

# TECHNOLOGY LICENSING NEGOTIATION MEMORANDUM

## Confidential Document

Prepared By: Legal Department, Nexus Intelligent Systems, Inc.

Date: January 22, 2024

Classification: Attorney-Client Privileged Communication

## 1. EXECUTIVE SUMMARY

This Technology Licensing Negotiation Memorandum ("Memorandum") outlines the preliminary legal framework and strategic considerations for a potential technology licensing agreement between Nexus Intelligent Systems, Inc. ("Licensor") and prospective technology licensing partners in the enterprise AI and predictive analytics domain.

## 2. BACKGROUND AND CONTEXT

### 2.1 Company Overview

Nexus Intelligent Systems, Inc. is a Delaware-incorporated enterprise AI services firm specializing in advanced predictive maintenance and digital transformation solutions. Founded in 2018, the company has developed proprietary machine learning diagnostic tools targeting mid-to-large enterprise manufacturing, energy, transportation, and infrastructure sectors.

### 2.2 Technological Assets

The company's core intellectual property encompasses:

- Advanced predictive maintenance algorithms
- Machine learning diagnostic platform architecture
- Enterprise digital transformation consultation methodologies

## 3. LICENSING OBJECTIVES

### 3.1 Strategic Goals

- Expand technological reach into adjacent market segments
- Generate additional revenue through strategic IP monetization
- Accelerate market penetration through controlled technology dissemination

### **3.2 Licensing Parameters**

- Potential licensing models include:
  - a) Exclusive territorial licensing
  - b) Non-exclusive technology transfer
  - c) Tiered licensing with graduated access rights

## **4. KEY NEGOTIATION CONSIDERATIONS**

### **4.1 Intellectual Property Protection**

- Comprehensive non-disclosure provisions
- Strict limitations on technology modification
- Robust enforcement mechanisms for IP protection
- Clear delineation of derivative work ownership

### **4.2 Financial Terms**

Proposed licensing fee structure:

- Initial licensing fee: \$250,000 - \$500,000
- Ongoing royalty rates: 3-5% of licensee's net revenue
- Minimum annual guaranteed royalty payments
- Performance-based escalation clauses

## **5. LEGAL RISK MITIGATION**

### **5.1 Representations and Warranties**

- Comprehensive indemnification clauses
- Technology performance guarantees
- Limitation of liability provisions
- Detailed compliance and regulatory adherence requirements

### **5.2 Termination Provisions**

- Comprehensive exit strategies
- Conditions for license revocation
- Post-termination technology transfer protocols

## **6. RECOMMENDED NEXT STEPS**

Conduct comprehensive technical due diligence

Develop detailed term sheet

Engage external IP counsel for final documentation

Initiate preliminary discussions with target licensing partners

## **7. CONFIDENTIALITY NOTICE**

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## **8. DISCLAIMER**

This memorandum represents preliminary legal analysis and does not constitute a binding agreement. All terms remain subject to further negotiation and final executive approval.

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### **Prepared By:**

Michael Chen, Chief Technology Officer

Sarah Williamson, Chief Strategy Officer

Legal Department, Nexus Intelligent Systems, Inc.

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