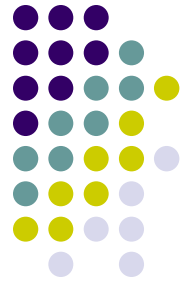


Strategic Alliances and Partnerships for Early Stage Companies



Planning, Implementation, Life Cycle

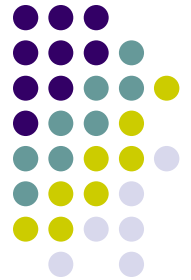


Presented by

Robert A. Adelson, Esq.

Engel & Schultz, LLP - Boston, MA

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Merits of Strategic Alliances

- Channel & marketing power
- Credibility, Brand
- Value added for customers
- Complimentary skills
- Access to technology
- Scale up / time to market
- Alternative capital source
- Obstacles -Risks
 - Loss of independence
 - Divergence of partners



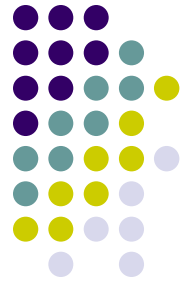


Partnership Planning

- Purpose and Goals
- R&D Collaboration
- Licensing Transaction
 - OEM, VAR, Co-marketing
- Target markets
 - Vertical, Horizontal
 - Customers Teaming /subcontract.
- Separate shared entity
- Equity investment
- Operational Goals and Milestones
- Decision Making



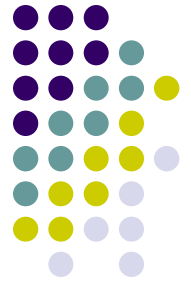
Partnership Implementation and Life Cycle Stages



- Partner recruitment
- Letter of intent
- Due diligence
- Definitive agreements
- Nurturing the alliances
- Dispute resolution
- Termination



Research and Development Collaboration



- Project Management & control
- Development Milestones
- Licensing existing IP
- Treatment of new IP
- Payment
- Exclusivity
- Restrictive covenants

Farcus

by David Waisglass
Gordon Coulthart



"I want to protect my intellectual property."

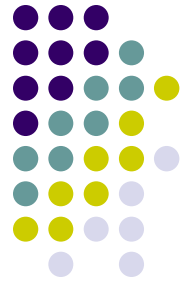
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Licensing for Marketing and Sales



- Scope of License / Fields of use
- Territory: Customers, market, geographic division
- Exclusive or Non-Exclusive
- Relationship/Statutory Requirements
- Sales levels: Minimum, inventory, staffing, best efforts, loss of exclusivity
- Pricing: Discounts, volume discounts
- Credit terms
- Product Availability and Allocation
- Marketing and Promotional Arrangements
- Order Entry
- Sales Contract Terms
- Termination: Return Buyer's Property: information, trade secrets, tools, equipment, materials, no use of trademarks
- Miscellaneous: Assignment, change orders, integration, arbitration, attorney fees, jurisdiction

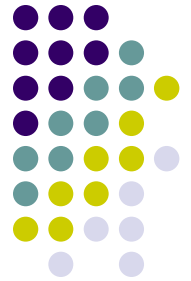
Subcontracting / Teaming arrangements



- Services / Bid, customer
- Warranties/Indemnity
- IP ownership
- Confidentiality
- Restrictive Covenants
- Termination
- Governing law enforcement and self-help protection



Alliances with Equity piece or Joint Venture Entity



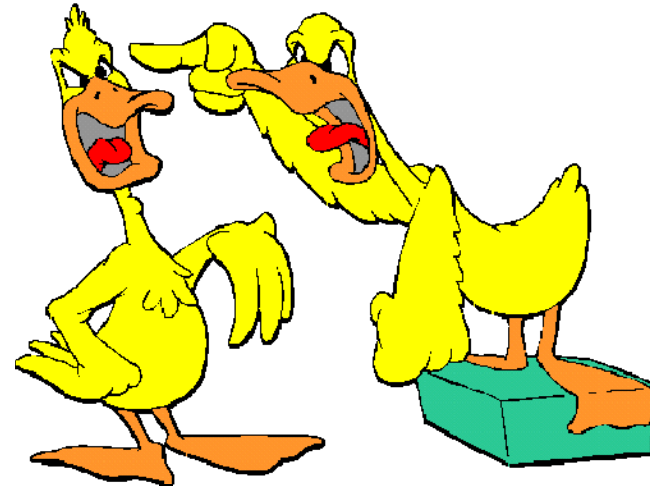
- Contribution & valuation
- Minority protections
 - Anti-dilution
 - Liquidity / Information
- Strategic Option rights
 - First offer for sale
 - Options over technology
 - Perception of captive company
- Separate venture entity
 - LLC, LLP, Corporation
 - Liability, credibility
- Management/ operation



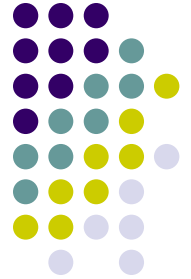
Continuing the Alliance / Disputes and Termination



- Flexibility / Validation
- Champions / Good will
- Handling Deadlock
- Dispute resolution
- Exit plan / Buy-sell
- Termination procedures
- Residual Agreement
- Transition



Thank you!



Robert A. Adelson, Esq.

Engel & Schultz, LLP

125 High Street, Suite 2601

Boston, MA 02110

617-951-9980 x 205

radelson@engelschultz.com

www.engelschultz.com

