

# Technology Transactions



### **HIGHLIGHTS**

# ■ Comprehensive Technology Transactions Practice

Wilson Sonsini's TTG attorneys advise clients on commercial transactions that include strategic alliances, partnerships, and joint ventures; asset sales and spinouts; collaborations and co-development arrangements; OEM, distribution, and reseller agreements; manufacturing and supply agreements; patent, technology, software, content, and trademark licenses; litigation settlements; and global outsourcing transactions, among others.

#### Diverse Client Base

Wilson Sonsini's TTG clients range from innovative start-ups to industry leaders in a wide variety of technology sectors, including artificial intelligence, big data, biotech, cloud services, electronic gaming, digital media and entertainment, fintech, mobile, open source, pharmaceuticals, renewable energy, transportation and mobility, and semiconductors.

### Recognized Technology Transactions Practitioners

Wilson Sonsini's attorneys have been recognized as leaders in their field by such sources as *Intellectual Asset Management (IAM)*, Chambers USA, Chambers Global, and The Legal 500 (US).

# **OVERVIEW**

### **Practice Dimension and Scope**

One of Wilson Sonsini Goodrich & Rosati's key differentiators is the firm's extensive and highly regarded technology transactions practice (TTG), which is dedicated solely to commercial transactions driven by intellectual property. Our TTG team consists of more than 70 attorneys, many of whom hold advanced degrees in engineering or science and are expert in the full range of matters related to complex and sophisticated technology transactions. Each year, our attorneys negotiate hundreds of strategic business collaborations, placing clients in optimal positions to succeed in today's complex global marketplace.

# **Established Reputation Earned Through Industry Experience**

Based on their expertise, a number of our attorneys have been recognized as leading technology transactions practitioners by such sources as *Intellectual Asset Management* (IAM), *Chambers USA*, *Chambers Global*, and *The Legal 500* (US). The firm's TTG attorneys have an established reputation earned by working with clients that range from promising and innovative start-ups to industry leaders in a wide variety of technology sectors, including:

- 3D Printing
- Artificial Intelligence
- Aviation
- Big Data
- Biotechnology
- Cloud/SaaS Data Centers
- Communications

- Fintech
- Internet of Things (IoT)
- Manufacturing
- Medical Devices
- Mobile
- Mobility
- Open Source

- Digital Health
- Digital Media Entertainment
- E-commerce
- Edutech
- Electronic Gaming

- Pharmaceuticals
- Renewable Energy
- Retail
- Semiconductor
- Software

Because our TTG experts are focused on technology transactions and Wilson Sonsini has the largest footprint of any law firm in the technology space, our experience in this area is unparalleled.

### What We Do for Clients

The firm's TTG attorneys have a proven track record for working with clients across virtually all operational and strategic areas of their businesses. Our TTG team has advised clients on, for example:

- Strategic alliances, partnerships, and joint ventures
- Asset sales and spinouts
- Collaborations and co-development arrangements
- OEM, distribution, and reseller agreements
- Manufacturing and supply agreements
- Patent monetization
- Patent, technology, software, content, and trademark licenses
- Litigation settlements
- Global outsourcing transactions
- IP and commercial terms and related due diligence in M&A transactions
- Government contracts and contracting regulatory provisions
- University and research-institute licensing
- Terms of service, terms of use, EULAs, and privacy policies

With offices in the United States, the European Union, and China, the team also assists clients with global IP transactions. In addition, we have extensive experience representing non-U.S. companies—including clients based in the U.K., Israel, and other EMEA countries; South and Central America; and Greater Asia—looking to enter the U.S. market.

Why Wilson Sonsini? We Have a Technology Transactions Practice Unlike Any Other

# **Experience and Partnership**

Founded in Silicon Valley in 1961, Wilson Sonsini has extensive expertise advising technology companies at every stage of development. We strive to build long-lasting relationships with our clients, serving as knowledgeable and trusted strategic partners. Our involvement in our clients' life cycle from day-to-day operations to major strategic transactions provides a unique value-add.

### A Pragmatic Approach

Our attorneys are focused on balancing business and legal issues and completing transactions smoothly and efficiently.

## A Highly Integrated Team

Technology transactions can cut across a vast range of disciplines, including privacy and data protection, intellectual property, outsourcing, antitrust, corporate governance, finance, litigation, securities, tax, and employment law, as well as across many geographies. We have the resources to handle every aspect of a complex transaction in a well-coordinated manner that leverages the collective expertise of the firm.

# **Business Acumen**

We have an intimate understanding of the economic ecosystem in which our clients operate. As a result, we add value not only in crafting and negotiating commercial agreements driven by intellectual property (such as license, joint venture, outsourcing, codevelopment, manufacturing, and distribution agreements), but also in establishing the most favorable business terms for our clients.

# **Scalability**

The depth and breadth of our bench gives the firm an outstanding ability to scale to meet the needs of our clients and tailor our teams to the specialized demands of each client engagement.

# **Efficiency and Value**

The firm is well aware of our clients' focus on cost efficiency, and our experience and staffing strategy allows us to offer exceptional value to the companies we serve.

# An Edge in M&A

The firm's TTG team is an invaluable asset in merger and acquisition transactions. The team has unrivaled expertise in spinout and other complex transactions related to IP acquisitions and sales. TTG attorneys are especially adept at understanding a target company's value and vulnerabilities from a commercial and IP perspective.

# **COLLABORATIONS AND JOINT VENTURES**

As companies seek to leverage the intellectual property of other businesses, share resources, or otherwise collaborate to reach new markets, Wilson Sonsini's TTG attorneys provide assistance by formulating and negotiating sophisticated agreements including collaborations, joint ventures, partnering arrangements, and other strategic transactions.

Based on their extensive experience in this area, our TTG attorneys know which components make for creative, effective, and mutually beneficial transactions. They also know the usual trouble spots that commonly arise in structuring different arrangements, as well as how to avoid terms that may potentially weaken agreements.

Our client list and long-time stature as the industry's leading technology transactions practice illustrates our success at bringing companies together, devising win-win solutions, and helping clients derive value from collaborations, joint ventures, and other strategic transactions.

#### What We Do for Clients

#### **Collaborations**

Wilson Sonsini's TTG team works with clients seeking to enter into sophisticated collaborations. These generally take the form of corporate partnering agreements, strategic alliances, or co-development arrangements, and are often global in scope, involving parties in Asia, Europe, and South America, for instance.

We have substantial experience developing, negotiating, and implementing the following types of collaborations:

- Co-branding and promotional agreements
- Cross-border agreements
- Research and development agreements
- Strategic alliances
- Joint development agreements
- Co-investment agreements
- Joint marketing agreements

#### Joint Ventures

Wilson Sonsini's TTG team also assists companies that choose to collaborate by setting up a new entity. Clients pursue this option when business needs call for an entity to be managed independently of either parent, to meet requirements for doing business in a foreign jurisdiction, or a possible exit strategy that involves spinning out or selling the new entity. More often than not, joint ventures are cross-border, particularly in Asia (including China) and Europe.

Our TTG attorneys' vast experience with a broad range of joint venture transactions includes assisting clients from virtually every technology and life sciences sector, as well as representing leading energy, transportation, retail. We are also adept at introducing clients to novel, creative agreements, like build-to-buy agreements, that are aimed at benefitting multiple parties.

### Who We Represent

Although collaborations and joint ventures often involve the firm's clients in the biotech, pharmaceutical, and medical device sectors, our TTG attorneys have significant experience with these and other strategic transactions in the IT and energy sectors. We also handle collaborations with research institutions and universities seeking to partner with private industry.

Our TTG attorneys have worked with innovative start-ups and established companies from every corner of the technology industry. For a list of sectors in which we have particular experience, return to our practice overview page.

### IP SALES AND ACQUISITIONS

Wilson Sonsini's TTG attorneys specialize in representing both buyers and sellers in the acquisition, sale, or spinout of IP and technology-related assets. Our expertise includes transactions involving the purchase and sale of product lines, patent portfolios, and

business units, whether located in the U.S. or in foreign jurisdictions.

Wilson Sonsini is consistently ranked among the country's leading legal advisors based on the number of completed M&A transactions. Because our TTG attorneys advise on nearly all of the firm's M&A deals—and are critical to the firm's ability to represent clients on those transactions involving complex IP assets—our TTG team has an unmatched depth of experience understanding the complexity of the IP terms in such transactions.

In particular, we have extensive experience drafting and negotiating the IP-related terms of acquisition agreements and associated technology licenses and commercial agreements, as well as conducting due diligence with respect to the acquired entity's IP assets, licenses, and commercial arrangements. Because our TTG attorneys represent companies on a day-to-day basis on the full range of commercial and IP matters, they are keenly adept at understanding a target company's value and vulnerabilities from a commercial and IP perspective.

### Who We Represent

Our TTG attorneys have worked with innovative start-ups, established companies, and private equity firms in conjunction with transactions. For a list of sectors in which we have particular experience, return to our practice overview page.

#### PATENT MONETIZATION

Wilson Sonsini represents clients in dozens of patent sales transactions every year, ranging from large auction processes to sales of individual patent "packages," direct patent sales for strategic or monetization purposes, acquisition of patent portfolios as part of litigation defense strategies, formation of joint ventures and other special-purpose entities for the acquisition and licensing of patents, divestitures and spin-outs of patent assets in the context of strategic transactions, and patent transfers related to licensing and settlement transactions. Our involvement spans the full range of activities involved in these transactions, including structuring and drafting agreements, performing diligence, and handling negotiations as both buyer's counsel and seller's counsel.

In one illustrative example of the firm's deep expertise with respect to strategic patent transactions, a high-profile company preparing for an initial public offering acquired a portfolio of patents and obtained a license from a non-practicing entity in the settlement of litigation, and then used those patents in negotiations to resolve a separate patent dispute with a strategic competitor. Wilson Sonsini performed detailed diligence and analysis of the patents (including identifying complex issues impacting encumbrances and standing that needed to be resolved as a condition to closing), drafted and negotiated the agreements, and performed offensive analysis and managed privilege issues related to the anticipated use of the patents against the strategic competitor.

For additional patent monetization transactions in which the firm provided representation, please see the list detailed below.

# **Representative Transactions**

- Represented wireless technology developer InterDigital as seller's counsel in its agreement to sell approximately 1,700 patents and patent applications to Intel Corporation for \$375 million in cash.
- Represented RealNetworks as seller's counsel in \$120 million patent and asset sale to Intel of over 350 patents and patent
  applications.
- Represented public telecommunications company as buyer's counsel in \$45 million acquisition of several hundred patents and patent applications related to network infrastructure and services.
- Represented public software company as buyer's counsel in acquisition of large portfolio of patents from IBM.
- Represented Bridgelux, a developer and manufacturer of LED lighting technologies, as seller's counsel in divestiture of significant patent portfolio in connection with transfer of GaN-on-Silicon LED technology assets to Toshiba.
- Represented public semiconductor company as seller's counsel in multiple divestitures of patent portfolios for monetization purposes, involving hundreds of patents and patent applications.
- Represented U.S. public company in formation of joint venture with foreign public company for acquisition of large number of
  patents and patent applications for new entity.
- Represented public semiconductor and networking companies in participation in special purpose entity to bid on Nortel patent portfolio in patent auction related to Nortel's bankruptcy.
- Represented public web/networking company as buyer's counsel in series of patent acquisitions to expand portfolio in new business areas for defensive purposes.
- Represented public company in series of strategic patent acquisitions.
- Represented major public technology company in acquisition of assets of a business from a Korean company including the purchase of several thousand patents and the negotiation of complex cross-licenses.
- Represented public cloud services company as buyer's counsel in acquisition of patents for defensive use in patent litigation against strategic competitor related to open source software.
- On multiple occasions, represented companies in transfer of hundreds of patents in connection with large patent settlements.

# LICENSING

Nearly every commercial transaction we handle for our clients involves the licensing of technology or intellectual property rights. Our technology transactions attorneys are adept at crafting and negotiating all forms of license agreements, including software license agreements (e.g., EULAs and SaaS agreements, for apps and enterprise software), patent license agreements, trademark licenses, university licensing agreements, content license agreements, data rights agreements, and technology transfers.

Whether we're working with an innovative start-up or an industry-leading public company, our TTG attorneys apply experience gained from working with thousands of companies during the practice's decades-long history to help licensors and licensees alike build their businesses.

#### What We Do for Clients

End-User License Agreements, Enterprise Software License Agreements, and SaaS Agreements

End-user license agreements are highly strategic components in building a company's business model and the means through which the company will monetize its products and services. In addition, they're often subject to specific requirements depending on the industry, distribution platform, third-party code or open source software that may be embedded in the product, and customer type (consumer, small business, or enterprise).

We work with our clients to develop agreements that reflect their specific goals while still meeting legal requirements. We also consider each client's overall approach to agreements, whether they prefer a more user-friendly style or more formal language. Finally, we make appropriate use of proven templates to develop agreements efficiently, working with clients to customize them to best suit their needs.

### Technology License Agreements

At the heart of our licensing experience is the work our attorneys do to negotiate technology license agreements that may implicate several forms of IP rights: patents, copyrights, trademarks, and trade secrets. These include outbound licenses, such as a client licensing its software or other technology to an OEM who will incorporate it into the OEM's own products and services, or inbound licenses, such as a client licensing IP cores to incorporate into its semiconductor devices. Our team includes attorneys who have advanced degrees in science and engineering and hands-on experience in their fields prior to practicing law. This technical background is invaluable in understanding the context for the technology license agreements we negotiate and optimizing our approach.

### Patent License Agreements

Patent license agreements arise in many contexts, either as pure patent licenses such as license agreements for a defined patent or set of patents, patent portfolio licenses, patent cross licenses, and litigation settlements, or as part of larger technology collaborations. Our experience with patent license agreements includes all of these types and in fact, our attorneys have been involved in negotiating some of the largest patent license agreements in recent years. We closely track legal developments, and adapt our terms to follow best practices in light of current law.

### Digital Content Licensing and Arts and Entertainment Licensing

Another significant area of experience is the team's work devising licensing agreements for digital content. Our clients include music apps and services; game companies; e-book publishers; authors of written works; music and video publishers; and webcasters and satellite radio services, among others. Our TTG practice includes attorneys with diverse media and executive backgrounds who often represent clients in license and settlement agreements with major record labels, music publishers, Performing Rights Organizations, book publishers, and movie studios. We counsel clients on business-model development, analysis of rights issues, and copyright protection, and advise them on production, distribution, and licensing deals for various media, including Internet, sound recordings, film, television, and publishing.

# API Licensing and SDKs

Technology ecosystems exist because of a community of developers and the web of connected products and services they create. We advise companies on the creation of their application programming interface (API) licensing programs and agreements, as well as their software development kit (SDK) terms and conditions.

### University and Research Organization Licensing

Wilson Sonsini's TTG team has developed and negotiated commercialization and technology transfer agreements on behalf of clients partnering with universities and other research organizations. Agreements have ranged from narrowly focused licensing agreements concerning a specific technology to broader research, development, and licensing arrangements.

Examples of our experience in this area include agreements covering biotech, hardware, medical devices, software and other innovations. In addition to agreements for patentable inventions, we have represented clients in conjunction with Tangible Research Property (TRP) and Material Transfer Agreements for biological materials.

Wilson Sonsini's attorneys have developed favorable working relationships with leading college and university development programs at the forefront of research and innovation, negotiating agreements with dozens of higher education institutions. The firm also has substantial experience assisting clients that partner with both non-profit and for-profit R&D organizations.

Regardless what type of client or technology is involved, our aim is to help clients achieve their business objectives in the most efficient manner by drawing on the firm's resources and reference information, while applying best practices and agreement templates.

#### Who We Represent

Wilson Sonsini's TTG team represents both licensors and licensees. For example, licensor clients include technology innovators with patent-protected technology—from biotech and medical device manufacturers to digital media content publishers and software developers—that license their IP for integration into products manufactured by other parties. Licensee clients include companies using discoveries commercialized by universities and R&D facilities, companies acquiring assets in M&A transactions, and other entities seeking the use of valued IP.

Our TTG attorneys have worked with innovative start-ups and established companies from every corner of the technology industry. For a list of sectors in which we have particular experience, return to our practice overview page.

#### SUPPLY CHAIN AND DISTRIBUTION

#### What We Do for Clients

Wilson Sonsini's TTG attorneys help companies formulate smart, practical supply chain and distribution channel agreements that facilitate the speed and flow of business, with an eye toward helping clients meet their revenue and operational objectives.

At one time, these were simple, standard commercial transactions, but today they are complex, global, and industry-specific. Our work includes developing and negotiating a broad range of agreements between entities that govern the manufacture, procurement, and distribution of products and services.

We have the expertise to assist with specific, one-time strategic agreements, as well as arrangements that require the sophisticated coordination of contract terms that govern multiple software, service, and tangible components comprising a system delivered to a customer.

Beyond the traditional scope of procuring raw materials and transforming them into finished goods, supply chain transactions today include agreements for services such as product design and development, in some cases resulting in a company that is essentially virtual. Further, for products that include software and services delivered online, supply arrangements include agreements for the licensing of software components and for hosting, cloud services, platform services, and infrastructure. The optimal supplier may be located anywhere in the world, and our attorneys routinely negotiate transactions with vendors across the globe.

Similarly, distribution and reseller arrangements are rarely agreements to simply ship boxes; rather, in a connected world, many of our clients' products include apps and online services, and a distributor can be a key player in the distribution of apps through an app store, or the delivery of online services. Our attorneys excel at managing precisely these types of complicated inter-relationships. Here too, customers can be located anywhere, making ours an international practice.

The ways in which products and services are developed, sourced, and distributed—and the rights granted at each layer—have significant implications for a company's intellectual property rights portfolio, and our TTG attorneys structure these arrangements to optimize our clients' IP positions.

Our experience includes assisting clients with the following types of supply and distribution agreements:

- Foundry agreements
- Integrated device manufacturer (IDM) agreements
- Original equipment manufacturer (OEM) agreements
- Original design manufacturer (ODM) agreements
- Contract manufacturing agreements
- Value-added re-seller (VAR) agreements
- Distributor and reseller agreements
- Purchase, sale, and leasing agreements
- Global sourcing agreements, including outsourcing and shared resources arrangements

#### Who We Represent

In addition to significant experience assisting technology industry players that produce components or finished products, our TTG attorneys have extensive life sciences industry experience, helping biotech and medical device clients deliver products and services to market, from laboratory to store shelf.

Our component and finished product clients include chip fab plants, B2B and B2C software providers, data storage providers, communications equipment companies, and smartphone device manufacturers. Meanwhile, our life sciences clients include medical device assembly and component manufacturers, biotechnology companies, and pharmaceutical product companies.

Our TTG attorneys have worked with innovative start-ups and established companies from every corner of the technology industry. For a list of sectors in which we have particular experience, return to our practice overview page.

### **GLOBAL OUTSOURCING**

Wilson Sonsini's global outsourcing practice is committed to providing our clients with effective, efficient, and strategic counsel that supports each client's commercial and legal objectives. Beyond expert legal advice, our attorneys value and balance the commercial goals and risks that motivate client and service provider and strive to find market-based, equitable, and sustainable contractual solutions. The resulting approach is one of collaborative contracting.

Our counsel, style, and processes are built on the belief that successful outsourcing relationships demand the mutual respect of commercial requirements and capabilities, of risks and rewards, and of culture and values. This respect does not materialize the day the contract is signed; rather, it is nurtured and practiced from the moment the parties meet and begin exchanging requirements and solutions. When we partner with our clients' legal and commercial leaders, we do so knowing that we are joining a collaborative process intended to create value for the parties for years to come.

#### What We Do for Clients

Our attorneys have substantial experience with various types of outsourcing transactions, global geographies, and service providers. We evaluate, structure, negotiate, remediate, and renew all types of information technology outsourcing (ITO) and business process outsourcing (BPO) transactions, including:

- IT infrastructure, data center management, hosting, enterprise computing, and telecommunications
- Human resources outsourcing (HRO)
- Finance and accounting outsourcing (FAO)
- Application development and maintenance (ADM)
- Desktop and device support
- Help desk and call center operation
- Build-operate-transfer (BOT)
- Human resources information systems (HRIS)
- Payroll and benefits administration
- Procurement and procure-to-pay (P2P)
- Knowledge process outsourcing (KPO)
- Legal process outsourcing (LPO)
- Analyst research
- Staff augmentation
- Manufacturing and capacity outsourcing
- Research and development
- Life sciences and clinical trials
- Corporate acquisition and divestiture transition services

Complex outsourcing transactions require a multidisciplinary approach, and our global outsourcing transactions practice leverages the broad capabilities of the entire firm across multiple offices, with projects staffed by recognized leading experts in technology transactions, intellectual property, privacy and data protection, tax, employment, corporate and securities, and real estate law.

We have represented companies in their strategic outsourcing dealings with a broad array of global service providers, which has given us an understanding of the contracting tendencies and styles of industry leaders such as IBM, Accenture, EDS, ACS, CSC, Deloitte, Unisys, Convergys, and Hewitt, among others.

The globalization of service delivery models offers companies a broad mix of "follow-the-sun" locations designed to achieve increased service delivery and beneficial cost reductions. Our global expertise in onshore, near-shore, and offshore transactions will ensure that your stakeholders are aware of the incentives and risks inherent in the global delivery footprint of a service provider. Our expertise spans a wide range of service geographies, including India, China, Philippines, Malaysia, Western Europe, Eastern Europe, Canada, Mexico, Brazil, Costa Rica, Jamaica, and other countries with maturing and rapidly growing outsourcing businesses.

This practical and market-based experience allows us to tailor our representation to match the unique nature of each client transaction in order to maximize efficiency and effectiveness. Our experience and flexible approach enables our clients to rely on us for strategic and procedural guidance on vendor selection strategy, contract architecture, and transaction negotiation, as well as to integrate and collaborate with third-party advisory firms to produce efficient transactions, whether sole-sourced or achieved through a competitive process.

### Who We Represent

Our attorneys have structured and negotiated U.S. and international outsourcing transactions for clients in every corner of the technology industry. For a list of sectors in which we have particular experience, return to our practice overview page.

### LITIGATION SETTLEMENTS

#### What We Do for Clients

The firm's TTG attorneys frequently assist clients in intellectual property disputes that are ultimately resolved through settlements involving a license or commercial arrangement. Our TTG team often collaborates with the firm's litigation attorneys to forge business resolutions to our clients' patent, trademark, and other IP disputes, as well as breach of contract claims.

Simple settlement agreements involve a payment and a release of claims, but more complicated settlement agreements also include an ongoing licensing or commercial relationship. The firm's TTG attorneys have negotiated sophisticated settlements that include, for example, patent licenses and cross-licensing provisions, royalty-bearing licenses, marketing and distribution commitments, exclusion terms, and interoperability arrangements.

With the complexity of technology business models—including licensing, SaaS, implementation of standards, ODMs, and service OEM agreements—drafting a settlement that grants rights that are neither too narrow nor too broad can be complicated. Doing so requires not only a thorough understanding of the relevant industry, but also specific knowledge as to how products and services are sold and delivered in the sector, as well as the patent rights that are implicated. Because our TTG attorneys have that high level of industry, product, or service expertise, they are called on to negotiate settlements even when the firm's litigators are not handling the underlying case.

### Who We Represent

While a significant portion of the firm's recent experience using licensing and other agreements to settle disputes has involved clients in the wireless, mobile device, semiconductor, software, cloud computing, and hardware sectors, our TTG attorneys have worked with innovative start-ups and established companies from every corner of the technology industry.

For a list of sectors in which we have particular experience, return to our practice overview page.