

Keith Witek
Tesla Motors

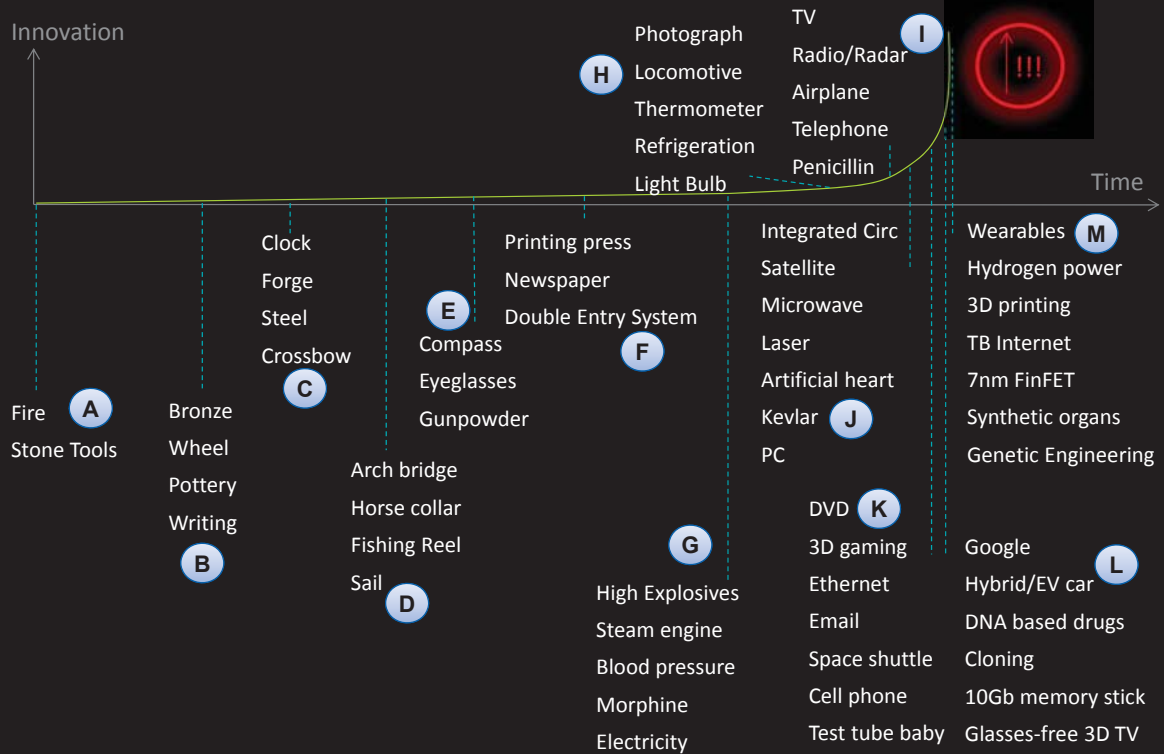
Ed Cavazos
Pillsbury Winthrop Shaw Pittman

LICENSING AGREEMENTS

RECONSIDERING DEAL POINTS IN THE FACE OF DISRUPTIVE TECHNOLOGIES

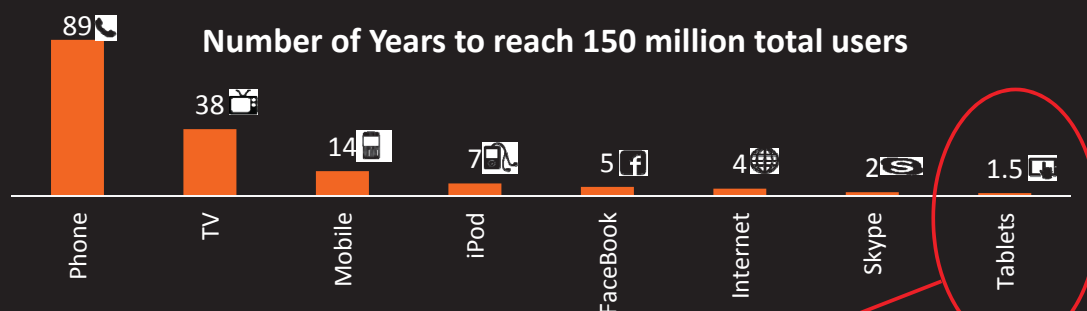
DEAL VELOCITY MUST KEEP UP WITH BUSINESS
VELOCITY

RATE OF DISCOVERY/INNOVATION IS ACCELERATING



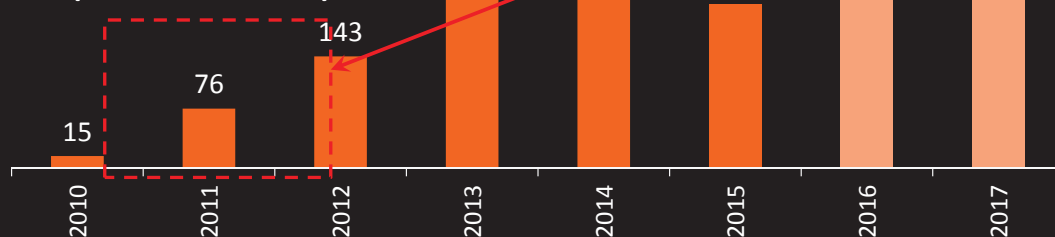
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MARKET ADOPTION RATES KEEP ACCELERATING



Sources: http://www.imagingnotes.com/go/article_free.php?mp_id=186, <http://techcrunch.com/2013/08/06/forrester-tablets/>

Tablet Adoption Rates (millions of users)

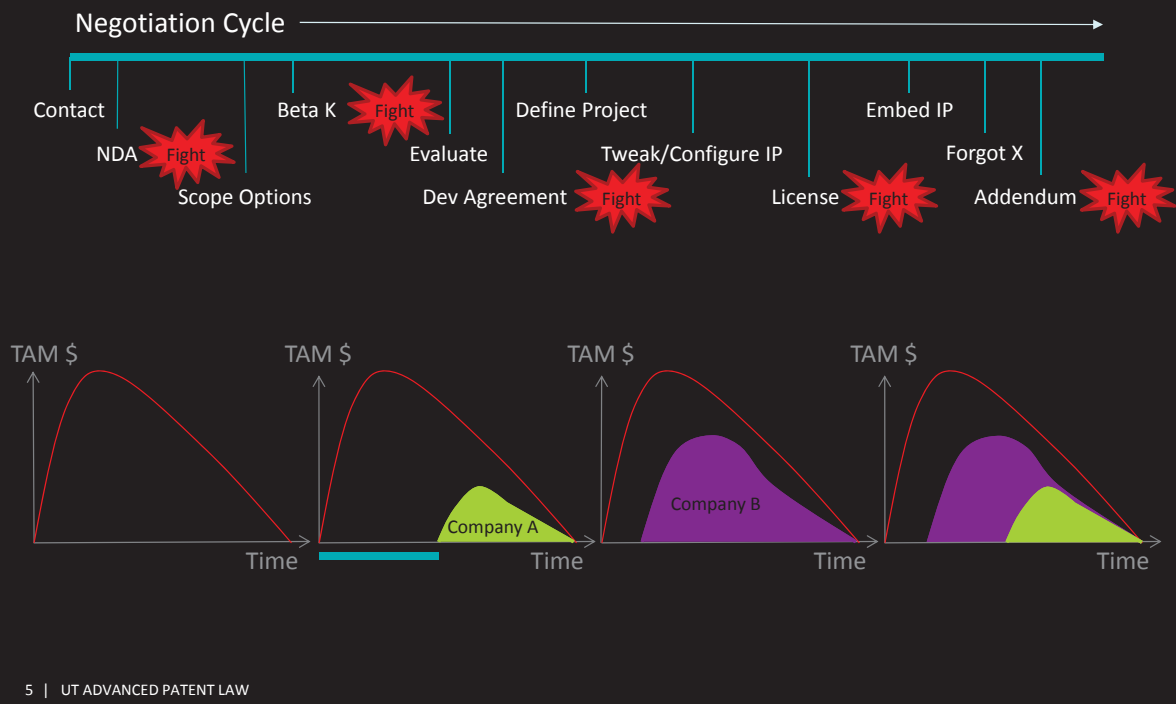


Note: 2010/2011 use finalized data. 2012 to 2017 use est. data.

Sources: Forrester Research World Tablet Adoption Forecast, 2012 to 2017,

<http://techcrunch.com/2013/08/06/forrester-tablets/>, <http://www.statista.com/statistics/272070/global-tablet-shipments-by-quarter/>

LICENSE NEGOTIATIONS – NO MOORE’S LAW PROGRESS...



VELOCITY – IMPACT TO THE DEAL

Pick Battles Wisely – Are you fighting over things that matter in the grand scheme?

Move faster – Deal closing even a month or two fast could be worth \$\$\$

More Signable Forms – Micron example...

Term – Things are changing fast, do shorter terms with terminable evergreen make sense

Termination – Conditional trigger to allow a party to get out of a deal

Assignment – Is it really such a bad thing; semi was \$102B in M&A last year

Delivery and Development – Usually didn't sweat short delays, now they may be material

Payment Terms – 30...45...60...90... Days payable. Are we financing the other guy?

Change Orders and Derivatives – Make sure they happen quick, escalation is clean/quick

M&A – Fashion agreements so change of control and M&A is contemplated

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Title search: Licensing Agreements: Reconsidering Deal Points in the Face of Disruptive Technologies

Also available as part of the eCourse

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