



Strengthening
University-Industry
Partnerships

You Want What?

Examples of unusual or even inappropriate contract terms

❖ Overbroad or unclear definitions

- “Affiliates”
- “Noncommercial use”
- “Intellectual Property”
- “Data”
- “Results”

❖ Undefined Costs

- To be invoiced as needed
- Monetization of results

❖ Overbroad or misplaced assignment of liability

❖ Controlling law

- Performance of contract
- Contract disputes
- Alternative dispute resolution



Definition of Affiliates

“**Affiliate**” shall mean and include with respect to any Party, (a) an organization that directly or indirectly controls either Party; or (b) an organization that is directly or indirectly controlled by either Party; or (c) an organization that is controlled, directly or indirectly, by the ultimate parent company of either Party, **except with regard to COMPANY that X Pharmaceutical Co., Ltd (“XPC”) and its subsidiaries shall not be considered an Affiliate of COMPANY unless and until COMPANY provides written notice to PARTY specifying XPC and/or its subsidiaries as an Affiliate.**

Control as per (a), (b), and (c) is defined as owning greater than fifty percent (>50%) of the voting stock of a company or otherwise having the power to govern the financial and the operating policies or to appoint the management of an organization.

Monetization of Results

Results” means data and reports generated in performance of the Project, but excludes Inventions and Software

The Parties will provide Results to the other Party as described in the SOW. The Parties may use the Results in any way and for any lawful purpose consistent with this Agreement, provided that, if Company uses any Institution “Results” in any regulatory filing, which filing results in the approval of a product or service or improvement of an existing product or service, and such product or service achieves a first commercial sale, then Company shall notify Institution of such first commercial sale within thirty (30) days and shall pay to Institution a one-time fee of \$50,000.00 USD within thirty (30) days of such written notification.

Why does this happen?

- No understanding of project objectives, roles and responsibilities
- Lack of familiarity with other party – structure, size, objectives
- No experience negotiating
- Overreliance on common, previous models
- Lack of awareness of what's a reasonable expectation
- Multinational/international legalese, culture
- Unusual contexts
- Communication barriers/no access to the expert
- Inflated expectation of value of outcomes



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Thank You!

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Let's discuss