patents, rather than rely on the national law of the country in which a patent is jointly held. They should not allow themselves under the terms of a contract to be governed solely by the law of one country without fully understanding the nature of joint ownership rights under that country's laws.

IV *International Practice in Intellectual Property*

Mr. MacDonald and Mr. Sato have discussed the possibility of collaborating in a particular field. Mr. Sato is keenly interested in the results of Mr. MacDonald's research in the field, and Mr. MacDonald is aware of this interest. Mr. MacDonald wants to enter into a confidentiality agreement with Mr. Sato to protect his efforts to date during the free exchange of information they will need to decide whether or not they will collaborate.

Although it is not customary to do so, Mr. MacDonald proposes to charge Mr. Sato a fee for entering into a confidentiality agreement. Mr. Sato feels that Mr. MacDonald's attitude is unfair, and because he is reluctant to enter into a long-term relationship with someone who is unreasonable, he does not pursue the matter further.

Conclusion:

A good understanding of international practice concerning intellectual property rights and confidentiality arrangements would have helped Mr. MacDonald avoid making unreasonable demands and jeopardizing a potentially productive working relationship.

V *Benefits Assigned and Lost, and Commercial Exploitation of Inventions*

Mr. MacDonald and Mr. Sato enter into a collaborative arrangement for monoclonal antibody research. Under the terms of the agreement, Mr. MacDonald grants Mr. Sato the right to use his patents. However, the agreement does not provide for reciprocal rights for Mr. MacDonald.

Mr. Sato files a number of patent applications during the collaboration. After the joint research is completed, Mr. Sato sells the benefit of the agreement, along with a patent licence under Mr. MacDonald's own patents, to a Japanese company which is going to exploit the research commercially. Because there is no provision stating that Mr. Sato will license Mr. MacDonald to use any patents Mr. Sato may file in the area of their joint research, Mr. MacDonald is not in a position to receive any of the benefits of this commercial exploitation.

If Mr. MacDonald had ensured that the rights granted under the agreement were non-assignable, and if he had required a reciprocal licence from Mr. Sato, this situation could have been prevented. Mr. MacDonald would not have lost the valuable benefits of the collaboration.

Conclusion:

When preparing agreements, it is important to consider the commercialization of inventions which may come out of your collaborative efforts. In many cases Japanese researchers enjoy closer and more positive relations with commercial enterprises than Canadian researchers do, and this factor should be taken into account when agreements are being prepared.