



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

KEY TECHNOLOGY ISSUES	IMPORTANT MARKETING ISSUES	STRUCTURING A JOINT VENTURE
Partners need to resolve:	Key issues to address are:	Some issues to consider:
<ul style="list-style-type: none"> <li>• Questions of ownership of technologies developed by the alliance</li> <li>• The rights to use and market:               <ul style="list-style-type: none"> <li>– technologies to be developed</li> <li>– technologies from outside sources</li> <li>– core technologies</li> </ul> </li> <li>• Division of royalties if a partner markets technology or products based on technology developed by the alliance</li> <li>• Ownership and rights to use improvements in the technology</li> <li>• Decision-making procedures concerning products based on new technology</li> <li>• Legal rights involved if a third party infringes on technology developed by the partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Who decides what the product will be?</li> <li>• Who designs the product?</li> <li>• Who chooses the product name?</li> <li>• Will you share advertising or marketing campaigns?</li> <li>• Who decides on improvements or new additions to the product line?</li> <li>• Who is responsible for warranty obligations?</li> <li>• Who is responsible if a customer is injured?</li> <li>• What happens if the product infringes on the intellectual property rights of someone else?</li> <li>• What happens to marketing rights if the partnership ends?</li> </ul>	<ul style="list-style-type: none"> <li>• How will the management and board of directors of the joint venture be chosen?</li> <li>• Will the joint venture rely on its own staff or on service contracts from the partners for financial, management or technical services?</li> <li>• What happens if the joint venture needs additional capital?</li> <li>• How will the joint venture decide whether to expand into new businesses?</li> <li>• What will happen if one of the partners wants to sell its interest in the venture?</li> <li>• How will a decision to liquidate the joint venture be made?</li> <li>• How will ownership of the joint venture's technology and other assets be divided if the venture is liquidated?</li> </ul>

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