



### SOME KEY ISSUES TO BE NEGOTIATED<sup>10</sup>

#### KEY TECHNOLOGY ISSUES

Partners need to resolve:

- Questions of ownership of technologies developed by the alliance
- The rights to use and market:
  - technologies to be developed
  - technologies from outside sources
  - core technologies
- Division of royalties if a partner markets technology or products based on technology developed by the alliance
- Ownership and rights to use improvements in the technology
- Decision-making procedures concerning products based on new technology
- Legal rights involved if a third party infringes on technology developed by the partnership

#### IMPORTANT MARKETING ISSUES

Key issues to address are:

- Who decides what the product will be?
- Who designs the product?
- Who chooses the product name?
- Will you share advertising or marketing campaigns?
- Who decides on improvements or new additions to the product line?
- Who is responsible for warranty obligations?
- Who is responsible if a customer is injured?
- What happens if the product infringes on the intellectual property rights of someone else?
- What happens to marketing rights if the partnership ends?

#### STRUCTURING A JOINT VENTURE

Some issues to consider:

- How will the management and board of directors of the joint venture be chosen?
- Will the joint venture rely on its own staff or on service contracts from the partners for financial, management or technical services?
- What happens if the joint venture needs additional capital?
- How will the joint venture decide whether to expand into new businesses?
- What will happen if one of the partners wants to sell its interest in the venture?
- How will a decision to liquidate the joint venture be made?
- How will ownership of the joint venture's technology and other assets be divided if the venture is liquidated?

<sup>10</sup> This table is developed from MYERS, Marlee. "Strategic Partnerships", *Pittsburgh High Technology Journal*, May 1989: 1-2.