



TABLE OF CONTENTS

	PREFACE	5
	ACKNOWLEDGEMENTS	7
	ABOUT THE MANUAL	10
1.	INTRODUCTION - WHY LICENSE?	13
	HOW DO COMPANIES BECOME AND REMAIN COMPETITIVE?	14
	IS LICENSING THE RIGHT STRATEGY?	17
	SELLING VERSUS LICENSING	17
	ADVANTAGES OF LICENSING	19
	DISADVANTAGES OF LICENSING	20
2.	PREPARING TO LICENSE TECHNOLOGY	21
	DUE DILIGENCE	21
	PATENT INFORMATION	23
	<i>What is Patent Information?</i>	23
	<i>Using Patent Information</i>	25
	<i>Content of Patent Documents</i>	27
	<i>Access to Patent Information</i>	29
	KEEPING CONFIDENCE	30
	MEMORANDUM OF UNDERSTANDING (MOU) OR LETTER OF INTENT	31
	DISTRIBUTORSHIP AGREEMENT	31
3.	How MUCH IS IT WORTH?	32
	VALUATION OF TECHNOLOGY	33
	<i>Cost Approach</i>	34
	<i>Income Approach</i>	35
	<i>Market Approach</i>	36
	<i>Other Criteria</i>	39
	<i>Concluding Comments</i>	41

4. OVERVIEW OF A LICENSING AGREEMENT	42
SUBJECT MATTER	44
EXTENT OF RIGHTS	46
<i>Exclusive, Sole or Non-exclusive</i>	48
<i>Most Favored Licensee</i>	49
<i>Territory</i>	50
<i>Sub-license</i>	51
<i>Improvements</i>	52
<i>Technical Assistance</i>	54
<i>Term</i>	54
COMMERCIAL AND FINANCIAL CONSIDERATIONS	54
<i>Lump Sums</i>	55
<i>Royalties</i>	56
<i>Royalty Variables</i>	58
<i>Inflation</i>	63
<i>Financial Administration</i>	64
<i>Infringement</i>	65
<i>Product Liability</i>	67
GENERAL CONSIDERATIONS	68
<i>Representations and Warranties</i>	68
<i>Licensor and Licensee Obligations</i>	71
<i>Waiver</i>	72
<i>Force Majeure</i>	72
<i>Anti-competitive Practices</i>	73
<i>Government Regulations</i>	73
<i>Disputes</i>	74
<i>Implementing the Agreement</i>	77
<i>Expiration and Termination</i>	79
CONCLUDING COMMENTS	81



5.	NEGOTIATING GUIDELINES AND TIPS	82
	THE PROCESS OF NEGOTIATING A LICENSE AGREEMENT	82
	<i>The Preparation Phase</i>	82
	<i>The Discussion Phase</i>	84
	<i>The Proposing and Bargaining Phases</i>	84
	THE GOLDEN GUIDELINES OF NEGOTIATION	85
	ANNEXES	
I	INTELLECTUAL PROPERTY RIGHTS	88
	<i>Patents</i>	88
	<i>Trademarks</i>	90
	<i>Industrial Designs</i>	90
	<i>Trade Secrets</i>	91
	<i>Copyright and Related Rights</i>	92
II	A. HEADS OF AGREEMENT	95
	B. STRUCTURE OF A LICENSING AGREEMENT	98
III	“RATE THE NEGOTIATOR” QUESTIONNAIRE	99
IV	ACHIEVING AGREEMENT	106
V	EXAMPLES OF AGREEMENTS	108
	<i>Confidentiality or Secrecy Agreement</i>	108
	<i>Letters of Intent or Memoranda of Understanding</i>	111
	<i>Standstill and Related Agreements</i>	111
	<i>Research Agreement</i>	116
VI	CASE STUDIES	123
	A. <i>A Method for Coating Microscopic Components</i>	125
	B. <i>A Vaccine for Treating Tuberculosis</i>	140
	C. <i>A Process for Reducing Copper Emissions</i>	158
VII	ILLUSTRATIVE WORKSHOP PROGRAM	173
	SUGGESTED FURTHER READING	176