



Modifying MSAs for IP & Privacy Provisions

PREPARED BY



PRESENTED BY



INTRODUCTION

OBJECTIVE

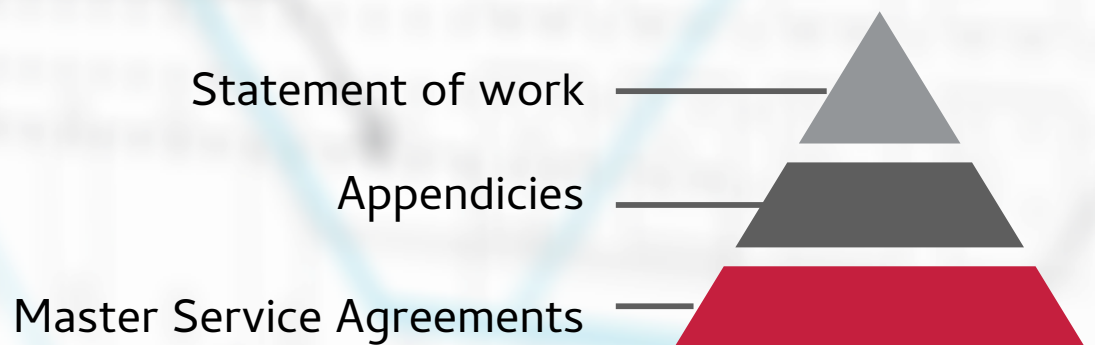
This presentation will provide a high-level understanding of the utility of Master Service Agreements for mid to large organizations as well as illustrate, through case studies, common addendums, sample privacy & security clauses, and best practices for negotiating.

The presenting team from Han Santos holds backgrounds in Privacy, Intellectual Property and Corporate Counseling and will highlight key examples from past work.

They are joined by the Corporate Counsel of a Seattle-Area Healthcare IT company, who will speak directly on his experiences with MSA IP & Privacy provisions within his organization.

MASTER SERVICE AGREEMENTS

MSAs are modular agreements with appendices and addendums for specific classes of services, goods, and products.

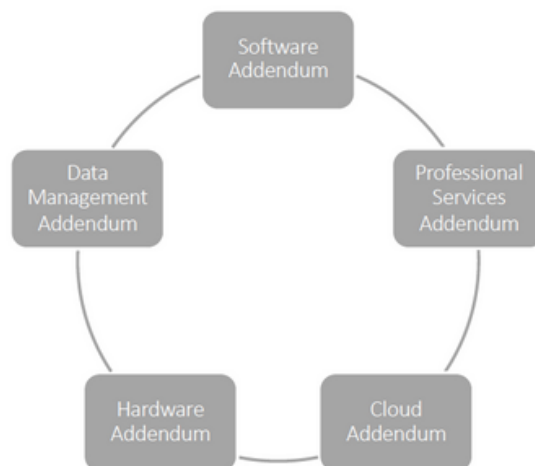


PRESENTATION SLIDES

Utility of Master Service Agreements in Mid to Large Organizations

- MSAs are generally seen as a way for mid-size and large organizations to contract with vendors, service providers and licensors in an efficient manner without negotiating individual third-party agreements.
- MSAs create consistency around contracting and allow companies with high volumes of contracts to create common terms, resulting in more manageable contracts.

Common Appendices/Addendums in Master Service Agreements



Case Study #1

- **Background:**
 - Company A enters into an MSA with Company B to access Company B's research dataset comprising PII in its cloud-based research environment to carry out research analysis.
- **Terms:**
 - Company A:
 - does not grant any software license;
 - maintains ownership of its ML algorithms and models; and
 - owns the resulting data
 - Company B:
 - grants a research license to Company A;
 - will maintain its research environment;
 - maintains the ownership of the research dataset; and
 - will abide by privacy provisions necessary for managing the research environment

Case Study #1 (continued)

- **Intellectual Property Ownership.**
 - **Software and Documentation.** Licensee acknowledges that, as between Licensee and Licensor, Licensor owns all right, title, and interest, including all intellectual property rights, in and to the Software and Documentation, including Updates or improvements thereto.
 - **Results.** Licensor acknowledges that, as between Licensee and Licensor, Licensee owns all right, title, and interest, to the Results.
- **Professional Services.** Company B will provide to Company A the Professional Services, including those identified in an applicable Order. Each Order will identify the relevant Professional Services. If Company B provides Professional Services in the absence of an Order and Company A accepts such Professional Services, this Agreement will apply unless otherwise mutually agreed in writing. Company B will provide all equipment, software, and supplies required to perform the Professional Services. Company B will, at no cost to Company A, promptly and satisfactorily correct any non-conforming or defective Professional Services.

Case Study#2

- **Background:**

- Company A, an EU corporation, operating within the EU and US, offers a mobile device application that alerts its subscribers of location-based real-time safety incidents
- Company A relies on crowdsourcing among its subscriber base to provide safety alerts. User's sign up, and if an incident is reported, all users that subscribe to receiving alerts and are within proximity to the incident, receive a notice.
- Company A relies on Company B, a U.S. Corporation, to efficiently process its EU and US subscriber data

- **Important Points:**

- Company A collects EU and US subscriber personal information to facilitate incident notifications
- Data collected within the EU is transferred to a U.S. company for processing
- Company A owns, or upon assignment by the creator will own, all right, title, and interest in all Work Product (including all IPR in such Work Product).

- **Terms:**

- Data transfer agreements
 - Schrem II decision
 - Privacy Shield
 - Standard Contracts Clauses (SSCs)
 - Binding Corporate Rules (BCRs)
- Data minimization
- Data anonymization

Case Study #2 (continued)

- **Additional Background:**

- Company A has expanded its services to include a new contact tracing feature, which uses Bluetooth technology to keep a log of a user's close-contact with other subscribers over a 14-day period. If one subscriber indicates on the app that they test positive to an infectious disease, then all other subscribers that came into contact with the subscriber over the 14-day period, receive an alert.

- **Important Point**

- Scope of subscriber consent (i.e. contact tracing feature only)

SAMPLE CLAUSE

ACCESS

Company B has the right to access, review, and retain Company B Data held by Company A, including all computer or other files containing Company B Data, and Company A will ensure Company B has prompt and unrestricted access to such Company B Data.

Company A will provide Company B with all passwords, codes, comments, keys, and documentation necessary for such access and to use the Services.

RESTRICTIONS

Company A may collect, use, store and retain only the Company B Data expressly authorized under the applicable Order solely as necessary for Company A to perform the Professional Services in accordance with this Agreement and such Order. Company A (including its Affiliates and their Personnel) will not: (i) otherwise collect, monitor, use or retain any Company B Data; (ii) collect Company B Data by means other than those authorized in this Agreement or the applicable Order or (iii) monitor, collect, use or store any personally identifiable information other than on behalf of, and as directed by, Company B.

SECURITY

In providing the Services, Company A will comply with Company B's Security Policy. Company A will immediately notify Company B of any security breach relating to the Services that may involve Company B's Confidential Information or Company B Data.

Case Study #3

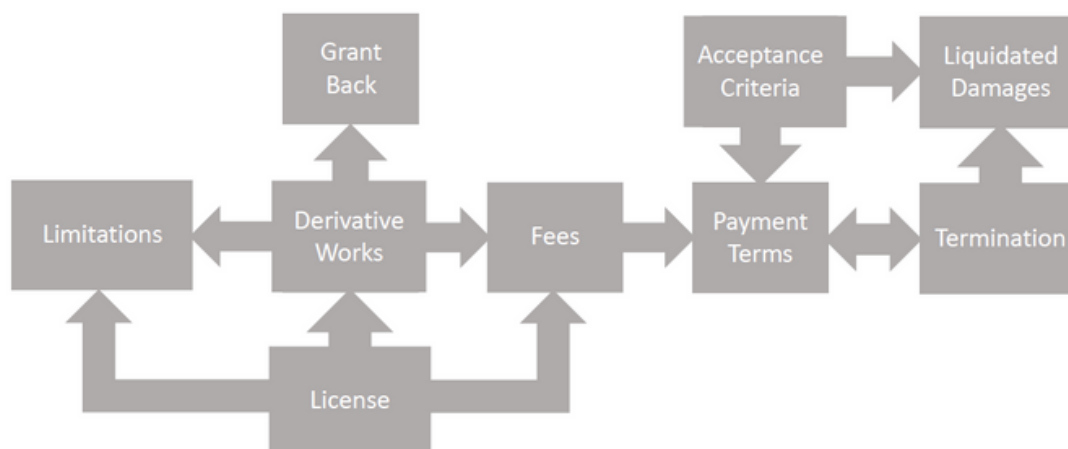
- **Background:**
 - Company A enters into an MSA with Company B to load Company A's software on Company C's GPU so that Company B can develop its products using Company C's GPU preloaded with Company A's software that can collect certain data from IoT devices operated by Company B's customers.
- **Terms:**
 - Company A:
 - grants a limited license to Company B;
 - grants rights to create derivative work to Company B;
 - assigns all rights to the work product to Company B; and
 - provides maintenance and support to Company B
 - Company B:
 - maintains ownership of the derivative work; and
 - provides grant back to Company A

Case Study #3 (continued)

- **License.** Company A hereby grants Company B, its Affiliates, and their contractors solely for the Permitted Purposes to Company B and its Affiliates, a non-exclusive, limited, non-transferable, non-sublicensable, irrevocable right and license to install, test, use, reproduce, distribute, modify or create derivative works or improvements of the Software.
- **Grant-back.** Company B hereby grants to Company A, its Affiliates, and their contractors a worldwide, royalty-free, a fully paid-up, irrevocable, and non-exclusive right and license to use, sell, and offer for sale the derivative works created by Company B ("Grant-Back License").
- **Work Product.** Company B owns, or upon assignment by Company A, will own, all right, title, and interest in all Work Product and intellectual property rights thereto. To the extent that any Deliverables does not qualify as Work Product, Company A irrevocably transfers its ownership, right, and title to the Deliverables under this Agreement.
- **Support and Maintenance.** Company A will provide to Company B the Professional Services, including support and maintenance services as identified in Exhibit A.

Best Practices for Negotiating in Situations with Asymmetrical Bargaining Power

- Consider interplay among different provisions



Best Practices for Negotiating in Situations with Asymmetrical Bargaining Power

- More leeway with work orders and other addendum
- Look at the big picture
 - Ultimate objective of the parties and business interests
 - What is the bottom line

MEET THE HAN SANTOS TEAM

GLORIA STEINBERG

SENIOR ASSOCIATE

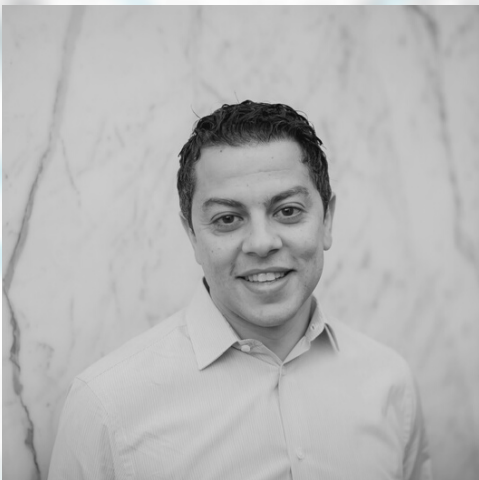
Gloria is an Intellectual Property attorney and joined Han Santos in 2017. As the co-chair of the IP Transactions (IPX) practice of the firm, Gloria advises on IP counseling and strategy development, licensing, due diligence, advanced patent prosecution, and various commercial agreements. Her clients include early- and mid-stage ventures as well as Fortune 500 companies spanning many technical fields, including: telecommunications, computer software, and biotechnology, among others. Gloria also chairs and manages the Trademark practice of the firm.



NABIL ABDALLA

SENIOR ASSOCIATE

Nabil Abdalla is one of the firm's experts in Open Source matters as well as a cornerstone of the Han Santos Privacy practice. He is also the go-to for writing subject matter patentability opinions in aerospace, mechanical, and software engineering. Nabil's practice within Han Santos began preparing and prosecuting patent applications. However, for the past 3 years Nabil has been expanding his focus to include key matters in Privacy and Cybersecurity.



SHAMIM MOHANDESSI

SENIOR ASSOCIATE

Shamim Mohandessi works within the Han Santos Corporate and Securities Practice Group. His work focuses on emerging growth companies in technology, media, and telecommunications. His clients are generally B2B and enterprise oriented recurring revenue businesses heavily invested in their intellectual property and in a phase of rapid growth. Shamim regularly lectures graduate and undergraduate students on the on the legal aspects of emerging growth companies at the University of Washington and Seattle University.



PAT SANTOS

MANAGING PARTNER

Pat Santos is the Managing Partner for Han Santos, PLLC. He established the firm with partner Andy Han in 2013. He currently oversees the firm's growth and expansions of the firm's scope of practice. Pat has an extensive technology background and is experienced in systems software, including database systems, operating systems, compilers, packet networks, cellular networks, cloud infrastructure and cryptography.



MOHAMED KHALIL

SENIOR CORPORATE COUNSEL | MEDSTEAMING

Mohamed Khalil is the senior corporate Counsel to MedStreaming, Inc., a medical informatics company specializing in workflow productivity technology, registry development, and clinical imaging services. He advises senior management and board of directors on transactions, regulatory compliance, and business strategy. In addition, Mohamed serves as the corporate secretary and VP of Business Development overseeing the company's financing and M&A activities.



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