

**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF CANADA AND THE EUROPEAN SPACE RESEARCH ORGANIZATION (ESRO) CONCERNING COOPERATION ON ADVANCED SPACE TECHNOLOGY (WITH MEMORANDUM OF UNDERSTANDING)**

I

*The Secretary of State for External Affairs of Canada to the Director General of the European Space Research Organisation*

Ottawa, May 18, 1972

No. ECT 484

EXCELLENCY,

I have the honour to refer to discussions between representatives of the Department of Communications of Canada (DOC) and the European Space Research Organisation (ESRO) concerning a Joint Project by DOC and ESRO in the field of advanced space technology. The purpose of the Project will be to develop and flight test components and subsystems of advanced technological content for the benefit of both parties, by incorporating these components and subsystems in the satellite developed under the joint Canada-USA Experimental Communications Technology Satellite Project (the CTS Project).

The terms and conditions relating to the technical aspects of the Project between DOC and ESRO have been embodied in a Memorandum of Understanding signed on this date by the Deputy Minister of Communications of DOC and the Director General of ESRO, and which is attached to this Note. It is understood that the implementation and general direction of the Project shall be the responsibility of DOC and ESRO.

I have the honour to propose that, in addition to the provisions embodied in the Memorandum of Understanding, the Project be governed by the following principles and conditions:

1. Special arrangements will be negotiated between DOC and ESRO on any jointly developed items resulting from the Project with a view to sharing on an equitable basis the property rights to, and any technical information and inventions derived from, such items.
2. The property rights related to any item of equipment developed as a result of the implementation of the Project, shall be the property of the party responsible for funding the development of such item. Such party shall notify the other party whenever the former claims such a property right. Whenever such a property right is established the party so claiming such a right shall use its best efforts, if requested by the other party, to supply the other party with licences following normal commercial practices.
3. The Government of Canada shall bear responsibility for any damage or injury caused to the nationals of Canada and the Member States of ESRO, through ESRO, shall bear responsibility for any damage or injury caused to the nationals of any of the Member States of ESRO,