§ 66-213. Mandatory contract terms.

(a) A contract for invention development services shall set forth the information required in this section in at least 10-point type or equivalent size if handwritten.

(b) The contract shall describe fully and in detail the acts or services that the invention developer contracts to perform for the customer.

(c) The contract shall include the terms and conditions of payment and contract termination rights required by G.S. 66-212(e).

(d) The contract shall state whether the invention developer contracts to construct one or more prototypes, models, or devices embodying the customer's invention, the number of such prototypes to be constructed, and whether the invention developer contracts to sell or distribute such prototypes, models, or devices.

(e) If an oral or written estimate of projected customer sales, profits, earnings and/or royalties is made by the invention developer, the contract shall state the estimate and the data upon which it is based.

(f) The contract shall state the expected date of completion of the invention development services, whether or not time is of the essence, and whether or not the terms include provisions in case of delay past the expected date of completion.

(g) The contract shall explain that the invention developer is required to maintain all records and correspondence relating to performance of the invention development services for that customer for a period not less than three years after expiration of the term of the contract for invention development services. Further, such records and correspondence will be made available to the customer or his representative for review and copying at the customer's expense on the invention developer's premises during normal business hours upon seven days' written notice, the time period to begin from the date the notice is placed in the United States mail properly addressed and first class postage prepaid.

(h) The contract shall state the name of the person or firm contracting to perform the invention development services, all names under which said person or firm is doing or has done business as an invention developer for the previous 10 years, the names of all parent and subsidiary companies to the firm, and the names of all companies that have a contractual obligation to the firm to perform invention development services.

(i) The contract shall state the invention developer's principal business address and the name and address of its agent in this State who is authorized to receive service of process in North Carolina. (1989, c. 746, s. 1; c. 770, ss. 62.1(1), (2), (4); 1991, c. 235, s. 1.)