

Keith Witek
Tesla Motors

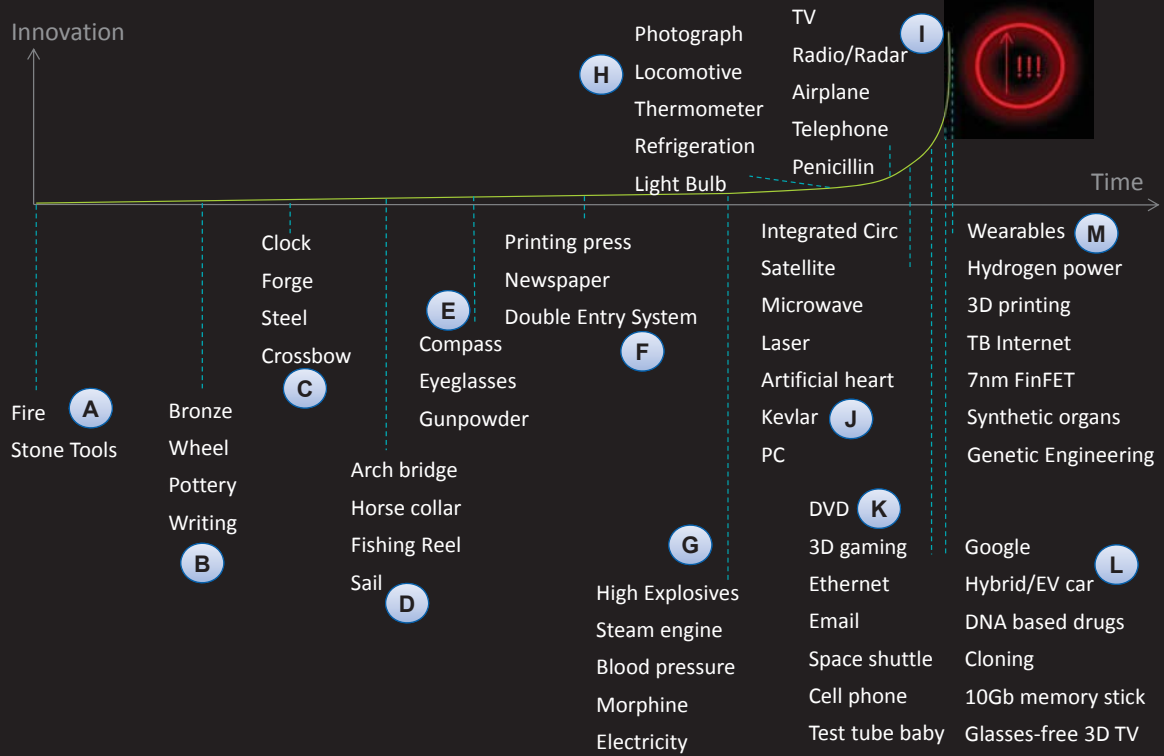
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LICENSING AGREEMENTS

RECONSIDERING DEAL POINTS IN THE FACE OF DISRUPTIVE TECHNOLOGIES

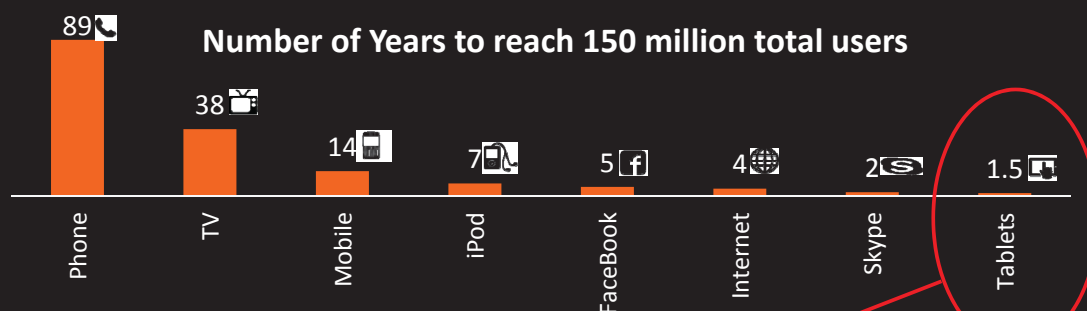
DEAL VELOCITY MUST KEEP UP WITH BUSINESS
VELOCITY

RATE OF DISCOVERY/INNOVATION IS ACCELERATING



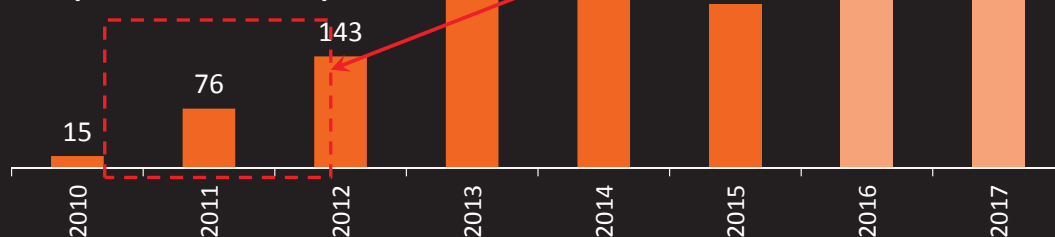
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MARKET ADOPTION RATES KEEP ACCELERATING



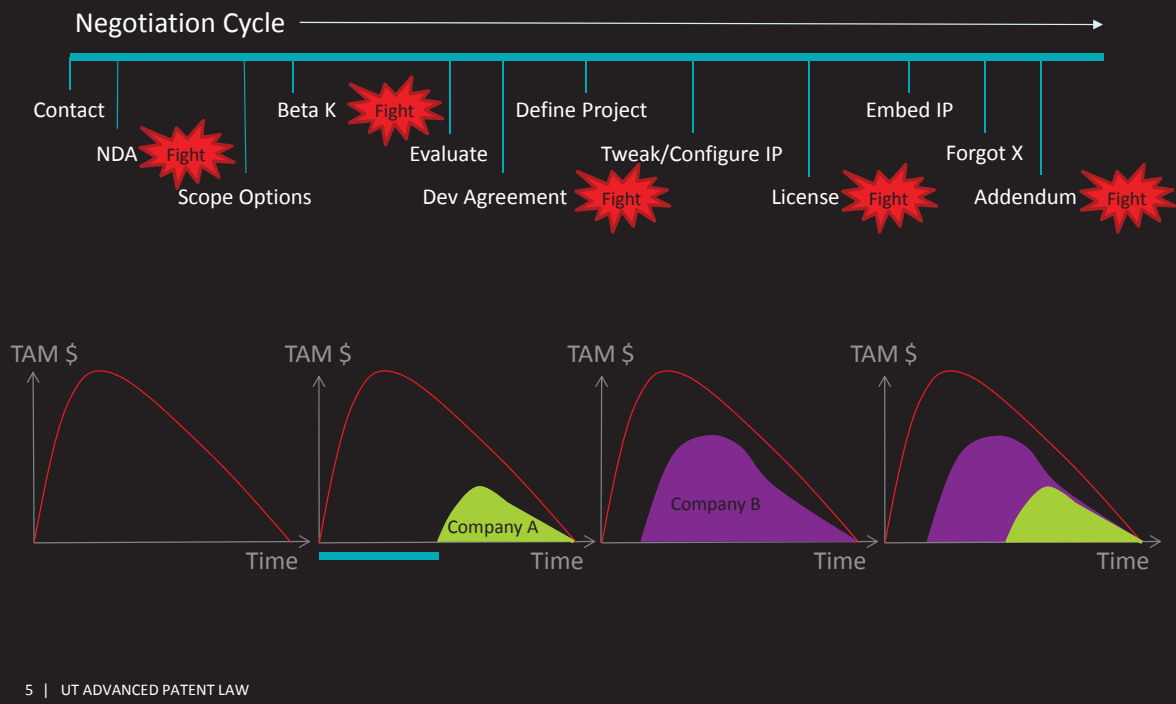
Sources: http://www.imagingnotes.com/go/article_free.php?mp_id=186, <http://techcrunch.com/2013/08/06/forrester-tablets/>

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-shipping-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

[Drafting and Negotiating Patent Licensing Agreements](#)

First appeared as part of the conference materials for the
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"Licensing Agreements"