

Future Licensee of GTRC Intellectual Property:

Georgia Tech Research Corporation (GTRC) is a state chartered not-for-profit corporation responsible for administering research contracts and intellectual property on behalf of the Georgia Institute of Technology. In this capacity, GTRC serves at the pleasure of Georgia Tech and the Board of Regents of the State of Georgia.

Notwithstanding our long-standing affiliation with Georgia Tech, dating back to GTRC's charter in 1937, there is the remote possibility that the Board of Regents may decide to transfer all administrative duties and intellectual property back to Georgia Tech or the Board of Regents. Given this possibility, and that obligations under licenses frequently "pass through" to Georgia Tech, GTRC must be mindful during licensing negotiations that we not potentially commit the state to terms that the state cannot legally accept.

The following document provides an overview of some of the licensing provisions that are implicated by these requirements and how GTRC typically handles problems that arise. Should any of these limitations present a problem, GTRC will work with you to find mutually agreeable alternative language.

Governing Law

It is difficult for GTRC to enter into a contractual arrangement that incorporates the law of any jurisdiction other than the State of Georgia. In the case of assignment of obligations by GTRC to Georgia Tech under such a contractual arrangement, Georgia Tech as a state entity would not be able to consent to another jurisdiction's law; therefore GTRC tries to ensure that our responsibilities under each license can be faithfully carried out were Georgia Tech to assume that responsibility. When a problem of governing law arises, GTRC typically suggests going silent on the issue.

Indemnification

GTRC typically can not agree to indemnity and hold harmless clauses. Again, Georgia Tech, as a state agency, is prohibited from consenting to these terms. The Attorney General of Georgia has made this determination based on the Georgia Constitution, which prohibits the State from granting of any gratuity or pledging the credit of the State. As before, GTRC therefore must be mindful of not over-committing on behalf of Georgia Tech.

Warranty

The state Attorney General has advised that giving a warranty is in essence an indemnity. As already mentioned, Georgia Tech cannot provide any type of warranty or indemnify a third party for any breach of representation or warranty. In certain situations, alternative language can be drafted that is typically acceptable to both parties.

Limitation or Waiver of Liability

GTRC cannot normally agree to limit a licensee's liability because GTRC flows research through to GIT, has financial obligations to GIT, and, as a non-profit corporation, cannot keep reserves sufficient to cover the financial liability that might result from excess awarded against a licensee in a lawsuit.

We look forward to working with you towards a successful licensing arrangement.

The Office of Technology Licensing