

## TECHNOLOGY TRANSFER AGREEMENTS GUIDELINES

The Technology Transfer Agreement is increasingly used in technological cooperation strategies when the most innovative companies try to enter new markets. In this sense, technology transfer contracts (intellectual property rights or know-how, depending on whether the technology involved is registered or not) are expansion vehicles for companies that do not wish to make a direct investment in the country of destination, but they do want to take advantage of having a local partner, knowledgeable about the target market and with resources and technical knowledge that complement their own.

Generally, the technology transferred consists of a combination of registered and non-registered rights. Unregistered rights constitute what we know as know-how, which consists of a set of unregistered practical information, derived from tests and experiences, which is secret, substantial and determined. Secret because it is not public domain or easily accessible; substantial because it is important and useful for the manufacture of contractual products; and determined to be described exhaustively.

Under the Technology Transfer Agreement, the owner of the technology grants exploitation rights (license) to a third party, or cedes the ownership of said technology (transfer). In both cases, the provision of technical assistance by the licensor or transferor must be regulated to ensure the correct application of the technology licensed or transferred. It is also convenient to establish the mechanisms to determine the ownership and, where appropriate, the registration, improvements and future developments of said technology, and in any case include confidentiality clauses (aimed at preserving the secret nature of knowledge and prohibiting its unauthorized disclosure) and non-competition (to discourage the transferee or licensee from using the technology provided for competitive purposes).

Fundamentally in the case of technology exploitation license, it is also necessary to know the mechanisms that allow us to protect and defend this technology in the local market, both against its recipient and against possible violations by third parties.

### KEY ISSUES

The technology transfer agreement is an interesting form of international expansion, but requires prior analysis of some essential issues:

#### **To take into account the election of the type of alliance:**

- **Assignment:** transmission of proprietary technology that implies loss of ownership over it and prevents its use by the assignor.
- **License:** granting a right to use or exploit technology. In this case, there is a greater need for control over how the technology is applied by the local partner and also the provision of technical assistance.

### Analysis of the protection of the technology in destination:

- Possibility of technology registration.
- Defense against third party violation.

### Contract content (assignment / license)

- Transmission of ownership of the technology / concession of the license of use.
- Compensation / royalties.
- Territory. Exclusivity regime (license).
- Technical assistance.
- Confidentiality and non-competition agreements.
- Limits to the right granted (license): right to sub-license?
- Ownership of improvements or developments in technology.
- Formal aspects: public document and registration.

Finally, it is important to know the protection mechanisms in the destination country in which the technology will be applied by the local partner, and to include in the contract clauses with a mainly dissuasive nature to avoid as much as possible the breach of the confidentiality and non-competition pacts on the part of the transferee or licensee.

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To obtain the model of Technology Transfer Agreement click here:



[TECHNOLOGY TRANSFER AGREEMENT](#)

# BUSINESS CONTRACTS & AGREEMENTS TEMPLATES

## BUSINESS CONTRACTS

- Strategic Alliance Agreement
- Joint Venture Agreement
- Manufacturing Contract
- Supply Contract
- Service Provider Contract
- Consulting Services Contract

## COMMERCIAL CONTRACTS

- Exclusive Distribution Contract
- Commercial Agency Contract
- Sales Representative Agreement
- Sales Commission Contract
- Real State Agent Agreement

## LICENSE & FRANCHISE CONTRACTS

- Trademark License Agreement
- Technology Transfer Agreement
- Software License Agreement
- Franchise Contract
- Master Franchise Contract

## CONFIDENTIALITY CONTRACTS

- Confidentiality Contract between Companies
- Confidentiality Contract for Product or Business Idea
- Confidentiality Contract for Employees
- Confidentiality Contract for Consultants and Contractors

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