

APPENDIX 7B: MEMBER-LED COMMERCIALIZATION OF A QUALIFYING INVENTION

BY AND BETWEEN:

CONCORDIA UNIVERSITY, a body corporate, duly constituted by Special Act of the National Assembly of Québec, having its principal establishment located at 1455 de Maisonneuve Boulevard West, in the City and District of Montreal, Quebec, H3G 1M8, herein represented by the Vice President, Research and Graduate Studies (or delegate) _____;
_____;

Referred to as the “University”

AND

domiciled and residing at _____

domiciled and residing at _____

(together referred to as the “**Inventor**” and together with the University the “**parties**”)

WHEREAS the Inventor has produced an invention entitled “_____” (the “**Invention**”);

WHEREAS in accordance with Article 27.11 of the CUFA Collective Agreement, the Inventor has disclosed the Invention to the Office of Research by completing and signing a Declaration of Invention, (insert Concordia Reference File No. DOI 20XX-XX);

WHEREAS the Declaration of Invention has been received and signed by the Vice President, Research and Graduate Studies, or delegate, of Concordia on (insert date from page 8 of DOI)

WHEREAS in accordance with the provisions of Articles 27.14 and 27.16 of the CUFA Collective Agreement the Inventor desires to develop and commercialize, where possible, the Invention without the assistance of the University and in that regard the parties wish to provide for:

- i) the assignment of rights and/or licensing of the Project Intellectual Property and its development and marketing;

- ii) the allocation and payment of expenses incurred in obtaining, maintaining and defending patent protection for the Project Intellectual Property; and
- iii) the receipt and division of royalties, fees, equity interests, revenues and other consideration received or derived from the licensing, sale or other Commercialization of the Project Intellectual Property in proportion to their respective interests;

WHEREAS The Declaration of Invention, the present preamble and the Patent-Only Schedule, where applicable, form part of this Agreement (the “Agreement”);

NOW THEREFORE, IN CONSIDERATION FOR THE MUTUAL COVENANTS, WARRANTIES AND FOR OTHER VALUABLE CONSIDERATION THE SUFFICIENCY OF WHICH the parties ACKNOWLEDGE, THE PARTIES agree to the following:

1. DEFINITIONS

All terms, unless otherwise defined herein, shall have the meaning assigned to them in the CUFA Collective Agreement.

“CUFA Collective Agreement” means the agreement entered into between the University and the Concordia University Faculty Association (CUFA) that is in effect as at the Effective Date.

“Effective Date” means XX notwithstanding the latest date on which a party to this Agreement has signed and all references to the Effective Date shall mean the date written above.

“Inventor” includes the plural and refers either to a single Inventor or more than one Co-Inventor.

“Project Intellectual Property” means the Qualifying Invention and legal rights relating to the Qualifying Invention described in this Agreement, and any patent applications, patents, copyrights, trademarks, trade secrets, and any other legally protectable information, including computer software, which form part of the Qualifying Invention or result from the Project Intellectual Property but that do not constitute a new and separate Invention.

2. PURPOSE OF THIS AGREEMENT

2.1 This Agreement applies only to matters relating to the Project Intellectual Property.

2.2 This Agreement governs the protection through patenting, copyright or other relevant applicable legislation regarding intellectual property, as well as the development and potential Commercialization of the Project Intellectual Property.

3. PATENT ONLY

3.1 Sections 3.1, and 3.2 of this Agreement shall apply where the Inventor has given notice in writing to the University of his/her intention to patent the Project Intellectual Property, but

has no immediate plans to seek to commercialize the said Project Intellectual Property, whether with or without the assistance of any third party; further the Inventor has no intention to transfer, assign, alienate or by any other means relinquish any interest in the Project Intellectual Property. Where the Inventor wishes to take advantage of the right not to undertake immediate Commercialization, he/she and the University shall sign the present Agreement, together with the Patent-Only Schedule, attached hereto. By signing this Agreement and the Patent-Only Schedule, the University and the Inventor acknowledge and agree that there is no obligation on the part of the Inventor to proceed to Commercialization. The parties further agree that, in compliance with Articles 27.09 and 27.14 1 (c) of the CUFA Collective Agreement, that the Inventor who has chosen only to patent, has the sole discretion to determine whether to Commercialize and is entitled to choose the time when such Commercialization will occur.

- 3.2 The Patent-Only Schedule, once signed by the Inventor and the University, shall continue in effect so long as no steps are taken by the Inventor or any other person acting on behalf of the Inventor to commercialize the Project Intellectual Property. Section 4.7 of this Agreement shall not apply, unless and until such time as any step towards Commercialization of the Project Intellectual Property is initiated by the Inventor, or any other person acting on behalf of the Inventor. Where the Inventor, or any other person acting on behalf of the Inventor, undertakes any act or takes any step which can be reasonably construed to initiate Commercialization, the Patent-Only Schedule shall immediately become null and void and of no effect and the Inventor shall notify the Office of Research in writing of the change in intention. The member may, in such notification, alter her or his option and select Employer-led Commercialization as set out in Article 27.14 1 (a) and the provisions of Article 27.15 of the CUFA Collective Agreement shall then apply.

4. ASSIGNMENT

- 4.1 The Inventor hereby agrees and covenants that any development, Commercialization, licensing or other exploitation of the Project Intellectual Property shall provide for and preserve the University's interest. The Inventor further agrees that any third party, to whom the Project Intellectual Property may be assigned, conveyed or transferred, shall be approved by the University, in accordance with Article 27.16 of the CUFA Collective Agreement, prior to any such assignment, conveyance, transfer or licence.
- 4.2 The University, in consideration for the sharing of Net Proceeds, the representations, warranties contained in this Agreement and for other good and valuable consideration, the sufficiency of which the parties acknowledge, hereby assigns to the Inventor its right, title and interest throughout the world in and to the Project Intellectual Property, as well as all corresponding right, title and interest in and to any patent which may be accorded with respect to the Project Intellectual Property, and to all divisions, reissues, continuations, continuations-in-part and extensions thereof.
- 4.3 The parties hereby agree that in the event the University does not approve a Commercialization plan, or any third party participating in the Commercialization of the Project Intellectual Property in accordance with Article 27.16 of the CUFA Collective

Agreement the assignment of the University's interest shall be deemed null and void as regards such unapproved Commercialization plan or third party participation. Where the member has failed to comply with the conditions of Article 27.16 of the CUFA Collective Agreement, or has otherwise violated the provisions of this Agreement, the assignment of the University's interest shall forthwith become null and void.

- 4.4 In consideration of the right, title and interest granted in section 4.2 of this Agreement, the Inventor and the University agree that, subject always to the University's right of approval set out in section 4.1 of this Agreement, the Inventor has complete authority to apply for patents on the Project Intellectual Property and to take such other action as may be necessary or desirable to sell, assign, license or otherwise deal in the Project Intellectual Property.
- 4.5 The University agrees to sign all documents, to execute all oaths and to do everything else that may be required to obtain and enforce patent protection and any other protection that may be reasonably necessary for the Project Intellectual Property.
- 4.6 The University agrees, subject to sections 4.1, 4.2 and 4.3 of this Agreement, that the Inventor shall have control of the working, selling, assigning, or licensing or otherwise dealing with the Project Intellectual Property.
- 4.7 Unless otherwise agreed in writing between the University and the Inventor, where the Inventor has not initiated any reasonable action or has not diligently pursued the Commercialization of the Project Intellectual Property or has not taken any reasonable steps toward protection through patenting, copyright or under other relevant applicable legislation regarding intellectual property or toward Commercialization, within one (1) year of the Effective Date, the Inventor shall be deemed to have abandoned the Commercialization of the Project Intellectual Property, and the University may request that the Inventor assign all right, title and interest in the Project Intellectual Property back to the University, and shall not claim any costs or disbursements from the University.
- 4.8 Under the circumstances contemplated in section 4.7 of this Agreement, where the University does proceed to the protection through patenting, copyright or other relevant applicable legislation regarding intellectual property or the Commercialization of the Project Intellectual Property, Appendix 10 A shall be signed and the sharing of Net Proceeds shall be that set out in, Article 27.18 (a), Article 27.18 (b), or Article 27.18 (c), as the case may be, of the CUFA Collective Agreement.
5. PROTECTION AND COMMERCIALIZATION OF THE PROJECT INTELLECTUAL PROPERTY
 - 5.1 Upon the Effective Date, subject to section 4.1 of this Agreement, the Inventor or any third-party nominee shall use best efforts and take reasonable measures for the protection of the Project Intellectual Property.
 - 5.2 The University shall be informed in writing by the Inventor of any third-party interest in the Project Intellectual Property, and the provisions of sections 4.1, 4.2 and 4.3 of this Agreement shall apply.

- 5.3 The University may assist the Inventor in Commercializing the Project Intellectual Property and in this regard, by way of example but without limitation, by suggesting names of potential licensees and discussing the technical aspects of the Project Intellectual Property and/or its improvements with any potential licensee or partner that may show interest in obtaining license or other rights to the Project Intellectual Property.
- 5.4 A copy of all agreements in final draft with any third party involved in the Commercialization of the Project Intellectual Property shall be provided to the University ten (10) days prior to signature of any such agreement. All agreements with any third party shall be consistent with the rights of the University and the Inventor as set out in Article 27 of the CUFA Collective Agreement and this Agreement or, as the case may be, with the provisions of any grant, contract or other form of research support agreement through which the development of the Project Intellectual Property was funded either in whole or in part.
- 5.5 Subject to the foregoing condition, the University shall cooperate fully with the Inventor by signing all documents required to confirm or give full effect to any such agreement between the Inventor and any third parties. Where the terms of any such agreement with third parties conflict with the terms of this Agreement or as the case may be, with the terms of any grant, contract or other form of research support agreement through which the development of the Project Intellectual Property was funded either in whole or in part, the University may refuse to permit the Commercialization to proceed until its rights and, as the case may be, the provisions of any grant, contract or other research support connected with the Project Intellectual Property are protected to its satisfaction, the University acting reasonably. The University shall notify the Inventor in writing within the ten (10) day delay provided in section 5.4 above of its acceptance or rejection, and as the case may be, the reasons for such rejection of the third-party agreement. In the event the parties fail to resolve the matter within forty (40) days of receipt by the University of the third-party agreement, unless otherwise agreed in writing between the parties, the matter shall be subject to the dispute resolution provisions of this Agreement.
- 5.6 The University understands and agrees that although best reasonable efforts will be used to Commercialize the Project Intellectual Property, the Inventor does not guarantee that such Commercialization or licensing efforts will be successful.
- 5.7 The University agrees that the Inventor may use the Project Intellectual Property nonexclusively and without compensation in connection with research or grant applications or other development activities, including inclusion in project reports and any other applications for continued funding. However, the Inventor shall ensure that any use of the Project Intellectual Property for any purpose referred to in this section or any similar purpose shall be protected by a confidentiality agreement drafted in the form set out in section 8 of this Agreement.
- 5.8 The Inventor and any third-party nominee shall keep accurate records and books of accounting in accordance with good accounting practice with respect to the Project Intellectual Property, including an account of all (i) costs and expenses incurred in obtaining, maintaining and defending patent protection for the Project Intellectual Property

and (ii) all moneys or other consideration received during the calendar year for which it is accounting and all other information necessary for the accurate determination of charges and payments hereunder. The Inventor and any third-party nominee shall provide the University with reports in accordance with the provisions of Article 27.19 of the CUFA Collective Agreement, the names of the parties adapted mutatis mutandis.

6. SHARING OF REVENUES

6.1 Subject to the terms of any third-party relationship established in accordance with section 4 hereto, all Net Proceeds related to the Commercialization, licensing or other form of exploitation of the Project Intellectual Property shall be allocated between the University and the Inventors in accordance with Article 27.18(a), Article 27.18 (b), or Article 27.18 (c), as the case may be, of the CUFA Collective Agreement.

6.2 In the event the Commercialization of the Project Intellectual Property leads to the establishment of a legal person (body corporate) or other entity, whether incorporated or otherwise in any jurisdiction whether Canadian or foreign, (the “Company”) for the exploitation or licensing of the Project Intellectual Property, the University, the Inventor and any third party shall negotiate their respective participation in the Company.

6.3 All reporting and distribution of Net Proceeds as required under this Agreement and CUFA Article 27 shall be done in accordance with Article 27.19 of the CUFA Collective Agreement.

7. REPRESENTATIONS AND WARRANTIES

The Inventor makes the following representations and warranties, in the understanding that the University is relying upon them:

7.1 In the case of a sole Inventor, she or he hereby warrants and declares that she or he possesses all right, title and interest in the Project Intellectual Property and that to the best of her or his knowledge the Project Intellectual Property does not infringe the right, title or interest of any third party; and that further, she or he is able to assign, transfer or in any other manner deal with the Project Intellectual Property, free from any lien, claim, pledge, charge, mortgage, hypothec, debt or any other security interest of any kind.

7.2 In the case of Co-Inventors, each of the Co-Inventors, hereby warrants and declares that she or he possesses all right, title and interest in the Project Intellectual Property in the proportions set out in Section 3 of DOI 20XX-XX and that to the best of her or his knowledge the Project Intellectual Property does not infringe the right, title or interest of any third party; and that further, she or he is able to assign, transfer or in any other manner deal with the Project Intellectual Property, free from any lien, claim, pledge, charge, mortgage, hypothec, debt or any other security interest of any kind.

7.3 Where any background intellectual property has or will be used in connection with the Project Intellectual Property, that the Inventor hereby warrants and declares that she or he is entitled to use the background intellectual property.

8. CONFIDENTIALITY AND DISCLOSURE

8.1 The whole of this section 8 shall survive the termination for any reason of this Agreement. Until published in a patent or patent application, the parties agree not to disclose and to maintain in confidence the Project Intellectual Property and any improvements.

8.2 Confidential information includes all of the following: all material, including any text, letter, memorandum, sound recording, videotape, film, photograph, chart, graph, map, survey, diagram, model, sketch, book, technical data, research documentation and generally any information relating to the Project Intellectual Property that is recorded or stored by means of any device (the "Confidential Information").

8.3 The parties promise:

- a) to maintain the secrecy and confidentiality of the Confidential Information;
- b) not to disclose any Confidential Information to a third party, except where the disclosing party has entered into a written agreement with such third party which binds the third party to obligations of confidentiality and restricted use which are no less onerous than those imposed upon the parties hereunder before any such disclosure;
- c) not to use any Confidential Information for any purposes other than the purposes of this Agreement;
- d) only to disclose the Confidential Information to their employees, work colleagues and assistants (together, "Representatives"): (i) who have a need to know the information for academic purposes and (ii) who have been informed of the confidential nature of the Confidential Information. The receiving parties warrant that they will take reasonable steps to prevent the Representatives from acting in a manner inconsistent with the terms of this Agreement.

8.4 The obligations of confidentiality set out above do not apply to information that:

- a) has been published or has otherwise entered the public domain without a breach of this Agreement;
- b) is obtained from a third party who has no obligation of confidentiality; or
- c) is independently developed or obtained by the receiving party without breach of this Agreement.

8.5 It is not a breach of this Agreement to:

- a) disclose Confidential Information required to be disclosed by law or judicial process or governmental authorities; or

- b) disclose Confidential Information that is disclosed with the prior written consent of the parties to this Agreement.

9. NOTICE

Unless otherwise agreed by the parties, all notices required to be given pursuant to this Agreement shall be in writing and shall be considered as duly delivered when sent by registered mail, or messenger to the other party at the address stated below or such other address as either party shall advise the other in writing:

Concordia
ADDRESS
Attention: [

]

Inventor
ADDRESS
Attention: [

]

or to such subsequent address as any party hereto may furnish the other party hereto in writing.

Third Party

ADDRESS

Attention:

10. TERM AND TERMINATION

- 10.1 Where the Inventor or any third-party nominee ("Nominee") or legal person ("Legal Person") who has control of any rights over the Project Intellectual Property has been declared bankrupt, filed for bankruptcy or where a creditor has filed a claim in bankruptcy against the Inventor, Nominee or Legal Person, which results in the bankruptcy of the Inventor, Nominee or Legal Person, or where the Inventor, Nominee or Legal Person files for creditor protection or makes an arrangement with creditors which results in the bankruptcy of the Inventor, Nominee or Legal Person, then the University may terminate the present Agreement against the Inventor, or Nominee or Legal Person having control of any rights over the Project Intellectual Property as the case may be. The University may terminate the present Agreement with respect to any Nominee or Legal Person, except for the Inventor, that ceases to pursue its normal business operations, ceases to exist legally or files for creditor protection or makes an arrangement with creditors which does not result in the bankruptcy of the said Nominee or Legal Person, as the case may be. Any notice of termination shall be in writing and delivered to the Nominee or Legal Person in default under this section and the termination shall be effective on the date of receipt of the termination notice.

Where the University terminates this Agreement acting under this section 10, any assignment, transfer, conveyance or licensing of the Project Intellectual Property shall be immediately null and void and of no effect as if it had never taken place. Any agreement entered into by the Inventor and any Nominee or other Legal Person involving the Project Intellectual Property shall make reference to this section 10 and include it as a binding obligation.

10.2 This Agreement may otherwise be terminated by either party in the event of default upon thirty (30) days written notice to the defaulting party. Such termination occurs where a party has defaulted or failed to comply with the terms of this Agreement and, following receipt by the defaulting party of a written notice of default, has failed to cure any such default within that period of thirty (30) days.

10.3 The provisions relating to confidentiality, dispute resolution and all waivers shall survive the expiry or termination of this Agreement.

11. DISPUTE RESOLUTION

Any dispute relating to the interpretation or the applicability of any of the provisions of this Agreement shall be referred to the PACO in accordance with Articles 27.03 to 27.08 of the CUFA Collective Agreement. This section 11 dealing with dispute resolution shall survive the termination for any reason of this Agreement.

12. ENTIRE AGREEMENT

It is understood that this Agreement and Article 27 of the CUFA Collective Agreement contain the entire agreement between the parties with respect to the subject matter hereto. This Agreement shall be binding on and shall inure to the benefit of the parties hereto, their respective assigns and successors in interest.

13. GOVERNING LAW AND JURISDICTION

The Agreement shall be governed and interpreted in accordance with the laws applicable and in force in the Province of Quebec. The parties hereby attorn to the exclusive jurisdiction of the competent courts of Quebec sitting in the judicial district of Montreal.

14. AMENDMENTS

No modifications to this Agreement shall be binding unless agreed to in writing by the duly authorised representatives of the parties and the Concordia University Faculty Association and formalized through a written amendment to this Agreement signed by the duly authorized representatives of the parties hereto.

15. LANGUAGE

This Agreement is drawn up in English at the request of the Parties. Les parties aux présentes ont expressément convenu que ce contrat soit rédigé en anglais.

IN WITNESS WHEREOF THE PARTIES HAVE SIGNED:

CONCORDIA UNIVERSITY

INVENTOR

Signature

Signature

Typed Name

Typed Name

Title

Title

Date

Date

INVENTOR

Signature

Typed Name

Title

Date

SCHEDULE FOR PATENT ONLY OPTION (CUFA, 27.14(c))

1. With respect to the Project Intellectual Property, described more fully as Concordia Reference File No. DOI 20XX-XX, the undersigned Inventor has given notice to the University of his/her intention only to patent the Project Intellectual Property with no present intention of proceeding to Commercialization.
2. The University hereby acknowledges and agrees that the Inventor intends only to patent the Project Intellectual Property.
3. Therefore, the parties agree that until such time as the Inventor decides to proceed with Commercialization or where the Inventor undertakes any act or takes any step which can be reasonably construed to initiate Commercialization, the effect of this Patent-Only Schedule, is to relieve the Inventor of the obligation to undertake any process of Commercialization.
4. This Schedule shall remain in force until such time as the Inventor gives notice in writing to the University of the intention to Commercialize, or where the Inventor undertakes any act or takes any step which can be reasonably construed to initiate Commercialization.
5. Where the Inventor undertakes any act or takes any step which can be reasonably construed to initiate Commercialization then, at the discretion of the University, this Patent-Only Schedule shall immediately become null and void and of no effect and all the provisions of this Member-led Commercialization agreement shall immediately become enforceable against the Inventor.
6. Any dispute arising under this Schedule shall be resolved in accordance with the Dispute Resolution provisions of this Member-led Commercialization agreement.

IN WITNESS WHEREOF THE PARTIES HAVE SIGNED:

THIS PATENT-ONLY SCHEDULE shall take effect as of (DATE)

CONCORDIA UNIVERSITY

INVENTOR

Signature

Signature

Typed Name

Typed Name

Title

Title

INVENTOR

Signature

Typed Name

Title