

Making Agreements: A Checklist

The suggestions here are not intended to be a substitute for legal advice. The checklist should be used as a reference for consideration before meeting with legal counsel and should greatly expedite the legal consultation process. It is recommended that legal counsel be consulted at the earliest opportunity, before any agreements are negotiated or any other documents prepared.

Preparing an agreement to protect intellectual property may often be approached as a two-step process. The first step may be to execute a **confidentiality agreement**, to allow the parties to exchange information without fear of losing rights, so they can determine whether the proposed project is feasible.

If they decide to proceed, the second stage can then be preparation of a **project agreement** to govern the creation, existence and termination of the project itself. A fresh confidentiality agreement, which supersedes the original document, may also be necessary and may be incorporated into the project agreement for convenience.

Before drawing up either agreement, it is important to define what will constitute **intellectual property** in a contract.

The checklist provided here suggests some of the major issues that should be addressed in such agreements. The list should not be considered exhaustive. Other issues for consideration could include security measures to be taken to preserve confidentiality, agreement on the surrender of materials at the termination of the agreement, reference to what will happen in respect of improvements, and what remedies may exist in the event of breach of the confidentiality agreement.

CONFIDENTIALITY AGREEMENTS

Objective

To preserve intellectual property rights during the preliminary stages of a research project, when information must be exchanged to determine whether a joint project is feasible.

Typical contents of a confidentiality agreement:

- 1) Statement of the purpose of the exchange of information.
- 2) Description of the materials and information to be designated confidential, including future information.
- 3) The term or duration of the obligation for confidentiality.
- 4) Exceptions to the confidentiality obligation.
- 5) Confirmation that the agreement does not convey a licence to the use of any intellectual property beyond the limited purpose of the confidentiality agreement.
- 6) Standard of confidentiality required. For example:
 - "Reasonable man". You will do what is reasonable to preserve confidentiality. Whatever you do to preserve your own confidential information, you will also do for the confidential information you receive. Whatever that is, it will be no less than what is reasonable.
 - "Existing standard". The recipient's existing standard for his or her own confidential information.