
Contract Clause Library for Technology Agreements

Negotiation-ready clause templates for technology contracts

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How to Use This Library

This clause library provides negotiation-ready templates for common technology contract provisions. Each clause includes bracketed variables [LIKE THIS] that you should replace with your specific terms.

Where multiple variants are provided, they are labelled as:

- Vendor-Friendly: favours the service provider
- Balanced: reasonable middle ground
- Customer-Friendly: favours the customer

These clauses are starting points for negotiation. Every contract should be reviewed by qualified legal counsel before execution. Clauses may need adaptation for specific jurisdictions, industries, and transaction types.

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Intellectual Property Clauses

IP Ownership (Vendor-Friendly)

"Ownership of Service. [VENDOR NAME] retains all right, title, and interest in and to the Service, including all intellectual property rights therein. The Service, its structure, organisation, and source code constitute valuable trade secrets of [VENDOR NAME]. Customer receives no rights in the Service except the limited licence expressly granted in this Agreement. Any suggestions, enhancement requests, feedback, or recommendations provided by Customer regarding the Service ("Feedback") shall be the property of [VENDOR NAME], and Customer hereby assigns all right, title, and interest in such Feedback to [VENDOR NAME]."

IP Ownership (Balanced)

"Ownership. As between the parties: (a) [VENDOR NAME] retains all right, title, and interest in and to the Service and any improvements, modifications, or derivative works thereof; and (b) Customer retains all right, title, and interest in and to Customer Data. [VENDOR NAME] may use Feedback provided by Customer to improve the Service, but such use shall not create any obligation to Customer. Customer Data shall not be considered Feedback."

Background and Foreground IP

"Background IP. Each party retains all right, title, and interest in its Background IP. 'Background IP' means all intellectual property owned or controlled by a party prior to the Effective Date or developed independently of this Agreement."

Foreground IP. All intellectual property created in the performance of this Agreement ('Foreground IP') shall be owned by [PARTY]. The other party is granted a non-exclusive, perpetual, royalty-free licence to use such Foreground IP solely for the purposes contemplated by this Agreement."

Limitation of Liability Clauses

Standard Cap (Vendor-Friendly)

"Limitation of Liability. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT EXCEED THE AMOUNTS PAID BY CUSTOMER TO [VENDOR NAME] IN THE [12] MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, REVENUE, DATA, OR BUSINESS OPPORTUNITY, REGARDLESS OF THE THEORY OF LIABILITY."

Tiered Cap (Balanced)

"Limitation of Liability.

(a) General Cap. Except for the Uncapped Claims set forth in Section (b), each party's aggregate liability under this Agreement shall not exceed [2x] the total fees paid or payable by Customer in the [12] month period preceding the claim.

(b) Uncapped Claims. The following are not subject to the cap in Section (a): (i) [VENDOR NAME]'s IP indemnification obligations; (ii) either party's breach of confidentiality obligations; (iii) either party's wilful misconduct or fraud; (iv) Customer's payment obligations.

(c) Consequential Damages. EXCEPT FOR UNCAPPED CLAIMS, NEITHER PARTY SHALL BE LIABLE FOR INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES."

Data Breach Carve-Out

"Data Breach Liability. Notwithstanding the general limitation of liability, [VENDOR NAME]'s liability for a Security Incident (as defined in the DPA) involving Customer Personal Data shall not exceed [AMOUNT OR FORMULA — e.g., the greater of \$[X] million or [3x] the annual fees]. This carve-out covers direct damages arising from the Security Incident, including Customer's reasonable costs of notification, credit monitoring, forensic investigation, and regulatory fines directly attributable to [VENDOR NAME]'s breach of its security obligations."

Indemnification Clauses

IP Indemnification (Vendor)

"IP Indemnification. [VENDOR NAME] shall defend, indemnify, and hold harmless Customer from and against any third-party claim that the Service, as provided by [VENDOR NAME] and used in accordance with this Agreement, infringes any patent, copyright, trademark, or trade secret of a third party ('IP Claim'). [VENDOR NAME]'s obligations shall not apply to the extent an IP Claim arises from: (a) modifications to the Service not made by [VENDOR NAME]; (b) combination of the Service with products or services not provided by [VENDOR NAME]; (c) Customer's use of the Service in violation of this Agreement; or (d) [VENDOR NAME]'s compliance with Customer's specifications.

In the event of an IP Claim, [VENDOR NAME] may, at its option: (i) obtain the right for Customer to continue using the Service; (ii) modify the Service to be non-infringing; or (iii) if neither (i) nor (ii) is commercially practicable, terminate the affected Service and refund prepaid fees for the unused term."

Mutual Indemnification (Balanced)

"Mutual Indemnification.

(a) By [VENDOR NAME]. [VENDOR NAME] shall defend and indemnify Customer against third-party claims alleging that the Service infringes intellectual property rights or that [VENDOR NAME]'s processing of Customer Data breaches applicable data protection laws.

(b) By Customer. Customer shall defend and indemnify [VENDOR NAME] against third-party claims arising from: (i) Customer Data or Customer's use of the Service in violation of this Agreement; or (ii) Customer's breach of applicable law.

(c) Procedure. The indemnified party shall: provide prompt written notice; grant sole control of the defence; and provide reasonable cooperation. The indemnifying party shall not settle any claim without the indemnified party's prior written consent (not to be unreasonably withheld)."

Service Level Agreement Clauses

Uptime Commitment

"Service Availability. [VENDOR NAME] shall use commercially reasonable efforts to make the Service available [99.9]% of the time during each calendar month, measured excluding Scheduled Maintenance and Force Majeure Events ('Uptime Commitment')."

'Scheduled Maintenance' means planned maintenance for which [VENDOR NAME] provides at least [48] hours' advance notice via [email/status page]. Scheduled Maintenance windows shall not exceed [4] hours per month and shall be scheduled during [Saturdays 02:00–06:00 UTC] where practicable."

Service Credits

"Service Credits. If [VENDOR NAME] fails to meet the Uptime Commitment in any calendar month, Customer shall be eligible for a service credit calculated as follows:

- 99.0% – 99.9%: [5]% of monthly fees
- 95.0% – 98.99%: [15]% of monthly fees
- Below 95.0%: [30]% of monthly fees

Service credits are Customer's sole and exclusive remedy for downtime. Credits shall be applied to the next invoice and shall not exceed [30]% of monthly fees. Customer must request credits within [30] days of the end of the affected month."

Support Response Times

"Support Response Times.

- Severity 1 (Service Unavailable): Initial response within [1] hour, updates every [2] hours until resolution.
- Severity 2 (Major Feature Impaired): Initial response within [4] hours during Business Hours.
- Severity 3 (Minor Issue): Initial response within [1] Business Day.
- Severity 4 (General Inquiry): Initial response within [2] Business Days.

'Business Hours' means [09:00 – 18:00 UTC, Monday to Friday], excluding public holidays in [JURISDICTION]."

Data Processing Clauses

Processor Obligations

"Data Processing. [VENDOR NAME] shall process Customer Personal Data only on documented instructions from Customer, including with respect to transfers of personal data to a third country, unless required to do so by applicable law; in such a case, [VENDOR NAME] shall inform Customer of that legal requirement before processing, unless that law prohibits such notification on important grounds of public interest.

[VENDOR NAME] shall: (a) ensure that persons authorised to process Customer Personal Data have committed themselves to confidentiality; (b) implement appropriate technical and organisational measures as described in Annex [X]; (c) comply with the conditions for engaging sub-processors as set out in this DPA; (d) assist Customer in responding to data subject rights requests; (e) assist Customer in ensuring compliance with breach notification obligations; (f) at Customer's choice, delete or return all Customer Personal Data upon termination of the Service; and (g) make available to Customer all information necessary to demonstrate compliance."

Sub-Processing

"Sub-Processors. Customer provides [general/specific] prior written authorisation for [VENDOR NAME] to engage sub-processors. [VENDOR NAME] shall: (a) maintain a current list of sub-processors at [URL]; (b) notify Customer at least [30] days before engaging a new sub-processor; (c) impose data protection obligations on each sub-processor that are no less protective than those in this DPA; and (d) remain fully liable for the acts and omissions of its sub-processors.

Customer may object to a new sub-processor by notifying [VENDOR NAME] in writing within [15] days of receiving notice. If Customer objects on reasonable data protection grounds, the parties shall discuss in good faith. If the parties cannot resolve the objection within [30] days, Customer may terminate the affected Service without penalty."

Termination and Confidentiality Clauses

Termination for Convenience

"Termination for Convenience. Either party may terminate this Agreement for convenience by providing [90] days' prior written notice to the other party. In the event of termination for convenience by Customer, [VENDOR NAME] shall refund any prepaid fees for the unused portion of the Subscription Term. In the event of termination for convenience by [VENDOR NAME], [VENDOR NAME] shall continue to provide the Service until the end of the then-current Subscription Term."

Termination for Cause

"Termination for Cause. Either party may terminate this Agreement immediately upon written notice if: (a) the other party materially breaches this Agreement and fails to cure such breach within [30] days after written notice; (b) the other party becomes insolvent, makes an assignment for the benefit of creditors, or becomes subject to bankruptcy or similar proceedings; or (c) the other party ceases to operate in the ordinary course of business.

Wind-Down. Upon termination or expiration, [VENDOR NAME] shall make Customer Data available for export in a standard machine-readable format for a period of [30] days. After such period, [VENDOR NAME] shall delete Customer Data in accordance with the DPA."

Confidentiality

"Confidentiality. 'Confidential Information' means all non-public information disclosed by one party to the other in connection with this Agreement, whether in writing, orally, or by inspection, that is designated as confidential or that a reasonable person would understand to be confidential given the nature of the information and circumstances of disclosure.

Exclusions. Confidential Information does not include information that: (a) is or becomes publicly available through no fault of the receiving party; (b) was known to the receiving party prior to disclosure; (c) is independently developed by the receiving party without use of the disclosing party's Confidential Information; or (d) is received from a third party without restriction.

Obligations. The receiving party shall: (i) use Confidential Information only for the purposes of this Agreement; (ii) protect it with at least the same degree of care used for its own confidential information (but no less than reasonable care); and (iii) not disclose it to any third party except as permitted by this Agreement.

Term. Confidentiality obligations survive termination for [3] years, except for trade secrets, which are protected for as long as they remain trade secrets."

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