

Open Innovation Deal Structure

: Types of TT Deal



DeltaTech-Korea Ltd.

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I. Biz Development



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3. BD Executive
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1. Definition



Hi,

I am the Business Development Manager at BPP-tech. I am wondering if Delta-Tech would be interested in a collaborative business opportunity with BPP for a project collaboration focused on an innovative concept design of hydrogen refuelling station and assessment of real case studies?

The UK government is supporting international R&D collaborations to fund business led, collaborative research and development (CR&D) projects focused on industrial research with up to £500,000 funding available. We are involved in several such projects and see an opportunity for a UK – South Korea project on green hydrogen applications. The competition is called "[UK-South Korea Collaborative R&D Round 2](#)" and it is funded by Innovate UK and KETEP. The project shall strengthen the bilateral relationship between the two countries and the shared commitment to addressing global climate change challenges.

For over 30 years, we at BPP (<https://www.bpp-tech.com/> and <https://www.bpp-renewables.com/>) provides specialist engineering, research & development, and project management services to the maritime and renewable energy markets throughout the world. With our extensive knowledge and experience in the H₂ and renewable sector, BPP have developed an innovative project opportunity in line with current ambitions and targets sets by the UK and South Korean Governments to stimulate hydrogen economy.

Please don't hesitate to contact me for further information, we hope this is of interest to you & your company. If interested, we would love to schedule in a meeting next week to discuss this project idea further with you.

Looking forward to hearing from you.

Best Regards,
Sam



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1. Definition



- A process aimed at growing a company and making it more successful
- Seeking new biz opportunities, building and sustaining connections with existing clients
- Entering strategic partnerships and devising other plans to boost profit & market share



2. Biz Developer



- Responsible for helping organizations obtain better brand recognition and financial growth
- Coordinating with company executives, sales & marketing professionals
- Reviewing current market trends and proposing new business ideas to improve revenue
 - Identify & research potential clients
 - Negotiate contract terms with clients
 - Develop & maintain client relationship
 - Give presentations to prospective clients
 - Track, identify and add qualified prospects to sales pipeline
 - Develop and manage strategic partnerships to grow business

3. BD Executive

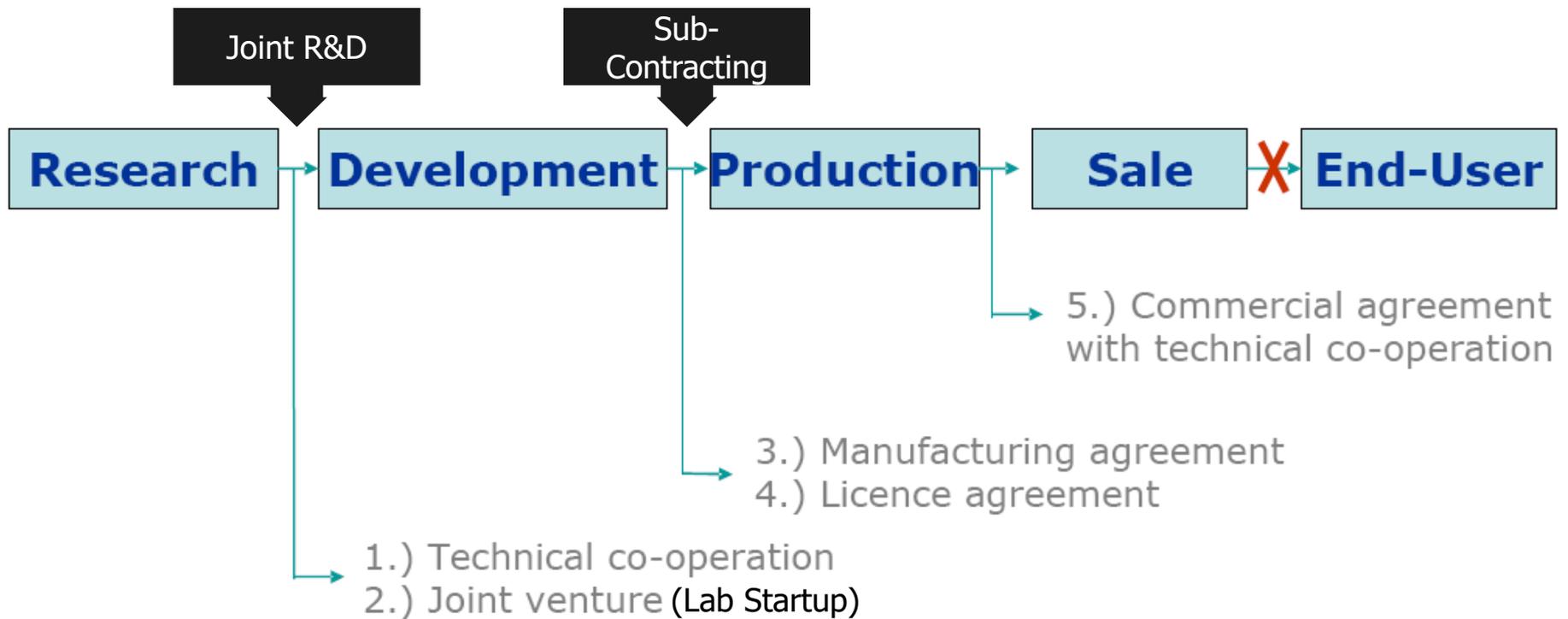
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- Strong communication & presentation skills
- The ability to influence and negotiate with others
- Commercial awareness
- The ability to think creatively & strategically
- Organizational skills
- Self-motivation & ability to be motivated by targets
- Resilience

4. TT BD

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II. Technical Cooperation



1. TC Definition
2. Joint R&D
3. Contract R&D
4. Consultancy

1. TC Scope



- Joint actions among different organizations in the innovation activities and processes based on the principle of cost & revenue sharing to facilitate technology development and product innovation
- Adapt a technology, a product or a process for a new application or sector
- Develop a technology, a product or a process to meet new market needs
- (Dispatch of Experts) disseminate necessary skills & knowledge to counterpart's engineers
- (Acceptance of Training Participants) invites competent personnel who have significant responsibility in an ecosystem
- Contract R&D
- Consultancy Agreement

2. Joint R&D



- Firms use R&D partnerships to access knowledge and build global R&D network
- An agreement on co-operation between the parties on R&D at an equal level
- Develop new products or technologies improving existing ones, enhancing innovation, reducing costs and staying competitive in the market

Item	Contents	Details
Project Idea Description	<ul style="list-style-type: none">. Give a project Summary. Add a visual if possible	<ul style="list-style-type: none">. Non-technical terms. Issues : economical/ Societal / Technical. How to tackle issues. Target Technology
Key Selling Points	<ul style="list-style-type: none">. 3 to 6 bullets. Emphasize key benefits. Societal importance	<ul style="list-style-type: none">. Innovation. Market relevance. Business impact
Partners Wished	<ul style="list-style-type: none">. List partners. Country involved	
Partners Qualification	<ul style="list-style-type: none">. List the missing partners/ Expertise/ Counties	<ul style="list-style-type: none">. Co-op model



Factors for Success

EUREKA 
Innovation across borders

- Be available
 - > Allow time for necessary preparation (partner search, project proposal, consortium agreement...)
- Build up a « win-win » cooperation
 - > Show complementarities and added value of trans-national partnership during and after the project
- Show partnership's ability to meet its commitments
 - > Demonstrate each party's management, scientific and technical skills as well as its available financial resources for the project
- In austerity, tax payers money is a scarce resource
 - > Demonstrate the fact that you have good financial health and have considered all of your options.
 - > If you are too risky, you might not be able to access support.

3. Contract R&D

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- Usually used by companies to outsource the R&D activities to university or research center
- The company has no internal resources to carry out these R&D activities

What to consider

- Clearly define the need & project (outsourced R&D activities)
- Describe each party's contribution (eg., market know-how from the company, R&D activities from the university, etc)
- Define the ownership & access rights to results (commonly the company owns all the generated IP and provides limited rights to the university)

4. Consultancy

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- Established between organizations willing to provide advice to companies on specific matters, in return for payment of a fee
- Partnership for different objectives: Assistance to overcome a technical problem, analysis of a concrete technical matter or data

What to consider

- Sign NDA or add confidential clauses in the agreement
- Clarify the ownership of IP created by consultant during consultancy period : In general IP developed by consultant is owned by consultant



III. Joint Venture



1. Motives
2. Stages in JV Dev.
3. Partnership Issues
4. Key Terms
5. Agreement
6. Pros vs Cons

1. Motives



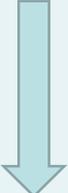
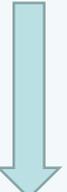
Formalized link between entities, with the sharing of sensitive information, resources and assets

A business practices through which two or more parties form a strategic alliance to share their intellectual property and knowledge

1. Spreading costs & risks
2. Safeguarding resources which cannot be obtained via the market (eg, **sales channel**)
3. Importing access to **financial resources**
4. Benefits of economies of scale & advantages of size
5. Access to **new technologies** & customers
6. Access to innovative managerial practices
7. Encouraging entrepreneurial **employees**

2. Stages in JV Dev.



Stage	Questions
Formation 	<ul style="list-style-type: none">· What are the aims of the joint venture? : (Industry) Business expansion into new product lines & entry into new markets : (Univ. Lab) Valorize technology & acquire income· How will the resource be allocated?· What organizational structure will it have?
Adjustment 	<ul style="list-style-type: none">· How can the joint venture meet its objectives?· How is the joint venture to be linked to the partners?· What socialization processes are taking place between the organizations?· How does the JV adapt to changes in the environment?
Evaluation	<ul style="list-style-type: none">· Have the objective which the partners set for the joint venture been met?· Have the partners achieved their objectives by means of the joint venture?· How is the joint venture changing?

3. Partnership Issues

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Common Issues	Univ. Lab	Industry	Note
Management Control			
Product Development			
Quality Control			
Marketing Control			
Research & Development			Further Del.
Royalty Fee			
Profit sharing/ margin			
Unilateral right to pullout			
Head of training			

4. Key Terms

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- ❖ Background, foreground & access rights
- ❖ IPR specificities: Patents/ Copyright/ Trade marks/
Confidential business information
- ❖ Handling **Partnership Issues** in JVs
- ❖ Contributions of each partner
- ❖ JV management
- ❖ Termination of JV
- ❖ Others: Insurances/ IP counselling

5. Agreement

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- Definitions (eg. Technical terms specific to the industry)
- Identity of partners
- **Purpose & scope** of the joint venture
- Activities of the joint venture
- Validity period of the agreement including time span of joint venture
- **Contributions** of each partner
- **Responsibilities** and obligations of each partner
- Equity share of the partners
- Capital structure of the joint venture
- Quality commitment from both partners
- **Scope of technology transfer**/ Terms of technology transfer
- Training of employees
- Management: structure, systems, process & procedures
- Ancillary and supplementary agreements covering suppliers & distributors
- Accounting principles & practices/ Accounting & financial statements
- Business policies & **profit sharing**
- Implementation schedule
- **Settlement of disputes** & resolution of conflicts
- Legal details (eg., compliance with any specific laws of the country)
- Any special clauses

6. Pros & Cons



Enjoy benefits accrued from coordinated activities

Reduction in **cost/ risk/ political considerations**
Use local partner's knowledge/ human network

Key – choice of local partner: what interest/ strategy/ objective

Conflict of interest/ **Less of firm control**
Risk of exposing trade secrets

Share ownership of enterprise newly-established
: **committed less resources**



IV. Licensing



1. Motives
2. What is a License?
3. License Type
4. Benefits
5. Key Terms
6. Negotiation

1. Motives



Licenser

- Gain capital cost required to get foreign operation going from licensee
- Get incremental income
- Acquire research output by cross licensing

Licensee

Exclusive Rights	Only a patent gives an exclusive legal right allowing to use and exploit the invention for years
Strong Market Position	Through exclusive rights, block others from using patented design, reducing competition, Establishing as the pre-eminent player.
Higher Returns on Investment	Having invested to license patented technology or trade secret, know-how, set yourself apart from competitors; giving higher returns from your licensing investment.
Increase in Negotiating Power	A cross licensing arrangement might be possible where the use of patents is exchanged b/t two companies, at no cost, or a cost savings.
Positive Image for Enterprise	Business partners, investors and shareholders see patents as a sign of the high level of expertise, specialization and cutting-edge technology. Useful for raising funds, finding business partners and increasing company's market value.

2. What is a License?

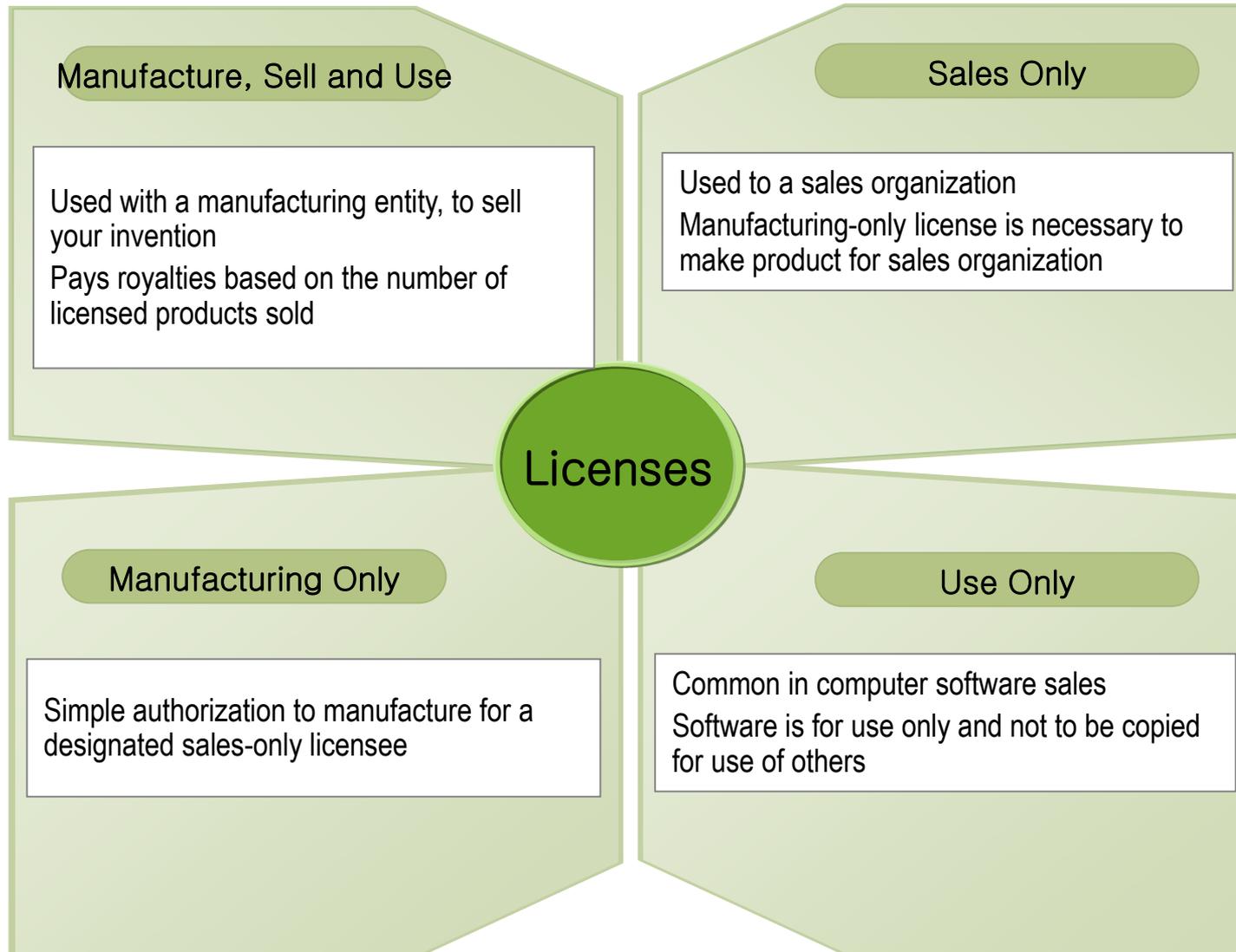
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- ❖ **A written authorization for a licensee to make, use or sell products under the scope of inventions or trademarks**
- ❖ **Grant proprietary property rights to licensees**
- ❖ **Some form of IP and the rights based on trade secrets, customer lists and patents pending**
- ❖ **Terms and conditions licensee must abide to keep**
- ❖ **Subject to payment of royalty**
 - Loss of tight control
 - Risk associated w/ trade secrets

3. License Type

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4. Benefits



for Licensor

- Opportunity to reach new markets with existing products/ services
- Opportunity to enter a market with existing clientele of licensee, which reduces risks for market failure
- No need to invest in marketing & distribution
- Retain ownership of IP while receiving royalty income

or Licensee

- Opportunity to create new business
 - Opportunity to provide licensor's already available / well established products/ services to clients, which reduces risks for market failure
 - No need to invest on R&D
 - Does not need to purchase IP and use the opportunity to test market success of licensed product/ service without investing much
-
- A means for turning a possible competitors into a partner

5. Key Terms

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- ❖ Licensed product
- ❖ Licensed subject matter
- ❖ Licensed Territory
- ❖ Payment of royalties
- ❖ Maintaining manufacturing and sales records
- ❖ Marking of patent number(s) on products
- ❖ Maintaining insurance
- ❖ Provisions in the event of the company's sale
- ❖ Provisions in the event of bankruptcy
- ❖ A time frame
- ❖ Acceptable quality standards
- ❖ Minimum sales volumes
- ❖ Minimum royalties
- ❖ A right to subcontract
- ❖ The use of a certain trademark

6. Negotiation

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	Details
1. Reasons for license	<ul style="list-style-type: none">♠ Assistance in using IP (know-how)?♠ Training♠ Development of technology or a product♠ Manufacturing♠ Purchase of products or equipment♠ Multiple products♠ Investment in R&D or other♠ Distribution of products or technologies♠ A license (consent) to use a patent or copyrighted material or trade secret♠ A license to use a trademark or logo♠ A license to comply with a technical standard or specification
2. Leverage	<ul style="list-style-type: none">♠ The other party's necessity♠ Another agreement, possible investment, threat of litigation, etc.♠ Other company
3. Time Frame	<ul style="list-style-type: none">♠ Product launch♠ Press release♠ Trade show or conference♠ Beginning a research project♠ Commencement of manufacturing or sale♠ An investment or acquisition/sale transaction
4. Documents	<ul style="list-style-type: none">♠ (Technology) product sheet/ patent abstract & test/ protocols/ specification♠ (Business) revenues/ employee/ financial history/ technology press release/ website

6. Negotiation

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	Details
5. Negotiation Team	<ul style="list-style-type: none">♠ Team members : Licensing Professional/ Patent attorney/ Lawyer♠ spokesperson♠ Decision maker
6. Position	<ul style="list-style-type: none">♠ Key issues♠ Term sheet : Internal version/ external version
7. Negotiating Strategy	<ul style="list-style-type: none">♠ First line : first set forth in the negotiation♠ Bottom line : must be agreed♠ Alternatives
8. Agreement	<ul style="list-style-type: none">♠ Confidentiality agreement♠ Interim agreement, feasibility agreement, prototype agreement♠ Do not use LOI/ MOU
9. The other party	<ul style="list-style-type: none">♠ Strong point♠ Objectives♠ Team members♠ Decision maker



V. Exercise Offered



1. Technology Licensing Agreement
2. Evaluation on JV Agreement

1. Technology Licensing Agreement

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SELECT A TECHNOLOGY OFFER, AND FIND A (TENTATIVE) INNOVATION SEEKER PLEASE.

DRAW UP A HYPOTHETIC TECHNOLOGY LICENSING AGREEMENT PLEASE.

2. Evaluation on JV Agreement

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SELECT A JOINT VENTURE AGREEMENT WITH TECHNOLOGY TRANSFER, AND EVALUATE THE AGREEMENT BY:

- . Is the scope of the agreement complete or not?*
- . Are the business & legal interpretations of the agreement explicit and reflect the negotiated settlements or not?*
- . Is there scope for maneuver for each partners?*
- . Do the various language translations conform to the mother agreement?*
- . Does the agreement raise the spirits and excite the partners in terms of potential benefits?*

THANK YOU!



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