



CRITICAL CONTRACT KNOWLEDGE

TOP 5 THINGS YOU NEED TO KNOW BEFORE YOU SIGN

1. **Boilerplate.**

“Boilerplate” refers to all that stuff in a contract that probably seems like legal gobbledygook. People often delete boilerplate to simplify their contracts. Trouble is, that boilerplate protects you! Without it, you might not be able to enforce the contract at all.

2. **Work for Hire.**

If you are an independent contractor developing creative works for a client, you own the copyrights in the works unless you sign a contract that states that the works are “work made for hire” or you assign the works to the client in writing. Only then do the rights transfer to the client.

3. **Getting Paid.**

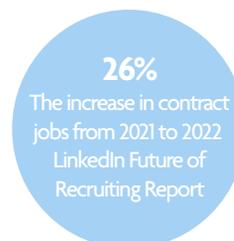
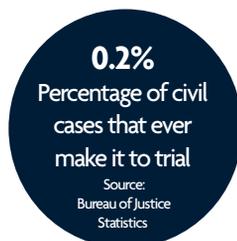
If you don’t include certain clauses in your contracts, you are less likely to get paid on time (or at all). Examples of effective contract terms that get you paid include the right to charge interest, liquidated damages, injunctive relief, withholding rights to the work, and attorneys’ fees provisions.

4. **Doing It Yourself.**

Generic contracts found online, or contracts written for someone else, frequently do more harm than good. They are not likely to fit your situation and therefore are more likely to result in an unenforceable contract or lead to litigation. It is much more expensive to hire an attorney to handle a dispute than it is to protect yourself with a properly written contract.

5. **Words Matter.**

A contract is like a spell – if you don’t use the right words, the magic doesn’t work. “Terms of art” are certain words or phrases in contracts that have specialized definitions or a particular legal impact. Their presence or absence can make all the difference in what your contract really means.



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