

SAAS LEGAL ESSENTIALS

As a SaaS business, your clients may make substantial claims against you if your contract does not protect your interests. This factsheet outlines key clauses you can include to ensure both parties understand their obligations.

WHAT TO INCLUDE IN A SAAS CONTRACT

CLAUSE	DIRECTION
Licence to Use the SaaS	Grant customers a licence to use the solution, ensuring compliance with terms and conditions for better oversight of intellectual property usage.
Intellectual Property	Define ownership and licensing terms for any intellectual property uploaded or provided by customers. Additionally, specify ownership rights in any new intellectual property created through the use of your SaaS, especially if customer IP contributes.
Term of the SaaS Contract	State the duration of the agreement and whether it is fixed-term, subscription-based, or with renewal options. Outline when customers will gain access to the SaaS, specifying conditions for different types of platforms or customised solutions.
Free Trial	If applicable, outline terms for a free trial period, allowing customers to test the SaaS without commitment.
Fee Structure	Articulate fees, payment methods, and structures, avoiding ambiguity to ensure timely payments.
Cancellations and Terminations	Specify how either party can end the agreement and outline post-termination actions, such as discontinuation of services, fee settlements, and the return of materials or intellectual property. If applicable, calculate early termination fees as a genuine estimate of losses.
Refunds	Define the refund process, if offered, and set parameters for when refunds apply.

KEY CLAUSES TO LIMIT LIABILITY

EXCLUSION OF LIABILITY CLAUSE

This clause mitigates the risk of potential consequential or indirect losses to customers through the provision of your services.

LIMITATION OF LIABILITY CLAUSE

Limits the total losses or damages you are liable to the customer for to parameters such as a specific sum of money or what you can recover on your insurance policy.

PROPORTIONATE REDUCTION CLAUSE

Reduces your liability for damages in proportion to the extent another party causes or contributes to the issue.

LIABILITY CAP EXCLUSIONS

Limitations of liability clauses may exclude certain significant and unquantifiable losses, such as liability for data breaches or intellectual property infringement.

INDEMNITIES

Indemnities are contractual promises to compensate for loss or damage. Avoid providing indemnities, unless dealing with blue-chip companies or Government bodies.