

# Topic 21: How to Close a Deal

## RTTP Certification

WIPO

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# What to Say to companies?

- NOBODY CARES WHAT YOU HAVE. They only care about what problem of their own you might help solve. Sometimes, they are interest in the research expertise in the lab, not the particular technology invention.
- - Often the research is 5 years ahead of the company ability to use research to solve their problems.
- - Before you can talk about the research, identify a potential Product or Service that your research might be turned into, to solve a problem – the Value Proposition
- - Need to find Business development or University liaison officer in very large companies. The smaller the company are the closer you need to talk with CEO. Stay away from the legal counsel in the company.
- - Big firms have a process of not talking until you have a patent application filed.
- - When you find the right person DO NOT TRY TO SELL THEM the technology. Rather, ask them if they will spend 10 minutes with you to help you understand why your invention might be important in the field. Ask them to educate you. They may say they are not interested, so ask if they know a company who might be interested - they may give you a lead. If you are a university student, even a PhD, most companies will be happy to talk with you as part of being a good corporate citizen.
- - In the Business Development or Licensing community, if you are a member of AUTM or the Licensing Executive Society (LES) Associations this company contact may be as well. If so, they WILL talk with you from a professional courtesy viewpoint

# How to close a deal.

- If you suggest to send information on the research, it must be non-confidential , so create a 1 pager like those at <http://technologylicensing.research.ufl.edu/>.
- [If they are interested you /they may sign a mutual confidentiality agreement before the next step to send them a package of RELEVANT confidential information i.e. faculty publication in draft form, patent application\(s\) submitted \(omit claims always\); interesting experimental results not yet ready for publication. etc.;](#)
- Find out what the companies approval process is, who is involved and what the likely timeframe is - tell them you you will be happy to set up a visit or a SKYPE for further info.
- Many times if a company visits, they are really impressed with your people and equipment and are interested to sign a research collaboration deal to work together to understand the technology.

# Closing a Deal - the Documents

- Marketing 1 pager like - [http://technologylicensing.research.ufl.edu/.](http://technologylicensing.research.ufl.edu/) ;
- [Mutual confidentiality agreement](#);
- [Confidential Marketing Package \(see above\)](#);
- [Evaluation License \(if you have a compound, the company may ask for samples to see if they can reproduce your results in their own labs. Most companies you can trust, ask others\) - such Eval Licenses exist at the AUTM website or the AUTM TTP Manual](#);
- [An Option Agreement - 2 pages, or an Option clause as part of a research collaboration agreement, then finally](#)
- [a formal License - see samples.](#)

# Closing a Deal - Timing

- Getting to find one interested company and having them do an Evaluation takes 6 months. Add another 3-4 months for deal document negotiations. The whole relationship can fall apart at any time, so you need to be the person driving the train of keeping all people focused on actions to attempt to close a deal.

# Closing a Deal

- Remember:
- At Stanford and MIT, a hot property is when 2 companies express an Interest
- Proceed in a manner willing to share the risk and wait for the reward, but with the Company taking 95% of the Risk and 95% of the Reward.
- Inside the University keep all Parties (senior management, researchers and TTO informed as negotiations proceed

# Closing a Deal

- Ensure that Deal documents are signed by the correct signatories.
- Ensure that all the paperwork is in place for the University to assert that it has the authority to sign the Deal.
- Once signed, ensure that all Parties receive a copy of the Deal documents.
- Ensure that someone in the TTO staff calendars all the agreed to deadlines for Reports and Monies to be paid.

# Closing the Deal

- As the Deal is moving to conclusion, the TTO staff are responsible for ensuring that all Parties are moving the deal agreement forward as it can fall apart for many reasons.
- Once the Deal is signed, the TTO staff is responsible for ensuring that each Party is indeed doing the work that they agreed to do under the Agreement.



# Closing the Deal

- Remember the TTO is responsible for Awareness, Education, Outreach,
- Receiving and Evaluating Disclosures (Invention, Software and Copyright protectable works),
- Identifying Licensing Strategy,
- Marketing, Negotiation,
- Closing the deal and
- **ADMINISTERING THE DEAL AGREEMENT TERMS.**

# THANK YOU

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