INTELLECTUAL PROPERTY AGREEMENT

Effective Date: [Month YY, Year]

Between:

QUEEN’S UNIVERSITY AT KINGSTON

(hereinafter “Queen’s”).

**Contact for Notices:**

Address: Partnerships and Innovation, 99 University Avenue, Kingston, Ontario K7L 3N6,

Attention: Assistant Vice-Principal, Partnerships and Innovation

Email: opi.info@queensu.ca

And

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| --- | --- | --- | --- |
| Creator | Creator Home Address for Notice | Email Address | Host Institution |
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(hereinafter each a “Creator”, collectively the “Creators”).

Preamble:

Queen’s provides technology transfer services to support the intellectual property protection and commercialization of new discoveries/technologies.

The Creators have created the Intellectual Property (as defined herein) described in Schedule A and wish to have such Intellectual Property commercialized by Queen’s.

THE PARTIES THEREFORE AGREE as follows:

1. **Definitions**
   1. “Agreement” means the preamble section, the terms and conditions and all schedules attached thereto.
   2. “Contributor” means any person, institution, or entity which has or may have made a material contribution to the Intellectual Property.
   3. “Gross Revenue” means revenues, in cash, actually received by Queen’s in consideration of any license, or sale of any of the Intellectual Property.
   4. “Host Institution(s)” means one or more of Queen’s and Kingston Health Sciences Centre, as determined by where a Creator was employed by and/or used resources in the creation of the Intellectual Property.
   5. “Identifiable Costs” means patenting and commercialization expenses incurred by Queen’s relative to the Intellectual Property. Identifiable Costs shall not include salaries or other remuneration paid to Queen’s technology transfer employees with the exception of Queen’s salaried patent agents at cost plus overhead.
   6. “Intellectual Property” means one or more of the following, which are related to and/or by necessary inference are included in, the disclosure contained in Schedule A:
      1. Inventions: any new and useful art, process, method, machine, manufacture or composition of matter;
      2. Copyrights: has the meaning prescribed by the Copyright Act (R.S.C. 1985, c. C-42), as amended, or any successor legislation thereto;
      3. Industrial designs: any design capable of registration under the Industrial Designs Act, which is capable of reproduction in more than 50 single copies;
      4. Trade secrets or confidential information, for example, test results, protocols, reagents, undisclosed inventions or source code;
      5. Rights in data, whether or not registered;
      6. Other rights related to the Intellectual Property, for example, assignable rights arising from beta testing or clinical trials;
      7. Rights in physical objects related to the Intellectual Property, for example, any digital media, databases or tissue samples;
      8. Any other intellectual or industrial property right;
      9. Any improvement, idea, design, concept, technique, discovery or invention encumbered by any of the above, whether or not patentable, copyrightable, or otherwise protectable as intellectual property, developed by the Creators during the Creator’s employment by Host Institution.
   7. “Net Proceeds” means Gross Revenues less Identifiable Costs.
   8. “Inventorship Investigation” means an investigation with due diligence as to the extent of involvement of any and all Contributors whether or not they are identified on the invention disclosure form provided to Queen’s related to the Intellectual Property.
2. **Grant of rights**
   1. In accordance with this Agreement, Queen’s shall endeavor to commercialize the Intellectual Property. Queen’s shall have the sole and exclusive right to commercialize the Intellectual Property which shall include entering into commercialization related agreements with third parties in relation to the Intellectual Property.
   2. If Queen’s elects to seek protection of the Intellectual Property and the Creators have all signed an acknowledgement certifying that the Creators are satisfied as to the completeness and accuracy of the Inventorship Investigation, each Creator hereby assigns all right, title and interest in and to the Intellectual Property to Host Institution(s) on the terms set forth in this Agreement. Creators hereby waive all non-assignable rights, including but not limited to, all their moral rights, in the Intellectual Property.
   3. Creator shall, at the expense of Queen’s, execute all necessary documents, and take any additional steps as Queen’s requires, to perfect title in and to the Intellectual Property and patent or other applications, reissues, divisions, continuations or continuations-in-part thereof arising therefrom.
   4. Creator shall promptly report and fully disclose to Queen’s any and all improvements, whether patentable or not, related to the Intellectual Property that are conceived or created by Creator while employed by, affiliated with, or enrolled at a Host Institution. Creator shall assign any such improvements to the appropriate Host Institution(s) upon request, for the purpose of commercialization on the same terms as Intellectual Property under this Agreement.
   5. Each Host Institution retains the right to use and practice the Intellectual Property (including any related improvements) solely for non-commercial research and/or academic purposes. Each Host Institution retains the right to license the Intellectual Property solely to other educational institutions, hospitals or not-for-profit research organizations solely for their non-commercial research and/or academic purposes.
   6. Creator will inform Queen’s of any research collaborations that may involve the Intellectual Property ten calendar days prior to Creator and/or Creator’s Host Institution entering into an arrangement or agreement for such research collaboration.
   7. Creator shall not disclose or discuss the Intellectual Property with, or to, any third-party or potential partners without the prior consent of Queen’s, such consent not to be unreasonably withheld.
   8. Queen’s will not be barred from receiving, reviewing, or commercializing other intellectual property, which may be deemed to be competitive with the Intellectual Property.
   9. Creator acknowledges that independent legal and tax advice should be sought and they have had the opportunity to obtain independent legal and tax advice, at their cost, in relation to the terms of this Agreement and in connection with the execution hereof.
3. **Technology transfer activities**
   1. Queen’s shall, at its own expense, exercise such effort as shall be reasonable in the circumstances to commercialize the Intellectual Property. Queen’s, as appropriate, will undertake one or more of the following activities related to the Intellectual Property:
      1. Conduct a detailed review of the Intellectual Property;
      2. With assistance from Creator(s), generate and implement a commercialization strategy;
      3. Generate and implement an Intellectual Property protection plan (which may or may not entail the preparation and filing of a patent application or applications);
      4. Actively market the Intellectual Property to third-parties;
      5. Negotiate relevant commercialization-related agreements (e.g., confidentiality agreements, license agreements);
      6. Provide financial accounting and reporting;

* + 1. In certain cases, support the creation of a start-up company for the commercialization of the Intellectual Property;
  1. Prior to the assignment of all rights, title and interest in and to the Intellectual Property to Host Institution (as applicable) and/or prior to Queen’s or any corporation or other entity in which Queen’s has an interest entering into an agreement with a third party in relation to the commercialization of the Intellectual Property, Queen’s shall:
     1. Provide each Creator with a detailed account of the Inventorship Investigation including the names of all individuals contacted, the date on which each was contacted, and their involvement in the Intellectual Property.
     2. Require a signed acknowledgement from each Creator certifying that they are satisfied as to the completeness and accuracy of the Inventorship Investigation. Where a signed acknowledgement is not provided, Queen’s may terminate this Agreement immediately upon written notice to the other parties.
  2. Should the Inventorship Investigation identify Contributor(s) not party to this Agreement, the parties shall amend the Agreement to permit the identified Contributor(s) to become a party to this Agreement as “Creator” under the terms existing at that time.
  3. Where necessary under an Intellectual Property protection plan, as described under subsection 3.1(c) above, Queen’s shall pay, or arrange for payment of, all costs for preparing, prosecuting and maintaining all applications for patent, copyright or industrial design (as appropriate), all patents, copyrights, registered designs issuing thereon in all such countries as it shall, in its sole judgement, elect. Queen’s shall not permit any such application or registration to become irrevocably abandoned, other than by way of final rejection by the appropriate office from which there is no further appeal within that office, without affording the Creator at least 30 calendar days to assume responsibility for continued prosecution and/or maintenance at Creator’s own expense.
  4. Queen’s shall notify Creator of Queen’s participation in discussions with a third-party in relation to the commercialization of the Intellectual Property by providing Creator the name of the third-party and the nature of the proposed discussions at least 15 calendar days prior to Queen’s entering into a commercialization agreement, including a license agreement related to the Intellectual Property with such third-party.

1. **Financial**
   1. Queen’s shall maintain accurate records of its Identifiable Costs.
   2. Queen’s shall provide Creator with a report of Gross Revenue received, if any have been received, and at the same time shall pay to the Creator(s) 50% of the Net Proceeds received in each calendar year, not later than March 1st in the following calendar year. In the event of more than one Creator of the Intellectual Property, any such 50% of the Net Proceeds shall be held in trust, without interest, until all Creators of such Intellectual Property have agreed, in writing, to a sharing arrangement for such Net Proceeds.
   3. At Queen’s discretion, and without the approval of the Creator, Queen’s may withhold, without interest, up to 10% of the Net Proceeds to fund Identifiable Costs of subsequent years where such Identifiable Costs are anticipated by Queen’s to be greater than Gross Revenues of future years. Should Queen’s request to withhold an amount greater than 10% of Net Proceeds, the consent of each Creator is required, which will not be unreasonably withheld.
   4. All Gross Revenues, Identifiable Costs, and Net Proceeds are in Canadian dollars and in the case of Net Proceeds, to be paid in Canadian dollars. With respect to amounts in currency other than Canadian dollars, calculations required to ascertain the amounts in equivalent Canadian dollars shall be made using the exchange rate used by Financial Services of Queen’s University. Unrealized and realized foreign exchange gains and losses are not included in Gross Revenues or Identifiable Costs.
   5. Net Proceeds are exclusive of taxes such as Goods and Services Tax, Provincial Sales Tax, Harmonized Sales Tax or any other tax exigible thereon. Creator will promptly notify Queen’s should the share of Net Proceeds paid to Creator be subject to value-added taxation. In the event a share of Net Proceeds is paid to a non-Canadian resident, Queen’s shall withhold, and remit to Receiver General of Canada on the non-Canadian resident Creator’s behalf, the statutory minimum withholding taxes.
   6. Distributed Net Proceeds will be characterized as royalty income for the purpose of reporting to Canada Revenue Agency.
2. **Disputes**
   1. Any dispute or difference between the parties hereto concerning questions of interpretation, fact, procedures, practices or standards relevant to this Agreement which cannot be resolved or settled by the parties, shall be settled and determined by arbitration. Any party may at any time give written notice to the others of its desire to submit such dispute to arbitration stating with reasonable particularity the subject matter of such dispute and indicating its desire for the parties to jointly appoint an arbitrator. Within ten days after receipt of such notice, the parties shall appoint a single arbitrator with appropriate experience to determine such dispute. If the parties fail to appoint an arbitrator within such ten day period, any party may apply to a Judge of the Ontario Superior Court of Justice to appoint an arbitrator to determine such dispute. The arbitrator so appointed shall forthwith proceed to arbitrate the dispute. The costs of the arbitration shall be divided equally shall be divided equally between Queen’s on side and all Creators jointly and severally on the other. Despite anything to the contrary contained in the Arbitrations Act (Ontario), the award of the arbitrator shall be final and binding upon the parties and all persons claiming through or under them. Judgement upon the award rendered by the arbitrator may be entered in any court having jurisdiction and thereupon execution or other legal process may issue thereon. The parties hereto and all persons claiming through or under them hereby attorn to the jurisdiction of the arbitrator and to the jurisdiction of any court in which the judgement may be entered.
3. **Limitation of Liability** 
   1. The parties acknowledge that in no event will Queen’s be liable to any one or more of the other parties for any breach of contract or tort or otherwise arising from or in relation to this Agreement or the matters or activities dealt with herein in excess of $50,000 in the aggregate.

* 1. Notwithstanding the foregoing, Queen’s shall not be liable to any other party for any loss of profits; loss of revenue; loss of contracts; or loss of opportunity (in each case, whether direct or indirect), or for any other indirect, punitive, exemplary, special or consequential losses or damages, even if the party bringing the claim has advised Queen’s of the possibility of those losses, or even if they were within Queen’s contemplation.

1. **Representations and warranties**
   1. Each Creator represents and warrants that they:
      1. have not collaborated with any other person to create the Intellectual Property and that there have not been any other contributors to the Intellectual Property, other than those disclosed in Schedule B;
      2. have not encumbered, licensed, assigned, or granted any rights in, the Intellectual Property, including rights granted to a third-party in a research contract with industry or a funding agency;
      3. have not, except as already disclosed to Queen’s or as itemized on Schedule C, publicly disclosed the Intellectual Property; and
      4. do not have any obligation to provide any proceeds arising from commercialization of the Intellectual Property to any third-party.

In the event such representations and warranties are not correct, then Queen’s may, provided it acts fairly and reasonably, allocate a portion of Net Proceeds due to the Creator under Article 4 to any other person to remedy or rectify this misstatement.

1. **Termination**
   1. Prior to Queen’s, or any corporation or other entity in which Queen’s has an interest, entering into an agreement with a third party relating to the commercialization of the Intellectual Property, the Creator may terminate this Agreement upon written notice:
      1. if Queen’s has failed to bring appropriate skills and effort to bear on the exploitation of the Intellectual Property over time; or
      2. if the Creator determines that the exploitation of the Intellectual Property is substantially interfering with such Creator’s ability to pursue scholarly research and such Creator agrees not to subsequently seek to exploit the Intellectual Property for commercial purposes.
   2. Creator shall have 7 calendar days to terminate this Agreement following receipt of the written Inventorship Investigation.
   3. Queen’s shall have the right to terminate this Agreement by providing 30 calendar days advanced written notice to Creator(s).
2. **General Provisions**
   1. *Binding Agreement* - This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, personal legal representatives, successors and permitted assigns.
   2. *Entire Agreement* ‐ This Agreement including all attached appendices, which are hereby incorporated by reference, constitute the entire agreement between the parties with respect to this subject matter. Any amendment or modification to this Agreement or its appendices shall not be effective unless it is in writing and signed by authorised representatives of each party.
   3. *Assignment* ‐ No right or obligation related to this Agreement shall be assigned by either party without the prior written permission of the other
   4. *Force Majeure* ‐ Neither party to this Agreement shall be liable to the other for any failure or delay in performance caused by circumstances beyond its reasonable control, including but not limited to, acts of God, fire, labour difficulties or governmental action.
   5. *Counterparts* ‐ This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of executing this Agreement, a facsimile (including a PDF delivered via email) copy of this Agreement, including the signature pages, will be deemed an original.
   6. *Applicable Law* - This Agreement shall be governed under the laws of the Province of Ontario and Federal laws applicable therein. The parties attorn to jurisdiction and venue of the Courts of Ontario in respect of any matter relating to this Agreement.

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**AGREED by the parties**

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| Creator: |  |  |  |
|  | [Name] |  | [Date] |

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| Creator: |  |  |  |
|  | [Name] |  | [Date] |

[Draft Note – Add signature blocks as necessary

**Schedule A – Intellectual Property Created**

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**Schedule B – Contributors**

[Placeholder]

**Schedule C – List of Public Disclosures**

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