

ABCs of Contract Terminology and Media Rights

Toolkit

by

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What is a contract?

A fair and just agreement between parties.
Never is! Just a point in time.

- **Perfect Universe:** both parties benefit equally. Strategy.
- **Compromise Universe:** both parties compromise. Reality and Flexibility.
- **Obligation Universe:** both parties commit. Time and Exit!



Navigating Pre-Contract Waters

- **Letter of Intent (LOI):** *non-binding* document indicating preliminary agreement on certain terms.
- **Letter of Commitment (LOC):** *binding* document where a party pledges to *specific* obligations.
- **Pre-Buy:** *contract* to purchase prior availability.
- **Option :** *contract* of exclusive rights to acquire at agreed terms within a specific period.



Major Types of Media Rights



- **Linear:** Scheduled by broadcasters over TV channels.
- **SVOD (Subscription Video on Demand):** Unlimited access for a regular subscription fee to watch anything anytime.
- **TVOD (Transactional Video on Demand):** Pay for each piece of content to rent (DTR - Download to Rent) or to own (EST - Electronic Sell-Through).
- **AVOD (Advertising-based Video on Demand):** Free access supported by ads, no subscription.
- **PVOD (Premium Video on Demand):** Rent new releases at premium price before available on other VOD platforms or physical media.
- **Catch-up TV:** Watch online for a limited time after initial airing for free.
- **Hybrid Models:** Combines AVOD offer with ads and SVOD offer for ad-free viewing.
- **Live Streaming:** Direct over the internet through subscriptions, pay-per-view, or ads.
- **FAST (Free Ad-Supported Streaming Television):** Mimics traditional TV streaming scheduled content on the internet supported by ads.

Critical Terms of Licensing Agreements



- **Exclusivity:** Buyer's sole right.
- **Territory:** Geographic scope.
- **Term/Duration:** Lifespan and active period.
- **Runs:** Allowed repetitions.
- **License Fee:** Payment structure.
- **Delivery and Acceptance:** Content handover and approval.
- **Usage Rights:** Permitted uses.
- **Content Modifications:** Buyer's ability to alter content.
- **Credit and Moral Rights:** Obligations and integrity.
- **Indemnification and Liability:** Legal safeguards. Jurisdiction.
- **Termination and Remedies:** Exit clauses and conflict resolution.

Licensor/Licensee Contract



- **Introduction/Definitions:** Sets the contract's terms and party roles.
- **Grant of Rights:** Details rights licensed, territory, and exclusivity.
- **Term and Termination:** Specifies contract duration and ending conditions.
- **Financial Terms:** Outlines payment, fees, and royalty arrangements.
- **Content Delivery and Acceptance:** Describes content delivery specifics and criteria.
- **Marketing and Promotion:** Defines marketing duties and rights.
- **Representations and Warranties:** Guarantees about legality and content ownership.
- **Indemnification:** Covers losses from contract breaches.
- **Confidentiality:** Mandates privacy for certain information.
- **Intellectual Property Ownership:** Confirms licensor retains content ownership.
- **Dispute Resolution:** Details how disputes are handled.
- **Miscellaneous:** Addresses additional and overarching terms.

Contract Jargon Deal Breaker vs. Walk-Away Point ?

The least favorable terms a party is willing to accept before abandoning negotiations.

A term or condition that, if not agreed upon, will cause one party to withdraw from the negotiation.

Contract Jargon Non- Negotiable vs. Good Faith

Negotiating with honest intentions without taking advantage of the other party.

A point or term in the contract that one party insists cannot be changed.

Contract Jargon Due Diligence vs. NDA

A legally binding contract ensuring that sensitive information disclosed during negotiations remains private.

The process of thoroughly reviewing all financial records, legal documents, and other pertinent information before finalizing the agreement.

Contract Jargon Best and Final Offer vs. Counteroffer

A new offer made in response to a previous offer.

The last and most favorable terms offered by a negotiating party.

Contract Jargon Leverage vs. Gambit

A strategic action taken in negotiations to gain an advantage or provoke a specific response from the other party.

The use of a strategic advantage by one party to influence negotiations in their favor.

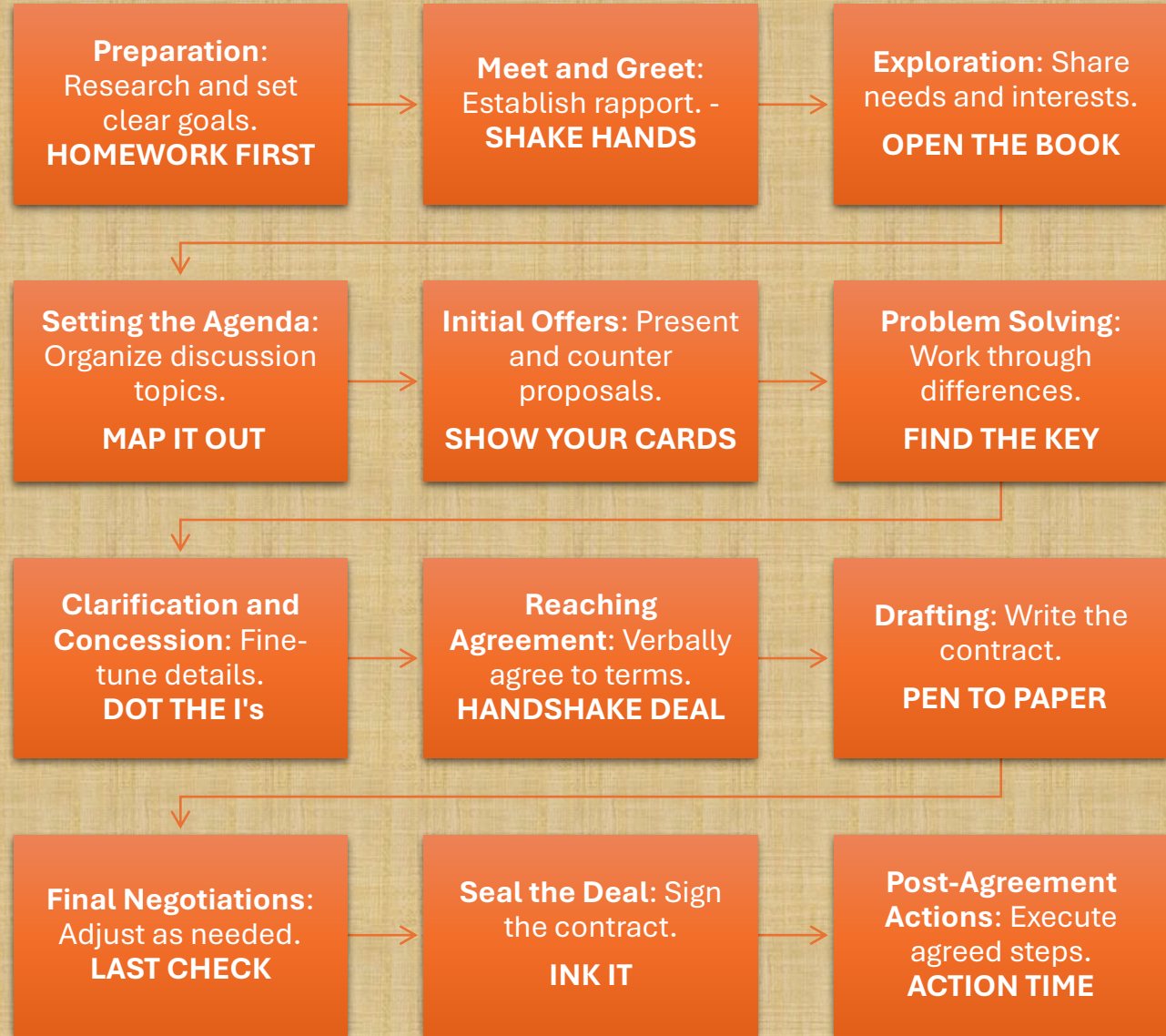
Contract Jargon Force Majeure vs. Pay or Play

A clause guaranteeing payment to a party regardless of whether the project proceeds or their services are used.

A clause freeing both parties from liability or obligation when an extraordinary event or circumstance beyond their control occurs.



Negotiation Stages



Best Reflexes when Negotiating

- **Preparation:** Have clear objectives.
- **Active Listening:** Focus on the other party.
- **Flexibility:** Be open to compromise.
- **Clarity:** Clearly communicate needs.
- **Fairness:** Aim for mutual benefit.



