

- set the time period(s) for the activity
- define the deliverables
- establish ownership, patent rights and licensing arrangements
- provide for confidentiality of information supplied and created
- establish budget approvals and payment schedules
- establish considerations for acceptance and/or termination
- limit liability of participants,

and other matters that may be appropriate to the circumstances.

It should be noted that provision of operating funds to universities is to support the academic endeavors of the university; diversion of these funds to subsidize research for a private corporation would be an inappropriate use of those funds.

#### DISCUSSION OF SPECIFIC ARTICLES

##### Formalities

It is important that a contract be signed by the persons who have the legal authority to do so, and any amendments should be signed by either the same person or other persons with the same level of authority. It is not advisable to put the expression "officer" into the paragraph before the signature, because in many cases this will not accord with the practice in either the corporation or the university. The principal investigator should sign the Acknowledgement as the person responsible for the technical aspects of the project.

Often a contract bears several dates leading to confusion as what the "date of the contract" really is. In this Agreement, there is only one date and it is the effective date. No date is provided for the signatories because they sign "as of the effective date". This procedure takes into account that almost all agreements are signed before or after they take effect. This sometimes bothers people and leads to unnecessary delays, explanations etc. A contract must be executed by both parties but the date of signature should have no direct bearing on its effective date. A reference to "seal" is also undesirable because many companies and universities do not utilize this formality. Obviously if organizations prefer to show dates of signature or prefer to utilize a seal, then the suggested model can be altered.

A proposal should include a reference as to the period of time for which it is effective. Similarly, the covering letter submitted with an agreement should mention how long the offer is