

SILVIA MUNJAL

CONTRACTS WITHOUT BORDERS

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Dear Readers,

Welcome to the first edition of Contracts Without Borders. Over the past few years, I've worked with businesses of all sizes from ambitious startups to established global companies and if there's one lesson that keeps repeating, it's this: contracts are not just paperwork, they're strategy.

The fine print decides whether your venture thrives or stumbles. Unfortunately, many entrepreneurs only realize this after a deal goes wrong. My goal with this newsletter is simple: to demystify contracts and share practical, real-world insights that can save you time, money, and stress when dealing with cross-border business.

This edition begins with one of the most misunderstood contract clauses the non-compete.

Warmly,
Silvia Munjal



THE NON- COMPETE TRAP

Non-compete clauses are often buried deep in employment contracts, partnership agreements, and even vendor contracts. Most people don't question them—they just sign. But what if that one clause prevents you from launching your dream business later?

Here's how they work:

- A non-compete typically says you cannot start or join a similar business for a specific time and within a defined geography after leaving an employer or partner.
- Sounds fair, right? But in practice, they can be drafted so broadly that they cripple your future opportunities.

Case in point:

I once reviewed a contract where an Indian founder expanding to Dubai had agreed not to “engage in any competitive activity across the Middle East” for three years. That meant he couldn't even explore other ventures if his partnership failed.





The hidden risks:

- You may be locked out of your industry for years.
- Even if unenforceable in one country (like California, where most non-competes are void), they may still be enforced elsewhere.
- Potential investors often see over-broad non-competes as red flags.

How to protect yourself:

- Narrow the scope – Restrict it to the specific service or product line, not the entire industry.
- Limit geography – If the business operates in Delhi, a non-compete covering “Asia” makes no sense.
- Time-bound it fairly – Courts usually see 6–12 months as reasonable; longer is suspect.
- Check enforceability – Always ask, “Is this enforceable where I operate?” Laws differ.

Final word: Don't let a non-compete today block the opportunities of tomorrow.



Deal Diary: The Startup That Almost Lost Its IP



Lesson: Never confuse usage rights with ownership rights. Always separate “license to use” from “right to own.”

A fast-growing Indian SaaS startup approached me after signing a distribution deal in Europe. The contract looked straightforward until we noticed a line granting the distributor “exclusive rights to register and use the brand.”

That one sentence meant the distributor could have registered the brand name in Europe as their own trademark, effectively taking ownership of the startup’s identity in the region. Imagine building a reputation, only to lose control of your own name.

We renegotiated:

- The distributor received exclusive rights to sell the product in their territory.
- But trademark ownership remained strictly with the startup.

QUICK TIPS FOR SAFER CONTRACTS



TIP 1

Jurisdiction is not a formality- Never leave jurisdiction vague. If disputes are forced into an unfamiliar court system, the legal costs and risks multiply. Always negotiate a jurisdiction that is neutral or favorable to you.

TIP 2

Auto-renewals are silent traps- Many service contracts renew automatically unless notice is given 30-90 days before expiry. If you miss the deadline, you're stuck for another year. Put a reminder in your calendar the day you sign.

THE BOTTOM LINE

By keeping an eye on these small details, you can avoid costly surprises and safeguard your interests. Contracts don't have to be overwhelming just a few careful checks can make a big difference in protecting your time, money, and rights.

TIP 3

IP ownership must be crystal clear- NDAs protect information but not intellectual property rights. If you're paying for software, designs, or content, make sure the contract assigns 5 ownership of the IP to you.

Global Insight: Why the EU's Digital Trade Rules Matter for Indian Businesses

The European Union has recently tightened its rules on digital services, particularly around data protection, cybersecurity, and cross-border data transfers.

For Indian IT exporters, this means:

- More compliance requirements – European clients will demand GDPR-compliant data processing contracts.
- Stricter liability clauses – If data breaches occur, you may face penalties or loss of business.
- Competitive advantage if prepared – Indian companies that adopt GDPR standards early can win contracts more easily, because compliance is a selling point.

You must have a strong spirit if you want to be a successful person. The spirit factor is very influential in a person's success in starting a business, the greater the enthusiasm you have, the more opportunities for success will be opened. Even when you experience failure, you will have difficulty rising from that failure. On the other hand, if you have a strong spirit, no matter what the failure, you will get up and move on.



Quote of the Month

"Opportunities don't vanish, they move to those who read the fine print."



Myth vs. Reality.

Myth: Signing an NDA automatically protects all information shared.

Reality: NDAs only protect information that is clearly defined as "confidential." If it's not mentioned, it's not protected.

Spell out what's confidential client lists, source code, designs, prototypes, financial data, etc. That way, there's no ambiguity if a dispute arises.

I know contracts can sometimes feel overwhelming, filled with legal jargon and hidden traps. But the truth is they don't have to be intimidating. With the right knowledge, they can become powerful tools that protect your hard work and open new doors for growth.

I'd love to make this newsletter a two-way conversation, not just me talking to you. Tell me what's the one clause or contract situation that has puzzled or frustrated you the most? Reply and share it with me, and I might feature your question in the next edition (with your permission, of course).

Until then, keep building boldly and reading the fine print. I'm here to make sure you never face contracts alone.

*With warmth,
Silvia Munjal*



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