

# **Template Collaboration Agreements**

**– Based on the National Code of Practice for Managing  
and Commercialising Intellectual Property from  
Public-Private Collaborative Research**



# Template Collaboration Agreements

Based on the “National Code of Practice for Managing and Commercialising Intellectual Property from Public-Private Collaborative Research”



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# INTRODUCTION

The National Code of Practice for Managing and Commercialising Intellectual Property from Public-Private Collaborative Research, published by the Advisory Council for Science, Technology and Innovation in November 2005, (the “Code”), presents the national policy position in relation to managing intellectual property in collaborative research arrangements and is intended to provide a framework for parties to a collaborative research agreement to operate under.

In line with the Code, Forfás has developed these template collaboration agreements (the “Template Agreement”) for use by industry and academic partners in a collaborative research project. This is a bi-lateral Template Agreement; a multi-party version of this Template Agreement will be prepared later in this process on the basis of the comments received in relation to this Template Agreement.

The Template Agreement is designed to assist and enable the parties reach agreement in an efficient manner. It is recognised that all collaborative arrangements are different with differing objectives and varying degrees of financial and intellectual input. The Template Agreement aims to provide an approach for reaching agreement by way of suggested clauses accompanied by detailed explanatory notes in the form of footnotes.

The Template Agreement is preceded by a decision guide to assist users. In particular the decision guide is designed to assist the parties when deciding which of the Intellectual Property ownership options, as set out in Schedule 4B to the Template Agreement (entitled “Ownership of Intellectual Property under the Code”), most accurately reflects the circumstances and requirements of the Project and thereby best enables the successful exploitation and commercialisation of the results arising from the Project.

The terminology in the Template Agreement and its related documents reflects that used in the Code. However the Template Agreement does not provide a strict set of rules for the conducting of research and managing Intellectual Property and is intended (like the Code) to provide guidelines and to be a starting point for negotiation. This version of the Template Agreement will be used for the next 12 months and feedback to Forfás over this period is welcome.

# DECISION MAKING GUIDE

## 1. Overview

- 1.1 This Decision Guide (the “Guide”) is designed to assist you when using the Template Agreement and, in particular, deciding which of the Intellectual Property ownership options, set out in Schedule 4B, most accurately reflects the circumstances and requirements of your Project and thereby best enables the successful exploitation and commercialisation of the Results arising from the Project. For this reason it is important to consult the Guide before using the Template Agreement.
- 1.2 However this Guide is not the only means of providing guidance on what is the most appropriate Intellectual Property ownership arrangement for the Project. This Guide is designed to provide direction and assistance for those wishing to use the Template Agreement. However it is acceptable to step outside of the Guide, should either party consider this appropriate or necessary. In addition, having considered the issues raised by this Guide you should review the Intellectual Property ownership option selected in light of the Template Agreement, to ensure it accurately addresses the circumstances and needs of the Project.
- 1.3 The terminology in this Guide reflects that used in the Code and the Template Agreement.

## 2. Explanatory Notes

- 2.1 Explanatory notes are included in the form of footnotes throughout the document. These cover the differences between the various Intellectual Property ownership options in Schedule 4B, the meaning of the Intellectual Property clauses, where necessary, the Template Agreement’s standard form clauses and the relevance and appropriateness of the clauses at various points.

## 3. Ownership of Intellectual Property<sup>1</sup>

- 3.1 Schedule 4B of the Template Agreement suggests six different Intellectual Property ownership models, reflecting the ownership options suggested and outlined in greater detail at Section C of the Code.<sup>2</sup>
- 3.2 The recommended opening positions for negotiating Intellectual Property ownership as suggested in the Code are as follows:<sup>3</sup>
- (a) 100% Industry Funded Research: Where the Industry Partner pays in full for the research, including both direct and indirect costs, participates in the Project and is considered the key exploitation partner, it will own all the Intellectual Property.

<sup>1</sup> Code: Section C – Ownership, pages 33-37.

<sup>2</sup> As stated in Code, these guidelines are intended to provide a framework and starting positions to guide negotiations between Project Partners. Within a particular Project different types of Intellectual Property might be treated and owned differently. For example, the parties need to take account of (a) ownership of any resulting IP inside and outside of the field; (b) the existence of Background IP relevant to the Project in question; (c) the level of Industry funding involved and how substantial or minor it is; (d) the funding committed to the technology to-date by the PRO from whatever source; and (e) the provision for any license fees/milestone fees/royalties to the PRO depending on the various aspects above, etc.

<sup>3</sup> See Section C of the Code: Ownership, page 36.

- (b) 100% Industry Funded Research: Where a Project is Public Research Organisation (PRO) led and Industry does not provide intellectual input to the Project, but provides direct and/or indirect costs, title to Intellectual Property should be negotiated based on best route for exploitation and the partner best positioned to execute the exploitation strategy.
- (c) Collaborative Research: Where the Industry provides a significant part of the funding<sup>4</sup>, provides intellectual input to the Project and is deemed best positioned to exploit the Intellectual Property, the Industry Partner(s) can own the Intellectual Property. Fair and reasonable financial and non-financial incentives should be provided to the PRO.
- (d) Collaborative Research: Where the State is the primary financial contributor to the Project, the PRO will own the Intellectual Property. All Industry Partners will have rights of access unless it has been agreed upfront that one party will have an exclusive licence, for which it will pay market rates.<sup>5</sup> The PRO is obliged to maximise the exploitation of Intellectual Property through licensing to Industry Partner(s) where the Industry Partner(s) is best positioned to exploit the Intellectual Property. Exclusivity may refer to all or part of the Project(s).
- (e) 100% State Funded Research: Intellectual Property arising from research fully funded by the State is owned by the PRO as outlined in the National Code of Practice for Management of Intellectual Property from Publicly Funded Research.<sup>6</sup>

Joint Ownership: Where employees from two or more Partners contribute to an invention, joint ownership may be negotiated by the Partners.<sup>7</sup>

#### 4. Guiding Questions

- 4.1 Considering the following questions should help you to determine which one of the six different Intellectual Property ownership options is best suited to the particular set of circumstances relevant to your Project.
- 4.2 However, you should note that considering and answering the questions in this Guide may not provide a definitive way forward and you may also find that there are other considerations (not mentioned in this Guide) that, because of your situation, you may wish to take into account.
- 4.3 Agreement on the ownership and access to the Results of the Project should be established as part of the Collaboration Agreement, **before work starts**.<sup>8</sup> By reaching a clear understanding on the allocation of ownership and on access to the Intellectual Property Rights in the Results, and reflecting this position in the Collaboration Agreement, the Partners can reduce uncertainties, promote trust and protect their rights.

<sup>4</sup> The parties should note that what constitutes a significant level of funding will differ depending on the nature of the Project. The same issue arises for point 3.2(d) above.

<sup>5</sup> The appropriate market rate payable should be discounted based on the initial contribution made by the Industry Partner to the Project.

<sup>6</sup> National Code of Practice for Managing Intellectual Property from Publicly Funded Research, ICTSI 2004.

<sup>7</sup> The negotiation and management of joint ownership can be very complex. However, should this approach be agreed by the parties a joint ownership management agreement, outlining IP protection provisions and exploitation rights and terms, should be negotiated. Please see further comments on joint ownership on page 37 of the Code and Schedule 7 of the Template Agreement.

<sup>8</sup> Having an agreement in place "before work starts" is a vital component to avoid later misunderstandings between the parties.

- 4.4 As all research collaborations are different, ownership and access to Intellectual Property should be negotiated on a project-by-project basis. In conducting such negotiations, decisions on allocating ownership and access should principally be based on a combination of funding contributions by the parties, their intellectual contribution to the Project, the optimum exploitation route for the Results and the Partner(s) best positioned to protect and exploit the Intellectual Property.<sup>9</sup>
- 4.5 As a starting point, in line with the Code, the Template Agreement and the Ownership of Intellectual Property Options in Schedule 4B assume that:
- (a) the Industry Partner and the PRO have determined whether the Template Agreement will address:
    - (i) “collaborative” research, wherein both Partners will be working in tandem to develop and produce research, most often arising from the existing expertise, the prior research and the background intellectual property of each party;<sup>10</sup> or
    - (ii) “contract” research, i.e. where there is no collaborative element present and, in effect, one party is being paid by another party for conducting research.
  - (b) the Industry Partner and the PRO have agreed the description and nature of the Project; and
  - (c) the Industry Partner and the PRO have agreed a budget and the Industry Partner’s financial contribution (as discussed in Schedule 3 of the Template Agreement) to the Project.
- 4.6 The Code advises that discussions between Partners to arrive at an agreed arrangement on ownership and access to Intellectual Property should include consideration of three key factors:
- (a) financial input;
  - (b) intellectual input; and
  - (c) capacity to exploit/defend.<sup>11</sup>
- 4.7 In line with Section C of the Code when deciding which is the correct Intellectual Property Schedule to use with the Template Agreement you should consider the following factors.<sup>12</sup>
- (a) In terms of financial input:
    - (i) the relative financial contribution from the Partners<sup>13</sup>;
    - (ii) the requirement to strike a fair and reasonable incentivisation between all Partners involved in the Project;
    - (iii) the other inputs to the Project, including researchers, equipment and provision of materials, with a clear understanding and financial outline of in-kind contributions<sup>14</sup>; and

<sup>9</sup> The parties should address and make provision for rights and access to Improvements to PRO and/or Industry Party Background IP.

<sup>10</sup> This is a bi-lateral Template Agreement; a multi-party version of this Template Agreement will be prepared later in this process on the basis of the comments received in relation to this Template Agreement.

<sup>11</sup> See Section C of the Code: Ownership, page 35.

<sup>12</sup> Please note that this is not an exhaustive list of factors for the parties to consider and there are other factors which may need to be considered. For example, ongoing research capabilities within the PRO are a negotiation consideration. Different parties may be best positioned to exploit in different fields.

<sup>13</sup> The parties should consider any specialized/expensive equipment/facilities either Party is providing to the Project.

<sup>14</sup> Treating “in-kind contribution” can be difficult from a practical perspective. However, some effort should be made by the parties to try to capture some measurement and further discussion in negotiations may be required on this issue.

- (iv) the impact on future research – is it compromised? All Partners should understand the relationship of the current research to future academic and/or industrial research.
- (b) With respect to intellectual input:
- (i) is the Project to be collaboration based or contract based?<sup>15</sup>
  - (ii) the nature and scope of the proposed collaboration (i.e. a comprehensive technical schedule for the Project ought to be agreed by the Partners and included in the Template Agreement);
  - (iii) the level of intellectual input from both sides, is there a genuine collaborative effort?
  - (iv) the relative abilities of the partners to obtain, maintain and, where necessary, defend Intellectual Property Rights.
- (c) With regard to the Partners capacity to exploit the Results arising from the collaboration to be governed by the Template Agreement:
- (i) the likely commercial applications of the Intellectual Property, the optimum exploitation route and the Partner(s) best positioned to execute it (taking into account multiple applications and their costs and the relevance or not of these to the field of activity);
  - (ii) the degree of alignment of the research with the Industry Partner’s technology development and acquisition strategy;<sup>16</sup>
  - (iii) the likely costs and resources required to protect the Intellectual Property and to develop the results of the collaboration into commercial products or services;<sup>17</sup>
  - (iv) the stage of the research – early or closer to market?
  - (v) the scale and time-frame required for pre-commercial development; and
  - (vi) the risk associated with taking a product to market.

## 5. Ownership Scenarios Under the Code and Appropriate Intellectual Property Schedules to Use

5.1 The Partners should agree who will own the Intellectual Property and associated Intellectual Property Rights in the Results arising from the collaboration. When considering the Intellectual Property ownership scenarios as set out in Schedule 4B, the partners should choose the ownership arrangement that provides the best environment for subsequent commercial exploitation.

5.2 The Intellectual Property ownership scenarios which are addressed in the Template Agreement are as follows:

- (a) The Industry Partner owns all the Intellectual Property in the Results, with no licence to the PRO.<sup>18</sup> The clauses set out in this Schedule most closely reflect the ownership scenario discussed at 3.2 (a) above.<sup>19</sup>

<sup>15</sup> See section 4.5 above for the distinction between collaboration based and contract based research.

<sup>16</sup> For example, consideration should be given to the suitability of an Industry Partner to commercialise, e.g. given their level of activity in the relevant market(s).

<sup>17</sup> The capacity to defend the results of the collaboration is a vital consideration.

<sup>18</sup> The parties may wish to consider the appropriateness of a grant of a licence in the Results to the PRO purely for teaching/academic purposes (i.e. not for commercial exploitation).

<sup>19</sup> See Schedule 4.1 of the Template Agreement.

- (b) The Industry Partner owns all the Intellectual Property in the Results with a royalty-free non-exclusive licence to the PRO to use the Results for academic purposes.<sup>20</sup> The clauses set out in this Schedule most closely reflect the Intellectual Property ownership scenario discussed at 3.2 (c) above.<sup>21</sup>
- (c) The PRO owns the Intellectual Property in the Results, with an exclusive or non-exclusive licence to the Industry Partner to use the Results in a specified field or more generally. The clauses set out in this Schedule most closely reflect the ownership scenarios discussed at 3.2 (b), 3.2 (c) or 3.2 (d) above.<sup>22</sup>
- (d) The PRO owns the Intellectual Property in the Results, with a non-exclusive licence to the Industry Partner to use the Results in a specified field or more generally, including an Option for the Industry Partner to buy an exclusive licence at a later date. The clauses set out in this Schedule most closely reflect the ownership scenario discussed at 3.2 (d) above.<sup>23</sup>
- (e) The PRO owns the Intellectual Property in the Results with no licence to the Industry Partner. The clauses set out in this Schedule most closely reflect the ownership scenario discussed at 3.2 (e) above.<sup>24</sup>

The partners should consider the potential for overlap of the scenarios discussed above.

The Industry Partner and the PRO may alternatively jointly own the Intellectual Property in the Results.<sup>25</sup>

5.3 Within each of the Intellectual Property Schedules there are different ownership options and clauses and issues for consideration such as:

- (a) whether or not, for example, a licence should be exclusive or non-exclusive;
- (b) whether a licence should be limited to a certain field of use or should be broader; or
- (c) whether a licence should carry a royalty or fee, etc.

These are key issues for both Partners to consider and agree in the course of the negotiation of the Template Agreement.

## 6. Grant Agreements and State Aid

6.1 The Template Agreement also addresses certain grant agreement and state aid issues at Schedule 3. This topic is however only considered at a high-level and you should take specific legal advice on this issue.<sup>26</sup>

6.2 Generally speaking where grant aid or funding was provided, the terms and conditions of the grant supersede the agreement.

6.3 Where the grant is not relevant or where grant aid had not been provided, then you can simply delete/strike out this Schedule.

*20 The parties should evaluate whether the PRO requires a licence if it is not involved in commercialising the Results.*

*21 See Schedule 4.2 of the Template Agreement.*

*22 See Schedule 4.3. of the Template Agreement.*

*23 See Schedule 4.4. of the Template Agreement.*

*24 See Schedule 4.5. of the Template Agreement.*

*25 See Schedule 4.6 of the Template Agreement. For the avoidance of doubt, Schedule 4.6 includes a non-exclusive licence from the PRO to the Industry Partner to use the Results and a corresponding non-exclusive licence from the Industry Partner to the PRO to use the Results.*

*26 For example the parties should consider that often one party will be applying for grant aid in some form and the conditions imposed on that party upon receipt of the grant aid may therefore need to be shared in some manner with the other party to this Agreement.*

# TEMPLATE RESEARCH COLLABORATION AGREEMENT

[SUBJECT TO CONTRACT/CONTRACT DENIED]<sup>27</sup>

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## WARNING:

This draft Agreement should not be interpreted as constituting a comprehensive account of the legal rights or obligations of industrial companies, public research organisations (PROs), academic researchers or other interested parties. It is intended only to provide a general suggestion of possible clauses that parties may wish to consider and does not constitute legal or professional advice of any kind.

The various stakeholders should ensure that all agreements entered into comply with applicable provisions of both Irish and EU Law (including laws regulating diverse areas such as intellectual property (IP), competition, public procurement, freedom of information, data protection and ethics). As stated in the Code, Partners should also be aware of the restrictions that may apply to them under State Aid Rules.

Where text appears in square brackets this indicates that either: (a) further information needs to be inserted at that point; or (b) this is an area where further negotiation between the parties may be required and, as such, should be considered.

It is the responsibility of those referring to this draft Agreement to obtain the appropriate professional and legal advice in relation to all the foregoing and also in relation to IP matters generally. This draft Agreement is only intended to be a starting point for parties to commence negotiations. This Agreement does not provide a strict and static set of rules for the conducting of research and managing Intellectual Property. It is intended (like the Code) to provide guidelines and to be a starting point for negotiation.

Please note that this is a bi-lateral Agreement. A multi-party version of this Agreement will be prepared later in the process on the basis of the comments received in relation to this Agreement.

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<sup>27</sup> This should be retained until the Agreement is finalised to indicate that the Agreement remains under continued negotiation.

THIS AGREEMENT is made on the [ ] day of [ ] 200[ ]<sup>28</sup>

## **PARTIES:**<sup>29</sup>

- (1) [Name of PRO], a [statutory body/University/College], located in [address], Ireland (the "PRO"); and
- (2) [Name of company] a company incorporated in [name of state in which company incorporated] (under company registration number [number] whose principal place of business is at [address]) (the "Industry Partner"). The PRO and the Industry Partner are together referred to as the "Parties" and each as a "Party".

## **BACKGROUND:**<sup>30</sup>

The research project contemplated by this Agreement is of mutual interest and benefit to the PRO and to the Industry Partner, will further the instructional and research objectives of the PRO in a manner consistent with its status as an educational institution, and may result in benefits for both the Industry Partner and the PRO through inventions, improvements, and/or discoveries.<sup>31</sup>

## **THE PARTIES AGREE as follows:**

<sup>28</sup> The parties should note that where text appears in square brackets this indicates that either: (a) further information needs to be inserted at that point; or (b) this is an area where further negotiation between the parties may be required and, as such, should be considered.

<sup>29</sup> This draft contemplates two parties to the agreement only.

<sup>30</sup> This will vary according to type of collaboration and the particular circumstances of the Project.

<sup>31</sup> This recital is only included as guidance for users to indicate the nature of the Agreement. The actual recital will depend entirely on the nature of the Project being undertaken by the parties.

# 1. Definitions and Interpretations

1.1 In this Agreement, unless the context otherwise requires, the following expressions shall have the following meanings:

**“Affiliate”** means any corporation or other entity or acquired business, which controls, is controlled by or is under common control with a Party. A corporation or other entity, as applicable, shall be regarded as in control of another corporation or other entity if it owns or directly or indirectly controls at least fifty percent (50%) of the voting power of the other corporation or ownership of the maximum amount permitted under local laws or regulations in those countries where fifty percent (50%) ownership by a foreign entity is not permitted and (i) in the absence of the ownership of at least fifty percent (50%) of the voting power of a corporation or (ii) in the case of a non-corporate entity, if it possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation or non-corporate entity, as applicable;<sup>32</sup>

**“Agreement”** means this research agreement (which expression shall be deemed to include its Recitals and Appendices);

**“Background Intellectual Property”** means Intellectual Property (excluding Intellectual Property in and to Results), in the same or related fields to the research conducted in the course of the Project, owned, licensed to or otherwise controlled by one of the Parties hereto prior to the Effective Date or developed by one of the Parties outside the scope of the Project and provided (whether hereto before or after the Effective Date) by that Party to the other for use in the Project;<sup>33</sup>

**“Confidential Information”** means all information obtained by one Party from the other pursuant to this Agreement which is expressly marked as

<sup>32</sup> The parties may wish to consider if an exclusion for common control through government is appropriate for the definition of Affiliate.

<sup>33</sup> The parties may wish to consider including a specific schedule to the Agreement setting out the Background Intellectual Property which both parties will contribute to the Project. In this way there can be less doubt as to the respective contributions of the parties and who owns what Intellectual Property.

confidential or which is manifestly of a confidential nature or if verbally communicated which is confirmed in writing to be confidential if verbally communicated within 30 days of its disclosure;<sup>34</sup>

**“Contribution”**

means the amounts of contributions set out in Schedule 3 to be provided and in the case of cash contributions (if any) payable in accordance with the provisions of Clause 6 and in the case of non cash contributions (if any) to be provided as set out in Schedule 3;<sup>35</sup>

**“Effective Date”**

means [*insert date of commencement of Project*];

**“Intellectual Property”<sup>36</sup>**

means patents, patent applications, inventions, Know-how, trade secrets and other confidential information, rights in design (registered and unregistered), copyright (including, without limitation, rights in computer software), data, database rights and *sui generis* rights, rights affording equivalent protection to copyright, semiconductor topography rights, trade marks, service marks, logos, domain names, business names, trade names, brand names, certification marks, assumed names and other indicators or origin, rights in any drawings, designs, plans, specifications, manuals, computer software, assets, inventor’s certificates and invention disclosures, writings and other works, whether copyright or not, bills of material, moral rights and all other industrial or intellectual property or other rights or forms of protection of a similar nature or having similar effect in any part of the world and rights in and in relation to them and, where appropriate, applications for any of them in any country or jurisdiction, rights in the nature of unfair competition rights, rights to sue for passing-off,<sup>37</sup> the right to apply for any of them and all other information necessary for the technical exploration of any of the same and all registrations;

<sup>34</sup> Clause 7 of the Agreement addresses the confidentiality obligations of the parties.

<sup>35</sup> It is a matter for the parties to set out all cash contributions and all “non cash contributions” to the research project e.g. services, provision of personnel, IP etc.

<sup>36</sup> Review in light of particular type of research.

<sup>37</sup> The Tort of “Passing Off” is a right to sue in its own right and is not dependant on having a registered trade mark. It is a common law right and primarily protects unregistered trade marks, marks that are not capable of being registered etc.

<b>“Know-how”</b>	means unpatented, unpublished, technical information (including, without limitation, information relating to inventions, discoveries, concepts, methodologies, models, research, development and testing procedures, the results of experiments, tests and trials, manufacturing processes, materials, formulae, formulations, processes, research or experimental results, techniques and specifications, quality control data, analyses, reports and submissions) that is not in the public domain;
<b>“Project”</b>	means the research, commercial or intellectual activity to be carried out as described in Schedule 1, which sets out the obligations of each Party in conducting the research project the subject matter of this Agreement;
<b>“Project Management Team”</b>	means [ <i>insert at least one individual from the PRO and one from the Industry Partner</i> ]; <sup>38</sup>
<b>“Protective Applications”</b>	means applications for patent, design, trade mark or other registration available for the protection of Intellectual Property;
<b>“Publication”</b>	means any written, oral or other public disclosure of Results, including the public use or sale of an invention based on the Results;
<b>“Representative”</b>	means the representative of a Party appointed pursuant to the provisions of Clause 4.1;
<b>“Results” or “Foreground IP”<sup>39</sup></b>	means all information, Know-how, Intellectual Property, results, software, inventions, works, discoveries and creations, made or conceived or identified or directly arising from the Project or first reduced to practice or writing in the course of the Project;
<b>“Term”</b>	means the period of [•] years from the Effective Date.

<sup>38</sup> The parties should consider in advance what the potential responsibilities of the Project Management Team members will be, e.g. IT, Finance, PR, etc. The parties should give consideration to the roles and responsibilities of the team members beyond the individuals present at the time of the signing of the Agreement.

<sup>39</sup> Many research agreements will refer to “Foreground IP” rather than “Results”.

1.2 In this Agreement the following interpretations shall apply:

- (a) the headings in this Agreement are for ease of reference only and shall not affect the interpretation or meaning of this Agreement;
- (b) words such as "hereunder", "hereto", "hereof" and "herein" and other words commencing with "here" shall, unless the context clearly indicates to the contrary, refer to the whole of this Agreement and not to any particular section or clause thereof;
- (c) a reference to any statute, enactment, order, regulation or other similar instrument shall be construed as a reference to the statute, enactment, order, regulation or instrument as amended, consolidated, modified, extended or replaced in whole or in part, by any subsequent statute, enactment, order, regulation or instrument or as contained in any subsequent re-enactment thereof;
- (d) a reference to a Party shall mean any of the individual Parties to this Agreement, as appropriate, together with their respective permitted successors and assigns;
- (e) nothing in this Agreement shall affect any statutory rights or provisions granted by mandatory statutory law or regulatory authority, which cannot be waived or limited by contract. In the event and to the extent only of any conflict or ambiguity between the terms of this Agreement and mandatory statutory law or regulatory authority, then, the latter shall prevail;
- (f) a reference to "an" "the" or "a" shall refer to the particular matter or item in question;
- (g) each Party shall comply with any express obligation in this Agreement to comply with any document, statute, order, enactment, regulation or other similar instrument that is referenced in this Agreement; and
- (h) no provisions of this Agreement shall be interpreted as requiring or permitting any act or omission by either party which is contrary to any mandatory statutory law or regulatory authority.

## 2. Scope of Project

2.1 The Parties shall commence the Project promptly on the Effective Date, shall carry on the Project for the Term, and shall use commercially reasonable endeavours to perform and complete the Project substantially in accordance with the terms and conditions of this Agreement and in particular in accordance with the terms of Schedule 1 hereto.

2.2 If the Agreement is entered into after the Effective Date, it will apply retrospectively to work carried out in relation to the Project on or after the Effective Date.

2.3 Neither Party undertakes that the Project will lead to any particular outcome or Results and does not guarantee a successful outcome to the Project.

2.4 It is acknowledged that each Party may use an Affiliate to carry out its obligations under the terms of this Agreement provided that the Affiliate is capable of carrying out the relevant obligations. If a Party uses one of its Affiliates to carry out its obligations under this Agreement then the Party appointing the Affiliate shall ensure that the Affiliate is bound by the same terms and conditions of this Agreement that apply to the said Party.<sup>40</sup>

### 2.5 Relationship Among the Parties

The activities of the Project will be conducted through the contractual powers of the Parties to this Agreement. This Agreement defines the terms and conditions under which the Parties shall perform their obligations for the Project. The Parties shall at all times perform their obligations as independent contractors. Nothing in this Agreement shall be deemed to empower any Party to be an agent for, or otherwise bind, another Party. This agreement and the Project is not intended to be, nor shall it be construed to be a joint venture, partnership, or other formal business organisation. **No Party shall have any liabilities for any activities of another Party. Furthermore, nothing herein shall be construed as providing for the sharing of profits or losses hereunder.**

<sup>40</sup> The disclosure of an Affiliate should take place before the parties enter into the Agreement. The user should consider whether if one party intends to use an Affiliate, they would require the written consent of the other party (such consent not to be unreasonably withheld).

### **3. Duties of the Industry Partner and PRO**

- 3.1 The Industrial Partner and the PRO shall provide information, equipment, facilities, materials, support and cooperation (including employees, staff and independent contractors of both parties) reasonably required so that each Party can fulfil its obligations under this Agreement, as more fully detailed by each Party in Schedule 2.

### **4. Representatives and Staff**

- 4.1 Each Party shall nominate in writing upon the execution of this Agreement the person who will act as its representative for the purposes of this Agreement and who will be responsible for providing any information which may be required by the other Party to perform its obligations hereunder.

- 4.2 Each Party shall furnish the necessary qualified personnel for the implementation of the Project.<sup>41</sup> [The Parties have listed Key Personnel in Schedule 1 which will be assigned to work on the Project]. Each matter included in the Project will have a Principal Investigator (PI) and may designate one or more sub-principal investigators for that matter.

- 4.3 [Each of the Parties will notify the other promptly if at any time any of any Key Personnel appointed by that Party (and listed in Schedule 1) is unable or unwilling to continue to be involved in the Project. Within [90] days after the date of that notice, the Party who originally appointed that member of the Key Personnel will nominate a successor. The other Party will not unreasonably refuse to accept the nominated successor, but if the successor is not acceptable to the other Party on reasonable grounds, or if the appointor cannot find a successor, either Party may terminate this Agreement by giving the other not less than [90] days' notice.]

<sup>41</sup> There are particular statutory obligations in Ireland with respect to the holding of clinical investigations, trials and/or studies e.g. to ascertain the effects of any products (diagnosis or medical devices, process pharmaceutical drugs). For this reason the parties should obtain advice on the applicable clinical trials legislation prior to engaging in any clinical trials and/or using this Template Agreement to govern such a clinical trial. For example the parties may need to obtain the approval and permission of the Irish Medicines Board prior to holding such a trial.

## 5. Warranties and Representations

5.1 Each of the Parties represents and warrants to each other that:

- (a) it has full right and authority to enter into this Agreement and perform its obligations under this Agreement under the laws of Ireland and the internal rules of that Party and that, wherever and whenever required, such Party has or shall secure in a timely manner all necessary notifications, authorisations and approvals;
- (b) there are no outstanding obligations or agreements to which it is party that are inconsistent or in conflict with the entering into or performance of this Agreement;
- (c) it is the owner of, or is otherwise fully entitled to provide and license the Background Intellectual Property, if any, which it makes available to the other Party pursuant to the provisions of this Agreement;<sup>42</sup>
- (d) except to the extent disclosed to the other Party at the time of making the Background Intellectual Property available, that Background Intellectual Property is capable of being used as part of the Project without requiring the consent of any third party; and
- (e) it will not assign its rights in, encumber or dispose of the Background Intellectual Property during such time in a manner that would prevent or otherwise limit its intended use as part of the Project.<sup>43</sup>

## 6. Payment of Contribution and Expenses<sup>44</sup>

6.1 [Unless otherwise agreed, the PRO shall render invoices to the Industry Partner in respect of any agreed Contribution (which is in the form of cash) [and/or Royalties] payable by the Industry Partner under this Agreement, monthly in arrears].<sup>45</sup>

<sup>42</sup> In this context "makes available" should be considered in terms of providing Background IP in any form to the other party. A Background IP Schedule or Register may be useful in this regard. Please refer to footnote 33 above.

<sup>43</sup> Under this clause the timeframe should be considered to be for the term of the Project. The parties should consider whether they wish to extend the timeframe for a longer duration.

<sup>44</sup> Payment terms should be discussed and agreed. If payment is being provided from the PRO to the Industry Partner Clause 6 will require amendment.

<sup>45</sup> Payment terms should be negotiated. The parties should consider the invoicing terms; if not invoicing monthly other payments terms should be agreed upfront e.g. invoicing at agreed intervals or invoicing upfront. In addition the parties should consider that there might be instances where there is a need for start up costs.

- 6.2 [The Industry Partner shall reimburse the PRO for all reasonable travelling and subsistence expenses properly incurred in conducting the Project.]<sup>46</sup>
- 6.3 All charges (and/or any other applicable taxes) payable by the Industry Partner under this Agreement shall be due to be paid within [30] days of the date of invoice sent to the Industry Partner.
- 6.4 [If the payment of any sum due under this Agreement by the Industry Partner shall not be paid by its due date, the PRO shall be entitled to charge interest at 4% above EURIBOR or at the then legal rate, whichever is lower, on the amount of the delayed payment for the period of delay.]
- 6.5 Notwithstanding the provisions of Clause 6.4 above, if any sum due under this Agreement is not paid within [30] days of the due date, the PRO may, at its option and without prejudice to any rights it may have under this Agreement or otherwise, terminate or suspend performance of this Agreement.
- 6.6 All charges payable under this Agreement are exclusive of value added tax, which shall be paid by the Industry Partner at the rate and in the manner for the time being prescribed by law.<sup>47</sup>

## 7. Confidential Information

- 7.1 Each Party shall treat as confidential the Confidential Information of the other (the “**Disclosing Party**”) and shall not release or disclose it to third parties without the prior written consent of the Disclosing Party. Results and Confidential Information of a Disclosing Party should not be disclosed to employees or consultants of the Receiving Party or its Affiliates who are not actually working on the Project unless such personnel are members of the management or “decision makers” within the Receiving Party.

<sup>46</sup> Consider that the parties may, alternatively, agree eligible recoverable expenses up front (at the time of the agreement of the Project) which may include travel and subsistence expenses.

<sup>47</sup> The parties should consider whether or not withholding tax and other applicable taxes are relevant.

7.2 The obligation of confidentiality set out in Clause 7.1 shall not apply to Confidential Information which:

- (a) is or becomes public knowledge prior to the receipt of such Confidential Information by the Receiving Party, other than by breach of this Clause 7;
- (b) is in the possession of the Receiving Party without restriction in relation to the disclosure before the date of receipt from the Disclosing Party;
- (c) is independently developed by the Receiving Party without access to Confidential Information of the Disclosing Party;
- (d) is received by the Receiving Party from a third party that has received it without restriction and who is under no obligation to restrict its disclosure;
- (e) is required to be disclosed to the Receiving Party's professional advisers, provided that such disclosure is to the extent necessary only for such advisers, and on terms no less onerous than those set out in this Clause 7;
- (f) is required to be disclosed by law or final mandatory order of a court or other competent authority to which the Receiving Party is subject; or
- (g) is released from the provisions of this Clause 7 in accordance with the provisions of Clause 8.

7.3 Each Party shall ensure that its respective employees and agents who participate in the Project shall comply with the obligations of confidentiality set out in this Clause 7 as though they were Parties to this Agreement and each Party shall ensure that where any of the aforementioned employees cease to be employed by that Party, they shall continue to be bound by such obligations of confidentiality.

7.4 Each Party agrees to use its Representative for sending, receiving and storing Confidential Information under this Agreement.

7.5 Each Party shall (through its Representative), on request, deliver a copy of its Confidential Information in tangible form to the other Party within thirty (30) days of receipt of a written request. A Party shall be entitled to make such request from the date of initial disclosure of such information to that Party by the other Party where such disclosure is in a form other than written form.

7.6 Upon termination or expiration of the Project and/or the Agreement (and except as required to benefit from any licences granted under Schedule 4 (if any), each Party agrees to use best efforts to locate and return or verify the destruction of all existing Confidential Information (including tangible products or materials) received from the other Party pursuant to this Agreement, if requested to do so in writing by the Disclosing Party; provided, however, each Party may retain a copy of each document containing Confidential Information of the other Party for archival purposes. The confidentiality obligations set out in this Clause 7 shall continue for a period of [5] years following the expiration or termination of this Agreement.<sup>48</sup>

## 8. **Announcement and Publication**<sup>49</sup>

8.1 Each Party agrees that it will not refer to the terms of this Agreement or use the other's name in any advertising, promotional materials, or publicity, without the prior approval of the other Party (such consent not to be unreasonably withheld or delayed). Neither Party will use any trade name, trade mark, trade device, service mark or symbol owned by the other Party without first obtaining the prior written approval of such use from such other Party. By entering into this Agreement, neither of the Parties endorses any product or service provided by the other Party. Neither Party shall in any way imply that this Agreement is an endorsement of any such product or service by another party without obtaining the prior written permission of such other Party.

8.2 The Industry Partner recognises that in accordance with its statutory functions it is PRO policy that the Results be published and agrees that [authorised PRO personnel engaged in the Project]<sup>50</sup> may make Publications including, (but not limited to):

- (a) making presentations at seminars, symposia, national, or regional professional meetings; and

<sup>48</sup> It is up to the PRO to deal with each FOI request – it is not possible to “contract out” of the FOI Act. However some companies insist on the following wrapper being included on the front page of agreements to alert any person dealing with a FOI request that the agreement is commercially sensitive and should not be disclosed without the consent of the parties:

“This document is confidential in its entirety and may not be disclosed to any third party without the prior consent in writing of [ ]. This entire document is also commercially sensitive.”

<sup>49</sup> Time limits in this clause should be reviewed in each case.

<sup>50</sup> The language in square brackets reduces the category of individuals that can use the Results.

(b) publishing in scientific or trade journals, theses or dissertations, or otherwise of their own choosing, methods and Results in accordance with normal academic practice;

provided however that the Industry Partner shall have been furnished copies of any proposed Publication at least 60 days in advance of the making of the proposed Publication. In addition the Industry Partner shall furnish copies of any proposed Publication to the PRO at least 60 days in advance of the making of the proposed Publication.<sup>51</sup>

8.3 Each Party shall have 60 days after receipt of said copies (“Objection Period”), to object to such proposed Publication if in that Party’s reasonable opinion (“Objecting Party”) a delay of Publication is necessary in order to protect its commercial interests, or the commercial use to the Objecting Party or its licensees of information derived from the Project, including the need to file Protective Applications with respect to the information proposed to be included in the relevant Publication.<sup>52</sup> The Objecting Party agrees to use reasonable endeavours to reply to the other Party within 14 days.

8.4 In the event that the Objecting Party makes such objection, the Party seeking to publish the proposed Publication shall refrain and shall ensure that its personnel shall refrain from making such Publication for a maximum of [6] months from the date of receipt of such objection in order for the Protective Applications to be obtained. If a Party does not object to the publication during the Objection Period then the publication may proceed.

8.5 A delay imposed on submission for Publication as a result of a requirement made by the Objecting Party shall not exceed [9] months from the date of receipt of the Results by the Objecting Party, although the Party proposing to publish the Publication will not unreasonably refuse a request from the Objecting Party for additional delay in the event that Intellectual Property in the Results might otherwise be unreasonably jeopardised.<sup>53</sup>

8.6 Nothing in this Agreement shall prevent:

(a) any registered student of the PRO from submitting for an award of the PRO a thesis based on Results or Background Intellectual Property;<sup>54</sup>

*51 A PRO will not generally have the right to publish the confidential Background Intellectual Property of the Industry Partner. The business interests of the Industry Partner may require that Background Intellectual Property remain confidential and thus is not published and this is a factor which the parties should consider during negotiation.*

*52 The time periods in Clause 8.3 are only suggestions.*

*53 This clause on Publication tries to achieve a balance. From the University side they will probably seek further publication rights however practical experience has shown that the Industry Partner will want to have a defined mechanism to object to or delay publication. The main way to rebalance this objection right is to have defined time frames in which the publication may be delayed rather than vetoed.*

*54 The parties should note the modification of the thesis to protect any Intellectual Property in the Results or Industry Partner Background Intellectual Property may be required.*

- (b) the examination of such a thesis by examiners appointed by the PRO; or
- (c) the deposit of such a thesis in a library of the PRO in accordance with the relevant procedures of the PRO.<sup>55</sup>

## 9. Background Intellectual Property and Protection of Intellectual Property<sup>56</sup>

- 9.1 Neither Party shall, in respect of the Intellectual Property (including, without limitation, Background Intellectual Property), products and/or services of the other, represent, either directly or indirectly, that such Intellectual Property, products and/or services of the other Party is owned or endorsed by the representing Party, without the prior written consent of the other Party.
- 9.2 This Agreement does not affect the ownership of any Background Intellectual Property or of the Intellectual Property in and to any other technology, design, work, invention, software, data, technique, Know-how, or materials that are not Results and not created as part of the Project. No licence to use any Intellectual Property is granted or implied by this Agreement except the rights expressly granted in this Agreement (if any).
- 9.3 The Parties agree that Schedule 4B sets out the agreement between the Parties regarding the ownership and use of any Results.
- 9.4 Where a third party such as a student or contractor is involved in the Project, the Party engaging that student and/or contractor will ensure that that student and/or that contractor assigns any Intellectual Property rights they may have in the Results in order to be able to give full effect to the provisions of this Clause 9 and Schedule 4B.<sup>57</sup> The Parties shall ensure that individuals working on the Project maintain adequate and secure records either electronically or in laboratory books for the purpose of establishing inventors and invention dates.<sup>58</sup>

<sup>55</sup> This and similar carve out requirements to be discussed by the parties, e.g. the Industrial Partner may be reluctant to allow students to use its Intellectual Property for a thesis – it may not want to see its Intellectual Property published, possibly even in a thesis, before it is properly protected.

<sup>56</sup> It is recommended that these IP provisions are common to all agreements and primarily deal with Background IP.

<sup>57</sup> The parties may need to address the exception where a sub-contractor does not wish to assign IP to the Party. Students/contractors may also need to sign Non-disclosure/Confidentiality Agreements.

<sup>58</sup> Other written records, e.g. minutes of meetings or test protocols, may also be relevant.

- 9.5 Each Party hereby grants the other Party [and its Affiliates] a royalty-free, non-exclusive licence to use its Background Intellectual Property which it has provided to the Project for the purpose of carrying out the Project and the Agreement, but for no other purpose, unless expressly granted in Schedule 4B. Neither Party may grant any sub-licence to use the other Party's Background Intellectual Property.<sup>59</sup>
- 9.6 Each of the Parties will notify the other promptly after identifying any Result that it believes is patentable, and will supply the other with copies of that Result.<sup>60</sup>
- 9.7 The Industry Partner hereby grants to the PRO a [world-wide], non-exclusive, [royalty free], [perpetual] irrevocable unencumbered licence to use the Intellectual Property rights in the Results for the purpose of academic teaching and academic research.<sup>61</sup>
- 9.8 The PRO and Industry Partner shall keep and instruct its officers, employees, representatives, students, post-doctoral fellows, and agents to keep signed, witnessed, and dated written records of all Results and will furnish the other Party promptly with complete information in respect thereof, and will do all reasonable things necessary to protect the interests of the Parties therein and to ensure accurate and timely disclosures of any new ideas, disclosures or inventions arising from the Project.
- 9.9 The [Industry Partner] shall be responsible for arranging for the drafting of patent applications and for ensuring that sufficient information (but not excessive information) is incorporated into such patent applications. The [Industry Partner] shall submit all such patent applications to the [PRO] for review and written approval at least 45 days prior to such patent applications being filed with any patent registry. The [PRO] shall have the right to suggest modifications to the patent applications. If the [PRO] objects to the filing of the patent application, in whole or in part, the [PRO] will specify that portion of the submitted material it objects to and the reason for such objection. Upon objection by the [PRO], the [Industry Partner] agrees to discuss the objection with the [PRO] and to delete any Confidential Information in such patent application to which the [PRO] objects. Nothing in this clause will preclude an agreement between the Parties for immediate filing of a prompt response to all patent application filing requests. However, any such agreement must be in writing and signed by the [PRO].<sup>62</sup>

*59 Such a royalty-free provision may be determined by and/or subject to any other pre-existing third party arrangement that one or more parties may have upon entering into the Agreement.*

*60 The parties to the Agreement may find it helpful to form an IP Advisory Committee to review any resulting Intellectual Property and decide on when and how to protect, where to protect, etc.*

*61 Some Industrial Partners may require further restrictions e.g. in certain application fields. The parties to the agreement should discuss whether this should be standard or addressed in the IP models. In addition it may be appropriate for the PRO to grant to the Industry Partner a corresponding licence for the purpose of internal Industry Partner education and training.*

*62 Discuss whether this should be standard or addressed in the IP models. The parties must assess if it is in the interests of both parties that the Industry Partner (or the PRO) shall be responsible for work on all patent applications including those to be owned by the PRO (or the Industry Partner in case PRO would be responsible).*

9.10 All Foreground IP shall be evaluated in accordance with the provisions of Schedule 4B.

9.11 No Party warrants that any Foreground IP developed under this Agreement does not infringe any Intellectual Property rights of a third party. [The Parties will undertake reasonable efforts to avoid the need for a licence to use third party Intellectual Property in order for a Party to use or commercialise any of the data and Results and any of the Foreground IP, and where the need for such a licence cannot be avoided, will use reasonable efforts to obtain a licence to use such Intellectual Property with a right to sublicense [ ]. No Party shall knowingly conduct activities under the Project, which infringe the valid Intellectual Property of any third party.

## 10. Limitation of Liability and Indemnity<sup>63</sup>

10.1 Save in respect of death or personal injury caused by the negligence of the PRO, and subject to the provisions of Clause 10.3, the PRO's liability for any claim whether in contract, tort (including negligence) or otherwise, for any loss or damage, arising out of or in connection with this Agreement or otherwise, shall in no case exceed the aggregate of all the sums actually paid by the Industry Partner to the PRO hereunder.

10.2 Save in respect of death or personal injury caused by the negligence of the Industry Partner, and subject to the provisions of Clause 10.3, the Industry Partner's liability for any claim whether in contract, tort (including negligence) or otherwise, for any loss or damage, arising out of or in connection with this Agreement or otherwise, shall in no case exceed the sum of [•].<sup>64</sup>

10.3 Neither Party shall be liable to the other Party for any indirect, consequential or special loss or damage and/or for any of the following:

- (a) loss of profits;
- (b) loss of goodwill;
- (c) loss of business;

<sup>63</sup> The parties should effect and maintain certain minimum insurance policies. This is a matter for further negotiation between the parties based on the nature of the Project and associated risk issues.

<sup>64</sup> Figure to be agreed.

(d) loss of anticipated savings; or

(e) loss arising from delay.

10.4 Save as expressly set out in this Agreement, all warranties, conditions, representations, statements terms and provisions, express or implied by statute, common law or otherwise, are hereby excluded by the PRO to the fullest extent permitted by law and for the avoidance of doubt all such warranties are expressly excluded in respect of any use of the Results by the Industry Partner. Each Party makes no warranty, express or implied, to accuracy of any work performed and any information given to the other Party and will not be held responsible for any consequences arising out of any inaccuracies or omissions unless such inaccuracies or omissions are the result of negligence on the part of that party or its agents.

10.5 The Industry Partner undertakes to defend the PRO from and against any claim or action brought against the PRO in connection with any use of the Results by the Industry Partner and any third party allegation of personal injury or property damage arising from the design, manufacture, use, licensing or sale of products which utilize or incorporate, directly or indirectly, the outcome of the Project including, without limitation, the Results ("**Product Claim**") and agrees to fully indemnify, keep indemnified and hold harmless the PRO from and against all costs, claims, demands, liabilities, expenses, damages or losses (including without limitation all interest, penalties and legal and other professional costs and expenses) arising out of or in connection with any Product Claim.

10.6 The Industry Partner undertakes to defend the PRO from and against any claim or action brought against the PRO that the use of the Industry Partner Background Intellectual Property and/or the outcome of the Project including, without limitation, the Results in accordance with the terms of this Agreement infringes any Intellectual Property of a third party ("**IP Claim**") and agrees to fully indemnify, keep indemnified and hold harmless the PRO from and against all costs, claims, demands, liabilities, expenses, damages or losses (including all interest, penalties and legal and other professional costs and expenses) arising out of or in connection with any IP Claim.

10.7 Subject to Clause 13.4, the Parties agree that the obligations of the PRO and its agents shall cease upon delivery of a final report setting out the Results of the Project, and that no liability whatsoever, either direct or indirect, shall rest upon them for the effects of any product or process that may be produced or adopted by the Industry Partner or any other party, notwithstanding that the formulation of such product or process may be based upon the Results of the Project.

## 11. Progress Meetings

11.1 The Parties shall procure that their Representatives will meet at regular intervals to be agreed and the Representatives shall implement the Conflicts of Interest policy set out in Schedule 5 as well as monitor the progress of the Project.<sup>65</sup>

## 12. Termination<sup>66</sup>

12.1 Either party, for convenience, may terminate this Agreement, upon not less than ninety (90) days prior written notice.

12.2 Notwithstanding anything else contained herein, this Agreement may be terminated:

- (a) by either Party forthwith on giving notice in writing to the other if the other commits any material breach of any term of this Agreement and (in the case of a breach capable of being remedied) shall have failed, within 30 days after the receipt of a request in writing from the other Party so to do, to remedy the breach (such request to contain a warning of such Party's intention to terminate); or
- (b) by either Party forthwith on giving notice in writing to the other if the other Party shall have a receiver, examiner or administrator appointed to it or over any part of its undertaking or assets or shall pass a resolution for winding-up (otherwise than for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or a court of competent jurisdiction shall make an order to that effect or if the other Party shall become subject to an administration order or shall enter into any voluntary arrangement with its creditors or shall cease or threaten to cease to carry on business; or
- (c) [in accordance with Clause 4.3 above.]

<sup>65</sup> The parties to the Agreement may find it helpful to form an IP Advisory Committee to review any resulting Intellectual Property and decide on when and how to protect, where to protect, etc.

<sup>66</sup> This is a basic termination clause, which may vary depending on the complexity of the project.

## 13. Effects of Termination

- 13.1 Any termination of this Agreement (howsoever occasioned) shall not affect any accrued rights or liabilities of either Party nor shall it affect the coming into force or the continuance in force of any provision hereof which is expressly or by implication intended to come into or continue in force on or after such termination.
- 13.2 On the termination of this Agreement by the PRO due to the material breach by the Industry Partner or by virtue of a receiver, examiner or administrator appointed to the Industry Partner, the Industry Partner shall be liable to pay to the PRO all Contributions [and/or Royalties payable (if any)] to the PRO in respect of performance of the Project by the PRO to the Industry Partner insofar as not previously paid by it and the PRO shall have no further obligation to the Industry Partner hereunder. On the termination of this Agreement, the Industry Partner will pay the PRO for all work done prior to termination. If the Industry Partner has paid any of the Contributions in advance and the whole of that contribution has not, by the end of the Project or the termination of this Agreement, been used by the PRO for the purposes for which that Contribution was provided, the PRO will return to the Industry Partner the unused portion of that Contribution.
- 13.3 [Following the termination of this Agreement [by the PRO] under Clause 13.2, if the Contribution includes the costs of employing any PRO staff involved in the Project, the Industry Partner will continue to reimburse, in accordance with Clause 3, the actual direct employment costs of staff who were appointed by the PRO to work on the Project before the service of the notice, provided that the PRO takes all reasonable steps to minimise those costs. Reimbursement will continue until the effective date of termination of each staff contract or the date on which the Project was to have ended (whichever is the earlier). Those direct employment costs will include a proportion of any redundancy costs that have been incurred by the PRO as a direct result of the termination of this Agreement, that proportion to be calculated by dividing the individual's involvement in the Project by the duration of his period of employment by the PRO.]
- 13.4 [Clauses 1,7, 8, 9, 10, 13, 14, 22 and 24 and Schedule 4 shall survive expiry or termination of this Agreement, howsoever arising.]

## 14. Notices

14.1 Any notice or communication which a Party is required or authorised by this Agreement to serve on another Party shall be sufficiently served if sent to the other Party at the address specified below:

- (a) by hand; or
- (b) by registered post or recorded delivery; or
- (c) by facsimile transmission confirmed by registered post or recorded delivery; or
- (d) by electronic mail confirmed by a recorded delivery message.<sup>67</sup>

14.2 Notices sent by registered post or recorded delivery shall be deemed to have been served three days following the date of posting. Notices sent by facsimile transmission shall be deemed to have been served on the date of transmission, if transmitted before 16.00 hours (in the receiving party's time zone) on a working day, but otherwise on the next working day provided that confirmation by registered post or recorded delivery is sent the same day. Notices sent by electronic mail where such is an established means of communication between the Parties shall be deemed to have been served on the day of transmission, if transmitted before 16.00 hours (in the receiving party's time zone) on a working day but otherwise on the next working day. In all other cases notices and other communications will be deemed to have been served on the day they were actually received.

14.3 The Parties hereby agree that:

- (a) words in electronic form shall be deemed to be "writing" for the purposes of all applicable legislation where "writing" is required;
- (b) electronic evidence shall be admissible in any court or other quasi-judicial proceedings between the Parties; and
- (c) the Parties shall agree the format of electronic communications between them.

<sup>67</sup> The appropriateness of this depends on how the parties are accustomed to communicating.

## **15. Force Majeure<sup>68</sup>**

- 15.1 If the performance by either Party of any of its obligations under this Agreement (except a payment obligation) is delayed or prevented by circumstances beyond its reasonable control, that Party will not be in breach of this Agreement because of that delay in performance. However, if the delay in performance is more than [3][6] months, the other Party may terminate this Agreement with immediate effect by giving not less than 5 days written notice to that Party.

## **16. Amendment**

- 16.1 Any variation to the performance of the Project shall only take effect upon written agreement of the terms between the Parties.

## **17. Further Assurance**

- 17.1 The Parties hereto shall use all reasonable endeavours to do or procure to be done all such further acts and things and execute or procure the execution of all such other documents as may be reasonably required from time to time for the purpose of giving each Party hereto the full benefit of the provisions of this Agreement.

## **18. Waiver of Remedies**

- 18.1 No delay or failure of either Party in enforcing against the other Party any term or condition of this Agreement and no partial exercise by either Party of any right hereunder shall be deemed to be a waiver of any right of that Party under this Agreement.

<sup>68</sup> This can be expanded.

## **19. Entire Agreement**

19.1 The Parties have read and understood this Agreement and agree that it constitutes the complete and exclusive statement of the agreement between them with respect to the subject matter hereof and supersedes all proposals, representations, understanding and prior agreements whether oral or written and all other communications between them relating thereto.

19.2 Each of the Parties acknowledges and agrees that in entering into this Agreement, and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether party to this Agreement or not) other than as expressly set out in this Agreement. The only remedy available to it for breach of this Agreement shall be for breach of contract under the terms of this Agreement. Nothing in this clause shall, however, operate to limit or exclude any liability for fraud.

## **20. No Agency**

20.1 No provision of this Agreement creates a partnership between the Parties and neither Party shall act or describe itself as the agent of the other, nor shall it make or represent that it has authority to make commitments on the other's behalf.

## **21. Sub-contracts<sup>69</sup>**

21.1 This Agreement is personal to the Parties and neither Party may assign, transfer, sub-contract or otherwise part with this Agreement or any right or obligation under it without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed). Either Party may freely assign this Agreement to an Affiliate of the Party who is capable of fully performing the obligations of the Party seeking to assign this Agreement.

<sup>69</sup> The appropriateness of this prohibition will need to be considered in each case.

## 22. Dispute Resolution<sup>70</sup>

- 22.1 Both Parties to this Agreement shall seek to resolve any dispute between them arising out of, or relating to, this Agreement, amicably.
- 22.2 All disputes between the Parties arising out of or relating to this Agreement shall be referred, in the first instance, by either Party, to the Project Management Team for resolution.
- 22.3 If any dispute cannot be resolved by the Project Management Team within a period of fourteen (14) days following referral, then, the dispute shall be referred to the Representatives for resolution.
- 22.4 If the dispute cannot be resolved by the Parties' nominees referred to in Clause 22.3 above within a period of fourteen (14) days following referral, then it may be referred by either Party to an expert (the "Expert") who shall be deemed to act as an expert and not as arbitrator. The Expert shall make a recommendation and the recommendation is not legally binding on the Parties.
- 22.5 The Expert shall be selected by mutual agreement of the Parties or, failing agreement, within fourteen (14) days after a request by one Party to the other, shall be chosen at the request of either Party by the President for the time being of the Law Society of Ireland, who shall be requested to choose a suitably qualified and experienced Expert for the dispute in question.
- 22.6 Fourteen (14) days after the Expert has accepted the appointment the Parties shall submit a written report on the dispute to the Expert and to each other and seven (7) days thereafter shall submit any written replies they wish to the Expert and to each other.
- 22.7 Both Parties shall afford the Expert all necessary assistance that the Expert requires to consider the dispute, including, but not limited to, full access to the Project and any documentation or correspondence relating to the subject matter of the dispute.

<sup>70</sup> It is a matter for the parties to determine if they want to include an alternative dispute resolution procedure – the example given here is the use of an "Expert". Alternatively the parties may wish to consider an alternative dispute resolution procedure, prior to or instead of the use of the "Expert", e.g. the parties may wish, as an alternative, to include language to appoint an arbitrator.

- 22.8 The Expert shall be instructed to deliver his/her determination to the Parties within fourteen (14) days after the submission of the written reports pursuant to Clause 22.6, or after the expiration of such longer period as is required by the Expert in which to consider the Parties' reports and documentation or correspondence provided, which date shall not be greater than a period of sixty (60) days after the submission of the written reports pursuant to Clause 22.6.
- 22.9 The Expert shall have the same powers to require any Party to produce any documents or information to him/her and the other Party and each Party shall, in any event, supply to him/her such information which it has and is material to the matter to be resolved and which it could be required to produce on discovery.
- 22.10 The fees of the Expert shall be borne by the Parties in the proportion as shall be determined by the Expert, having regard (amongst other things) to the conduct of the Parties.
- 22.11 Work and activity to be carried out under this Agreement shall not cease or be delayed by this dispute resolution procedure.
- 22.12 The Parties, and the Expert, shall treat as Confidential Information all information obtained in relation to the reference to the Expert, the fact that a dispute has been referred to the Expert, its occurrence and the decision of the Expert arising therefrom.<sup>71</sup>
- 22.13 All communications relating to the reference to the Expert shall take place in writing between the Representatives of either Party, or other nominated representatives of the Parties, and the Expert.
- 22.14 At any time prior to the decision of the Expert being communicated to the Parties they may agree a settlement of the dispute and where applicable a revised timetable or difference referred to the Expert. In such event, the Expert shall be entitled to recover from the Parties fees in respect of time already spent on the reference and all reasonable expenses incurred in relation to it which shall be borne by and between the Parties in such proportion as the Parties shall agree as part of their settlement.

<sup>71</sup> See Clause 7.2(f).

## **23. Severability**

- 23.1 In the event that any provision of this Agreement is declared by any judicial or other competent authority to be void, voidable, illegal or otherwise unenforceable, the Parties shall amend that provision in such reasonable manner as achieves the intention of the Parties without illegality, or such provision may be severed from this Agreement and the remaining provisions of this Agreement shall remain in full force and effect.

## **24. Law**

- 24.1 Each Party irrevocably agrees that this Agreement and all matters arising from it are governed by and construed in accordance with the laws of Ireland (excluding Northern Ireland) whose courts shall have exclusive jurisdiction over all disputes arising in connection with this Agreement.

*[Consider appointing process agent where the Industry Partner has no presence in Ireland]*

EXECUTED in two originals on the [INSERT DATE]

**SIGNED for and on behalf of**

**[PRO]**

By:

Signature:

Title:

Witness:

**SIGNED for and on behalf of**

**[Industry Partner]**

By:

Signature:

Title:

Witness:

# SCHEDULE 1

## PROJECT FULL DETAILS OF RESEARCH PROJECT

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### For Example

- Budget
- Research Locations
- PI's
- Project Team
- Milestones
- Cross refer to any Grants
- Reporting (including reporting under Grants)
- Change Control
- Key Personnel

Research Performance.

Objectives (technical, commercial, other).

Detailed work Programme (divided into work packages).

Allocation of work programme to Parties involved.

Technical milestones.

Timescale for work packages/milestones.

Key reports and timescale for delivery of results.

Reporting, disclosure and evaluation of IP contained in results.

## SCHEDULE 2

### PART A

#### INDUSTRY PARTNER OBLIGATIONS AS PART OF THE PROJECT

---

### PART B

#### PRO OBLIGATIONS AS PART OF THE PROJECT

---

*The obligations of each party arising from the details of the Project provided at Schedule 1 to the Template Agreement should be inserted here.*

## SCHEDULE 3

[Set out Contributions to be provided by each Party]

### COSTS, CONTRIBUTION AND ROYALTIES

#### NONCASH CONTRIBUTIONS

---

**NON CASH CONTRIBUTION INCLUDE FOR EXAMPLE ACCESS TO RESEARCH  
INFRASTRUCTURE, EQUIPMENT, SPECIALIST EXPERTISE ETC.**

---

**REFER TO ANY STATE GRANTS (E.G. IDA IRELAND, ENTERPRISE IRELAND, SCIENCE  
FOUNDATION IRELAND) (“GRANT AGREEMENT”)**

Any equipment or products provided by a Party shall only be used in accordance with the terms and rules applicable to the relevant equipment/products as notified from time to time. The Parties shall comply with all terms and conditions set out in any Grant Agreement in relation to the use of any equipment, which is subject to a Grant Agreement. All equipment and products provided under a Grant Agreement (or subject to grant assistance under the Grant Agreement) shall at all times remain the property of the grant aided entity or recipient of the grant, as determined by the Grant Agreement and shall be returned to that Party upon the expiration or termination of the Agreement.

Upon execution of a Grant Agreement (or an amendment thereto) each Party agrees to be subject to and comply with the terms and conditions of the Grant Agreement (or the amendment thereto). In the event of a conflict between the terms and conditions of the Grant Agreement (including all amendments thereto) and this Agreement, the terms and conditions of the Grant Agreement (including all amendments thereto) shall prevail.

[The PRO/Industry Partner] shall be the administrator of the [Grant]. In furtherance of its role as the administrator [The PRO/Industry Partner] shall perform the administrative functions relating to the operation of the [Grant] (with the full co-operation and assistance of all Parties), including without limitation:

- (a) Submitting financial and other reports as required by the Grant Agreement;
- (b) Executing and delivering any certifications or representations in respect of the Project;
- (c) Scheduling meetings of the Parties with [ ] if required under the Project plan;
- (d) The parties shall provide [The PRO/Industry Partner] with any information or assistance (at no cost), which is required by [The PRO/Industry Partner] to administer the [Grant] and to carry out its administrative function described in [ ].

# SCHEDULE 4

## PART A

### INTELLECTUAL PROPERTY

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- Procedure for evaluation of new ideas to be set out.
- Patent and IP Protection and Registration policy to be set out.

# SCHEDULE 4

## PART B

### OWNERSHIP OF INTELLECTUAL PROPERTY UNDER THE CODE<sup>72</sup>

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#### I 100% Industry Funded Research:

- A. Where the Industrial Partner pays in full for the research, including both direct and indirect costs, participates in the project and is considered the key exploitation partner, it will own the IP.
- B. Where a project is PRO-led and the Industrial Partner does not provide intellectual input to the project, title to IP should be negotiated based on best route for exploitation and the partner best positioned to execute the exploitation strategy.

#### II Collaborative Research:

- C. Where the Industrial Partner provides a significant part of the funding, provides intellectual input to the project and is deemed best positioned to exploit the IP, the industry partner(s) can own the IP. Fair and reasonable financial and non-financial incentives should be provided to the PRO.
- D. Where the State is the primary financial contributor to the project, the PRO will own the IP. All industry partners will have rights of access unless it has been agreed upfront that one party will have an exclusive licence, for which it will pay market rates. The PRO is obliged to maximise the exploitation of IP through licensing to industry partner(s) where the industry partner(s) is best positioned to exploit the IP. Exclusivity may refer to all or part of the project(s).

#### III 100% State Funded Research:

- E. IP arising from research fully funded by the State is owned by the PRO as outlined in the National Code of Practice for Management of IP from Publicly Funded Research.

<sup>72</sup> Please note that only one Schedule 4 should be inserted into Clause 9 of the Template Agreement.

## SCHEDULE 4.1

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1. **The Industry Partner owns the Intellectual Property in the Results, with no licence to the PRO.**
- 1.1 The Industry Partner will own the Intellectual Property in the Results and may take such steps as it may decide from time to time, and at its own expense, to register and maintain any protection for that Intellectual Property, including filing and prosecuting Protective Applications for any of the Results.<sup>73</sup>
- 1.2 To the extent that any Intellectual Property in the Results is capable of prospective assignment, the PRO **HEREBY ASSIGNS** all Intellectual Property rights in the Results to the Industry Partner; and to the extent any Intellectual Property in the Results cannot prospectively be assigned, the PRO will **ASSIGN** those Intellectual Property rights in the Results to the Industry Partner as and when they are created, at the request of the Industry Partner free from all liens, charges and encumbrances, PRO and all rights, title and interest in and to those Intellectual Property rights including the benefit of any use of the Intellectual Property and all statutory and common law rights connected with the said Intellectual Property in the Results and together with all other rights and goodwill therein wherever in the world, and together with all the rights of action, powers and benefits belonging to the same, including the right to sue for and obtain damages and other relief in respect of any infringement and/or any violation of any common law rights (whether past, present or future) of the Intellectual Property or any of them **TO HOLD** the same unto the Industry Partner absolutely.

<sup>73</sup> There is no licence back to the PRO required. It is the sole responsibility of the Industry Partner to file any protective filings in this ownership scenario. Please find a joint ownership checklist at Schedule 7 to the Template Agreement.

## SCHEDULE 4.2

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1. **The Industry Partner owns all the Intellectual Property in the Results with a non-exclusive licence to the PRO to use the Results for academic purposes.**
- 1.1 The Parties agree that, subject to the provisions of Clause [9.7], the Industry Partner will have full right, title and interest in the Intellectual Property in and to the Results, and may take such steps as it may decide from time to time, and at its own expense, to register and maintain any protection for that Intellectual Property, including filing and prosecuting Protective Applications for any of the Results.
- 1.2 To the extent that any Intellectual Property in the Results is capable of prospective assignment, the PRO **HEREBY ASSIGNS** all Intellectual Property rights in the Results to the Industry Partner; and to the extent any Intellectual Property in the Results cannot prospectively be assigned, the PRO will **ASSIGN** those Intellectual Property rights in the Results to the Industry Partner as and when they are created, at the request of the Industry Partner free from all liens, charges and encumbrances, and all rights, title and interest in and to those Intellectual Property rights including the benefit of any use of the Intellectual Property and all statutory and common law rights connected with the said Intellectual Property in the Results and together with all other rights and goodwill therein wherever in the world, and together with all the rights of action, powers and benefits belonging to the same, including the right to sue for and obtain damages and other relief in respect of any infringement and/or any violation of any common law rights (whether past, present or future) of the Intellectual Property or any of them **TO HOLD** the same unto the Industry Partner absolutely.<sup>74</sup>
- 1.3 [See Clause 9.7 of the Template Agreement].
- 1.4 [See Clause 9.9 of the Template Agreement].

<sup>74</sup> The PRO may wish to decide to seek an obligation to assign if the Results are not being commercialised by the Industry Partner.

## SCHEDULE 4.3

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1. **The PRO owns the Intellectual Property in the Results, with an exclusive or non-exclusive licence to the Industry Partner to use Results in a specified field or more generally.<sup>75</sup>**
- 1.1 The Parties agree that, subject to the provisions of Clause [9.7], the PRO will have full right, title and interest in the Intellectual Property in and to the Results, and may take such steps as it may decide from time to time, and at its own expense, to register and maintain any protection for that Intellectual Property, including filing and prosecuting Protective Applications for any of the Results.
- 1.2 To the extent that any Intellectual Property in the Results is capable of prospective assignment, the Industry Partner **HEREBY ASSIGNS** all Intellectual Property rights in the Results to the PRO; and to the extent any Intellectual Property in the Results cannot prospectively be assigned, the Industry Partner will **ASSIGN** those Intellectual Property rights in the Results to the PRO as and when they are created, at the request of the PRO free from all liens, charges and encumbrances, and all rights, title and interest in and to those Intellectual Property rights including the benefit of any use of the Intellectual Property and all statutory and common law rights connected with the said Intellectual Property in the Results and together with all other rights and goodwill therein wherever in the world, and together with all the rights of action, powers and benefits belonging to the same, including the right to sue for and obtain damages and other relief in respect of any infringement and/or any violation of any common law rights (whether past, present or future) of the Intellectual Property or any of them **TO HOLD** the same unto the PRO absolutely.

<sup>75</sup> See the Template Licence at Schedule 6 of the Template Agreement – provided for guidance purposes only.

- 1.3 The PRO hereby grants to the Industry Partner a [worldwide,]<sup>76</sup> [[non]-exclusive,]<sup>77</sup> [royalty free,]<sup>78</sup> [perpetual,]<sup>79</sup> unencumbered licence to [use the Intellectual Property in the Results in [insert field of permitted use]<sup>80</sup> use, redevelop, adapt, reverse engineer, commercialise, use in a manufacturing process, alter, test, and improve, the Results. This licence includes the right for the Industry Partner to use the Results for any purpose within the field, including the registration of a product, and to make, have made, use, sell, offer for sale, import, export, sublicense and otherwise dispose of such products and methods embodied in or developed using the Results of the Project.] [The Industry Partner shall have the royalty free right to sublicense the Results to [defined category] upon the same terms as the licence mentioned above in this Clause [1.3].]<sup>81</sup>
- 1.4 The PRO shall be responsible for arranging for the drafting of patent applications and for ensuring that sufficient information (but not excessive information) is incorporated into such patent applications. The PRO shall submit all such patent applications to the Industry Partner for review and written approval at least 45 days prior to such patent applications being filed with any patent registry. The Industry Partner shall have the right to suggest modifications to the patent applications. If the Industry Partner objects to the filing of the patent application, in whole or in part, the Industry Partner will specify that portion of the submitted material it objects to and the reason for such objection. Upon objection by the Industry Partner, the PRO agrees to discuss the objection with the Industry Partner and to delete any Confidential Information in such patent application to which the Industry Partner objects. Nothing in this clause will preclude an agreement between the Parties for immediate filing of a prompt response to all patent application filing requests. However, any such agreement must be in writing and signed by the Industry Partner.

*76 The Parties should consider if the Licence should be worldwide or merely in a named Territory (e.g. Ireland or Europe), leaving the PRO free to licence the Results to other parties outside the Territory.*

*77 Inclusion of the term "non-exclusive" will enable the PRO to licence the Results to parties other than the Industry Partner. To be discussed.*

*78 PRO may want to charge royalties for future use of Results.*

*79 Does the PRO want the licence to be time limited?*

*80 This language is more restrictive than the alternative language that follows it. It permits the Industry Partner to use the Results in a particular named field only.*

*81 PRO may not want to give an unrestricted right to sub-licence. A limited licence could be given by permitting sublicencing to a limited category such as group companies. Royalties for future use could also be imposed.*

## SCHEDULE 4.4

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1. **The PRO owns the Intellectual Property in the Results, with a non-exclusive licence to the Industry Partner to use the Results in a specified field or more generally, including an Option to buy an exclusive licence at a later date.<sup>82</sup>**
- 1.1 The Parties agree that, subject to the provisions of Clause [9.7], the PRO will have full right, title and interest in the Intellectual Property in and to the Results, and may take such steps as it may decide from time to time, and at its own expense, to register and maintain any protection for that Intellectual Property, including filing and prosecuting Protective Applications for any of the Results.
- 1.2 To the extent that any Intellectual Property in the Results is capable of prospective assignment, the Industry Partner **HEREBY ASSIGNS** all Intellectual Property rights in the Results to the PRO; and to the extent any Intellectual Property in the Results cannot prospectively be assigned, the Industry Partner will **ASSIGN** those Intellectual Property rights in the Results to the PRO as and when they are created, at the request of the PRO free from all liens, charges and encumbrances, and all rights, title and interest in and to those Intellectual Property rights including the benefit of any use of the Intellectual Property and all statutory and common law rights connected with the said Intellectual Property in the Results and together with all other rights and goodwill therein wherever in the world, and together with all the rights of action, powers and benefits belonging to the same, including the right to sue for and obtain damages and other relief in respect of any infringement and/or any violation of any common law rights (whether past, present or future) of the Intellectual Property or any of them **TO HOLD** the same unto the PRO absolutely.

<sup>82</sup> See the Template Licence at Schedule 6 of the Template Agreement – provided for guidance purposes only.

1.3 The PRO hereby grants to the Industry Partner a [worldwide,]<sup>83</sup> [[non]-exclusive,]<sup>84</sup> [royalty free,]<sup>85</sup> [perpetual,]<sup>86</sup> unencumbered licence to [use the Intellectual Property in the Results in [insert field of permitted use]<sup>87</sup> use, redevelop, adapt, reverse engineer, commercialise, use in a manufacturing process, alter, test, and improve, the Results. This licence includes the right for the Industry Partner to use the Results for any purpose, including the registration of a product, and to make, have made, use, sell, offer for sale, import, export, sublicense and otherwise dispose of such products and methods embodied in or developed using the Results of the Project.] [The Industry Partner shall have the royalty free right to sublicense the Results to [defined category] upon the same terms as the licence mentioned above in this Clause [1.3].]<sup>88</sup>

1.4 The PRO shall be responsible for arranging for the drafting of patent applications and for ensuring that sufficient information (but not excessive information) is incorporated into such patent applications. The PRO shall submit all such patent applications to the Industry Partner for review and written approval at least 45 days prior to such patent applications being filed with any patent registry. The Industry Partner shall have the right to suggest modifications to the patent applications. If the Industry Partner objects to the filing of the patent application, in whole or in part, the Industry Partner will specify that portion of the submitted material it objects to and the reason for such objection. Upon objection by the Industry Partner, the PRO agrees to discuss the objection with the Industry Partner and to delete any Confidential Information in such patent application to which the Industry Partner objects. Nothing in this clause will preclude an agreement between the Parties for immediate filing of a prompt response to all patent application filing requests. However, any such agreement must be in writing and signed by the Industry Partner.

[PRO grants Industry Partner an Option]

*83 The parties should consider if the Licence should be worldwide or merely in a named Territory (e.g. Ireland or Europe), leaving the PRO free to licence the Results to other parties outside the Territory.*

*84 Inclusion of the term "non-exclusive" will enable the PRO to licence the Results to parties other than the Industry Partner. To be discussed.*

*85 PRO may want to charge royalties for future use of Results.*

*86 Does the PRO want the licence to be time limited?*

*87 This language is more restrictive than the alternative language that follows it. It permits the Industry Partner to use the Results in a particular named field only.*

*88 PRO may not want to give unrestricted right to sub-licence. A limited licence could be given by permitting sublicensing to a limited category such as group companies. Royalties for future use could also be imposed.*

- 1.5 The PRO shall not assign, transfer, license, lease, sublicense or otherwise permit any third party to use or have access to the Results during the Option Period. The PRO and the Industry Partner shall treat the Results as Confidential Information at all times during the Option Period. At any time during the Option Period the Industry Partner shall have, subject to the provisions of Clause [9.7], the exclusive right to purchase a worldwide, royalty free, exclusive, perpetual, irrevocable, unencumbered, transferable licence to use, redevelop, adapt, commercialise, use in a manufacturing process, alter, test, and improve, the Intellectual Property in and to the Results (or any part thereof) upon payment of the Option Price to the PRO (the "Option").
- 1.6 If the Industry Partner exercises the Option during the Option Period then the licence at Clause 1.2 shall be extinguished immediately upon exercise of such Option. [Explain]<sup>89</sup>
- 1.7 If the Industry Partner does not exercise the Option during the Option Period then from the end of the Option Period, the PRO shall be free to license the Results to third parties.<sup>90</sup>

**"Option"** means the option set out in Clause 1.5;

**"Option Period"** means the period commencing on [the Effective Date] and ending on [ ];

**"Option Price"** means [ ];<sup>91</sup>

<sup>89</sup> Where the option is exercised the nonexclusive licence at Clause 1.2 above is no longer relevant. Instead the Industry Partner will purchase an exclusive licence on the terms set out at Clause 1.5.

<sup>90</sup> Clauses 1.4 to 1.6 are designed to facilitate an option for the Industry Partner to buy an exclusive licence to the Intellectual Property in the Results.

<sup>91</sup> If the Parties intend to use the option clauses above then these definitions should be inserted into the Agreement at Clause 1.1. (Interpretation)

## SCHEDULE 4.5

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1. **The PRO owns the Intellectual Property in the Results, with no licence to the Industry Partner.**<sup>92</sup>
  - 1.1 The PRO will own the Intellectual Property in the Results and may take such steps as it may decide from time to time, and at its own expense, to register and maintain any protection for that Intellectual Property, including filing and prosecuting Protective Applications for any of the Results.
  - 1.2 To the extent that any Intellectual Property in the Results is capable of prospective assignment, the Industry Partner **HEREBY ASSIGNS** all Intellectual Property rights in the Results to the PRO; and to the extent any Intellectual Property in the Results cannot prospectively be assigned, the Industry Partner will **ASSIGN** those Intellectual Property rights in the Results to the PRO as and when they are created, at the request of the PRO free from all liens, charges and encumbrances, and all rights, title and interest in and to those Intellectual Property rights including the benefit of any use of the Intellectual Property and all statutory and common law rights connected with the said Intellectual Property in the Results and together with all other rights and goodwill therein wherever in the world, and together with all the rights of action, powers and benefits belonging to the same, including the right to sue for and obtain damages and other relief in respect of any infringement and/or any violation of any common law rights (whether past, present or future) of the Intellectual Property or any of them **TO HOLD** the same unto the PRO absolutely.

<sup>92</sup> This ownership scenario may arise where an Industry Partner provides a donation of the Results of the collaborative research, e.g. with respect to the appointment of a Chair of a University Department/Professorship.

## SCHEDULE 4.6

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1. **The Industry Partner and the PRO jointly own the Intellectual Property in the Results<sup>93</sup> (and for the avoidance of doubt with a non-exclusive licence from the PRO to the Industry Partner to use Results and a corresponding non-exclusive licence from the Industry Partner to the PRO to use Results).**
- 1.1 To the extent that any Intellectual Property in the Results has been jointly devised or developed as part of the Project, the Industry Partner and the PRO shall jointly own the Intellectual Property rights in the Results and may take such steps as they may agree and decide from time to time, at their [shared] expense, to register and maintain any protection for that Intellectual Property, including filing and prosecuting Protective Applications for any of the Results.
- 1.2 For the avoidance of doubt, the Industry Partner hereby grants to the PRO a [worldwide,] [non-exclusive,] royalty free, perpetual, unencumbered licence to use the Intellectual Property in the Results to use, sub license, redevelop, adapt, reverse engineer, commercialise, use in a manufacturing process, alter, test, and improve, the Results. This licence includes the right for the PRO to use the Results for any purpose, including the registration of a product, and to make, have made, use, sell, offer for sale, import, export, sublicense and otherwise dispose of such products and methods embodied in or developed using the Results of the Project.
- 1.3 For the avoidance of doubt, the PRO hereby grants to the Industry Partner a [worldwide,] [non-exclusive,] [royalty free]<sup>94</sup>, [sub-licenseable] perpetual, unencumbered licence to use the Intellectual Property in the Results to use, sublicense, redevelop, adapt, reverse engineer, commercialise, use in a manufacturing process, alter, test, and improve, the Results. This licence includes the right for the Industry Partner to use the Results for any purpose, including the registration of a product, and to make, have made, use, sell, offer for sale, import, export, sublicense and otherwise dispose of such products and methods embodied in or developed using the Results of the Project.
- 1.4 Each party shall have the royalty free right to sublicense the Results through multiple layers of sublicensees to any third party upon the same terms as the licences mentioned in Clause [1.2 and 1.3] above.

<sup>93</sup> Please find a joint ownership checklist at Schedule 7 to the Template Agreement.

<sup>94</sup> The PRO may wish to negotiate a royalty payment depending upon the nature of its contribution to the Research Project.

## SCHEDULE 5

### CONFLICT OF INTEREST POLICY

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It is in the interest of the Parties to declare and manage conflicts of interest. To this end the Parties should ensure that they have policies and procedures in place to identify and, if necessary, address conflicts of interest. The Parties should exchange their respective conflict of interest policies and declare any conflicts of interest in advance of embarking on a collaborative research project.

In particular the Parties should:

- establish procedures that help research employees to recognise areas where conflicts of interest may occur;
- maintain a policy for the management of conflicts of interests;
- encourage full disclosure of potential areas of conflict through open discussion between the parties at an early stage of the Project;
- document any identified conflicts in writing;
- agree how identified conflicts will be managed; and
- manage and resolve conflicts as they occur.<sup>95</sup>

<sup>95</sup> On a related point the Parties should attempt to maintain good relationships with their collaborators. As having established mechanisms for dealing with disagreements simplifies and speeds up dispute resolution, the Parties should develop an agreed procedure and timescale for dealing with disagreements. Please consider the suggested dispute resolution provisions at Clause 22 of the Template Agreement.

## SCHEDULE 6

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### TEMPLATE INTELLECTUAL PROPERTY LICENCE

THIS LICENCE AGREEMENT IS PROVIDED ONLY AS A CHECKLIST OF  
SAMPLE CLAUSES<sup>96</sup>

PRO

– And –

INDUSTRY PARTNER

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### INTELLECTUAL PROPERTY LICENCE

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<sup>96</sup> This Template Intellectual Property Licence is only designed to be used as a checklist to suggest the structure and contents of an Intellectual Property Licence.

THIS LICENCE AGREEMENT is made the [ ] day of [ ]

## **PARTIES:**

- (1) [PRO] OF [INCLUDE UP TO DATE ADDRESS AT DATE OF THIS LICENCE AGREEMENT] (the "Licensor").
- (2) [Industry Partner] OF [INCLUDE UP TO DATE ADDRESS AT DATE OF THIS LICENCE AGREEMENT] (the "Licensee").

## **RECITALS:**

[The Licensor and the Licensee entered into a collaborative research agreement on [insert date 200•] (the "**Collaborative Agreement**"). [The Licensee has exercised the Option (as such term is defined in this Licence Agreement<sup>97</sup>) and the Licensor has agreed to grant and the Licensee has agreed to take a licence of the Results on the terms set out in this Licence Agreement.]<sup>98</sup>

## **1. DEFINITIONS**

- 1.1 In this Licence Agreement, except where the context otherwise requires, the following terms shall have the following meanings:

**"Improvement"** means any beneficial improvement, enhancement or modification to the subject matter of the Licensed Patents, Know-how, products or method of manufacture falling within the claims of the Licensed Patents or licensed Know-how (if any);<sup>99</sup>

**"Intellectual Property"** means patents, patent applications, inventions, Know-how, trade secrets and other confidential information, rights in design (registered and unregistered), copyright (including, without limitation, rights in computer software), data, database rights and *sui generis* rights, rights affording equivalent protection to copyright, semiconductor topography rights, trade marks, service marks, logos,

<sup>97</sup> Please see Schedule 4.4 of the Template Agreement.

<sup>98</sup> This Template Licence Agreement envisages a licence from the PRO to the Industry Partner.

<sup>99</sup> This Template Licence Agreement relates to the licensing of a Patent from the PRO to the Industry Partner. If the licence is from the Industry Partner to the PRO, the parties should be reversed in terms of Licensor and Licensee. It is important to note that different clauses and terms will be required depending upon the nature of the commercial relationship between the parties and/or the type of Intellectual Property/ Results being licensed.

domain names, business names, trade names, brand names, certification marks, assumed names and other indicators or origin, rights in any drawings, designs, plans, specifications, manuals, computer software, assets, inventor's certificates and invention disclosures, writings and other works, whether copyright or not, bills of material, moral rights and all other industrial or intellectual property or other rights or forms of protection of a similar nature or having similar effect in any part of the world and rights in and in relation to them and, where appropriate, applications for any of them in any country or jurisdiction, rights in the nature of unfair competition rights, rights to sue for passing-off, the right to apply for any of them and all other information necessary for the technical exploration of any of the same and all registrations;

**"Know-how"**

means unpatented, unpublished, technical information (including, without limitation, information relating to inventions, discoveries, concepts, methodologies, models, research, development and testing procedures, the results of experiments, tests and trials, manufacturing processes, materials, formulae, formulations, processes, research or experimental results, techniques and specifications, quality control data, analyses, reports and submissions) that is not in the public domain;

**["Licensed Patents"**

means all patents and patent applications in the Territory (where the full right and title is not vested in the Licensee), now pending or granted or which are later filed or granted, including but not limited to all patent applications in the Territory which are, or which are equivalent to and/or claim priority from Irish patent applications [*insert identifying details, such as patent number*] and granted patents issuing from such applications together with all re-issues and extensions of such granted patents (including measures having equivalent effect) including the following:

- (a) patent applications filed on the invention disclosure set forth in [ ], the patent applications set out in Exhibit A (which arise as part of the Results), and any patents that may issue based thereon;
- (b) all continuation, divisional, re-issue, re-examination and substitution applications that may be filed based on the foregoing referenced patents or patent applications, together with any patents that may issue based thereon; and
- (c) all foreign applications that may be filed based on the foregoing referenced patents and patent applications, together with all patents which may issue based thereon;]<sup>100</sup>

**["Licensed Products"** means;]<sup>101</sup>

**["Net Invoice Price"** means;]<sup>102</sup>

**"Person(s)"** means any person, firm or company or group of persons or unincorporated body;

**"Project"** means the research work, commercial or intellectual activity to be carried out as described in Schedule 1 which sets out the obligations of each Party in conducting the research project which is the subject matter of the Collaborative Agreement;

**"Results"** means all information, Know-how, results, software, inventions, works, discoveries and creations, made, conceived or identified, directly arising from the Project or first reduced to practice or writing in the course of the Project together with all intellectual property therein;

*100 This should be included where Patents or Patent Applications arise from the Results.*

*101 This definition will depend on the nature of the Results and the Intellectual Property being licensed.*

*102 This definition will depend on the nature of the Licensed Products being sold and the market conditions for the sale of the Licensed Products. Both the Licensed Products and the Net Invoice Price may not be known at the beginning of the collaboration. In view of this, provisions may need to be considered by the parties to address financial compensation (other than a running royalty based on net invoice price of identified products).*

**“Royalty Rate”** means [ ];

**“Territory”** means the [world].

1.2 The singular includes the plural and vice versa.

1.3 Unless the context otherwise indicates, references to clauses, sub-clauses, recitals and to Schedules are to clauses and sub-clauses of, and recitals and Schedules to this Licence Agreement.

1.4 Headings to clauses in this Licence Agreement are included for the purpose of ease of reference only and shall not have any effect on the construction or the interpretation of this Licence Agreement.

1.5 References in this Licence Agreement to any statute or statutory provision shall include any statute or statutory provision which amends, extends, consolidates or replaces the same and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute.

## 2. **GRANT**

**INSERT RELEVANT INTELLECTUAL PROPERTY OWNERSHIP CLAUSE, AS SET OUT IN SCHEDULE 4B OF THE COLLABORATIVE AGREEMENT**

**PLEASE NOTE THAT ONLY THE FOLLOWING INTELLECTUAL PROPERTY OWNERSHIP SCENARIOS, AS SET OUT IN SCHEDULE 4B, WILL BE RELEVANT FOR A LICENSING ARRANGEMENT:**

- (a) Schedule 4.2 The Licensee owns all the Intellectual Property in the Results with a non-exclusive licence to the Licensor to use the Results for academic purposes;
- (b) Schedule 4.3 The Licensor owns the Intellectual Property in the Results, with an exclusive or non-exclusive licence to the Licensee to use Results in a specified field or more generally; and
- (c) Schedule 4.4 The Licensor owns the Intellectual Property in the Results, with a non-exclusive licence to the Licensee to use the Results in a specified field or more generally, including an Option to buy an exclusive licence at a later date.

- 2.2 Except where otherwise provided for herein, the Licensor shall be responsible for preparing, filing, prosecuting, maintaining and extending all Licensed Patents, and for paying all costs associated therewith.
- 2.3 [The Licensee may at its discretion at any time take over responsibility (using its in-house counsel or other counsel selected by the Licensee) for preparing, filing, prosecuting, maintaining and extending one or more Licensed Patents arising from the Results, in the name of the Licensor, including paying all associated costs (“Licensee Step In Right”). Whether or not the Licensee exercises its Licensee Step In Right, the Licensor in no event will knowingly (i) permit any of the Licensed Patent(s) to lapse or be abandoned in any country, without the Licensee first being given an opportunity to assume full responsibility (using its in-house counsel or counsel selected by the Licensee) for the continued prosecution and maintenance of such Licensed Patent(s), including the payment of all costs associated therewith, or (ii) elect not to file a new patent application claiming priority to a Licensed Patent application either before such patent application’s issuance or within the time period required for the filing of an international (i.e., Patent Cooperation Treaty), regional (including European Patent Office) or national application, without the Licensee first being given an opportunity to assume full responsibility (using its in-house counsel or counsel selected by the Licensee) for the filing of such new patent application, including the payment of all costs associated therewith.
- 2.4 The Licensor shall provide prompt notice of, wherever possible at least thirty (30) days prior to, any pending lapse or abandonment (pursuant to (i) above), and expected issuance date (for purposes including but not limited to the filing by the Licensee of a continuation or divisional application not desired by the Licensor) or filing deadline (for purposes including but not limited to filings by the Licensee in certain countries or regions not desired by the Licensor) (pursuant to (ii) above), and the Licensee shall similarly provide the Licensor with prompt notice as to whether the Licensee desires to assume such responsibility. It is understood that the Licensee has the right, but not the obligation, to assume such responsibility under this provision.
- 2.5 All Patent Fees paid by the Licensee shall as part of its Licensee Step In Right be deducted from any royalties payable by the Licensee to the Licensor pursuant to this Licence Agreement.

- 2.6 Where the Licensee undertakes responsibility for the preparation, filing, prosecution, maintenance or extension of one or more Licensed Patents arising from the Results under this Licence Agreement, it is understood that, should the Licensee at some point thereafter no longer wish to prepare, file, prosecute, maintain or extend such Licensed Patents, the Licensee shall offer the Licensor the opportunity to conduct these activities in connection with such Results at the sole expense of the Licensor and should the Licensor decline such opportunity the Licensee will then be free to elect not to file, or to allow the lapse or abandonment of, such Licensed Patent(s), with no further consultation with or approval from the Licensor.]<sup>103</sup>
- 2.7 Each Party shall promptly disclose to the other Parties in writing any inventions, works, discoveries, creations or otherwise which are so invented, discovered or created in the performance of work done under the Collaborative Agreement and which may be considered Results for the purposes of this licence (including Licensed Patents and Improvements). The Licensee shall be responsible for arranging for the drafting, filing and prosecution of such new patent applications and all patent applications claiming priority therefrom worldwide, for the maintenance and extension of any patents issued therefrom, and for all costs associated therewith.

### 3. IMPROVEMENTS

- 3.1 All Improvements made by the Licensee or its employees or contractors, or any sub-licensee or its employees or contractors, during the term of this Licence Agreement, shall be owned by the Licensee.<sup>104</sup>
- 3.2 All Improvements made by the Licensor during the term of this Licence Agreement, whether alone or jointly with the Licensee, shall be solely owned by the Licensor.
- 3.3 If either Party at any time files an application for a patent anywhere in the Territory for any Improvement such Party shall, to the extent that it is not prohibited by law or by any obligation to any other person, promptly notify the other Party in writing, giving details of the Improvement and shall, following a request for the same, provide to such other Party such information as such other Party shall reasonably require to be able effectively to evaluate the Improvement. Should such other Party so request, the Party which has made the Improvement shall enter into good faith negotiations with a view to granting to the other Party a licence under such patent application for such Improvement in the Territory on terms to be agreed between the parties.

<sup>103</sup> These clauses are only designed to provide an indication of the type of applicable clauses in a patent licensing situation.

<sup>104</sup> The parties shall consider whether the granting of a licence back to the PRO is appropriate in this instance, e.g. "The Industry Partner grants a [worldwide,] [[non-] exclusive,] [royalty free,] [perpetual,] unencumbered licence to use the Intellectual Property in the Improvements in [insert field of permitted use]".

#### 4. CONFIDENTIALITY

- 4.1 The Licensee shall keep and shall procure that its respective directors and employees [and sub-licensees] keep secret and confidential all Know-how relating to the Results and other information (whether or not technical) of a confidential nature, which in both cases has been communicated to it by the Licensor either preparatory to or as a result of this Licence Agreement and shall not disclose the same or any part of the same to any person whatsoever other than to its directors or employees [or to its sub-licensees] directly or indirectly concerned in the manufacture, use or sale of the Licensed Products PROVIDED THAT before any such disclosure takes place the Licensee shall procure that each of the directors and employees [and sub-licensees] concerned shall execute a confidentiality undertaking with it in a form approved by the Licensor, such approval not to be unreasonably withheld.

#### 5. [PROTECTION OF RESULTS [AND LICENSED PATENTS ARISING THEREFROM]]<sup>105</sup>

- 5.1 In the event that any Party to this Licence Agreement becomes aware that:
- (a) any Intellectual Property in the Results [including in a Licensed Patent] is attacked whether through nullity action, opposition, interference or otherwise; or
  - (b) any application for a patent is made by or any patent is granted to a third party by reason of which the third party in the Licensor's opinion may be granted or may have been granted rights which conflict with any of the rights granted to the Licensee under the Results [or any of the Licensed Patents]; or
  - (c) any unlicensed activities are carried on by any third party which in the Party's opinion constitutes or could constitute an infringement of any Licensed Patent; or
  - (d) any application is made for a compulsory licence under any Licensed Patent,
- that Party shall forthwith timely notify the other Party (whether the Licensee or Licensor) of any such matters and the Parties shall confer. The Licensee shall have the right, but shall not be obligated, to take action or bring an infringement action or other proceeding with respect to such matter at its own expense, in its own name and entirely under its own direction and control, subject to the following, or settle any such action, proceeding or dispute by licence.

<sup>105</sup> Relevant where the Results may be the subject of a Patent Application.

- 5.2 The Licensor shall reasonably assist the Licensee (at the Licensee's expense) in any action or proceeding being defended or prosecuted if so requested, and shall lend its name to such actions or proceedings if reasonably requested by the Licensee or required by applicable Law. The Licensor shall have the right to participate and be represented in any such suit by its own counsel at its own expense.<sup>106</sup>
- 5.3 No settlement of any such action or proceeding which restricts the scope, or adversely affects the enforceability, of a Licensed Patent may be entered into by the Licensee without the prior written consent of the Licensor, which consent shall not be unreasonably withheld, delayed or conditioned. If the Licensee elects not to settle, defend or bring any action under this provision and so notifies the Licensor, then the Licensor may defend or bring such action at its own expense, in its own name and entirely under its own direction and control, subject to the following: The Licensor shall consult with the Licensee before proceeding under this provision, so that it and the Licensee can confer regarding the advisability of settling, defending or bringing such action.
- 5.4 The Licensee shall reasonably assist the Licensor (at the Licensor's expense) in any action or proceeding being defended or prosecuted if so requested, and shall lend its name to such actions or proceedings if requested by the Licensor or required by applicable Law. The Licensee shall have the right to participate and be represented in any such suit by its own counsel at its own expense. No settlement of any such action or proceeding which restricts the scope, or adversely affects the enforceability, of a Licensed Patent may be entered into by the Licensor without the prior written consent of the Licensee, which consent shall not be unreasonably withheld, delayed or conditioned. If one Party brings an action or proceeding under this provision and subsequently ceases to pursue or withdraws from such action or proceeding, it shall promptly notify the other Party and the other Party may substitute itself for the withdrawing Party, subject to the terms herein.
- 5.5 The Licensee shall not be required to take any action pursuant to the terms of this Licence Agreement which, in its sole judgment and discretion, it believes conflicts with or violates any court or government order or decree that the Licensee is then subject to, or which may otherwise create legal liability on the part of the Licensee.

<sup>106</sup> Each Party asked to assist another Party would generally have the right to reasonable compensation for its assistance.

5.6 In the event that either Party exercises the rights conferred in this Clause 5.6 and recovers any damages or other sums in such action, suit or proceeding or in settlement thereof, such damages or other sums recovered shall first be applied to all out-of-pocket costs and expenses incurred by the Parties in connection therewith, including, without limitation, attorneys fees. If such recovery is insufficient to cover all such costs and expenses of both Parties, it shall be shared in proportion to the total of such costs and expenses incurred by each Party. If after such reimbursement any funds shall remain from such damages or other sums recovered, such funds shall be retained by the Party that controlled the action or proceeding under this Clause 5.6.]

## 6. PAYMENT/ROYALTIES

6.1 In consideration for the rights granted under Clause 2 the Licensee shall pay to the Licensor a royalty at the Royalty Rate applied to [the Net Invoice Price of each Licensed Product manufactured, used or supplied in the Territory by the Licensee [and its sub-Licensees]].<sup>107</sup>

6.2 All amounts provided to the Licensee under this Licence Agreement shall be made payable by cheque or by bank transfer to an account of the Licensor, designated in writing by the Licensor.

6.3 The Licensor acknowledges and agrees that any amounts received under this Agreement are gross of any taxes, fees and levies of any nature whatsoever which may be imposed by any authority with jurisdiction over any amounts received by the Licensor under this Licence Agreement. The Licensor shall be solely responsible for the payment of any and all such taxes, fees and levies save for any liability to stamp duty which may arise by virtue of this Licence Agreement which shall be the sole responsibility of the Licensee.

6.4 In the event of any delay in paying any sum/amount due under this Licence Agreement by the due date, the Licensee shall pay to the Licensor interest (calculated on a daily basis) on the overdue payment from the date such payment was due to the date of actual payment at a rate of [4]% over the base lending rate of [FULL NAME OF BANK] from time to time.

107 The parties should note that this clause may need to be varied depending on whether the patents are product or method/process based. Please see earlier comments at footnote 102.

- 6.5 At the same time as payment of Royalties falls due, the Licensee shall submit or cause to be submitted to the Licensor a statement in writing recording the calculation of such Royalties payable and in particular the:
- (a) number of Licensed Products that have been supplied during the previous quarter;
  - (b) number of Licensed Products that have been manufactured during the previous quarter but not yet supplied;
  - (c) Net Invoice Price of each Licensed Product supplied during the previous quarter; and
  - (d) amount of Royalties due and payable and the amount of any tax deductible or due to be deducted from such figure.
- 6.6 The Licensee shall keep proper records and books of account showing the quality, description and price of Licensed Products supplied or put into use. Such records and books shall be kept separate from any records and books not relating solely to the Licensed Products and be open at all times to inspection and audit by the Licensor (or its duly authorised agent or representative), who shall be entitled to take copies of or extracts from the same. If such inspection or audit should reveal a discrepancy in the Royalties paid from those payable under this Licence Agreement, the Licensee shall immediately make up the shortfall and reimburse the Licensor in respect of any professional charges incurred for such audit or inspection.

## **7. DURATION AND TERMINATION**

- 7.1 This Licence Agreement shall come into force on the date on which it is signed by both parties [and, in respect of the Licensed Patents, shall remain in force on a country-by-country basis for the life of the Licensed Patent having the longest term in that country (subject to the survival provisions of Clause 7.5),] and for [an indefinite duration] [[insert number] years] in respect of all other Results.

7.2 The Licensor shall have the right to terminate this Licence Agreement immediately by notice in writing to the Licensee if:

- (a) the Licensee shall fail to make any payment when it becomes due or shall fail to perform or observe any [material] obligation on its part to be performed or observed under this Licence Agreement provided that in a case where (in the [reasonable] opinion of the Licensor) the breach is remediable such notice from the Licensor shall also require the Licensee to remedy the breach and if the Licensee so remedies within 30 days of the notice being served such notice to terminate the Licence Agreement shall be deemed to be void and of no effect; or
- (b) if an interim order is applied for or made, or a voluntary arrangement approved, or if a petition for a bankruptcy order is presented or a bankruptcy order is made against the Licensee or if a receiver or trustee in bankruptcy is appointed of the Licensee's estate or (the Licensee being a company) a voluntary arrangement is proposed or approved or an administration order is made, or a receiver or administrative receiver is appointed over any of the Licensee's assets or undertaking or a winding-up resolution or petition is passed or presented (otherwise than for the purposes of reconstruction or amalgamation) or if any circumstances arise which would entitle the court or a creditor to appoint a receiver, administrative receiver or administrator or to present a winding-up petition or make a winding-up order or other similar or equivalent action is taken against or by the Licensee by reason of its insolvency or in consequence of debt;
- (c) the Licensee challenges the validity of the Intellectual Property in the Results [or the Licensed Patents] or any of them;
- (d) in any of the other events expressly identified in this Licence Agreement as giving a right to terminate.

7.3 If the performance by either Party of any of its obligations under this Licence Agreement (except a payment obligation) is delayed or prevented by circumstances beyond its reasonable control, that Party will not be in breach of this Licence Agreement because of that delay in performance. However, if the delay in performance is more than [3][6] months, the other Party may terminate this Licence Agreement with immediate effect by giving written notice.

- 7.4 On termination of this Licence Agreement however arising:
- (a) all outstanding sums repayable by the Licensee to the Licensor shall immediately become due and payable;
  - (b) all rights and licences [and sub-licences] shall cease;
  - (c) the Licensee shall cease all any exploitation of the Results [whether by means of sub-licensing or otherwise];
  - (d) the Licensee shall co-operate in cancelling any registration of this Licence Agreement.
- 7.5 The termination of the Licence Agreement, however arising, shall be without prejudice to the provision of Clause 7.4 and to any rights of either Party which may have accrued by at or up to the date of termination.
- 7.6 Clauses [ ] of this Licence Agreement and all rights and licences granted under Clause [ ] shall survive the expiration or termination of this Licence Agreement. The termination or expiration of this Licence Agreement shall not affect any rights or obligations of either Party that have accrued or matured prior to termination or expiration or which are intended by the parties to survive termination or expiration.<sup>108</sup>

## 8. **WARRANTIES**<sup>109</sup>

- 8.1 The Licensor warrants to the Licensee as follows:
- (a) The Licensor is the sole legal and beneficial owner of the Licensed Patents;
  - (b) The Licensed Patents are registered in the name of the Licensor;
  - (c) The Licensed Patents are free from any charges, liens, pledges, trusts or other encumbrances;
  - (d) [So far as the Licensor is aware,]<sup>110</sup> all registration and renewal fees have been paid in relation to the Licensed Patents;
  - (e) [So far as the Licensor is aware,] all commercially reasonable steps have been taken for the prosecution and maintenance of the Licensed Patents;

<sup>108</sup> The parties should decide which clauses they wish to survive the termination of the Licence Agreement.

<sup>109</sup> These are only sample warranties provided only as an example. The nature of the warranties appropriate for the licence will depend upon the parties involved and the type of Results/Intellectual Property being licensed.

<sup>110</sup> The Licensee should be wary of the insertion of inappropriate awareness or knowledge qualifications by the Licensor.

- (f) [So far as the Licensor is aware] the use by the Licensor of the Licensed Patents does not infringe the intellectual property rights of any other Party;
- (g) No proceedings claims or complaints have been received by the Licensor from any third party or competent authority in relation to the Licensed Patents;
- (h) [So far as the Licensor is aware] no third party is infringing or misusing the Licensed Patents; and
- (i) The Licensor is not subject to any injunction, undertaking or court order or order of any other authority of competent jurisdiction not to use or restricting the use of any of the Licensed Patents.

## 9. GENERAL<sup>111</sup>

- 9.1 Neither Party may assign, transfer, charge, encumber or otherwise deal with the whole or any part of this Licence Agreement or any of its rights or obligations under this Licence Agreement without the prior written consent of the other Party (such consent not to be unreasonably withheld).
- 9.2 If any clause, or any part of any clause, in this Licence Agreement is declared invalid or unenforceable by the judgment or decree, by consent or otherwise of a court of competent jurisdiction from whose decision no appeal is or can be taken all other clauses or parts of clauses in this Licence Agreement shall remain in full force and effect and shall not be affected thereby for the term of this Licence Agreement.
- 9.3 No relaxation forbearance delay or indulgence by either Party in enforcing any of the terms and conditions of this Licence Agreement or the granting of time by either Party to the other shall prejudice, affect or restrict the rights and powers of that Party nor shall any waiver by either Party of any breach of this Licence Agreement operate as a waiver of or in relation to any subsequent or any continuing breach of this Licence Agreement.

<sup>111</sup> This document is only a skeleton of a form of licence agreement. Depending upon the parties scope for negotiation and the commercial terms reached, it may also be necessary for the parties to consider the following issues:

- A. Which party should pay the costs of any Technology Transfer required for the licence or should this be included in a licence lump sum payment?
- B. Whether the licence includes a lump sum payment and royalty payments or royalties only. If lump sums are included, consider payments being based on milestones achieved.
- C. Define the payment schedules and the right to audit accounts.
- D. The scope of the licence being granted, e.g. restrictions to territory, field of use, application and time.
- E. Will the Industrial Partner, as licensee, take on responsibility for product liability matters and indemnify the PRO against potential claims for damages.

- 9.4 This Licence Agreement may not be amended unless in writing signed by the duly authorised officer of each Party.
- 9.5 The parties shall execute all further documents as may be necessary or desirable to give full effect to the terms of this Licence Agreement and to protect the rights of the parties under it.
- 9.6 The parties agree to execute and deliver without further consideration any further documents, and to perform such other lawful acts as the other Party may reasonably request to fully secure and/or evidence the rights or interests herein.
- 9.7 This Licence Agreement and the Collaborative Agreement constitutes the entire agreement between the parties relating to its subject-matter.
- 9.8 Any notice or other document to be given under this Licence Agreement shall be given by sending the same in a pre-paid first class letter or by courier to the address of the relevant Party set out in this Agreement or to any other address which that Party may have notified to the other for such purpose. Any notice sent by post shall be deemed (in the absence of evidence of earlier receipt) to have been delivered 14 days after despatch and in proving the fact of despatch it shall be sufficient to show that the envelope containing such notice was properly addressed stamped and posted.
- 9.9 This Licence Agreement shall be governed by and construed and interpreted in accordance with the laws of Ireland (excluding Northern Ireland) and the parties hereby submit to the exclusive jurisdiction of the courts of Ireland (excluding Northern Ireland).

**IN WITNESS** of which this Licence Agreement has been executed by the duly authorized representatives of the Licensor and Licensee in the manner hereinafter appearing on the dates specified below.

**SIGNED by [•] and on behalf of**

**[PRO]**

Signature of witness: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Occupation: \_\_\_\_\_

Date: \_\_\_\_\_

**SIGNED by [•] and on behalf of**

**INDUSTRY PARTNER**

Signature of witness: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Occupation: \_\_\_\_\_

Date: \_\_\_\_\_

# SCHEDULE 7

## JOINT OWNERSHIP CHECKLIST<sup>112</sup>

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1. **The term joint ownership refers to a situation in which two or more parties share interests in Intellectual Property Rights.**
  
2. **Certain Irish Intellectual Property legislation makes explicit provision for the joint ownership of the Results of a Collaborative Project.<sup>113</sup>**
  
3. **The negotiation and management of joint ownership can be very complex. For this reason, before deciding to pursue a joint ownership approach the Partners should bear in mind the following potential complexities:**
  - 3.1 Developing and establishing a joint ownership model can be complex, time consuming and may act as disincentive to collaboration;
  - 3.2 Joint ownership may hinder exploitation by collaborating Partners and discourage third party exploitation; and
  - 3.3 Pursuing a joint ownership approach may result in an increased management burden with respect to commercial agreements and revenue streams.
  
4. **However should this approach be agreed by the Partners a joint ownership management agreement, outlining intellectual property protection provisions and exploitation rights and terms, should be negotiated between the Partners.**

*112 While the Code does not encourage joint ownership, this Schedule is included to highlight issues for consideration where the parties, nonetheless, agree a joint ownership approach.*

*113 See, for example, Section 22 of the Copyright and Related Rights Act 2000, which makes provision for joint ownership of copyrighted materials/works under Irish law.*

5. **Where the Partners have decided to opt for a joint ownership model with respect to the Results arising from the Collaborative Project, the following issues should be considered and agreed with respect to the negotiation of the joint ownership management agreement:**
- 5.1 The Parties should agree the type of Intellectual Property to be owned jointly, e.g. copyright, patents, trade marks, Know-how, etc;
- 5.2 It is important to ensure the Partners agree and understand that each Partner will retain its existing Intellectual Property Rights;<sup>114</sup>
- 5.3 The Partners should consider who will have day-to-day and ultimate responsibility for protecting and managing the Intellectual Property in the Results;
- 5.4 The Partners should consider and specify in their joint Intellectual Property commercialisation arrangements whether one or more joint owner is permitted to assign its interests in the Intellectual Property in the Results or to freely license the Intellectual Property in the Results to a third party. In addition the Partners should consider the types and levels of consent required from the other Partner if such assignment or licensing is to be permitted;<sup>115</sup>
- 5.5 The Partners should consider which Party will take charge of managing decisions relating to the licensing or sale of the Intellectual Property in the Results;
- 5.6 With respect to rights of exploitation, the Parties should establish the procedures required in order to obtain consent of each Party to the licensing and exploitation the Intellectual Property in the Results;
- 5.7 The Partners should consider what will happen to the ownership of the Results (and any Intellectual Property Rights arising therefrom) following the dissolution of a legal company (e.g. the Industry Partner entering into a bankruptcy or winding-up scenario);

<sup>114</sup> Referred to as "Background Intellectual Property" in the Template Agreement.

<sup>115</sup> The Partners may wish to retain rights to agree different exclusive areas for exploitation of the Results. With respect to the assignment and licensing of the Intellectual Property in the Results, the parties should consider if there needs to be a cross licence of rights between each party or whether one Partner will be entitled to license or assign its Intellectual Property rights in the Results without the prior consent of the other Partner(s).

- 5.8 The Partners should consider how they will own Improvements in the Results and which Partner will prosecute Intellectual Property claims in respect of the Results;
- 5.9 Where the Results involve registered Intellectual Property Rights<sup>116</sup> it is advisable to agree all applications for Intellectual Property Rights in the Result be in the name of both Partners;<sup>117</sup>
- 5.10 The Partners must plan for costs arising from the sharing of the ownership of the Intellectual Property and from which Partner's account these costs will be borne or if they are to be shared equally;<sup>118</sup>
- 5.11 Prior to agreeing to a joint ownership strategy the Partners should assess their relative abilities to exploit the Intellectual Property in the Results and should consider reaching an agreement to reflect the outcome of this assessment.

*116 Such as patents, trade marks or design rights.*

*117 It is also advisable to limit the possibilities for one Partner to independently amend or vary the registered Intellectual Property rights in the Results.*

*118 E.g. in the case of registered Intellectual Property, such as patents, the payment of fees for registration.*

# FORFÁS PUBLICATIONS 2007

<b>The Higher Education R&amp;D Survey 2006 (HERD) – First Findings</b>	August 2007
<b>Forfás Annual Report 2006</b>	June 2007
<b>Review of Governance Options for Collaborative Research Ventures</b>	April 2007
<b>Report of the Business Regulation Forum</b> Business Regulation Forum	April 2007
<b>Promoting Enterprise-Higher Education Relationships</b> Advisory Council on Science, Technology and Innovation	April 2007
<b>Research and Development Statistics in Ireland 2006 – at a glance</b>	March 2007
<b>Research and Development Performance in Business Sector in Ireland 2005/6</b>	March 2007
<b>Perspectives on Irish Productivity</b> A selection of essays by leading Irish and international economists	March 2007
<b>Waste Management in Ireland</b> Benchmarking Analysis and Policy Requirements	March 2007
<b>Tomorrows Skills: Towards a National Skills Strategy</b> Expert Group on Future Skills Needs	February 2007
<b>Business Continuity Planning – Responding to an Influenza Pandemic</b> Advice to Businesses on Preparing for a Pandemic	February 2007
<b>State Expenditure on Science &amp; Technology and Research and Development 2005 and 2006</b>	February 2007
<b>Annual Competitiveness Report 2006, Volume 2 – Ireland’s Competitiveness Challenge</b> National Competitiveness Council	February 2007
<b>Enterprise Statistics – at a glance, 2006</b>	January 2007

## Forfás Websites

The publications of Forfás and the independent advisory councils to which it provides administrative and research support are available on the Forfás website [www.forfas.ie](http://www.forfas.ie).

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