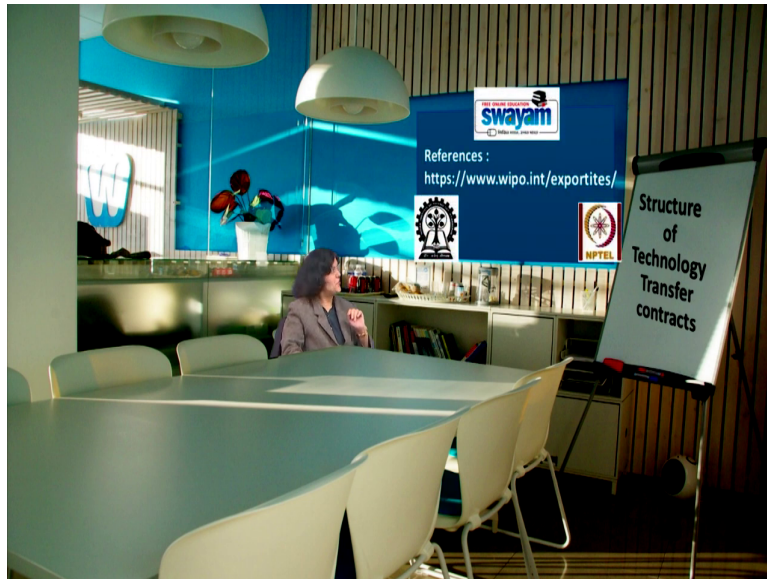
guess this much information is good enough for you to like understand the structure of this particular we can say the technology transfer agreement, right.

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So, now the quiz time actually, ok. So, what I suggest you that out of that parts or wherever we are dealt with the structure of that particular like that contract just write down a 5 we can say the parts just like we have seen almost 13, 14 points actually just these 5 points you write down into the that comment the comment box below, ok. So, what are the 5 points which are covered in the technology transfer agreement, ok.

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So, with this we are coming to the end of this session see you in the next session.

Thank you.