



## **NGen Collaboration Agreement Guide**

This document will serve as a guide to help project consortiums (Recipients) put together a collaboration agreement suited to the project and in compliance with the Master Project Agreement (MPA) and the NGen Intellectual Property Strategy.

It will provide typical sections which should be included and items which should be negotiated, point to requirements of the MPA, and in some cases provide some example and mandatory clauses. It is recommended that all details be negotiated and decided up front before sending to legal to put together the actual contract. This guide is not exhaustive, and it is recommended that all partners obtain their own legal advice.

The collaboration agreement is a document owned and signed by the project consortium members. NGen will not be a party to the collaboration agreement but will review and approve it as per the conditions of the MPA.

## **Parties to the Agreement**

Specify the legal names of all parties to the agreement, with identifying terms that will be used throughout the document. (e.g., Company ABC hereinafter called “ABC”). Addresses and company registration numbers may also be included. A general description of the parties may be included here (or in the purpose clauses).

## **Purpose**

State the purpose of the collaboration agreement, include the name and NGen Project Number, a reference to the MPA, and the nature and expected deliverables of the project.

## **Example Clause**

Whereas the parties to this agreement wish to collaborate on a Project entitled “[insert name of project]”, NGen reference # [insert #####], which will be partially funded by Next Generation Manufacturing Canada (“NGen”) in accordance with the Master Project Agreement, signed on ..... The goal of the project is to xxxxxxxxxx. This agreement governs the parties’ collaboration in relation to that Project.

## **Definitions**

Properly define all relevant terms and keep them consistent. A definition section can be added up front or the terms can be defined the first time they are used in the agreement. Defined terms should be capitalized throughout.

Wherever practical it is advisable that you utilize the same terminology and definitions from the MPA, a table of MPA terms have been included at the end of this guide.

### Mandatory Clause:

If there is any conflict between the terms of this Agreement and the Master Project Agreement signed on \_\_\_\_\_, this Agreement will prevail in relation to the arrangements as between the Parties, but it will not affect the Parties respective obligations to the NGen under the Master Project Agreement.

Words and phrases defined in the Master Project Agreement and not defined in this Agreement have the meaning given to them in the Master Project Agreement when used in this Agreement. Each of the Parties will:

- a) if it is a party to the Master Project Agreement, comply with its obligations under, and the conditions of;
- b) carry out the Project in accordance with the Master Project Agreement; and
- c) notify the other Parties in accordance with clause (insert the section # for the notices clause in the collaboration agreement) immediately if it receives any notice or request from NGen.

### Background

The nature of the partners may be included here, as well as their previous relationship (if any), and the nature of the current relationship.

The parties to the agreement should agree to provide any information, data, techniques, know-how, inventions, software, equipment, or materials that already exist or that are developed independently of the project and that are required by other members of the consortium to complete their part of the project. Each of the parties allows these materials to be used for the purposes of the project but not for any other purpose.

### Project

The official title of the project and the assigned NGen Project reference number as it appears in other documents.

Identify the following:

- scope of the project
- start and end dates of the project
- the Lead Recipient
- other Recipients
- the Lead Recipient Project Manager
- the other Recipients Project Managers

- the project's expected outputs, what defines success of the project

The MPA requires and includes templates for a Project Plan (defined as a Milestone Register, Risk Register, and detailed Project Plan breaking down the original Proposal for delivery of the Project into individual work packages with assigned estimates of the resources and timescales needed to achieve each of them) and a Financial Forecast (Financial Reporting Template). These documents should outline services, resources and contributions expected to be provided by each recipient and therefore can be attached as schedules to be referred to in the agreement.

### **Example clause**

Each of the Parties will carry out the tasks allotted to it in the Project Plan, and will provide the human and other resources, information, data, techniques, know-how, inventions, software, materials, facilities and equipment which are designated as its responsibility in the Project Plan attached as Schedule X. The Project will be carried out under the direction and supervision of the appointed Project Manager of the Lead Recipient [Insert Name]. The Project will be carried out at the Location.

Responsibilities of the appointed Lead Recipient Project Manager and the Project Managers for the other Recipients should be agreed, for example who are the appointed project managers for each of the Recipients, what and how often do results need to be reported to the Lead Project Manager, how often is the group going to meet to review the progress of the project, how is the consortium going to manage the Project Monitoring requirements from section 3 of the MPA with NGen.

### **Changes and Decision-Making**

A decision-making process should be outlined; for example, there may be steering committees formed to vote and make decisions for the project. One committee can be formed to manage the entire project or perhaps multiple committees will be needed to make decisions on various portions of the project.

NGen is to be notified of certain changes to the project or budget, or any cessation of work as per section 6 Changes to the Project and section 4.4 of the MPA. The project managers of each recipient have an obligation to notify the Project Manager of the Lead Recipient in advance of any changes to the project in order to comply with section 6 and 4.4 of the MPA.

### **Confidentiality**

A confidentiality section should be added to protect any confidential information shared among the parties during the project, with consideration of the requirements in the MPA to share information with NGen and the Government of Canada.

## Example opening paragraph for Confidentiality section

Without prejudice to any obligations of confidentiality in the Master Project Agreement dated XXXXX, and subject to clause [Insert IP clause number], none of the Parties will, either during the Project or for [X] years after the Project End Date, disclose to any third party nor use for any purpose, except as expressly permitted by this Agreement, any other Party's Confidential Information.

## Use and Exploitation of IP

IP provisions must adhere to NGen's IP strategy, the MPA (in particular section 10), as well as the IP strategy for the project which should be attached as a schedule.

This section will identify or make reference to the Background IP being brought into the Project and define the access for each of the other recipients during and after the Project.

It will also define or make reference to the ownership of any Foreground IP resulting from the Project, as well as the access of partners/recipients during and after the Project.

Ownership of IP by default (common law) is determined by inventorship, unless otherwise agreed to in a contract. Ownership of Foreground IP can be left up to inventorship or can be contracted to be determined instead by market, application, technical area, jurisdiction, or any way that suits the project. If you intend to use the "by area" approach, it is recommended that you also include a default ownership for any areas which may fall outside the scope of the areas you have defined, for example, by inventorship, or jointly owned.

If there is a possibility of joint ownership of IP it is recommended to define what joint ownership is intended to mean, and what rights will be provided. Default joint ownership rights for patents vary by country.

Access/licensing of Background IP or Foreground IP required during the project is encouraged to be granted royalty free among consortium members.

You may also consider adding in notice requirements and responsibilities for filing patents, for example; certain filing countries, a first right of refusal for other members of the consortium if the owner is not interested in pursuing the IP as a trade secret or patent filing.

Exploitation of the IP by other consortium members/recipients after the project has ended should be defined. If possible actual licensing terms or a provision promising negotiated access on fair, reasonable and non-discriminatory terms (FRAND) terms should be included, and at the bare minimum licensing/access for internal research purposes. See section 10.4.6.3 of the MPA below.

*10.4.6.3 Licensing and access to the FIPR which recognizes of the right of each Project Recipient to access, on fair, reasonable and non-discriminatory terms and subject to relevant competitive issues, all FIPR, for at least internal research and development purposes.*

The project consortium should also contemplate who will be responsible for enforcement of IP.

### Some example scenarios

1. Each Party owns the IP in the Results which it creates and grants each of the other Parties a non-exclusive licence to use those Results for the purposes of the Project and for any other purpose, so that any Party may exploit any of the Results.

2. One Party (called the Lead Exploitation Party) is best suited to carry out the commercialization of the Results.

The other Parties assign or grant a licence of their IP in the Results to the Lead Exploitation Party who undertakes to commercialize the Results and to pay the other Parties a share of revenues generated from that commercialization or a success payment.

3. Two of the Parties are best placed to commercialize different Results - they may have different core businesses or interests and be interested in different Results.

Each of those two Parties takes an assignment of certain IP of the Results and undertakes to commercialize those Results and to pay the other Parties a share of the revenues generated from that commercialization or a success payment.

4. Each party owns the IP in the results which it creates and grants each of the other parties a non-exclusive licence to use those results for the purposes of the Project.

The parties do not have an agreed strategy for the exploitation of the results. If a party wishes to exploit the IP in the Results or the IP in the Background of another party, it will have to negotiate a licence to allow it to exploit that IP or an assignment of that IP.

### Example opening clauses for Background IP

This Agreement does not affect the ownership of any Background Intellectual Property Rights in any background information, data, techniques, Know-how, inventions, software, or in any other technology, design, work, invention, software, data, technique, know-how, or materials which are not Foreground IP. The Background Intellectual Property Rights will remain the property of the Party which contributed them to the Project (or its licensors). No licence to use any Intellectual Property Rights is granted or implied by this Agreement except the rights expressly set out in this Agreement.

Each party shall respect the background intellectual property of the other party used in the project and any foreground intellectual property rights of the other arising under this Agreement. Without limiting any other provisions of this Agreement, each party shall use reasonable efforts to protect the other party's proprietary data, commercially sensitive information, and potentially valuable research results or ideas from unauthorized, inadvertent or untimely disclosure.

## **Liability**

Warranties and indemnification clauses are common in collaboration agreements to protect each party. The parties may warrant that all IP they bring to the project is owned or licensed by the party and will not infringe on the IP rights of others, state that the background information they share is as is and not guarantee its accuracy, etc.

## **Dispute resolution process**

A dispute resolution process, for example good faith negotiations, voting by committee, mediation or arbitration should be included in the collaboration agreement.

It should be consistent the clause 14.1 and 10.4.8 of the MPA

*14.1 In the event that a dispute arises out of or in connection with this Agreement between NGen and the Recipients, the affected parties shall attempt to resolve the dispute through good faith negotiation, and will, if necessary resolve the matter through mediation or by arbitration, by a mutually selected mediator or arbitrator in accordance with the Commercial Arbitration Code set out in the schedule to the Commercial Arbitration Act (Canada), and all regulations made pursuant to that Act.*

*10.4.8 Should disputes arise related to FIPR or BIPR, NGen will, as an initial step, offer its support to resolve these disputes amicably by means of informal mediation. Where such mediation is not successful, further mediation as per 14.1 is recommended, and if still unsuccessful the parties to the dispute will have recourse as set forth in their Collaboration Agreement, or as otherwise agreed between the parties to the dispute.*

## **Termination**

Termination of the collaboration agreement by one or more party prior to its specified end date should be addressed, as well as the conditions under which the agreement may be terminated, and what rights will remain.

NGen will have to be notified of termination as per 3.3 and 9.2.4 of the MPA, and section 7 of the MPA may apply.

## **Dissemination of Results**

You may wish to add in clauses which control the following; reporting of results, promotion, press releases, use of the research results, use of names of parties, and others as appropriate.

## **Project Assets**

Project Assets are defined in the MPA as an asset which, in whole or in part, has been acquired, created, developed, advanced and/or contributed to by the Funding, but does not include Foreground IP.

This section should define which Recipient will own or have access to the Project Assets and should reference or incorporate the retention requirements for Project Assets agreed to in section 9.2.6 of the MPA.

## **Amendments**

Define how amendments to the Collaboration Agreement are to be made. As per section 9.2.4 of the MPA, amendments to the Collaboration Agreement require notice and approval from NGen.

## **General Clauses**

Agreements may include general clauses that refer to the “entire agreement”, laws governing the agreement, assignment of the agreement, a “force majeure” clause, and others.

Be sure to be consistent with the assignment clauses from the MPA, see sections 15.3 and 15.4 from MPA below.

*15.3 This Agreement shall endure to the benefit of and be binding upon the Parties, their successors and permitted assignees.*

*15.4 The Recipient shall not assign, transfer, sub-contract, or in any other way extend to any third party any of its rights or obligations under this Agreement without the prior written consent of NGen. Any attempt by the Recipient to assign this Agreement or any part of the Agreement, without the express written consent of NGen, is void.*

## **Term of the Agreement**

Specify the length of time the agreement is in effect, along with the date upon which it becomes effective (usually date of signing). Should be same as the MPA with some clauses surviving termination.

## **Notices**

Authorized representatives for information and notices should be identified, along with contact information, including full mailing addresses, phone and e-mail.

## **Signature Block**

Official signatories may be senior administrators, company executives, or others who may sign on behalf of the organization. Full name and position should be stated. Some agreements include a witness signature.

## **Schedules**

Project Plan (Milestone Register, Risk Register, work packages), Financial Forecast, Exploitation Plan, IP Strategy, Executed Master Project Agreement (MPA)

<b>Term</b>	<b>Information/Definition</b>
Financial Forecast	Total project spend forecast- eligible and ineligible costs
Financial Reporting Template	Template for financial forecast input required at the start of the project and then quarterly with claim submissions, provided as an annex in the MPA.
Master Project Agreement (MPA)	Agreement between NGen and Recipients (Project consortium members) which governs the funding.
Collaboration Agreement	Agreement created and put in place by Recipients to govern how they will manage the project, including IP. Guide will be provided.
NGen Intellectual Property Strategy	Available online, Collaboration Agreement and Project IP Strategy must adhere to it.
Project Assets	<i>means an asset which, in whole or in part, has been acquired, created, developed, advanced and/or contributed to by the Funding, but does not include FIPR</i>
Project Plan	<i>defined as a Milestone Register, Risk Register, and detailed Project Plan breaking down the original Proposal for delivery of the Project into individual work packages with assigned estimates of the resources and timescales needed to achieve each of them, template supplied as an annex in MPA</i>
Exploitation Plan	Provided by project members and submitted as a condition of MPA, no template
Project Intellectual Property Strategy	Provided by project members and submitted as a condition of MPA, guide provided
NGen Project Ref#	Number assigned to application after submission, used throughout the entire application and project process
Recipient	Project/consortium participant/member
Lead Recipient	Lead company, responsible for assigning a project manager.
Project Manager	Assigned by the Lead Recipient, main point of contact for with NGen. Manages/leads the project for the consortium.
Project Start Date	Defined in MPA, and Project Plan
Project End Date	Defined in the Project Plan
Project Monitoring Framework	Guide for Project Monitors, supplied to project members upon request and available online
Project Monitoring Workbook	Filled out by Project Monitors using information collected by project members during quarterly Project Review Meetings

<b>Term</b>	<b>Information/Definition</b>
Project Review Meetings (PRM)	Quarterly meetings between Project Monitors and Project members
Project Monitors (PM)	Consultants hired by NGen to monitor and report on projects
NGen Senior Program Manager (SPM)	Main NGen contact for the project, SPM assigns Project Monitor and Project Monitor reports project progress to the assigned SPM
Final Report	Filled out by Lead Recipient and submitted within 3 months of the Project End Date. Template
Claim	Once a quarter for each recipient eligible cost submission for funding reimbursement, includes supporting documentation. Updated financial forecast also required for claim submission
Eligible Cost Reimbursement Claim Form	Form is available on <a href="http://www.ngen.ca">www.ngen.ca</a>
Finance Claim Certification	Written confirmation for claims greater than \$500 that the costs have been incurred and paid. Template form provided as an annex in MPA
Intellectual Property (IP)	<i>defined as all inventions, whether or not patented or patentable, all commercial and technical information, whether or not constituting trade secrets, and all copyrightable works, industrial designs, integrated circuit topographies, and distinguishing marks or guises, whether or not registered or registrable.</i>
Intellectual Property Right (IPR)	<i>common law principle or statutory provision which may provide a right in Intellectual Property</i>
Background IPR (BIPR)	<i>means the IPRs developed prior to the beginning of the Project and required for the carrying out of the Project or for the exploitation of the FIPR.</i>
Foreground IPR (FIPR)	<i>means all Intellectual Property conceived, produced, developed or reduced to practice in carrying out the Project, by the Recipient or any of their employees, agents, contractors or assignees, and all rights therein, but does not include BIPR as defined in this Agreement.</i>
IP Repository	<i>Confidential Project based place to submit IP</i>
IP Register	<i>NGen Member Public place to post IP</i>
Confidential Information	<i>means any information relating to a Recipient or its business that is of a confidential or proprietary nature and that is marked as “confidential”, including: i) information relating to the assets, business plans, customers, employees, equipment, financial statements and financial performance, intellectual property, inventory, market strategies, operations, pricing, products, suppliers, and trade secrets of the Recipient; and ii) all analyses, compilations, records, data, reports, correspondence, memoranda, specifications, materials, applications, technical data, studies, derivative works, reproductions, copies, extracts, summaries or other documents containing or based upon, in whole or in part, any of the foregoing</i>