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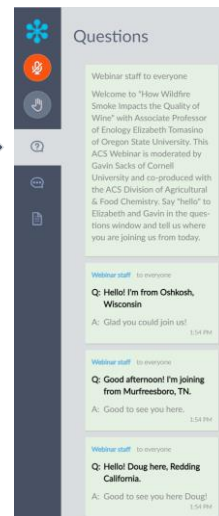


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Type them into the questions box!



**"Why am I muted?"**  
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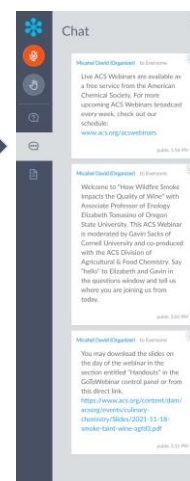
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**Chat**  
Announcements and hyperlinks from our team



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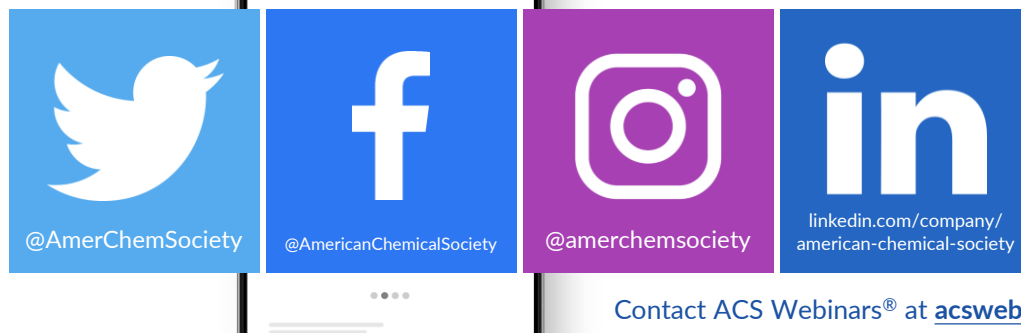


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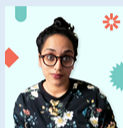
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## A Career Planning Tool For Chemical Scientists



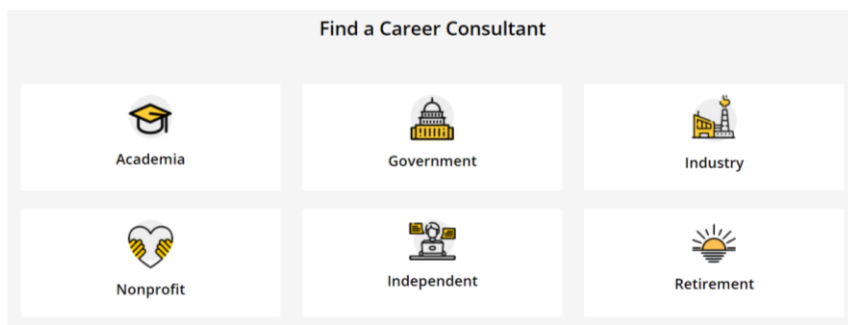
**ChemIDP** is an Individual Development Plan designed specifically for graduate students and postdoctoral scholars in the chemical sciences. Through immersive, self-paced activities, users explore potential careers, determine specific skills needed for success, and develop plans to achieve professional goals. **ChemIDP** tracks user progress and input, providing tips and strategies to complete goals and guide career exploration.

<https://chemidp.acs.org>

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## Career Consultant Directory

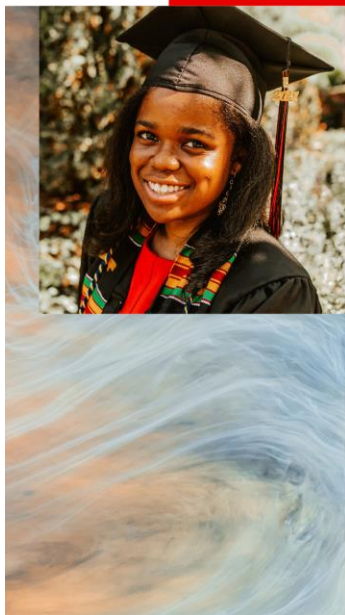


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## ACS Scholar Adunoluwa Obisesan

BS, Massachusetts Institute of Technology, June 2021  
(Chemical-biological Engineering, Computer Science & Molecular Biology)

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### Professional Development & Education

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 <p><b>Virtual Classrooms</b> Brings to you by ACS Career Pathways™ the virtual classroom experience to help you advance your career goals.</p>	 <p><b>ACS Webinars</b> Hundreds of webinars presented by subject matter experts in the chemical enterprise.</p>	 <p><b>Career Events</b> Free webinars and networking opportunities for the career-seeking professional.</p>
 <p><b>ACS on Campus</b> Free events where students can interact with top researchers, learn and bring home ACS awards and gear for free.</p>	 <p><b>Podcast to Faculty Workshop</b> An annual workshop for podcasting faculty members to help by podcast in the chemical enterprise.</p>	 <p><b>Career Kick-Start Workshop</b> A two-day career development workshop for graduate students and postdoctoral fellows.</p>

### Managing Your Career

 <p><b>ACS Career Pathways™</b> Helping identify and connect with leading careers in industry, higher education, government and working for yourself.</p>	 <p><b>Career Consultants</b> Personalized coaching, guidance, advice, mentorship, career decisions and first steps in your job search.</p>	 <p><b>ChemISP™</b> ACS Institute developed this online for graduate students and postdoctoral fellows.</p>	 <p><b>Résumé Review</b> Get to know your résumé. A Word doc to help you to update your résumé today.</p>
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### Register for a 2022 Virtual Office Hour

4 AUG	Is Grad School Right for Me? August 4, 2022	1 SEP	Leadership and Soft Skills Development - What You Need to Advance in Your Career September 1, 2022
6 OCT	Skydiving into Retirement October 6, 2022	3 NOV	Finding and Securing an Internship November 3, 2022
1 DEC	Careers in Academia December 1, 2022		

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## ACS Bridge Program



### Are you thinking of Grad School?

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The ACS Bridge Program offers:

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- Resources to help write competitive grad school applications and connect you with mentors, students, and industry partners!



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## Get in touch with the Office of Diversity, Equity, Inclusion & Respect

The Office of Diversity, Equity, Inclusion & Respect (DEIR) is the central hub at the American Chemical Society that coordinates, supports, and guides all efforts by staff, members, and governance toward Strategic Goal 5, "Embrace and Advance Inclusion in Chemistry." The Office of DEIR at ACS is committed to empowering everyone, irrespective of lived experience and intersectionality of identities, to fully participate in the chemistry enterprise. The Office of DEIR welcomes comments, suggestions, and questions around issues of diversity, equity, inclusion, and respect from members at any time. Please do not hesitate to reach out to the Office through this form.



**Please do not hesitate to reach out to the Office of DEIR at [diversity@acs.org](mailto:diversity@acs.org)**

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Thurs., Aug. 4, 2022 | 2:00pm–3:00pm ET

**How to Minimize Taxes and Create Your Legacy**

Co-produced with ACS Office of Philanthropy



Wed., Aug. 10, 2022 | 2:00pm–3:00pm ET

**To Cheat or not to Cheat: Changing the Question**

Co-produced with ACS Education and the ACS Society Committee on Education



Fri., Aug. 12, 2022 | 1:00pm–2:30pm ET

**Putting Sustainable Chemistry to Work in Manufacturing**

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## Starting a Company: How to Setup Essential Business Contracts



**JIM VERDONIK, JD**

Co-Founder,  
Innovate Capital Law



**ANGELA WILSON, PhD**

ACS President, and  
Director, MSU-Q,  
Michigan State University



**H.N. CHENG, PhD**

ACS Immediate Past President



**JIM SKINNER, MBA**

ACS SCHB Chair, and  
CEO, Terregina, Inc.



**DIANE GROB SCHMIDT, PhD**

2015 ACS President and Adjunct  
Professor of Chemistry,  
University of Cincinnati

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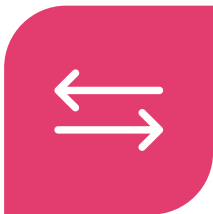
# STARTUP CONTRACTS AND DEALING WITH UNIVERSITIES

GOOD CONTRACTS TELL  
RELATIONSHIP STORIES

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CRITICAL DISTINCTION DETERMINES STRATEGY



**TRANSACTION?**



**RELATIONSHIP?**



**BOTH?**

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# GOALS AND APPROACH



**TRANSACTIONS:** Short-Term Goals -Maximize Return – Hard Nosed Negotiation



**RELATIONSHIPS:** Longer Term Goals - Balance Benefits for the Parties - Compromises

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## THREE BASIC TYPES OF COMMERCIAL RELATIONSHIPS

**Buy or Sell**

Buy or Sell Product or Service

**License**

License: Any Grant to Use a Legal Right to Use Property

**Promise**

Promise to Do Something or Not Do Something

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## UNDERSTAND RELATIONSHIP PURPOSE



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## LAWYER VALUE BUILDING RELATIONSHIPS AND CONTRACTS

<b>ASSESSING</b>	<b>ASSESSING</b> whether Deal is Possible Given Goals, Resources, Timing and Bargaining Power of Both Sides
<b>COUNSELING</b>	<b>COUNSELING</b> Client about issues and weighing best combination
<b>TRANSLATING</b>	<b>TRANSLATING</b> Goals to Contract Provisions
<b>NEGOTIATING</b>	<b>NEGOTIATING</b> balance achieving deal points with promoting the relationship
<b>STOPPING</b>	<b>STOPPING</b> when have won – Close the Deal
<b>POSITIONING</b>	<b>POSITIONING</b> client to move to next level (good will and termination)

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# REVENUE MODELS

**Transaction COD –**  
Simple

**Transaction Credit Credit –**  
Collection Risk

**Power of Free –**  
Users vs Customers

**User Generated Content**

**Advertising –**  
Monetizes Users

**Freemium –**  
Transitions Users to Customers

**Subscription –**  
**Recurring Revenue**  
– Builds Company Value - Relational

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**CUSTOMERS**

**CONTRACTORS**

**VENDORS**

**CONSULTANTS**



**CHANNEL PARTNERS**

# MARKETPLACE PLAYERS

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# B2C vs B2B

	B2C	B2B
CONTRACT TYPES	Website Ts & Cs, order forms, Package Terms	Forms or Negotiated Agreement
LANGUAGE	Plain English	Unregulated
REGULATIONS	Consumer Protection Laws	Unregulated
LIABILITY RISKS	Class Action and Consumer Protection Agencies	Other Party

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## CONTRACT = STORY OF RELATIONSHIP

WHO?

WHAT?

WHEN?

WHERE?

WHY?

HOW?

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**Two Parties One Product or Service**  
(Product/Service is Known)



**Two Parties Product/Service is Not Known** (Master Agreement)



**Two Parties Multiple Products and /or Services**  
(One Way: One is Buyer and Other is Seller)



**Two Parties Multiple Products and /or Services**  
(Two Way: Both are Buyers Both are Sellers)



**More than Two Parties**



**Staged Relationships that Change Over Time**

## Relationship COMPLEXITIES

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RELATIONSHIP STAGES	TYPES OF DOCUMENTS
<b>Talk</b>	Non-Disclosure Agreement (NDA) or Confidentiality Agreement
<b>Evaluate</b>	Materials Transfer Agreement or Test Agreement
<b>Negotiate</b>	Memorandum of Understanding (MOU) Letter of Intent Term Sheet
<b>Agree</b>	Master Contract
<b>Orders</b>	Orders Forms Statements of Work (SOWs) Standard Terms and Conditions
<b>Changes</b>	Renewals, Terminations, Amendments, Waivers Releases,

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## COMMON ATTRIBUTES OF CHANNEL PARTNERS RELATIONSHIPS



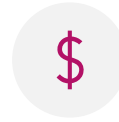
PRODUCT  
PRODUCER  
LEVERAGES  
RESOURCES OF  
THE PARTNER



PARTNER SELLS  
TO BROADER  
CUSTOMERS  
BASE



PARTNER  
MAY ADD  
VALUE



TRADE  
PERCENTAGE  
OF MARGIN

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- ▶ Channel Partner may be Buyer
- ▶ Relationship is a Test Drive
- ▶ Giving Partner Too many Rights May Eliminate Need to Buy Business
- ▶ Reduces Amount of Capital Needed/ Reduces Dilution
- ▶ Reserve Right to Terminate Relationship Buyer May Not Like

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- Reseller
- Value Added Reseller (VAR)
- Original Equipment Manufacturer (OEM)
- Distributor
- Systems Integrator
- Licensee

# TYPES OF CHANNEL PARTNER RELATIONSHIPS

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- Independent Sales Representative
- Reseller
- Value Added Reseller (VAR)
- Original Equipment Manufacturer (OEM)
- Distributor
- Systems Integrator
- Licensee

# TYPES OF CHANNEL PARTNER RELATIONSHIPS

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- NDA's and Confidentiality
- Materials Transfer
- Test Contract
- License or Cross License
- Tech Transfer
- Sell or Buy Services
- Sell or Buy Products
- Channel Partner
- Development
- Co-Development

## TYPES OF CONTRACTS

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JOINT VENTURES

CORPORATE PARTNERS

## MULTI-LEVEL RELATIONSHIPS

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# JOINT VENTURES TYPES



**EQUITY OWNERSHIP IN ENTITY**



**MULTIPLE CONTRACTS**



**CONSORTIUMS**

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# SIMPLE BUY-SELL CONTRACTS

**PARTIES**

**DELIVERABLES**

**PRICE**

**PAYMENT TERMS**

**VOLUME**

**DELIVERY SCHEDULE AND LOCATION**

**REPRESENTATIONS**

**WARRANTIES**

**DAMAGES LIMITATIONS**

**DISPUTE RESOLUTION (Law/Venue)**

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Parties



Geographic Scope



Products or Technology Covered



Length and Termination Provisions



Exclusive or Non-Exclusive



Activity Permitted



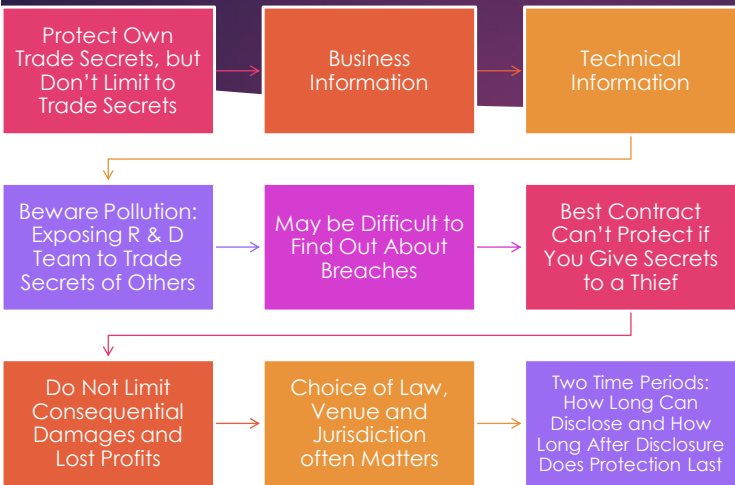
Pricing



Commitments – Volumes/ Education/ Marketing Efforts/Improvements

# CHANNEL PARTNER AGREEMENTS

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# Non-DISCLOSURE AGREEMENTS

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## NON-DISCLOSURE AGREEMENT ISSUES

**TRUST** – Is Counterparty Trustworthy?

**PARTIES** – Are Parents, Subsidiaries, Affiliates covered?

**PURPOSE** – Why Is Information being Disclosed?

**TYPE INFORMATION** – Business? Technical? Specified?

**TIME PERIOD** – How long disclosures made? How Long Information Protected?

**DISCLOSURE PROCEDURES** – Labeling? Notice? Specified Individual Recipients?

**LIMITS** – Can Recipient use? Disclose? License Rights? Evaluate? Reverse Engineer?

**RETENTION** – Can Recipient keep a copy?

**DISPUTES** – Applicable Law? Venue? Arbitration?

**INJUNCTIONS** – Preventing disclosure.

**DAMAGES** – Do not prohibit lost profits and consequential damages.

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## SCOPE OF LICENSE RIGHTS

Licensed IP

Field of Use

Length:  
Perpetual?  
Revocable?

Exclusive or  
Non-  
Exclusive

Geographic  
Territory

Free?  
Royalties?

Assignable?

Sublicense  
Rights

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## LICENSE ECONOMICS

01

Signing  
Payment

02

Milestone  
Payments

03

Sublicense  
Fees

04

Royalties

05

Expense  
Reimbursements

06

Fees for  
Services

07

Cross  
License

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# CONDITIONS TO CONTINUE LICENSE RIGHTS



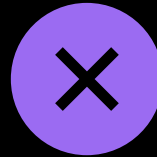
**MINIMUM SALES OR ROYALTIES**



**MARKETING EFFORTS AND BUDGETS**



**IMPROVEMENTS**



**CROSS LICENSES**

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# LICENSE AGREEMENTS ISSUES

**Define Licensed IP –**  
specific trade secrets, patents, patent applications, trademarks, copyrights

**Is future IP and improvements covered?**

**Define Field of Use:**  
What can the Licensee Use the Licensed IP for?

**Is Technology**

**Can Licensee Sue Others For Infringement**

**Who Pays for Infringement?**

**Who Recovers Damages for Infringement**

**BEWARE PATENT ABUSE**

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## LICENSE PITFALLS FOR LAWYERS

**Technical Definitions  
Are Important (Field of  
Use Most Important) –  
Lawyer Needs to  
Understand**

**Patent Abuse –  
collecting royalties  
after patent expires or  
in geographic areas  
have no patent rights**

**Patent claims later  
invalidated**

**Licensee fails to  
Commercialize (no  
royalties)**

**Low licensee fees and  
royalties can limit  
damages recover  
from later infringers**

**Bankruptcy**

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## LICENSE PRIMARY BANKRUPTCY ISSUES

Debtor can assume or reject "executory contracts" (Section 365 Bankruptcy Code 11 USC §365)

Executory Contract Not Defined in Bankruptcy Code

Common Law Definition Executory Contract: ""contract under which the obligations of both the bankrupt and the other party to the contract are so far unperformed that the failure of either to complete performance would constitute a material breach excusing performance of the other."

Section 365(c) of the Bankruptcy Code provides that when applicable non-bankruptcy law prohibits a contract's assignment, it may not be assumed or assigned by a debtor without the permission of the non-debtor counterparty to the contract

Courts that hold that this distinction is relevant have then held that the debtor may not assume or assume and assign a non-exclusive license, but may freely assume or assume and assign an exclusive license.

Section 365(n) provides that, if an IP licensor declares bankruptcy and rejects a license, the licensee can essentially override the rejection and retain its rights under that agreement (and any supplementary agreements, such as source code escrow agreements for software licenses). To retain its licensed rights, the IP licensee must continue to honor all of the license's terms, such as paying all royalties.

MANY OTHER BANKRUPTCY ISSUES

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## GENERAL BANKRUPTCY LAW PRINCIPLES

- ▶ Provisions that make filing bankruptcy a breach by the debtor are invalid
- ▶ Debtor can assume or reject "executory contracts" (Section 365 Bankruptcy Code 11 USC §365)
- Executory Contract Not Defined in Bankruptcy Code
- ▶ Common Law Definition Executory Contract: "contract under which the obligations of both the bankrupt and the other party to the contract are so far unperformed that the failure of either to complete performance would constitute a material breach excusing performance of the other."
- If the primary obligation of the licensee that remains to be performed is to pay royalties, milestones and other payments, the contract is not executory and the debtor cannot reject the license
- ▶ Examples of executory contracts (and some common reasons why they might be executory) include: Real estate leases (tenant has to pay rent/landlord has to provide space); Equipment leases (lessee has to pay rent/lessor has to provide equipment); Development contracts (development work required/payment required on milestones), and; Licenses to intellectual property (licensee can use only within scope of license/licensor must refrain from suing for licensed uses).
- Debtor has 60 days in Chapter 7 and until confirmation of a reorganization plan in Chapter 11 to decide whether to reject or assume the executory contract during which time the non-debtor party to the executory contract has to keep on performing as if no bankruptcy had been filed
- If the debtor assumes the executory contract, the debtor has to pay ("cure") in full any payment or other defaults and show that it can actually perform in the future too (same rule for any assignee)

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## SPECIAL BANKRUPTCY RULES FOR LICENSES

Section 365(n) provides that, if bankrupt IP licensor rejects a license, the licensee retain its rights under that agreement (and any supplementary agreements, such as source code escrow agreements for software licenses). To retain its licensed rights, the IP licensee must continue to honor all of the license's terms, such as paying all royalties.

May 20, 2019, the U.S. Supreme Court ruled in *Mission Product Holdings, Inc. v. Terminology, LLC*, 587 U.S. \_\_\_, that a debtor's ability to reject executory contracts under Section 365(a) of the Bankruptcy Code does not permit the debtor to rescind trademark licenses

But debtor can stop performing services, such as tech transfer, bug fixes and other things that require the licensor to spend money or effort

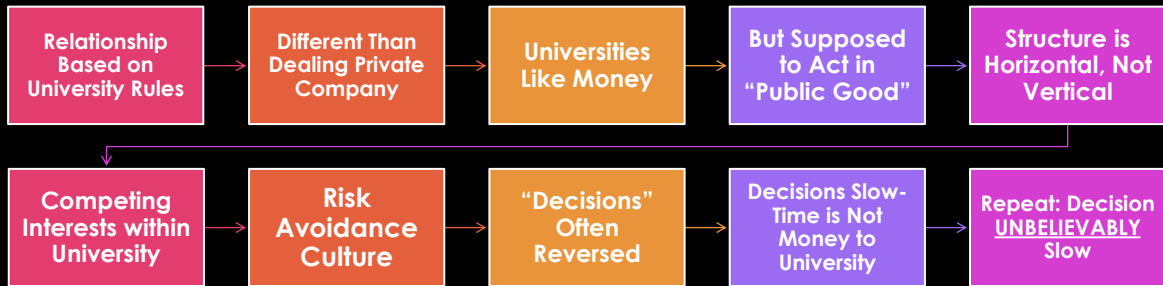
Debtor that is a licensee can reject an executory contract where the debtor has an obligation to pay money

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## GROUND RULES



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## TYPES OF UNIVERSITIES

Different Approaches Depending on Type:

Private

Public

Public Land Grant

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# TYPES OF INTERACTIONS

Interns

University  
Extension  
Programs

Private  
Consulting by  
Faculty

Hire Grad Students

License  
Technology  
From University

Sponsored  
Research

Use of Facilities/  
Equipment

Use of Data  
or Tools

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## EMPLOYMENT/ CONSULTANTS



Each University Has Policies re Professors' Intellectual Property Ownership



Obtain Policy Before Hire Professor or Student



Monitor Compliance



Generally, Limit Number Outside Hours



Generally, Limit Use of University Equipment and Personnel, including Students



Lab Buildings and Equipment Most Sensitive



Try to Establish Wall, Including Using Non-University

Email addresses  
Telephones

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## TECHNOLOGY TRANSFER DEPARTMENT

01

### Tech Transfer Department Responsibilities:

- Licensing
- Sponsored Research
- Some Grant Writing
- Patent Prosecution
- Revenue Generation

02

### May Be More Than One Tech Transfer Office in Same Institution

- University
- Affiliated Hospital

03

### Different Rules

04

### Common Problems

- Understaffed
- High Turnover
- Low Compensation
- Often Lack Industry Experience

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License Structures Similar to Private Licensing

Some Special Issues

### Satisfy Conflicting Constituencies

- Administrators
- Professors
- Students
- Alumni/Donors
- Other Sponsors and Contributors
- Taxpayers

Knowledge Mission: Publish Information

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## LICENSING (continued)

Privacy Limited By Freedom of Information Act

Policy Disfavors Trade Secrets

Low Budgets for Patent Applications – Licensee Pays,  
But University is Owner and Controls Patent Process

Conflicts of Interest with Licensees Because Many  
Patents/Inventions

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## LICENSING (continued)

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University Motivated to  
Ensure Technology Used

Diligence Milestones  
Especially if Long R & D  
Project Ahead

- Patent Fee Payments
- Raising Capital
- Extension Fees Until Royalty Stream Starts

Beware Layering Royalties

Early Stage Technology  
May Require  
Multiple Licensors

Need Total  
Maximum Royalties

Equity Interest by  
University: Positives  
and Negatives

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## SPONSORED RESEARCH

You Pay University

Leverage University  
Equipment/Personnel

Better Service

Issue: Bayh Dole Act  
Prohibits Licensing  
Intellectual Property  
Before IP is Created

University Owns IP

Buy Option to  
Obtain License

Pre-Negotiate Most  
License Terms

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## SPONSORED RESEARCH (continued)

University Retains  
Rights to Publish  
Invention  
Information

Negotiate Pre-  
Publication Review

Negotiate  
Publication Review  
Delay to Facilitate  
Patent Filing

Facilitates Use of  
University Labs and  
Personnel

Limits Use of Trade  
Secret Protection

Parallel Non-  
University Research  
to Protect  
Trade Secrets

### Economic Issues

- License Fees
- Royalty
- Administration Fee – University Makes Profit on Research Money Means Less Money Goes to Research

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# CONSORTIUMS



Only Thing More Complicated Than Dealing With One University is Dealing More Than One University



Fights Over Money Split



Reputation and Getting Credit



Consortiums Often Discussed, but Few Successful  
Many are Called, but Few are Chosen

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