

KTI Practical Guide

Joint Ownership and Management Agreement



Foreword

The KTI Practical Guides have been produced as a resource for those approaching transactions between Irish research performing organisations (RPOs)¹ and commercial companies. Each Practical Guide explains common terms in the agreements and describes the considerations that might apply.

The KTI Model Agreements contained in each Practical Guide take account of the legal constraints upon RPOs when entering into contracts, as well as the unique nature of RPOs, whose primary purpose is not-for-profit rather than commercial. At the same time, the terms of the agreements seek to address the typical commercial priorities of companies e.g. to have access to intellectual property rights. The Guides are based on European best practice.

The Practical Guides are offered as a starting point for drafting and discussion, as required. Neither companies nor RPOs are mandated to use the Model Agreements.

The KTI Practical Guides and Model Agreements are available on the KTI website to download and use direct. www.knowledgetransferireland.com

Disclaimer

Parties should take their own legal advice on the suitability of any Model Agreement for their individual circumstances and on associated legal and commercial issues. Neither Knowledge Transfer Ireland, Enterprise Ireland nor any of the individuals or organisations who have produced or commented on these documents assumes any legal responsibility or liability to any user of any of these Model Agreements or commentaries.

This KTI Practical Guide and Model Agreement were prepared by IP Pragmatics Ltd (London, UK; www.ip-pragmatics.com) with advice on Irish legal issues from Ronan Daly Jermyn Solicitors (Cork, Ireland, www.rdj.ie.)

¹ RPOs are considered to be Higher Education Institutes (Universities and Institutes of Technology) or State research organisations

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Introduction to Joint Ownership and Management Agreements

Arrangements covering collaborative research

When two or more partners wish to work together on a joint programme of research, they will enter into a collaborative research agreement. Either side may bring different types of resources into the research, in the form of cash, in-kind contributions (including researcher time) and/or pre-existing intellectual property (IP). KTI has produced a separate practical guide and set of model agreements (see <http://www.knowledgetransferireland.com/Model-Agreements/>) which consider the collaborative research agreements that may be entered into between an Irish Higher Education Institute or State research organisation (termed Research Performing Organisations or “RPOs”) and an industry partner.

A programme of collaborative research may be wholly funded by the industry party which meets the full cost of carrying out the programme or may be funded partly by the State and partly (in cash and/or in kind, including participation in the research itself) by the industry partner. In some circumstances when both the RPO and their industry partner are participating in the research, there may be occasions when new IP is identified which has inventive contributions from both the parties. Under patent law, if two or more individuals have made a significant contribution to the conception of the invention and participated in a collaboration or concerted effort towards the invention, then they should be named as joint inventors on any patent application.

The KTI Practical Guide to Collaborative Research Agreements (<http://www.knowledgetransferireland.com/Model-Agreements/KTI-Practical-Guides/KTI-Practical-Guide-to-Model-Collaborative-Agreements.pdf>) explores the different arrangements that may be agreed for the ownership of IP that is created during the collaborative research (foreground IP). In most cases, it will be most appropriate for one or other of the collaborative partners to take ownership of this foreground IP.

The National IP Protocol (http://www.knowledgetransferireland.com/About_KTI/Reports-Publications/The-National-IP-Protocol-2016.pdf) explains that joint ownership of foreground IP should be avoided as it involves complex management arrangements. However, in some limited situations, where there has been an inventive contribution from both parties, and there is a sound reason why none of the alternative access routes is suitable, and there is a clear economic and societal benefit to Ireland, then joint ownership may be agreed.

What is a joint ownership and management agreement (JOMA)?

The rules surrounding joint ownership are complicated, and vary significantly from country to country, which is why an agreement is needed to ensure that the same approach will apply in all territories. If joint ownership is agreed, then a joint ownership and management agreement (JOMA) should be put in place to control how the foreground IP is managed, paid for, and exploited, as well as to agree any benefit sharing arrangements. This JOMA will only cover the treatment of foreground IP that has been jointly invented; any other IP which is clearly invented by only one partner will be handled according to the terms of the collaborative research agreement that is in place between them. Normally, the JOMA will only be put in place once specific items of jointly-invented foreground IP have been created and identified.

What approach to joint ownership is taken in the KTI model JOMA?

The KTI model JOMA is intended to be used where the industry party wishes to ensure that it has freedom to operate under the joint IP, and to provide maximum flexibility without constraining the actions of either party. The approach gives the partners the comfort of proceeding with IP protection, whilst allowing them the time to decide the best way forward for both sides, which may include negotiation of exclusive access instead of just freedom to operate. It therefore takes the following overall approach to joint ownership:

- One party is responsible for leading the activities surrounding patenting or obtaining other registered IP rights.
- Each party is able to use or license the IP as they wish, without needing to obtain the consent of the other party, or to make any payments back to them.

- The industry party has a time-limited option to take an exclusive licence to the RPO interests in the joint IP. This exclusive licence should be on fair and reasonable terms, which may include up-front, milestone and/or royalty payments if the technology is successfully commercialised. More information about how to determine fair and reasonable terms can be found in the KTI Practical Guide to Collaborative Research Agreements. More information about the option is given below.

The party which leads on the IP protection activities will in many cases be the industry party, which would give them the opportunity to move quickly when necessary to respond to business needs, and to benefit from the skills and expertise of their usual IP attorneys. This need not be the case, however, particularly if the joint IP has applications in fields outside the specialism of the industry partner, or where that partner is an SME with limited IP experience and resources. In these cases it may be more appropriate for the RPO to lead on obtaining and maintaining the IP protection.

Who should pay for the costs of obtaining patents or other registered rights?

The responsibility for costs that are suggested follow from this aim of providing freedom to operate. The model JOMA allows for two options:

1. **Alternative A – Equal sharing of costs.** The lead party is responsible for consulting on the actions to be taken, and on invoicing the other partner for half of the direct costs of protection. Further details are given below.
2. **Alternative B – One party pays all costs.** The lead party which is responsible for leading the patenting activities is also responsible for all the costs. No consultation is required on the actions to be taken. Further details are given below.

The first approach, **Alternative A (equal sharing of costs)**, is the most flexible route, and allows each party the freedom to participate in the management of the IP to suit their particular commercialisation strategy for the joint IP. For example, there may be differences between the parties in the territories that they consider to be important, or in the claim set that is appropriate.

In this scenario, the lead party will consult with their partner in good faith about the actions to be taken to properly protect the joint IP. This should be done in plenty of time to allow the other side to respond and for the lead party to be able to action the agreed steps. If there is disagreement, then the lead party may take the final decision, but the other party has the ability to step in and take over the prosecution of and payment for a whole patent family, or for specific territories as needed.

If one party is unable or chooses not to pay their share of the costs, then they lose the right to have any control or influence over the filing, prosecution and maintenance of those patents or other registered rights. Their ability to follow their preferred commercialisation strategy may be affected by this loss of control over the scope of the rights which will eventually be granted. They do NOT however, lose the right to own and exploit this joint IP as they wish.

Schedule 2 in the JOMA is used to lay out the practical arrangements for making the payments, including invoicing, arrangements for late payment, etc. The schedule includes suggestions for these arrangements, but these are not mandatory and may be amended or expanded to suit the parties. The costs which are to be shared should only include the direct costs of applying for, prosecuting and maintaining the registered IP rights. No indirect costs (for example any internal researcher time spent supporting the patent application) should be included. It may be sensible to list the types of cost that will be included in the payment arrangements in Schedule 2 to avoid any later disagreements. Timescales for invoicing and payment can also be specified here, including up-front payment if agreed.

The second approach, **Alternative B (one party pays all costs)**, is usually more suitable where the lead party (typically industry in this instance) is looking for a simpler approach where they do not have to keep such a close track of upcoming actions. No consultation is needed by the lead party, and so they have maximum flexibility to act quickly to obtain the protection they require.

However, in this scenario, the other party now has very little influence on the scope of protection and so it is appropriate that they should not have to pay for this joint IP protection. As with Alternative A, they will nevertheless retain the right to own and exploit this joint IP as they wish. There are still obligations on the lead party to keep the other informed about the actions taken, and as with Alternative A, there are rights for the other party to step in and take over the prosecution of and payment for a whole patent family, or for specific territories as needed.

Are there any alternative approaches?

A much more co-operative approach to joint ownership may be used, which requires the consent of both joint owners to both protection and commercialisation activities. In this case, all costs and returns are typically shared in a pre-agreed proportion. The partners would be wise to consider the complexities of management and permissions before taking this approach. It is likely that joint ownership would not be the best way to handle the jointly-invented IP in this case, and one of the other ownership arrangements discussed in the KTI Practical Guide to Collaborative Research Agreements would be more appropriate (for example the industry partner taking a licence to the IP from the RPO). If joint ownership is still required, then an alternative JOMA may be negotiated. This type of arrangement is more typical for JOMAs between two RPOs, rather than between one RPO and one industry partner.

The approach taken by the KTI model JOMA is only suitable for situations where there is a fairly even inventive and financial (in cash and in kind) contribution from both partners into the research and the foreground IP which arises from it. If this is not the case, then again one of the other ownership arrangements discussed in the KTI Practical Guide to Collaborative Research Agreements would be more appropriate. In particular, the parties should be satisfied that the provisions of the JOMA will not result in the grant of rights to the industry party that are proportionately greater than the value of its contribution to the research project; otherwise there is a risk that indirect State Aid may arise. See the Practical Guide to Collaborative Research Agreements for more information about State Aid.

Another approach which may be taken in some JOMAs includes a loss of rights to exploit the joint IP if one party chooses not to pay their share of the costs of protection for a particular registered right or in a particular territory. The KTI Model JOMA deliberately does not take this approach, because joint ownership is not intended as a route to avoid more conventional licensing.

What type of intellectual property is covered by the model JOMA?

Intellectual property falls into two broad categories:

- IP which can be formally protected by registered rights (patents, utility models, trademarks and design rights)
- IP which is usually not formally protected by registered rights, but may instead be protected by keeping it secret (know-how including trade secrets, data, algorithms, etc) or through automatic rights (copyright and database rights)

Because one of the main aims of the JOMA is to determine the practical approach to be taken to obtaining, maintaining and prosecuting registered IP rights, the JOMA would typically only cover these types of right. Trademarks are a special case, as these do not lend themselves to joint ownership, and so most JOMAs will cover patents, utility models and design rights only.

However, each collaborative research project is unique, and the type of IP which might be created jointly should be considered by the partners when they are setting up the project. In some cases, this might include other types of IP. For example, software research projects may create joint IP in copyright and defined types of know-how such as algorithms. This model JOMA assumes that this will have been agreed between the parties in the collaborative research agreement, and so the type of IP which may be covered in the JOMA will be defined by that agreement and does not need to be defined in the JOMA. If this is not the case, then Appendix 1 of the model JOMA includes some suitable wording which should be inserted into the agreement.

Similarly, clauses which relate to the mechanisms to ensure that the inventors assign their IP correctly to their respective employers, and which deal with the identification and notification of IP which arises in the project should be included in the collaborative research agreement, and so do not need to be included in the JOMA. A PI Undertaking and Confirmatory Assignment agreement can be found in the

suite of KTI Model Agreements (<http://www.knowledgetransferireland.com/Model-Agreements/Catalogue-of-Model-Agreements/>).

To identify the relevant IP, Schedule 1 of the JOMA should be used to list the specific items of intellectual property which are covered by the agreement. There is also a provision which allows additional IP which is created later in the same project to be added to this list if appropriate, or this additional IP could be handled by a separate JOMA.

The type of IP which is covered by the JOMA will influence the duration of the agreement. For registered rights, the agreement will continue until the last of these rights has expired. If unregistered rights (such as copyright or know-how) are included, then 10 years may be an appropriate duration for these rights.

Why is the Option in square-brackets in the model JOMA?

It is recommended that the agreements surrounding collaborative research should include a provision for the industry party to be able to negotiate exclusive access to the foreground IP (including any joint IP) created in the project. This will then give the industry party the ability to negotiate the right to prevent others from accessing the same IP. In many cases, this option will already be included in the collaborative research agreement, in which case the option does not need to be repeated in the JOMA and these clauses (clauses 4.4 and 4.5, and the related definitions in clause 1.1) should be deleted. However, if for any reason this is not already covered, then the option should be included in the JOMA instead.

Any exclusive licence which is agreed through this option should be on fair and reasonable commercial terms. This may include payments such as upfront and/or milestone and/or royalty payments. It will also take into account the contribution (in cash and in kind) that the industry partner has put into the Project. For more information on the factors that may be considered when determining if terms are fair and reasonable, see the text in the KTI Practical Guide to Collaborative Research Agreements.

Occasionally, there may be circumstances in which this option should be made mutual, and allow the RPO to negotiate an exclusive licence to the industry rights in the joint IP. For example, this might arise when the industry party is not able to exploit the IP directly itself, and the RPO wishes to exploit for example via a spin-out. If this situation arises, then a mutual option can be included in the JOMA instead.

What is an indemnity?

An indemnity is an obligation by one party to provide compensation for a particular loss suffered by the other party. This type of indemnity is normally included to cover product liability claims where there is a risk that the registered owner(s) could be joined in any litigation. In this model JOMA, each party agrees to indemnify the other for any losses which arise from their own actions or those of their licensees. This is in line with the general approach of the agreement in giving each party freedom to act as it wishes, and in return giving them responsibility for those actions. In drawing up any licence agreement for the joint IP, it would therefore be prudent to include a parallel indemnity that protects the licensor against any actions of the licensee. It is usual for an organisation to obtain insurance to protect themselves against indemnity claims, and each party should ensure that they have suitable insurance in place. Because of the nature of the RPOs and the insurance policies that they are able to obtain, there may need to be some modifications to this clause for specific types of joint research.

What is not covered in this model JOMA?

This model agreement does not include any requirements for either party to inform the other if they become aware that the joint IP might infringe other third party rights. This has not been included, because the approach taken by this agreement is that each party is responsible for its own use of the IP. There may also be legal issues associated with sharing this type of information between unrelated organisations.

Important points to note about the Model JOMA

The reader faced with drafting a joint ownership and management agreement must always keep in mind that a template can only ever be a starting point. The specific circumstances of the particular arrangement must always be considered and the template tailored as appropriate. For example, a

number of fact-specific, complex issues may be raised when drafting a JOMA, which by their nature cannot be dealt with in a template.



Model Agreement

Dated _____ 20[●]¹

(1) [*Full legal name of the RPO*]

and

(2) [*Full legal name of the Industry Party*]

MODEL JOINT OWNERSHIP AND MANAGEMENT AGREEMENT

¹ This should be the date on which the last party signs the agreement – it is often left blank and inserted by hand by the last party to sign.

JOINT OWNERSHIP AND MANAGEMENT AGREEMENT

This Agreement dated _____ 20[•] is between²:

- (1) [•] (the “RPO”); [an academic institution incorporated or established under [statute or charter in Ireland],] whose [principal address or registered office] is at [•]³ and
- (2) [•] (the “Industry Party”), [a company or insert relevant entity type incorporated in [•] with registration number [•],] whose [principal place of business or registered office] is at [•]⁴.

Background:

The RPO and the Industry Party are engaged in a collaborative research project relating to [*insert description of the subject matter*] and have entered into the Collaborative Research Agreement.

The RPO and the Industry Party wish to agree terms for the protection and commercial exploitation of Joint IP.

The Parties agree as follows:

Interpretation

- 1.1 *Definitions.* In this Agreement (and the background recitals above), unless the context requires otherwise or unless otherwise specified the following words shall have the following meanings:

Affiliate	In relation to a Party, means any entity or person that Controls, is Controlled by, or is under common Control with that Party.
Claims	All demands, claims, suits or proceedings (whether criminal or civil, in contract, tort (including negligence) or otherwise).
Collaborative Research Agreement	The research agreement dated [•] relating to the Project entered into between the RPO and the Industry Party ⁵ .
Control	Possession of the power to direct or cause the direction of the management and policies of a person whether by membership, ownership, contract or otherwise. “Controlled”, “Controls” and other cognate words and expressions shall be construed accordingly.
[Exercise Notice⁶	Written notice from the Industry Party to the RPO that it wishes to exercise the Option.]

² As contracts can only be entered into by bodies that have a separate legal personality, it is essential that the agreement clearly identifies the precise legal entities that are entering into the contract.

³ Insert the full name of the RPO, the statute or charter under which it was incorporated or established, and its registered/principal address. Individual RPOs will have their own legal formalities which will need to be completed to bind the RPO.

⁴ Insert the full name of the industry party, its registered number (or equivalent), and its registered/principal address.

⁵ It may be appropriate to append a copy of the Collaborative Research Agreement to this JOMA to ensure that both parties know which agreement covers the collaborative research in question.

⁶ Delete this definition if it is not used – see notes to Clause 1.18

[Fees⁷	The share of the direct costs for the application, prosecution and maintenance of registered intellectual property rights to be paid to the Lead Party by the other Party as set out in Schedule 2.]
Insolvency Event	The occurrence of any of the following events in respect of a Party: (i) that Party becomes insolvent or unable to pay its debts as and when they become due; (ii) an order is made or a resolution is passed for the winding up of that Party (other than voluntarily for the purpose of solvent amalgamation or reconstruction); (iii) a liquidator, examiner, receiver, receiver manager, or trustee is appointed in respect of the whole or any part of that Party's assets or business; (iv) that Party makes any composition with its creditors; (v) that Party ceases to continue its business; or (vi) as a result of debt and/or maladministration that Party takes or suffers any similar or analogous action
Joint IP	All intellectual property (IP) that is jointly owned by the Parties according to the terms of the Collaborative Research Agreement. ⁸
Lead Party	The Party which is nominated to take the lead in filing, management and protection of the Joint IP under Clause 3.1.
Licence Field	[•] ⁹
Licence Territory	[•] ¹⁰
Loss	Includes any loss, costs, expense, fee, fine, penalty, judgment, award of damages.
[Negotiation Period¹¹	[90] days ¹² from and including the date of the Exercise Notice, being the period within which the parties must negotiate and conclude a licence.]
Notice Party	A Party in respect of whom notice of termination is issued by the other Party pursuant to Clause 1.21.

⁷ Delete if Alternative B is used.

⁸ This definition assumes that joint ownership of intellectual property arising from the Project is provided for as an outcome in the Collaborative Research Agreement. The type of intellectual property that will be included should therefore be defined in that agreement, rather than this one. If this is not the case, please see Annex 1 for an alternative definition of Joint IP. The specific items of IP that are managed by this JOMA agreement should be listed in Schedule 1.

⁹ The inclusion of this definition assumes that any exclusive licence that may be negotiated will be limited to a particular technical field. Technical definitions may require input from scientific colleagues to ensure that they are clear, accurate, and unambiguous, and do not overlap with any other licences that may have been granted by the RPO to the same technology. The Field should be limited to the areas needed by the Industry Party in order to effectively commercialise the technology. If the licence should not be limited by field, use "All Fields".

¹⁰ Insert the countries to which any exclusive licence that may be negotiated will be limited. General definitions such as "Europe" should be avoided – for example, it is not clear whether Europe includes Turkey, Russia, etc. In some situations a list of countries may be appropriate. For western Europe, a definition such as members of the EU or EFTA (European Free Trade Association) may be suitable – the latter grouping includes Switzerland and Norway which are not members of the EU. Also consider whether the definition should be frozen, i.e. members of the EU at the date of the agreement and not future members. If the licence should not be limited to specific countries, use "All Territories".

¹¹ Delete this definition if it is not used – see notes to Clause 1.18

¹² Negotiations should be concluded in a timely manner. 90 days is suggested as a reasonable time period, but this may be altered with the agreement of both parties.

[Option¹³	The option to negotiate a licence to the RPO interest in the Joint IP granted by the RPO to the Industry Party pursuant to Clause 1.17.]
[Option Period¹⁴	[90] days ¹⁵ from and including the date of formal notification of the creation of the Joint IP in question.]
Parties	The RPO and the Industry Party, and “ Party ” shall mean either of them.
Project	The programme of work carried out by the Parties as described in the project plan in the Collaborative Research Agreement.

1.2 *Construction.* In this Agreement, unless the context requires otherwise:

- (a) the headings are used for convenience only and shall not affect its interpretation;
- (b) references to persons shall include incorporated and unincorporated persons; references to the singular include the plural and vice versa; and references to either gender include the other and the neuter;
- (c) references to Clauses mean clauses of this Agreement;
- (d) references in this Agreement to termination shall include termination by expiry;
- (e) where the word “including” is used it shall be understood as meaning “including without limitation”;
- (f) time shall be construed by reference to time in Ireland;
- (g) ‘this Agreement’ mean the Clauses of, and the Schedules to, this Agreement, all of which shall be read as one document; and
- (h) ‘business day’ shall be construed as a reference to a day (other than a Saturday or Sunday) on which the banks are generally open for business in Ireland.

1.3 If any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favouring or disfavouring any Party by virtue of the authorship of any of the provisions of this Agreement.

¹³ Delete this definition if it is not used – see notes to Clause 1.18

¹⁴ Delete this definition if it is not used – see notes to Clause 1.18

¹⁵ Decisions on exercise should be concluded in a timely manner. 90 days is suggested as a reasonable time period, which is in line with the overall 6 month period suggested in the IP Protocol for the industry party to exercise the option, negotiate and conclude the licence. This may be altered with the agreement of both parties.

Ownership¹⁶

The Parties agree that all right and title to, and interest in the Joint IP shall be beneficially owned jointly by the Parties as tenants in common¹⁷ in equal shares¹⁸. Schedule 1 sets out a list of Joint IP in existence at the date of this Agreement. Any Joint IP created after the date of this Agreement may be added to Schedule 1 by way of an addendum in writing signed by both parties.

Patent filings and management

[Start of Alternative A – Equal sharing of costs¹⁹

- 1.4 *Lead Party*: The [RPO][Industry Party]²⁰ (the “**Lead Party**”) shall be responsible for the preparation, filing and prosecution of any applications for patents, designs or other registered rights in respect of the Joint IP, and in which countries of the world such application(s) are to be filed. The Lead Party shall consult with the other Party in good faith regarding the filing, prosecution and maintenance of any such applications or granted rights. This consultation shall be carried out in good time to allow the other Party sufficient time to consider and respond, and for any requests to be delivered to the Lead Party in sufficient time to allow the Lead Party to implement the request. The final decision on the actions to be taken will rest with the Lead Party.
- 1.5 *Costs*:
- (a) All direct costs relating to any such applications and granted patents or other registered rights (including filing, prosecution, and renewal fees) shall be borne by the Parties equally.
 - (b) The Lead Party shall provide the other Party with invoices for the Fees due to the Lead Party in accordance with the payment schedule set out in Schedule 2.
 - (c) The other Party shall pay all valid invoices in accordance with the provisions of Schedule 2. Interest shall be automatically applied in the event of late payment in accordance with the provisions of Schedule 2.
 - (d) All amounts stated are to be paid in Euro.
- 1.6 *Step in rights*: If one Party does not wish to continue to bear its share of the costs of filing and maintenance of a patent or other registered right in any jurisdiction or territory or the Lead Party becomes the subject of an Insolvency Event, then the other Party shall have the right to file, maintain, and prosecute such protection at its own expense and shall have full control over such filing, maintenance and prosecution, even though the title to any issuing patent will be joint. The

¹⁶ This ownership clause should mirror the corresponding clause in the Collaborative Research Agreement which grants joint ownership to the jointly-invented Foreground IP.

¹⁷ There are two forms of co-ownership under Irish law: tenancy in common and joint tenancy. Tenancy in common is used here for the joint IP as this gives the co-owners individual freedom to operate, which is not possible under joint tenancy.

¹⁸ Before providing for ownership in equal shares, the Parties should be satisfied that this will not result in the grant of rights to the Industry Party that are proportionately greater than the value of its contribution to the Project; otherwise there is a risk that indirect State Aid may arise. See the Practical Guide to Collaborative Research Agreements for more information about State Aid.

¹⁹ Use the clauses listed under Alternative A or Alternative B as required, and delete the other set of clauses. For more information about which alternative is the most appropriate, see the associated Practical Guide to JOMAs.

²⁰ Insert the party that will take the lead on management of any registerable IP rights.

ownership interest of the Party who does not contribute to any such expenses shall remain unaffected.

End of Alternative A]

[Start of Alternative B – One Party pays all costs

- 1.7 *Lead Party:* The [RPO][Industry Party]²¹ (the “**Lead Party**”) shall be responsible for the preparation, filing and prosecution of any applications for patents, designs or other registered rights in respect of the Joint IP, and in which countries of the world such application(s) are to be filed.
- 1.8 *Costs:* The Lead Party shall pay all costs relating to any such applications and granted patents or other registered rights (including filing, prosecution, and renewal fees).
- 1.9 *Step in rights:* If the Lead Party does not wish to continue to bear the costs of filing and maintenance of a patent or other registered right in any jurisdiction or territory or the Lead Party becomes the subject of an Insolvency Event, then the other Party shall have the right to file, maintain, and prosecute such protection at its own expense and shall have full control over such filing, maintenance and prosecution, even though the title to any issuing patent will be joint. The ownership interest of the Lead Party in such rights shall remain unaffected.

End of Alternative B]

- 1.10 *Joint applications:* It is agreed that any such applications shall be registered in the joint names of the RPO and the Industry Party.
- 1.11 *Provision of information:* The Lead Party shall keep all patent notices, applications and correspondence filed in connection with any such applications and shall provide copies of such documents to the other Party on reasonable request.
- 1.12 *Assistance:* Each Party shall give the other Party all assistance reasonably necessary in respect of the filing, prosecution and maintenance of any registered rights in respect of the Joint IP.
- 1.13 *Enforcement:* Each Party shall inform the other Party promptly of any infringement or suspected or threatened infringement of the Joint IP of which it becomes aware, and the Parties shall promptly consult with each other in good faith with a view to reaching agreement on the action to be taken in respect of the infringement in question, with due regard to the terms of any agreements covering the licensing of the Joint IP or any part of it to third parties. If a Party elects not to participate in any litigation action against any third party then that Party shall have no obligation to share the costs related to such actions, but shall also have no rights to share in any recovery.

Commercial exploitation

- 1.14 *Exploitation:* Except as provided in this Agreement, each Party shall be entitled to use and to exploit the Joint IP as it sees fit (including for teaching and research, both internally and with third parties), and to grant non-exclusive licences (including the right to sub-licence) to its rights in the Joint IP without obtaining any consent from, paying compensation to, or otherwise accounting to the other Party.

²¹ Insert the party that will be responsible for management of and payment for any registerable IP rights.

1.15 *Retention of exploitation rights in the event of non-payment of costs:* For the avoidance of doubt, any Party which does not contribute to the costs of filing and maintenance of any registered right shall nevertheless retain its rights to own and exploit the Joint IP under Clause 1.14.

1.16 *Assignment of Joint IP:*

- (a) Except as expressly provided in the remainder of this Clause 1.16, neither Party may assign, mortgage, charge or otherwise transfer any or all of its rights in any Joint IP without the prior written agreement of the other Party.
- (b) Each Party shall procure that before it transfers or assigns its share in any Joint IP to any person (other than to the other Party) such person shall enter into an agreement with the other Party substantially in the form of this Agreement.
- (c) Subject to its compliance with Clause 1.16(b), each Party may assign ownership of its share of any Joint IP:
 - (i) to an Affiliate without the prior agreement of the other Party; and
 - (ii) to a third party (not being an Affiliate) provided that it gives the other Party not less than [30] days' prior notice in writing.

1.17 *[Grant of option:* In consideration of the payment of €10 to the RPO by the Industry Party (the receipt and sufficiency of which the RPO acknowledges), the RPO grants to the Industry Party an exclusive option during the Option Period to elect to negotiate an exclusive licence in the Licence Field in the Licence Territory to the RPO interest in the Joint IP. Any such licence shall:

- (a) be on fair and reasonable commercial terms²²; and
- (b) be concluded by way of a separate licence²³.

1.18 *Procedure for the exercise of Options:*

- (a) If the Industry Party wishes to exercise an Option, it shall give an Exercise Notice to the RPO prior to the expiry of the Option Period. No Option may be exercised more than once in respect of the same IP.
- (b) Upon receipt of an Exercise Notice, the Parties acting reasonably shall promptly enter into negotiations in good faith with a view to the conclusion of a licence agreement in respect of the RPO interest in the Joint IP during the Negotiation Period.
- (c) If the Industry Party does not exercise its Option during the applicable Option Period or the Parties are unable to agree the terms of a licence agreement within the Negotiation Period that Option shall lapse.²⁴

²² For more information on the factors that may be considered when determining if terms are fair and reasonable, see the text in the KTI Practical Guide on Collaborative Research Agreements. This may include payments such as upfront and/or milestone and/or royalty payments. It will also take into account the contribution (in cash and in kind) that the Industry partner has put into the Project.

²³ Suitable model licences may be found on the KTI website.

²⁴ It is recommended that there is a provision for the industry party to be able to negotiate exclusive access to the IP created in the project. If the Collaborative Research Agreement already provides for this option in respect of Joint IP, these provisions in

- 1.19 *Research use*: Notwithstanding the grant of any licence to the RPO's interest in any Joint IP pursuant to this Clause 0, the RPO shall have a non-exclusive, irrevocable, perpetual, royalty-free right to use that Joint IP for internal teaching and research.

Indemnity

Each Party (the "**Indemnifying Party**") shall indemnify and keep indemnified the other Party on demand from and against any and all Losses arising out of or in connection with any third party Claims in relation to any use or exploitation of any Joint IP by any of the Indemnifying Party or its licensees.

Duration

This Agreement shall, subject to early termination in accordance with Clause 0, continue in full force and effect in respect of each item of Joint IP from the date of signature until the later of:

- (a) in the case of any registered IP right granted in respect of any Joint IP, the expiry of that registered right; or
- (b) [10] years²⁵ from and including the date of signature of this Agreement by both parties.

Termination

- 1.20 *Cessation of ownership*. This Agreement shall automatically cease to bind the Parties in respect of any item of Joint IP upon either Party ceasing to hold any legal ownership interest in that Joint IP in accordance with this Agreement.
- 1.21 *Early termination*²⁶. Without prejudice to any other rights or remedies, a Party may terminate this Agreement, at any time, on written notice to the Notice Party if the Notice Party is in material breach of its obligations under this Agreement and, where the breach is capable of remedy within thirty (30) days, the Notice Party has not remedied the breach within thirty (30) days of receiving written notice which specifies the breach and requires the breach to be remedied.
- 1.22 *Survival of obligations*. On termination or expiration of this Agreement for any reason, all rights and duties of the Parties with regard to each other shall cease except for rights and remedies which may have accrued prior to termination or expiration and any rights and/or obligations which expressly or by implication are intended to commence, survive or continue in effect on or after termination or expiration.

Dispute Resolution²⁷

- 1.23 *Internal escalation*. The Parties shall make every reasonable effort to resolve all issues fairly by negotiation. All disputes which arise between the Parties in connection with this Agreement shall be discussed initially between the project managers for the Project. If the dispute remains it shall

Clauses 4.4 and 4.5, and the related definitions in Clause 1.1 can be deleted. See the Practical Guide for JOMAs for further information.

²⁵ The duration chosen for the Agreement should be appropriate for the type of Joint IP covered by the Agreement (as listed in Schedule 1), and the outputs that are anticipated from the research Project. In many cases, 10 years would be an appropriate time for the protection of unregistered rights, such as copyright or know-how (if these are included in the definition of Joint IP).

²⁶ This clause should be considered carefully before it is exercised. It may not be appropriate to terminate the agreement on breach if that would also restrict the non-defaulting Party from using and exploiting the Joint IP.

²⁷ The dispute resolution procedure should be the same as the procedure agreed for the Collaborative Research Agreement. The terms included here are the same as those used in the KTI Model Collaborative Research Agreements.

be referred to [●] in the case of the RPO, and to [●] in the case of the Industry Party in an attempt to resolve the issue in good faith.

- 1.24 *Mediation.* In the event that the dispute has not been settled within sixty (60) days, it shall be submitted for mediation by a mediator or other appropriate independent third party expert agreed by the Parties or, in default of agreement, appointed by the Centre for Dispute Resolution in Dublin. The cost of any such mediator or expert shall be borne equally by the Parties.
- 1.25 *Injunctive relief.* For the avoidance of doubt, however, nothing in this Clause 0 shall prevent or delay a Party from applying to a court of competent jurisdiction for the purposes of seeking injunctive relief provided that there is no delay in the prosecution of that application.

General

- 1.26 *Amendments.* This Agreement may only be amended in writing signed by duly authorised representatives of the Parties.
- 1.27 *Independent contractors.* The relationship of the RPO to the Industry Party shall be that of independent contractor. This Agreement is not intended to, and does not, create any contract of employment or other legal relationship between the Parties.
- 1.28 *Entire agreement.* This Agreement and the Collaborative Research Agreement set out the entire agreement between the Parties relating to the ownership, use, protection of and rights of the Parties in the Joint IP and supersedes all prior oral or written agreements, arrangements or understandings between them relating to such subject matter. This Agreement and the Collaborative Research Agreement shall be construed as being mutually explanatory of one another; however, in the event of a conflict, the terms of this Agreement shall prevail.
- 1.29 *Notices.* All notices given by either Party to the other pursuant to this Agreement shall be in writing and may be delivered by pre-paid post, registered courier or by hand to:
- | | Industry Party Contact: | RPO Contact: |
|---------|-------------------------|--------------|
| Name | [●] | [●] |
| Title | [●] | [●] |
| Address | [●] | [●] |

Any such notice, if so given, shall be deemed to have been served:

- (a) if sent by hand, when delivered;
- (b) if sent by post or courier, one business day after posting.
- 1.30 *Further action.* Each Party agrees to execute, acknowledge and deliver such further instruments, and do all further similar acts, as may be necessary or appropriate to carry out the purposes and intent of this Agreement.
- 1.31 *Severability.* If the whole or any part of a provision of this Agreement is or becomes illegal, invalid or unenforceable under the law of any jurisdiction, that shall not affect the legality, validity or enforceability under the law of that jurisdiction of the remainder of the provision in question or any other provision of this Agreement and the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement.

- 1.32 *Costs.* Each Party shall pay its own costs in connection with or incidental to the preparation, negotiation and execution of this Agreement.
- 1.33 *Counterparts and Signatures.* This Agreement may be executed in counterparts all of which taken together shall constitute one single agreement between the Parties. Transmission of an executed counterpart of this Agreement by fax or e-mail (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Agreement. If either method of delivery is adopted, without prejudice to the validity of the agreement thus made, each Party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.
- 1.34 *Announcements.* Neither Party shall make any press or other public announcement concerning any aspect of this Agreement, or make any use of the name of the other Party in connection with or in consequence of this Agreement, without the prior written consent of the other Party.
- 1.35 *Law and jurisdiction.* This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by and construed in accordance with the laws of Ireland and each Party agrees to submit to the exclusive jurisdiction of the courts of Ireland.
- 1.36 *Binding on Successors.* This Agreement and all of its provisions shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, successors and permitted assigns.
- 1.37 *Assignment.* Save as expressly provided in this Agreement, neither Party may assign, mortgage, charge or otherwise transfer any or all of its rights and obligations under this Agreement without the prior written agreement of the other Party save that a Party may assign or transfers its rights and obligations under this Agreement to an Affiliate.

Agreed by the parties through their authorised signatories:

SIGNED For and on behalf of
[Insert full legal name of the RPO]²⁸

SIGNED For and on behalf of
[Insert full legal name of the Industry Party]

Signed

Signed

Name

Name

Title

Title

Date

Date

²⁸ The name of the entities in the signature block should be identical to the entities named as the parties at the top of the agreement.

Schedule 1

Joint IP

The Collaborative Research Agreement will have described the type of intellectual property that may be jointly owned if it is generated jointly between both Parties during the Project. This schedule should reflect that agreement, and list the specific items of IP that are covered by this JOMA.

[List each specific item of Joint IP that has been generated during the project and is to be covered by the JOMA]

Schedule 2²⁹

Payment Schedule

Invoicing	The Lead Party shall issue an invoice to the other Party for 50% of any direct costs ³⁰ relating to any applications for patents, designs or other registered rights and granted patents or other registered rights (including filing, prosecution, and renewal fees). Such invoices shall only be issued after the costs have been incurred by the Lead Party. ³¹
RPO's contact details for invoices	[•]
Industry Party's contact details for invoices	[•]
Payment Terms	[30] days net. Payment shall be [by way of bank transfer.]
Interest on Late Payment	Interest shall be automatically applied if payment has not been received within [forty five (45)] days of receipt of a valid invoice. Interest shall be calculated on a daily basis using an interest rate equal to the European Central Bank main refinancing rate (as at 1 January and 1 July in each year) plus [8] percentage points. ³²
Payment details for Lead Party	Bank account name: [•] Bank account number: [•] Bank sort code: [•] Reference: [•]
Industry VAT Number	[•]
RPO VAT Number	[•]

²⁹ Delete Schedule 2 if Alternative B is used.

³⁰ The costs to be shared should only include direct costs of filing, prosecution and maintenance of registered intellectual property rights. Any internal costs will be borne by the Party that incurs them.

³¹ These are the recommended payment arrangements, but alternatives may be agreed between the parties.

³² These are the default late payment provisions which would apply if no alternative is specified. Other arrangements may be agreed between the parties.

Annex 1

Alternative Definitions for insertion in Clause 1.1 where Joint IP is not provided for in the Collaborative Research Agreement ³³

Joint IP	Any patentable invention or copyright generated by the Personnel of both the RPO Party and the Industry Party during the course of the Project. A person shall be taken to participate in the generation of: (i) a patentable invention, only if he is considered the, or an, inventor of that invention under Irish patent law as it stands on the date on which the invention is made; and (ii) copyright, only if he is the, or an, author of the work in question for the purposes of Irish copyright law as it stands on the date on which the work is generated, and the term 'generated' includes a reference to the expressions 'discovered', 'conceived', 'first reduced to practice', 'created', and 'developed', and terms cognate with the term 'generated' shall be understood accordingly.
Personnel	The officers, directors, employees, contractors, researchers of registered students of a Party and those of its Affiliates.

³³ If the Collaborative Research Agreement does not include a suitable definition of Joint IP, then the definitions below may be inserted into Clause 1.1. The type of IP that is likely to arise in the project should be reviewed and updated if needed to ensure that this definition covers the relevant types of IP that may be jointly owned and managed. Delete this Annex before signature of the finalised agreement.

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