

COLLABORATION AGREEMENT -- AN OVERVIEW.

Today with the gradual liberalisation of the Industrial Policy and with the pseudo-privatisation of the public sector companies, more and more companies are trying to collaborate with foreign companies either for a technical know-how and/or financial participation. It therefore becomes important to formulate broad areas of agreement so that the interest of both the parties concerned are safeguarded.

What are the most important factors that every company must look at, if it wants the partnership to be successful and beneficial? After analysing several agreements (both formal and informal), discussing with several knowledgeable persons, I have in this article tried to analyse and describe the contents of the various factors that an agreement must include.

**THE FRAMEWORK/OBJECTIVE**

Any collaboration Agreement must ensure inter alia, the following:

- assimilation of technology by the local personnel. (both the know-how and also the know-why)
- allow the use as far as possible of the locally available materials.
- facilitate the adoption and use of any future development of the relevant technology.
- provide all necessary information and support for capturing not only the domestic market but also the export market.
- include adequate guarantees for the performance of the parties obligation.

**THE MODUS OPERANDI (Non-Financial Contribution)**

In simple terms the translation of the abovementioned objectives would result in the incorporation of the following points:

**DEFINITION.**

Here the terms which would be very often repeated and are likely to be misinterpreted are clarified and defined for e.g. the terms like Basic Drugs, Technical Information Products, Specific System or certain words like "may" or "Month" (does the word month mean a calendar month or an average month comprising of 30 days) etc.

**TECHNICAL INFORMATION.**

This is the most important and the heart of any collaboration agreement. Care must be taken to specify this chapter very carefully and in detail. It may be important or necessary to specify the type of technical information that would be supplied for e.g. the process of manufacturing the product, written documents etc. It is important that the agreement should