

QUICK TIPS FOR EFFECTIVE AND ENFORCEABLE CONTRACTS AND LICENSE AGREEMENTS

- 1 Use a Contract Checklist or Intake Form:** Ensure all necessary information is provided upfront, fostering better communication and collaboration between legal and business teams.
- 2 Specify Ownership and IP Rights:** Clearly define ownership rights, especially for intellectual property. Specify whether intellectual property rights are shared, exclusive, or limited to certain uses, and include details on how these rights can be transferred to prevent future disputes.
- 3 Define Clear Acceptance Criteria:** Clearly specify the conditions for acceptance of goods and services—whether upon delivery, payment, or completion of services. Outline timelines, procedures for defective goods, and consequences of non-performance.
- 4 Clarify Payment Terms:** Clearly define specific payment terms, including total fees and expenses, due dates, and acceptable payment methods. Consider aligning payment obligations with specified milestones or deliverables.
- 5 Establish Clear Dispute Resolution Mechanisms:** Include detailed clauses specifying how disagreements will be handled, for example, negotiation, mediation by a neutral third party, or arbitration. Clearly state the jurisdiction, venue, and governing law, and set specific time frames and cost allocation for the dispute resolution process.
- 6 Use Comprehensive Representations and Warranties:** Implement robust representations and warranties to provide assurance about the quality, compliance, and reliability of the goods and services being exchanged. Tailor these clauses to help mitigate specific transaction risks by ensuring that all parties are aware of their obligations and the standards to be met.
- 7 Incorporate Indemnification and Limit Liability:** Clearly state indemnification terms (scope, triggering events, procedure) to protect against losses from third-party claims. Consider mutual indemnification to balance risks and set reasonable limitations on liability to protect both parties.

8

Include Confidentiality and Integration Clauses: Ensure confidentiality clauses extend beyond the termination of the agreement and clearly define the types of data covered by confidentiality obligations. Use integration clauses to consolidate and control the agreement terms, minimizing the impact of external documents.

9

Detail License Scope: For license agreements, clearly define the scope, exclusivity, duration, fees, and sublicense rights. Evaluate the licensed assets in order to negotiate royalties and other financial terms.

10

SaaS Considerations: In Software as a Service (SaaS) agreements, it is crucial to clearly specify service-level expectations (uptime and availability, performance metrics, support and maintenance, penalties and remedies) and data usage rights (data ownership, data access and control, data usage and sharing). These elements are essential for ensuring service quality, data security, and overall satisfaction.

FOR MORE INFORMATION, PLEASE CONTACT:



LEAH D. LEYENDECKER
Partner

📍 Minneapolis

📞 (612) 225-2950

✉️ Leah.Leyendecker@Saul.com

The provision and receipt of the information in this publication (a) should not be considered legal advice, (b) does not create a lawyer-client relationship, and (c) should not be acted on without seeking professional counsel who have been informed of the specific facts. Under the rules of certain jurisdictions, this communication may constitute "Attorney Advertising." © 2024 Saul Ewing LLP, a Delaware Limited Liability Partnership 072624

ENGAGE WITH US



saul.com

Receive our legal insights directly in your inbox.

+ SUBSCRIBE >>