Usually the joint venture partnership has authority in the sense that there's a partnership committee as opposed to a pure joint venture in which the members usually have direct say and so there is no centralized authority in the pure joint venture, although that can change depending upon the agreement which established it.

There are a number of other distinctions. Activities under a partnership are limited and under a pure joint venture they can be multiple. Distribution of revenues under a partnership is usually net and when I say that I mean the revenues come into a partnership, you put the aggregate expenses against the revenues and you distribute the net proceeds. In a pure joint venture what happens is, according to the joint venture agreement, each joint venturer gets a certain proportion of the gross revenues and then applies its expenses against that.

So what happens with the expenses? Well, in the partnership model, they are shared whereas in a pure joint venture they are allocated in the sense that each joint venture member undertakes to pay its own share of the expenses and whatever expenses it incurs and then it deducts those expenses against its allocated gross revenues. So, what does that result in? That results in losses which in a partnership model are shared by the partner whereas in a pure joint venture losses are not necessarily shared. So, you could have the situation where in a pure joint venture you end up with one member having losses and the other coming out ahead because its expenses were much less than the other.

Salaries are shared in a partnership whereas in a pure joint venture they are allocated in accordance with the members who have contributed those personnel. So, if one joint venturer contributes 30 people, that joint venturer pays the salaries of those 30 people directly - it doesn't come out of a common pot.

The assets of a partnership are lost in the sense that they become common property of the partnership. In a pure joint venture, after the joint venture is over, the identity of each asset is still retained as being owned by a particular member and, therefore, they're returned to that particular member.

Liability in a partnership is joint in the sense that one partner is liable for the acts of all the other partners. In the pure joint venture situation, that's not necessarily the case. Each party is liable for its own acts.

And finally on this type of a comparison, disclosure of insider information or anything that's of interest to the partnership is compulsory in a partnership situation. So, each party must have complete disclosure. It's a fiduciary type of relationship. Whereas in a pure joint venture, there doesn't have to be a disclosure. So, if one joint venture member finds out something significant about the operations in a pure joint venture, it doesn't have to disclose that information.

As I mentioned before, in a partnership a partner is prohibited from having a conflict of interest whereas in a pure joint venture, there's nothing to prevent one of the joint venture members from having a conflict of interest and not disclosing it.

And finally power. In a partnership one partner can bind the other partners of the partnership to liabilities and obligations whereas in a pure joint venture that can be limited. You can end up with an agreement that says you can't bind your other joint venturers to any of your acts.

Well, what is the result of that? You have an unincorporated non-partnership joint venture at the top, which is the so-called pure joint venture, on a scale you move down to a partnership joint venture and then at the very bottom to a corporate joint venture. The potential for the greatest risk, but also for the greatest return, appears to be in the pure joint venture model. The least risks and the least returns are at the corporate joint venture. Now, this is very much a generalization but that is the analysis that you can draw from looking at all these factors. And at the same time you'll see that the pure joint venture has the least structured and most flexible operations possible whereas the corporate joint venture is the most structured and rigid in its operation.

Now, if you have a joint venture and you want to deal with the North American market and you want to leverage it so that it also encompasses the Pacific Rim, what are you really doing? Well, you're going from a single undertaking, which is the requirement of a joint venture, a single