

11 Provisions for B2B Contracts to Protect Your Business Online



When your Internet business lawyer is drafting business-to-business (B2B) ecommerce agreements and technology contracts, each deal will have unique clauses discussing such things as the product/service sold, and terms of payment.

However, there will be common provisions you will see repeatedly in your contracts because they're designed to make the deal easier and/or protect you from legal liability when [things go wrong](#) during performance of the contract.

Here are 11 topics that are frequently covered in ecommerce contracts and tech agreements.

1. Multiple Counterparts.

Because the parties to ecommerce B2B contracts are often located in different parts of the world, econtracts can authorize different copies of the same agreement to be signed by the parties. The clause will typically permit electronic signatures.

2. Independent Contractor Status.

To avoid the risk of being held liable for employment taxes, workers compensation, and unemployment compensation, a clause is often used that makes it clear that any services performed by a party is on an independent contractor (freelancer) basis rather than as an employee.

3. Confidentiality.

Because of the competitive nature of ecommerce and technology, Internet business owners will usually insist on a provision where the parties agree to keep the terms of the agreement confidential, i.e., not disclose trade secrets, details of the contract, and other information that could be used by competitors.

4. Non-Disparagement.

With it so easy to smear a business in social media these days, entrepreneurs often insist that their business-to-business contracts include provisions that prevent negative statements being made by any party (or their employees) during and after performance of the agreement.

5. Disclaimers.

To limit potential liability, disclaimers are typically included in ecommerce and [technology agreements](#) to prevent one party from making claims for damages beyond the scope of risk the other party is willing to assume. For example, it's common for an [ecommerce](#) entrepreneur to disclaim any warranty that a particular product covered by the agreement (e.g., software) is fit for a particular purpose.

6. Liquidated Damages.

Internet entrepreneurs frequently include paragraphs in their B2B contracts that provide for a certain amount of damages in the event that there is a breach of the agreement during performance. Such clauses will encourage the other party to perform to avoid paying such damages.

7. Intellectual Property Ownership.

It's common to include paragraphs that address which parties own what [intellectual property](#) (IP), such as ownership of copyrights, trademarks, and patents. This is important to cover any IP sold/licensed as well as ownership of IP created under a services agreement.

8. Applicable Law.

Because online businesses are frequently headquartered in different cities, states/provinces, and even countries, it is important to include a contract clause that decides which law governs any disputes between the parties.

9. Dispute Resolution.

With an exception for masochistic entrepreneurs who enjoy spending their time in court and money on trial lawyers, most entrepreneurs want to handle any serious disputes without a lawsuit. This means that the agreement will usually include one or more paragraphs that provide for alternative dispute resolution through mediation and/or arbitration.

10. Indemnification and Defense.

As an online business owner, if the other party to an ecommerce contract or technology agreement does something really stupid that results in your becoming a defendant in a lawsuit, you're probably going to want to include contract clauses that require the other party to indemnify and defend you in the lawsuit.

11. Assignments and Subcontracting.

Most ecommerce B2B contracts and technology agreements will address situations where a party wants to assign or subcontract out some or all of its performance responsibilities. In some cases, there is a complete prohibition on delegating out the work to others. In others, B2B contract provisions can permit subcontracting or assignment under limited circumstances, such as with prior written consent of the other party.

Now, naturally, there are other contract clauses that your Internet lawyer will use to help you make a business deal go smoothly and protect you from liability in the process.

However, the 11 areas discussed above are very common topics that you will want to consider addressing in most of your B2B technology and ecommerce business contracts.

To get help with your B2B contracts, [set up a telephone consultation](#) with Internet Lawyer Mike Young.



About the Author

Mike Young has been practicing business and technology law since 1994. And he's been an entrepreneur since 1988.

To get legal help from Attorney Young, [click here now](#) or call 214-546-4247 to schedule a phone consultation.