

KTI Practical Guide

Collaborative Research Agreements



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

Model Agreements contained within this document are annotated with drafting notes to help explain how they should be used. Word versions (without drafting notes) are also available to download and use directly.

The KTI Practical Guides and full suite of KTI Model Agreements are available on the Knowledge Transfer Ireland website to download and use direct. Visit www.knowledgetransferireland.com/Model-Agreements

Disclaimer

Parties should take their own legal advice on the suitability of any KTI 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 KTI Model Agreements 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 Collaborative Research Agreements

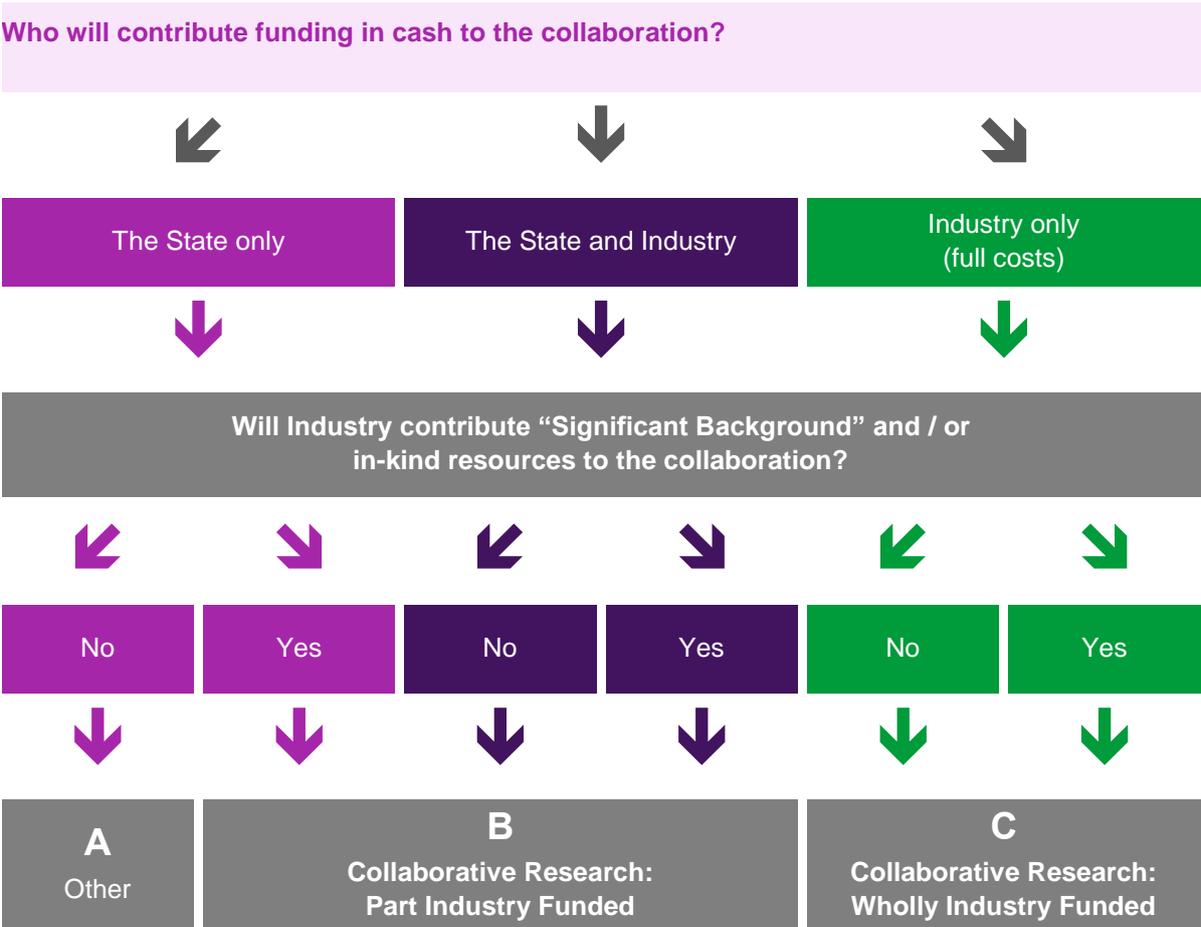
What is a collaborative research agreement?

Collaborative research occurs where two or more partners wish to work together on a joint programme of research. 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). This practical guide deals only with **bilateral** (two-party) agreements 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 party.

A collaborative research agreement is a contract which governs the terms under which this research programme will be conducted. KTI has produced two different Model Agreements to cover these two types of collaborative research: one for wholly industry funded collaborative research and one for part industry funded collaborative research.

How do you decide which is the correct agreement to use?



A Is the State paying 100% of all cash and in-kind costs?

As a precursor to a closer relationship, industry may work with an RPO initially on exploratory research. In this case, the company may bring the problem and some ideas, but will not put any funding, researcher time or intellectual property into the project. This type of work does not usually require a full agreement, but it may be appropriate to put in place a letter of intent or Memorandum of Understanding (MOU), which outlines what each side is expecting to happen next if the results of the research are interesting. If confidential information is going to be passed between the sides, then a Confidential Disclosure Agreement (CDA) will be needed, and if the company is providing any materials, then this should be covered by a Material Transfer Agreement (MTA). Examples of Model CDA and MTA Agreements are available on the KTI website www.knowledgetransferireland.com. The RPO will own any IP which arises from this research and will be free to negotiate arrangements for the original industry partner or for other organisations to access the IP to maximise the benefits of commercialisation for Ireland.

B Are both the State and Industry contributing to the research?

The most common type of collaborative situation involves projects in which both sides bring something into the research which will be into an area of mutual interest. This may be cash funding, or it may be in-kind contributions such as researcher time, or equipment, data and materials, or it may be pre-existing intellectual property, often in the form of patents. In these situations, use the Model Part Industry Funded Collaborative Research Agreement (page 45), and use the decision tree on page 8 to identify the recommended approach to provide the industry partner with the access that it needs to the outcomes of the research work.

C Is the industry partner paying 100% of the costs of the project?

In some cases, industry will have a more specific collaborative research need, and will want more input into the research direction. In this case, industry will pay the full cost of the research as well as overhead costs at the RPO and will be able to have full access to the outputs of the project through whatever route is most appropriate for their needs. In these situations, use the Model Wholly Industry Funded Collaborative Research Agreement (page 22), and use the decision tree on page 8 to identify the recommended approach to provide the industry partner with the access that it needs to the outcomes of the research work. In many cases, this access will be via assignment of the IP arising from the research project to the industry partner.

What are the characteristics of these different types of collaboration?

There are no set definitions of the different types of collaborative research and each project should be considered in the light of the specific circumstances. However, there are some general features that are likely to be seen in each situation:

Part Industry Funded Collaborative research	Wholly Industry Funded Collaborative research
<i>Definition: this is where an industry party (the sponsor) partially funds and works with an RPO on a programme of mutual interest. There will be an element of State research funding meeting part of the cost of the programme of research.</i>	<i>Definition: this is where an industry party (the sponsor) has a specific research need and where it meets the full cost of the RPO carrying out the programme of work.</i>
Outcomes are not known in advance but the general area of study is defined.	Outcomes are not known in advance but the area of study is clearly specified.

Part Industry Funded Collaborative research	Wholly Industry Funded Collaborative research
Company pays a contribution to the full cost, the remainder is from State research funding. The company contribution may be in any combination of cash, or in-kind contributions, or pre-existing intellectual property.	Company pays the full cost of the project: direct costs + overheads is typical.
Academic 'right to publish' applies.	Academic 'right to publish' applies, but the company has more influence over the content
Seeks to create new knowledge and understanding.	Seeks to create new knowledge and understanding.
The RPO and the company agree to pool their knowledge, resources and expertise and work together.	The RPO and the company agree to pool their knowledge, resources and expertise. Work may be undertaken jointly or by the RPO.
Uses RPO resources (e.g. specialist equipment, lab space, computer facilities), and sometimes resources at the company as well.	Most likely to use resources at the RPO and sometimes resources at the company as well.
Scope of commercial rights to use the results agreed between company and RPO.	Scope of commercial rights to use the results agreed between company and RPO. Assignment of rights is possible.

Are there other types of relationship which allow the company to have more control?

Occasionally, industry will have a specific requirement, and will be looking for professional level work from an RPO to carry out a specified programme of work. This may be referred to as consultancy or research services. In this case, the RPO will not normally be permitted to publish the results of the work, and the industry partner will pay a full commercial rate (including both overheads and profit). Industry will own all the outcomes of the work programme. In these situations, use the Model Consultancy Agreement available on the KTI website. (See KTI Practical Guide to Consultancy Agreements at www.knowledgetransferireland.com/Model-Agreements/KTI-Practical-Guides).

Why is a written research agreement necessary?

When negotiating a collaborative research agreement, the most important principle is to be clear what each side is hoping to get out of the work. This will guide the negotiations between the two parties as to the best approach to be taken. The advantages of entering into a written agreement include:

- *Defining the scope of work.* The project plan can be properly defined – this can include not just a detailed description of the work to be performed, but also information about who will provide what type of resources, who will carry out the elements of the work, how the project will be managed and reported, etc.
- *Confirming relevant dates.* The parties can clearly set out any relevant dates for performance, delivery, payment, etc.
- *Limiting liability.* Each party can set out the level and type of liability it is willing to accept in respect of the performance of the research. Note that without wording to limit liability, the contracting parties could face unlimited liability if the research carried out by either the RPO or the industry party was carried out negligently or did not meet an acceptable or agreed standard. In academic research collaboration agreements the results are usually provided 'as is' because there can be no guarantee that a speculative research programme will have a particular outcome. Indeed given the nature of RPOs they are not in a position to give the same assurances that a commercial entity may be able to give.
- *Access to arising IP.* If intellectual property arises during the research project, the agreement will cover how this is to be owned and how the industry partner can gain access to the IP in order to obtain the commercial rights that it may need. Note that, if intellectual property is to be

assigned to the industry partner, then a written contract is required as ownership of intellectual property can only be assigned by an agreement in writing. If the IP is to be licensed, then a separate licence agreement will be required (various Model Licence Agreements are available on the KTI website at www.knowledgetransferireland.com/Model-Agreements/Catalogue-of-Model-Agreements).

- *Licensing Background IP.* If either party is to provide access to its background intellectual property, whether for the purposes of carrying out the research, or otherwise, the scope of the licences to use such background intellectual property can be properly defined. The mechanisms for gaining access to any of this background IP after the project has finished, if it is needed in order to commercialise the research results, will also be covered.
- *Academic rights.* It is very important to the RPO that it is not prevented from carrying out its normal duties of teaching, research and publication. The agreement will define the rights and mechanisms for the RPO to publish and continue teaching and researching into the subject matter of the research project.

What are the common areas of negotiation?

Before the research programme starts, the parties should discuss in confidence their aims for the research, and their intentions following completion of the programme.

An important factor when negotiating a research collaboration agreement is for both sides to be clear and honest about what they want to get out of the project and their expectations about the future commercial prospects if the research is successful. The project plan and these guidance notes will help to frame the discussion about what each side actually needs in order to enter into the collaboration and to ensure that the research is commercialised to the benefit of Ireland.

Arrangements for IP access by each of the parties should be appropriate to the specific collaboration and should take into account such matters as what each party is bringing into the collaboration and what rights will be essential to allow a party to commercialise the results. It is useful to distinguish between what rights are necessary and what rights are desirable, and to consider whether freedom to operate provides sufficient rights to the commercial party rather than the need to take a licence that offers exclusivity. It is reasonable to expect that rights to IP arising in the research programme (Foreground IP) may be divided up according to core business interests of the parties – industry and the RPO.

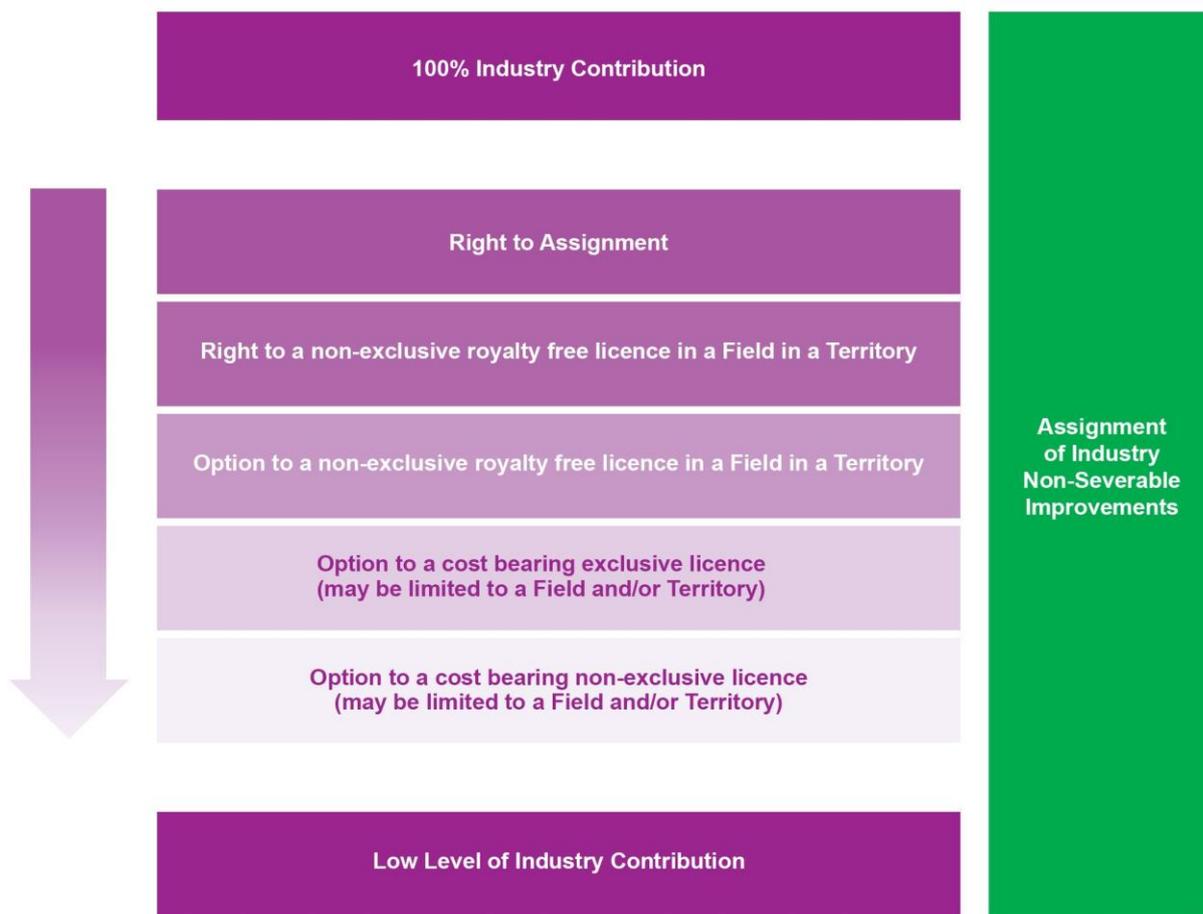
It may be helpful to use a non-binding Term Sheet to summarise and agree the main commercial terms that relate to the programme of work envisaged under the collaborative research agreement. A Model Term Sheet for Collaborative Research that can be used is available on the KTI website (see www.knowledgetransferireland.com/Model-Agreements).

Some of the key negotiation points are discussed in more detail below, including how to access the intellectual property created in the project, publication and academic rights, warranties and indemnities, and confidentiality arrangements.

How can industry gain access to the outcomes of the research project?

The decision tree on page 8 and the notes that follow it outline some of the more common scenarios and the approach to IP access that is recommended in each case of collaborative research.

As a general rule, the more that the Industry party provides to the collaboration (in terms of cash, intellectual property and in-kind resources including researcher time) then the more they can expect to receive in terms of access rights. This forms a spectrum of potential inputs and possible access routes, as suggested in the following diagram.



Every research collaboration is unique, and the decision tree on page 8 should be used as a starting point for discussion between the parties. Any agreed approach must be in compliance with EU State Aid obligations and provide opportunities for economic and societal benefits for Ireland.

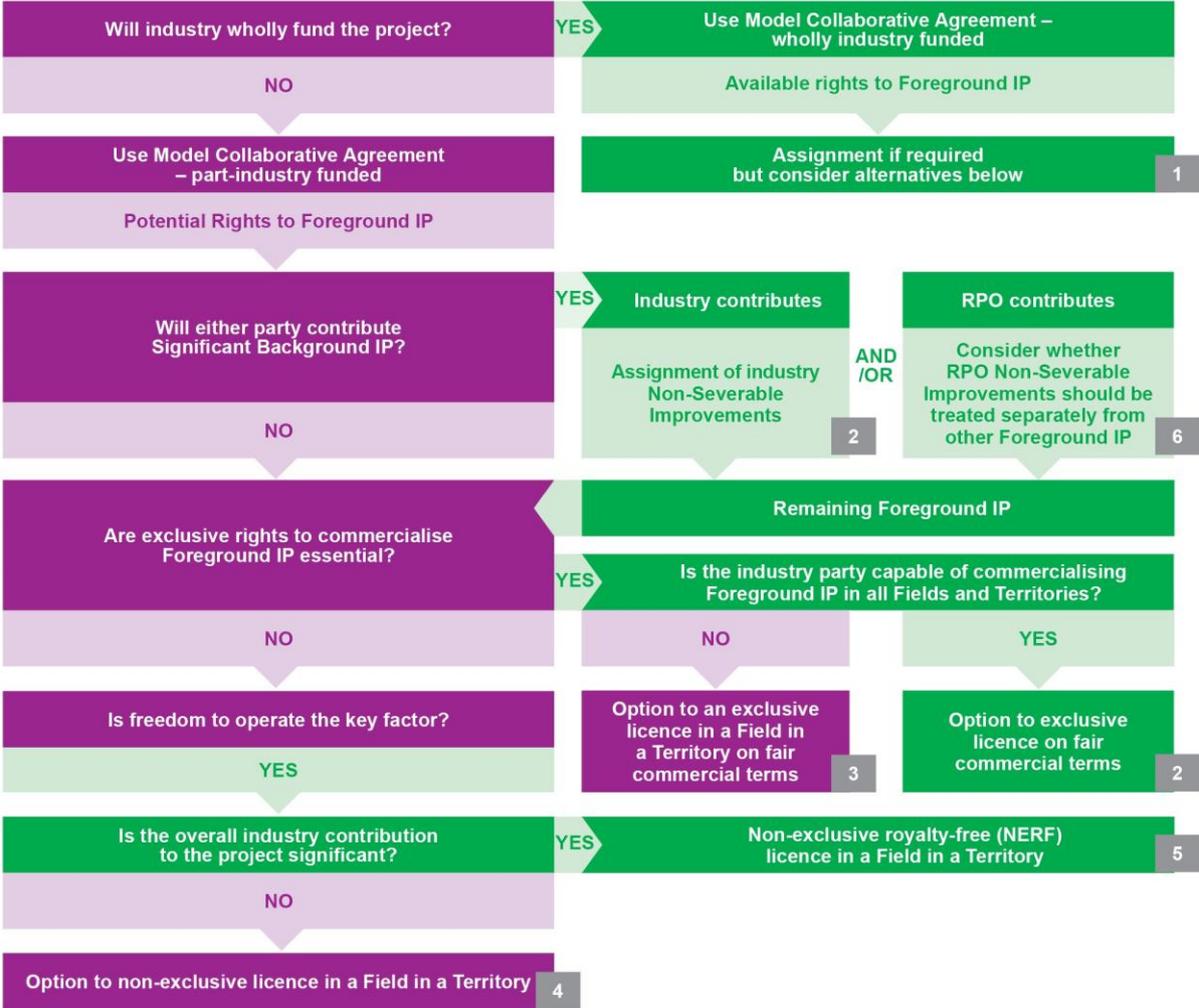
As long as the industry party has contributed at least a minimum amount towards the total costs (in cash and/or in kind) of a research programme, then it will be eligible to negotiate the grant of an IP licence to the IP which is generated by the collaboration. This minimum contribution varies and is defined separately for each funding programme by the State research funding organisation funding that programme. Refer to the Terms and Conditions for your specific scheme for more details. If the company is contributing less than this minimum, then it will not have an automatic right to negotiate a licence, but this may still be agreed if all parties wish to do so.

In most cases of **wholly industry funded** collaborative research, where the industry partner is paying the full costs of the project, the IP arising in the project will be assigned to the industry partner. In certain circumstances, however, alternative access routes may be sufficient to meet the industry partner's needs, and may provide a more suitable approach.

In **part industry funded** collaborative research projects, where the State is providing at least part of the funding for the project and the industry partner is providing funding in cash and/or in kind, including participation in the research itself, industry may negotiate assignment of certain IP (called "Non-Severable Improvements") which is directly linked to the industry partner's significant pre-existing IP that it brings into the project (which is known as "Significant Background IP"). The question of whether any particular IP constitutes a Non-Severable Improvement to any Significant Background IP will be agreed by the parties and will usually be determined by the proprietary nature of the Significant Background IP. This is described in more detail in the notes that follow the decision tree below. Industry access to all

the other IP created in the project will usually be provided via an option to negotiate terms. Negotiations should be concluded in a timely manner; a reasonable timescale for the industry party to exercise the option, negotiate and conclude the licence would be six months. The most suitable access route and outline terms should be agreed before the project begins, and specified in the research agreement.

The following decision tree identifies some of the main factors that should be considered when negotiating the appropriate access route.



1 Is the industry partner paying 100% of the costs of the project?

The most common situation in **wholly industry funded** collaborative research will be where the industry partner has a specific research need, and the project (programme) is likely to create new intellectual property (“Foreground IP”) that is especially relevant to that industry partner. The RPO is bringing its skill, expertise and facilities to the project and may also contribute its own significant pre-existing intellectual property (“Significant Background IP”). For example, this might be a technology that the RPO has identified and which is of potential commercial interest to the industry partner but which needs further development before it is proved to be of commercial value. In these cases, the most likely access route is for the industry partner to take **assignment** of all the IP that arises from the project. For these types of collaboration use the Model Wholly Industry Funded Collaborative Research Agreement (page 22).

This assignment will not have any ongoing payment obligations from the industry partner to the RPO as they commercialise the outcomes of the project. However, in many cases a licence to the RPO's pre-existing Background IP may also be needed, and this will usually bear a cost. This licence may include up-front, milestone and/or royalty payments if the technology is successfully commercialised. The level of such payments should be on fair and reasonable commercial terms.

Although assignment is the most common access route, the parties should also consider whether alternative access routes might be more appropriate for a specific situation. In these cases, the considerations in the rest of the decision tree on the previous page will help to determine the most appropriate route.

2 Does the industry party seek exclusive access and can commercialise widely?

The most common situation in **part industry funded** collaborative research will be where both parties contribute to and share in the research project (or programme). Where the industry partner needs to have exclusive access to the new IP created in the project ("Foreground IP"), then the most likely access route is for the RPO to grant an **option to an exclusive licence** to the industry partner to this RPO-owned Foreground IP.

In some cases, industry may bring significant pre-existing intellectual property into the project ("Significant Background IP") and the project's primary aim will be to further develop this IP. For example, this might be some pre-existing software code that needs to be developed or a chemical with specific properties that the RPO can test in their assays. In these cases, it may not be sensible or practical to divide the new intellectual property that is created ("**Non-Severable Improvements**") during the project from the pre-existing Significant Background IP that belongs to the industry partner, as it will not be possible to commercialise the Non-Severable Improvements without rights to the Significant Background IP. Any such Non-Severable Improvements may therefore be assigned to the industry partner. What constitutes Significant Background IP will be agreed by the parties during negotiation and recorded in the collaboration agreement. For these types of collaboration, use the Model Part Industry Funded Collaborative Research Agreement (page 45) and delete the discretionary NERF clause in the section dealing with access rights.

The exclusive licence of other Foreground IP will bear a cost. Such a licence may include up-front, milestone and/or royalty payments if the technology is successfully commercialised. The level of such payments should be on fair and reasonable commercial terms but will also take into consideration factors including the contribution that the industry partner's funding and in-kind effort has made to the overall work programme.

In most cases, any assignment of industry Non-Severable Improvements will not have any ongoing payment obligations from the industry partner to the RPO from commercialisation of this IP. Occasionally, however, the relative industry contribution (in cash and/or in kind) to the project will not be proportionate to the relative value of the industry Non-Severable Improvements that are created and in these cases it is important to consider whether any additional payment by industry may be needed to ensure that the collaboration is compliant with State Aid rules.

In some cases, a licence to the RPO's Background IP may also be required to commercialise the Foreground IP and this will usually also bear a cost.

3 Is the industry party limited in the fields or territories where it can commercialise?

In some cases, the industry partner may not have the ability to exploit the intellectual property from the project to its fullest extent. This may be because the project creates intellectual property that has more than one potential application area. For example, this might be where the answer to a specific

industry problem is the development of a platform technology that could also be used in other situations where the industry partner has no interest or expertise. Alternatively, the industry partner may be a company which is only focused on a specific geographical area, and does not have a worldwide reach. In these cases, the most likely access route is for the RPO to grant an **option to an exclusive licence** to the industry partner that is limited to **specific fields of use and/or specific geographical territories**. The RPO will then be able to exploit the technology in other territories and fields of use, potentially with other commercial partners. For these collaborations, use the Model Part Industry Funded Collaborative Research Agreement (page 45), and delete the discretionary NERF clause in the section dealing with access rights.

As in situation 2 above, assignment of any Non-Severable Improvements to industry Background IP will not have any ongoing payment obligations, but the exclusive licence will include up-front, milestone and/or royalty payments if the technology is successfully commercialised. The level of such payments should be on fair and reasonable commercial terms but will also take into consideration factors including the contribution that the industry partner's funding and in-kind effort has made to the overall work programme. If the RPO receives benefits from exploiting the technology in other fields, then it would not be expected to share these with the original industry partner.

Again, in some cases, a licence to the RPO's Background IP may also be required to commercialise the Foreground IP and this will usually also bear a cost.

4 Is Freedom to Operate the important factor for the Industry Party?

In some cases, the industry partner may not need to prevent others from working in the same field but will need to ensure that it continues to have the freedom to operate in that area itself. For example, this might be where the research project relates to pre-competitive research that enables valuable discoveries to be made but is not itself of direct commercial benefit to the industry partner, or where a broad range of IP rights are needed to support a product and where taking an exclusive IP licence is not compatible with business models in the sector (eg ICT).

In these situations, the most likely access route is to grant an **option to a non-exclusive licence** to the new IP created by the project. Depending on the level of the industry contribution towards the total costs (in cash and/or in kind) of the project, then this licence may be cost-bearing or may be royalty-free subject to compliance with State Aid guidelines. As for exclusive licences, the non-exclusive licence may be restricted to the **particular field and/or territory** that the industry partner is able to exploit. For these collaborations, use the Model Part Industry Funded Collaborative Research Agreement (page 45) and delete the discretionary NERF clause in the section dealing with access rights.

In some cases, a royalty-bearing non-exclusive licence may also be needed to any Background IP that is needed to allow the industry partner to exploit the Foreground IP.

With grant of a non-exclusive licence, the RPO will be able to also license the same technology to other partners on a non-exclusive basis. If the RPO receives benefits from exploiting the technology with other partners, then it would not be expected to share these with the original industry partner.

5 Is the industry partner putting more significant resources into the project?

When the industry party contributes a more significant level of resources into the project, then the parties may agree at the start of the project that the industry party would have a right following completion of the research programme to a **non-exclusive royalty-free (NERF) licence** to use the Foreground IP for **defined purposes, fields and/or territories**. These fields and territories need to be agreed and documented in the collaborative research agreement, and the NERF licence itself will

only be put in place once the research programme is complete. The amount of industry input that represents a “significant” level in this case would be judged on an individual basis, taking into account factors including the type and amount of contribution that was made, the relative intellectual efforts put into the project, the commitment to further commercialisation activities and whether the granting of such a right is to the benefit of Ireland. Again, compliance with State Aid legislation will need to be considered. As before, separate arrangements would be needed for access to other IP such as Background IP required to use the Foreground IP. For these collaborations, use the Model Part Industry Funded Collaborative Research Agreement (page 45), and include the discretionary NERF clause in the section dealing with access rights.

6 Is the RPO bringing proprietary knowledge, such as testing methods, into the research?

In many cases, the RPO may bring pre-existing intellectual property into the project that is the main focus of the collaborative research. For example, this might be a technology that the RPO has identified and which is of potential commercial interest to the industry partner but which needs further development before it is proved to be of commercial value. The national IP Protocol states that the RPO should retain its rights in any improvements that are made to the Significant Background IP that it brings into the project unless agreed otherwise. However, if this is the main focus of the research project, then it will be possible to agree alternative arrangements. In these cases, use the main decision tree on page 8 to determine the most suitable access route.

In some cases, however, the RPO will bring a different type of pre-existing intellectual property into the project. For example, this might be a methodology or a platform or tool technology that the RPO has developed. Although this Background IP will be used in the project, any improvements to the methodology would not be needed by the industry partner as it commercialises the primary outputs of the project. In these cases, the Foreground IP that is directly related to this RPO pre-existing Background IP would be considered as a special case of **RPO Non-Severable Improvement**. The RPO will maintain ownership of this specific subset of the Foreground IP so that it retains control of the whole linked package of RPO intellectual property. The remaining Foreground IP created in the project will be treated according to the main decision tree on page 8. This situation may occur in both wholly industry funded and part industry funded collaborative research projects. Where this situation arises, the KTI Model Agreements should be modified as indicated in the drafting notes that are included as footnotes on each agreement in this Practical Guide, to exclude these RPO Non-Severable Improvements from the other Foreground IP.

In most cases, the industry partner will not need to use this type of RPO Non-Severable Improvements as it exploits the outputs of the project, but if this is required then this will be provided in the same way as access to the RPO Background IP via a cost-bearing licence.

A note on Joint Ownership

The national IP Protocol explains that joint ownership of Foreground IP should be avoided as it involves complex management arrangements. The rules surrounding joint ownership are complicated, and vary significantly from country to country and many legal commentators therefore advise that joint IP ownership should not be used. 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 above is suitable and there is a clear economic and societal benefit to Ireland, this type of ownership may be agreed. In such a situation, a joint ownership and management agreement should be put in place to control how the IP is managed, paid for and exploited, as well as to agree any benefit sharing arrangements.

How should a “Fair Market Rate” be negotiated?

When the parties are negotiating the most suitable way for the industry partner to gain access to the intellectual property relating to the project, as discussed above, the terms of any licences should be on “fair and reasonable” commercial terms or use “fair market rates”. This is important, not just to ensure that both parties get a suitable return and reward for their input to the project but also to ensure that the agreement does not give rise to unlawful State Aid (see the next section for more information). Fair terms may involve a combination of different types of payment, such as up-front fees, milestone payments and/or royalties on sales. Other costs, for example reimbursement of patent charges could also be included.

This does not mean that the deal agreed between the RPO and industry has to be exactly the same as they would offer to an independent third party however, as it should also take into account the contributions that have been made to the research project. This contribution may be financial, in kind, or intellectual, and should also consider the future risks and costs that each side may face in order to commercialise the outputs of the research. Some of the key considerations to think about when negotiating a fair market rate would include:

In terms of financial input:

- the relative financial contribution from industry and the State;
- the other inputs to the project, including researchers, equipment and provision of materials, with a clear understanding and financial outline of in-kind contributions;
- the need to strike a fair and reasonable incentivisation between all the parties involved in the project.

In terms of intellectual input:

- the nature and scope of the proposed collaboration;
- the level of intellectual input from both sides, is there a genuine collaborative effort?
- the impact of the current research on future academic and/or industrial research;
- the nature of any background intellectual property that each party has brought into the project, and the value that this adds to the collaboration;
- the relative abilities of the partners to obtain, maintain and where necessary, defend the intellectual property rights.

In terms of capacity to exploit the outputs of the research:

- the likely commercial applications of the intellectual property, the optimum exploitation route and the partner(s) best positioned to execute it (taking into account alternative applications and their costs and the relevance of these to each of the partners);
- the degree of alignment of the research with the industry partner’s technology development and acquisition strategy;
- the likely costs and resources required to protect the intellectual property and who will pay for these;
- the likely costs and resources required to develop the results of the collaboration into commercial products or services, and who will pay for these;
- the stage of the research – early or closer to market?
- the scale and time-frame required for pre-commercial development;
- the risk associated with taking any product to market.

What should I know about State Aid?

State Aid legislation regulates both direct and indirect State Aid to a company. State Aid may be given indirectly to a company where, for example:

- it does not pay the full economic cost of collaborative research carried out on its behalf by a publicly funded RPO; or
- it collaborates on a research project with a publicly funded RPO and it acquires a commercial benefit other than in one of the ways permitted by the State Aid rules.

Collaborative research projects involving an industry party and an RPO in which IP is transferred (by licence or assignment) to the industry party must adhere to State Aid legislation. This legislation includes measures to prevent State resources or public economic support from unfairly favouring a business concern, the production of certain goods or the provision of particular services and distorts or threatens to distort market activity or competition in Ireland or in Europe, whether directly or indirectly.

Concerns can sometimes arise in collaborative research, particularly those where there is a State research funding organisation involved and where the market value of the Foreground IP is not yet known and so the market value or price for a licence or assignment cannot be determined. In certain cases, grants of licences and/or assignments of IP from RPOs may themselves be considered State Aid. Where RPOs secure market rate payments from industry in relation to collaborative research agreements for research conducted, or in return for RPO IP use, then State Aid is not likely to be an issue for the Project.

See ec.europa.eu/competition/state_aid/overview/index_en.html for full details on State Aid policy in Europe. State Aid as it applies to Research and Development Innovation R&D&I, is addressed in detail in the European Commission Communication “Framework for State aid for research and development and innovation”, (C(2014)3282) and can be found at ec.europa.eu/competition/state_aid/modernisation/rdi_framework_en.pdf.

If either party believes that unlawful State Aid may arise from the IP arrangements that are anticipated for the collaboration, then they should notify the other party, and both sides would then evaluate the situation and take all reasonable steps to ensure that there is compliance with the State Aid rules, which may require an increase in the consideration for the assignment or license of the relevant IP. The appropriate time for this assessment to take place is at the time that the assignment or licence formally occurs.

What should I know about European Competition Law?

Industry parties and RPOs should also consider EU competition rules, particularly in cross-border collaborations and restrictive licences of IP. There are competition laws in both Ireland and the EU which prohibit agreements that affect trade between member states and competition within the EU to an appreciable extent if the agreement has the object or the effect of preventing, restricting or distorting competition in a relevant market. Certain categories of agreements pertaining to IP have been expressly stated to fall outside of these competition prohibitions and reference should be made to the Technology Transfer Block Exemption (see: ec.europa.eu/competition/antitrust/legislation/legislation.html for further information).

Collaborative research agreements to license IP often contain terms dealing with exclusivity, field restrictions, territorial restrictions and obligations regarding use that may, depending upon all the terms and conditions, potentially restrict competition and so RPOs and industry parties alike should consider these laws when deciding on the structures for accessing IP owned or created by an RPO.

Where can I find more detailed guidance on commercialisation of IP arising from publicly funded research?

The Irish Government has set out policies to encourage industry to benefit from publicly-funded research and describes the practical arrangements for this to happen in “*Inspiring Partnership – the national IP Protocol 2016*”. The Protocol is aimed at helping industry – from start-ups and small and medium enterprises to multinational corporations – to access the research and development carried out in Ireland’s universities, institutes of technology and other public research. It explains national policy in this regard and the resources that are available. The Protocol also sets expectations – on RPOs and on industry parties wishing to engage with RPOs.

For more detailed information, see the full protocol document on the KTI website: www.knowledgetransferireland.com/ManagingIP/KTI-Protocol-2016.pdf

What practical steps are needed for assignment of intellectual property?

The Model Agreements outline which party will own the IP arising in the project and there will be practical steps needed to ensure that the ownership is correctly transferred from the inventor. IP can take different forms, both formal (such as patents, copyright and design rights) and informal (such as know-how and trade secrets). In practical terms, copyright is the only type of formal IP that can be assigned before it is created. All other types of formal IP will need to be officially assigned once they have been identified. In most cases, this will involve signature of a separate confirmatory assignment agreement. Suitable Model Agreements for the assignment of IP from the inventor to the RPO and from the RPO to the company are available on the KTI website. (See www.knowledgetransferireland.com/Model-Agreements)

What are academic rights, and why are they important?

For RPOs, it is very important that they are able to further their mission of research and teaching and to maintain an open academic environment that fosters intellectual creativity. The right of the RPO to publish the results from a research collaboration is therefore an important part of the agreement and allowing publication may also help with compliance with State Aid legislation. Where the research is partly funded by the State, a mechanism will be put in place that allows the RPO to publish following suitable consultation with the industry partner to ensure that no confidential information is released and that any IP is properly protected. Protection may take a number of different forms, for example filing a patent application which covers the invention, or by copyright protection of creative works or software code, or by registering a design. Occasionally, the IP created in a collaboration will be best protected by keeping it secret but this is rare as it does not align with the principles of academic research. If the research is wholly funded by industry, then tighter industry control over what can be published may be included, but the over-arching principle remains that publication should be allowed.

The terms of the Model Agreements allow one partner to assume that permission to publish has been granted if it receives no response from the other partner after a set period of time. Nevertheless, it is good practice to ensure that the notification has been safely received and to maintain good relationships and communication. Often the other party will also be a co-author of the publication and so will be aware of the contents. For larger collaborations it may be appropriate to put in place a publication committee with representatives from both parties, which will review any proposed publications and ensure that suitable protection is in place for the IP before publication. If the research is expected to result in trade secrets, for example where it is focused on identification of process improvements, then this should be discussed at the start of the programme to ensure that all parties are happy with the restrictions needed. In this case, it is important to ensure that the Principal Investigator at the RPO is aware of these restrictions. If the industry partner wishes to prevent the publication of these trade secrets, then a know-how licence may be put in place or the research may be better carried out under a consultancy agreement. See the KTI Practical Guide to Consultancy Agreements at www.knowledgetransferireland.com/Model-Agreements/KTI-Practical-Guides/KTI-Practical-Guide-to-Consultancy-Agreements.pdf for more information.

Similar considerations apply to the ongoing rights of the RPO to use the outcomes of the research project for their teaching and research. These are called Retained Rights and it is reasonable to expect the RPO to be able to retain rights for internal teaching and research in all circumstances. The rights retained by the RPO to use the research results more broadly in other research programmes with third parties or to commercialise them independently, will depend on the outcomes of the negotiation into the most appropriate access route for the industry partner to the IP created in the project. These different rights are laid out in more detail in Section 2.D.5 of the national IP Protocol 2016. European Competition Law may also affect the extent to which the RPO's retained rights can be restricted, see the section above for further details.

Although the research rights of the RPO must be maintained, this does not mean that it will be able to set up parallel research programmes with third parties covering exactly the same area, as both sides will be protected by the IP protection surrounding the other party's background IP, and by the confidentiality provisions in the agreement.

What are warranties, indemnities, and liability?

A **warranty** is a contractual promise or statement, breach of which will entitle the other party to claim damages. In view of the collaborative nature of these agreements, all the warranties and liabilities in the agreements are mutual – that is they apply equally to both the RPO and the company. Care should be taken when reviewing warranties that they are appropriate and reflect the level of risk that the party is willing to accept.

Warranties may relate to different aspects of the project, such as performance of the research and management of the IP. In view of the open nature of RPOs and the many research activities that they carry out, it is recognised that RPOs are not in a position to give the same assurances in respect of IP management as a commercial organisation could give. RPOs therefore should not offer warranties or representations or assume liabilities concerning IP management or protection. An organisation contemplating the commercialisation of IP provided by an RPO should itself take whatever steps it considers necessary to satisfy itself as to the condition or level of protection of the IP.

The types of warranties that a company can expect when engaging with an RPO are explained below.

- An RPO should be expected to warrant that it has entitlement to enter the research contract and will undertake the project with reasonable care.
- The results and background IP should be expected to be licensed “as is” without any warranties as to fitness for purpose.
- RPOs should not be expected to warrant non-infringement of third party IP.

In some instances where it is not possible to remove a warranty, it may be possible to limit its scope to a knowledge-based warranty – for example, “Each party warrants that as far as it is aware, but without having conducted any searches or investigations, it has obtained all necessary and required licences, and consents and permits to perform the research activities”. Indeed, such warranties are sometimes given as to the knowledge of particular named individuals which avoids the risk that someone in another part of the organisation might be aware of an issue that the researchers have not been informed of. The inclusion of the wording “but without having conducted any searches or investigations” helps to avoid any implication that the parties are under a duty to take steps to verify this fact.

Although an RPO will not give warranties as to IP management, it is important that each RPO can give industry an acceptable level of confidence around the management and integrity of State funded technology and that this level of confidence is consistent throughout all RPOs. Every RPO undertakes to have in place an IP management system meeting the National IP Management Requirements, which are described in the IP Protocol Resource Guide.

The National IP Management Requirements include:

- Maintaining confidentiality before publication of research and confidentiality of IP provided by and to others.
- Protecting IP arising from research Projects and Programmes.
- Introducing existing background IP into a research Programme diligently.
- Conducting appropriate due diligence before licensing IP.
- Maintaining records of IP and licences.

However no additional implied warranties should be construed by industry parties because of these requirements.

The most up to date version of the IP Protocol Resource Guide is maintained with the national IP Protocol on the KTI website at www.knowledgetransferireland.com/ManagingIP/KTI-Resource-Guide.pdf.

Liabilities control the level of compensation that each party may need to pay to the other in the event of any breaches of their contractual obligations. It is fairly commonly found in commercial contracts that one party will try to exclude and/or limit its liability as much as possible, whilst at the same time trying to expose the other party to as much liability as possible. As with the warranties, these KTI Model Collaborative Agreements take the approach that liability in the contract should be mutual where appropriate.

In terms of limitations of liability, the parties will normally want to exclude liability for certain types of loss (e.g. loss of profits, loss of contracts, loss of revenue, loss of data, loss of opportunity, indirect / consequential losses, etc.) and to the extent that there is any other direct liability arising, to cap its liability to a particular amount (which may be expressed as a fixed sum, or by reference to the contract price). The KTI Model Agreements include different levels of cap, depending on the type of breach that has occurred. Many insurance policies will require the RPO to ensure that such liability limits are included in contracts in order for the policy to cover liability arising out of them.

The types of liability that a company can expect when engaging with an RPO are explained below:

- RPOs should not be expected to take on liability for indirect or consequential losses.
- There shall be a financial cap on the potential liability of the RPO in respect of the research collaboration. This should be set to the value of the financial contribution to be made by the industry party under the research contract, save for any sort of liability that by law cannot be excluded.

In general, liabilities should be carefully considered on a case by case basis, and should reflect the nature of the research, the nature of the resources brought to it from each side and the potential losses and damage that could arise. This will not necessarily be linked to contribution levels, for example if particularly valuable confidential information and background IP is brought into the project, or if the RPO researchers have access to the company site and technical infrastructure. Both parties should think very carefully about the levels of liability they should request and accept. This should be framed within a risk assessment as to each party's role in the project and the types and level of damage that could ensue following deliberate or accidental breach of the terms of the contract. Specific types of research, for example using hazardous materials, or untested compounds, or involving animal research or clinical trials involve higher levels of risk and/or higher potential damage that could be caused, and may require higher liability levels. Specific indemnity wording may need to be added to the agreements in such cases. However, where an extremely high cap on liability is being sought, it is often useful to ask why such a high liability cap is required for the particular piece of work in question – often, these figures may come from standard template language and may not be appropriate for the work envisaged.

If a high liability cap is justified, it is also worth investigating whether specific insurance can be taken out. This moves the discussion away from being one of whether the RPO and company take responsibility for their actions, to a simple risk/reward assessment.

An **indemnity** is an obligation by one party to provide compensation for a particular loss suffered by the other party. A typical indemnity sought by an RPO may be to provide indemnity against any claims relating to the use of the research results by the industry party, or product claims arising from products based on the research. No indemnities have been included in the KTI Model Collaborative Research Agreements, as these are more appropriately addressed in the associated licence or assignment agreement that provides the rights to the industry party to access the outcomes of the research.

Do I need insurance?

In Ireland there is no legal requirement for a company to carry public or employer's liability insurance. However, it is good practice to carry this insurance and any company carrying out collaborative research that is part funded by the State will be expected to obtain insurance cover. All the RPOs will also have suitable insurance policies in place. The levels of insurance carried should be adequate to cover the liability levels agreed in the section on warranties and liability.

Some collaborations may involve research activities which would be defined as professional advice, for example the provision of design work, or advice based on their knowledge and skills, etc. If this forms part of the research programme, then that party should also carry professional indemnity insurance which gives cover for the provision of this type of work. The level of insurance should relate to the level of a potential claim if a mistake is made in the provision of the advice. Professional advice (excluding any usual input into the development of the research project) would not normally be expected to be provided by an RPO under a collaborative research project and, if this is anticipated, should be given under a separate Consultancy Agreement.

How long should confidentiality provisions last?

The appropriate timescale for the confidentiality obligations will vary depending on the nature of the project, the time needed for further development before commercialisation, the type of IP and whether any licences to the Foreground IP will include licences to know-how. Five years is typical, but for some industries, for example pharmaceuticals, where the time taken to develop the product after the research has ended may be many years, a longer term (e.g. ten years) may be justified. If the research is expected to result in trade secrets, and a know-how licence is anticipated then this clause may be omitted altogether, and the confidentiality obligations will not terminate.

What other terms are typically included in a collaboration agreement?

Although the detailed terms of research agreements vary, they will often also include terms covering the following points:

- *Timescales.* Timescales for performance and activities should be clearly set out in the agreement and the RPO (and the industry partner where appropriate) should ensure that it is confident it can meet such timescales. Care should be taken over any provisions that state that "time is of the essence", as a failure to meet the relevant timescales will allow the other party to immediately terminate the agreement (in addition to its right to claim damages).
- *Allocation of responsibilities.* The agreement will normally include a detailed plan of work or project plan, usually as a schedule to the main agreement. This will specify the aims of the research, and lay out clearly who is responsible for which aspects of the research, and any milestones or decision points that are anticipated. It will also specify what resources each side will provide (which may include staff, materials, equipment, use of facilities etc). It will identify who will pay for any specialist equipment that is required, who will insure it and who will own it once the collaboration is complete. The project plan should also outline any project management arrangements that are needed and how the results of the research will be disseminated. A

suitable research programme plan template can be found on the KTI website: www.knowledgetransferireland.com/Model-Agreements/Catalogue-of-Model-Agreements/The-Research-Programme-Plan-Template.docx.

- *Obligation to achieve a particular result.* Most collaborative research agreements will include a provision stating that no guarantees are given that any particular result will be achieved. What the researchers are effectively promising is that they will carry out the programme of research properly, but they cannot be held responsible if the result is not as expected or hoped.
- *Standard of research.* Most research agreements will include an obligation on the parties to use reasonable care and skill in performing the research activities; indeed, if the agreement is silent on this point, such an obligation may be implied into the contract by law. Although it is possible to state in the agreement that neither side is under any obligation to use reasonable care and skill in performing research, this raises the question as to why anyone would wish to work with an organisation which is not prepared to promise that the work will be performed competently. The suggested way to deal with such matters is to expressly include the obligation, but use the liability section to limit liability for breach of this obligation.
- *Notification to government bodies.* Collaborative research between industry and RPOs in Ireland may be funded at least in part by the State e.g. through specific research grants and/or will take place in RPOs (universities, Institutes of Technology, State research institutes, of which Research or Technology Centres are a part) which receive significant government funding. In order to justify and account for the use of these public funds, the RPOs have a duty to report on their activities to the government and the public. The agreement will therefore typically include a provision that the industry party allows this reporting to occur with respect to the project. However, both the RPOs and the government funding agencies are sensitive to the requirements of commercial confidentiality. The only information that is likely to be made public is therefore the name of the industry partner, a non-confidential project title and in certain cases, the amount of the industry contribution to the project costs. Any other information which may be reported will be kept confidential. Each type of State funding scheme has specific reporting requirements and the information that the RPO is obliged to provide to the funder and the timing of these reports should be laid out clearly (this is done in Schedule 4 to the KTI Model Part Industry Funded Collaborative Research Agreement (page 45)).
- *Relationship to the overarching funding grant.* Where the State is funding part of the costs of the collaborative research, there will be a separate agreement and/or terms and conditions from the funding agency to the RPO which controls the use of this funding. This grant may include terms relating to reporting, auditing, acknowledgement during publication, termination of the funding, etc. which will require the cooperation of the industry partner to ensure that the RPO can fully comply with the grant terms. These requirements will vary between different funding schemes. The RPO will review the terms and conditions of the grant to identify the relevant provisions that may apply to the industry party, and these will be listed out (this is done in Schedule 4 to the KTI Model Part Industry Funded Collaborative Research Agreement (page 45)). It is not appropriate to attempt to bind the industry partner to **all** of the provisions of the grant in the same way as the RPO. For more information, refer to the terms, conditions and guidance for the specific funding scheme that is supporting the research collaboration.
- *Export and import controls.* Export and import controls are imposed by many countries around the world to control the movement of “strategic goods”, typically those which may be used for military purposes (even if this is not their primary purpose). These rules vary depending on the country in question and Ireland has a system which is derived from the EU controls. It is important that both parties are aware of their responsibilities under these rules. The agreement should put the responsibility onto the party that produces any material to be used in or generated during the project that may be covered by these controls to identify the relevant export/import rules and inform their research partner. Each party must then assist the other to comply with the relevant rules. In many cases, particularly if the materials are generated by the RPO based on industry Background IP, the industry partner will be more familiar with the international rules that may apply and so it is good practice in these cases that they should take the lead to ensure that the RPO is fully aware of any provisions that are important. Where no materials will enter or leave Ireland during the research, these controls are unlikely to be relevant. If the industry partner is a multinational, it therefore often makes sense for the RPO to

sign the research agreement with the company's Irish entity. The industry partner will then take responsibility for any subsequent movement of the materials between their sites. The RPO should review whether it may need to export or import any Restricted Materials and if so, whether it would be more appropriate in the specific project circumstances for the RPO or Industry to pay for any licences needed.

- *Data protection.* Data protection legislation controls how personal information is used by organisations, businesses or the government. It is the means by which the privacy rights of individuals are safeguarded in relation to the processing of their personal data. In Ireland, the Data Protection Acts 1988 and 2003 confer rights on individuals as well as placing responsibilities on those who process personal data. Everyone responsible for using data has to follow strict rules that ensure the information is used fairly and lawfully; used for limited, specifically stated purposes; used in a way that is adequate, relevant and not excessive; accurate; kept for no longer than is absolutely necessary; handled according to people's data protection rights; and kept safe and secure. If the research project will involve the use of personal data, then an additional clause may be needed to ensure that both parties are aware of and comply with their responsibilities under the Data Protection Acts.
- *Termination.* In collaborative research, it is usual for both parties to commit to carry out the full programme of work and so the agreements do not include any mechanisms for early termination, except in the case of insolvency or material breach (a significant failure to comply with the terms of the agreement). Occasionally it may be appropriate to consider whether the agreement should also include a right to suspend the research (e.g. if payments are not made on time) which is sometimes a 'softer' option to termination. The parties should also be aware that in the case of part industry funded research, the State research funding organisation may terminate the funding for a Collaborative Research Programme or terminate a party's involvement in the Programme in the event of:
 - A failure to meet the research programme milestones contained in the funding contract.
 - Any other material breach of the contract which cannot be remedied within a timescale acceptable to the State research funding organisation notifying the RPO of the breach.
 - Any material breach of any other contract signed by the parties in respect of the research project

If this occurs, or if other unexpected circumstances arise, then the parties are always able to negotiate alterations to the terms of the agreement or terminate it on mutual written agreement.

- *Post-termination.* The terms of the Model Agreements which relate to what happens after termination only deal with payment obligations. The parties should also think about other aspects of termination, for example how to deal with the return of materials, provision of final reports, how work in progress is to be handled, etc. If these aspects will be important, then they should be included in the Project Plan for the research (in the Model Agreements, this is laid out in Schedule 1).

Will any other agreements be needed?

Where industry access to the Foreground IP is agreed to be via a licence or assignment, then a separate licence or assignment agreement will be needed.

If access to any Background IP owned by the RPO is needed in order to commercialise the outcomes of the research, then a separate licence agreement will be needed to give the industry party suitable access to this Background IP. Any Background IP should be specifically identified in the collaboration agreement, along with any restrictions or encumbrances on its use. Many industry collaborators will wish to understand before they begin the research collaboration what potential costs and conditions they may face if the research is successfully commercialised. It may therefore be appropriate to agree Heads of Terms for this licence to RPO Background IP at the start of the collaboration. (e.g. can the licensee use the Background IP commercially, can it grant sub-licences, is use limited to a particular field, etc.). The outline terms in Schedule 5 to the KTI Model Part Industry Funded Collaborative Research Agreement (page 45) may be used as the basis for this discussion. In most situations, access will be provided by a

non-exclusive licence which will only be for the purposes of and to the extent required to commercialise the IP arising from the research carried out in the collaboration.

Prior to licensing or assignment of IP, the inventor(s) should formally assign their rights in the relevant IP to the RPO.

Model licence and assignments agreements can be found at www.knowledgetransferireland.com/Model-Agreements/Catalogue-of-Model-Agreements

Important points to note about the KTI Model Collaborative Research Agreements

The reader faced with drafting a collaborative research 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 research agreement, which by their nature cannot be dealt with in a template. Examples of these issues include the following:

- The KTI Model Collaborative Research Agreements have not been drafted with regard to any tax law, treatment or policy. It may be advisable to get specific tax advice in relation to any tax issue or treatment which might arise as a result of performing or implementing the agreement. Tax treatment will depend, in part, on the parties' circumstances at the time the agreement is made and thereafter.
- As mentioned earlier in this Practical Guide, in many situations the law relating to "State Aid" may need to be considered (e.g. if the industry party to the collaborative research agreement does not pay market value for the benefits it receives). This is a complex area and there is no 'one-size-fits-all' way of dealing with it. Accordingly, the reader should seek specialist advice when required.

Model Agreements

Dated _____ 20[•]¹

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

and

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

KTI MODEL COLLABORATIVE RESEARCH AGREEMENT (WHOLLY INDUSTRY FUNDED)

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.

COLLABORATIVE RESEARCH AGREEMENT (WHOLLY INDUSTRY FUNDED)

This agreement is for use for collaborative research between an RPO and an industry partner when the industry partner is paying 100% of the costs of the project

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:

- A. The Industry Party is engaged in the research and development of [•].
- B. The Industry Party wishes to collaborate with the RPO in respect of the Project and has agreed to bear the full cost of the Project in each case upon the terms and subject to the conditions of this Agreement.

The Parties agree as follows:

1. 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.

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.

Background IP	Any Intellectual Property in the same or related fields to the research contemplated by this Agreement, developed, owned, licensed to or otherwise controlled by a Party prior to the Commencement Date or generated by that Party independently of the Project and, in each case, made available by that Party for use in connection with the Project in accordance with the process set out at Clause 4.2. A list of Background IP as at the date of this Agreement is set out in Schedule 3.
Commencement Date	The commencement date as set out in Schedule 1.
Completion Date	The completion date as set out in Schedule 1.
Confidential Information	<p>Any information relating to the business, affairs, technology, products or processes of a Disclosing Party that:</p> <ul style="list-style-type: none"> (i) in respect of information provided in documentary form or by way of a model or in other tangible form, at the time of provision is marked or otherwise designated to show expressly or by necessary implication that it is imparted in confidence; (ii) in respect of information that is imparted orally, described by the Disclosing Party or its representatives to the Receiving Party as being confidential at the time of disclosure [and confirmed in writing, marked confidential and sent to the receiving party within [28] days of the oral disclosure];⁵ (iii) is a copy of any of the foregoing; or (iv) due to its character or nature, a reasonable person in a like position to the Receiving Party and under like circumstances would consider confidential.
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.
Disclosing Party	The Party disclosing Confidential Information to the other Party in connection with the Project.
Event of Force Majeure	Circumstances beyond the reasonable control of any Party, including labour disputes involving that Party, which may lead to a delay or failure of performance of obligations under this Agreement.

⁵ Some parties may prefer that oral disclosures have to be followed up in writing within a particular period. However, care should be taken with this extension as it may lead to a party having no protection for oral disclosures unless good procedures are in place to follow up all discussions in writing.

Exercise Notice	Written notice from the Industry Party to the RPO that it wishes to exercise the Option.
Export Control Rules	Any export and import laws and associated embargo and economic sanction regulations, including those administered by Ireland, the EU and the United States to the extent they apply to a Party's activities under this Agreement.
Fees	The fees to be paid to the RPO by the Industry Party as set out in Schedule 2.
FOIA	The Freedom of Information Act 2014, as amended, revised, modified or replaced from time to time.
Foreground IP	All Intellectual Property generated by the Parties in the performance of the Project. For the avoidance of doubt, Foreground IP shall include any Non-Severable Improvements.
Government-related Bodies⁶	Irish Government departments, agencies or State research funding organisations to which the RPO may need to report on their activities, which may include, but are not limited to: the Higher Education Authority; Enterprise Ireland (EI); Science Foundation Ireland (SFI).
Industry Contribution	The total contribution of the Industry Party to the Project, including the Fees plus the monetary equivalent of any in-kind contributions as set out in Schedule 2.
[Industry Foreground IP	Foreground IP excluding RPO Non-Severable improvements.] ⁷
Intellectual Property (IP)	All intellectual property of any description including Know-How, copyright, trade marks, database rights, design rights, patents, utility models, and applications for, and the right to apply for any of the foregoing items.

⁶ There may be an obligation on the RPO to inform various government agencies or state research funding bodies about their research activities with industry. The terms under which information about this Project may be reported are described in Clause 7.

⁷ Delete this addition if the parties have agreed to the assignment of RPO Non-Severable Improvements (Alternative A, see the drafting notes in the IP clauses for more information).

Know-How	Any unpatented technical information (including, without limitation, information relating to inventions, discoveries, concepts, methodologies, models, research, development and testing procedures, the results of experiments, tests and trials, manufacturing processes, techniques and specifications, quality control data, analyses, reports and submissions) that is not in the public domain.
Negotiation Period	[90] days ⁸ from and including the date of the Exercise Notice, being the period within which the parties must negotiate and conclude a licence.
Non-Severable Improvement⁹	IP generated by any Party in the performance of the Project where, at a minimum, the IP in question: (i) was created using Significant Background; and (ii) cannot be used without infringing the Significant Background.
Notice Party	A Party in respect of whom notice of termination is issued by the other Party pursuant to Clause 10.1.
Option	The option to negotiate a licence to RPO Background [or RPO Non-Severable Improvements] ¹⁰ granted by the RPO to the Industry Party pursuant to Clause 4.7.
Parties	The RPO and the Industry Party, and “ Party ” shall mean either of them.
Personnel	The officers, directors, employees, contractors, researchers or registered students of a Party and those of its Affiliates.
Principal Investigator	[●] ¹¹ , the lead researcher from the RPO for the Project.
Project	The programme of work to be carried out by the Parties as described in the project plan in Schedule 1.
Publishing Party	Any Party intending to publish any results of the Project.

⁸ 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.

⁹ See the text in the associated KTI Practical Guide for further explanation of Non-Severable Improvements and Significant Background.

¹⁰ Delete this addition if the parties have agreed to the assignment of RPO Non-Severable Improvements (Alternative A, see the drafting notes in the IP clauses for more information).

¹¹ Insert the full name and title of the Principal Investigator for the Project.

Receiving Party	The Party receiving Confidential Information from the other Party in connection with the Project.
Restricted Material	Any technical data, technology, services, products or materials that are subject to Export Control Rules.
Reviewing Party	The Party other than the Publishing Party.
[RPO Non-Severable Improvement]	Any Non-Severable Improvement to any Significant Background of the RPO.] ¹²
Significant Background¹³	A Party's Background IP used in the Project will constitute "Significant Background" where: (i) it is the subject of a granted patent; and/or (ii) the Project substantially relies on this Party's Background IP and without it the Project would be difficult or impossible to carry out. A list of Significant Background as at the date of this Agreement is set out in Schedule 3.

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 and Schedules mean clauses of, and schedules to, 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.

¹² Delete this addition if the parties have agreed to the assignment of RPO Non-Severable Improvements (Alternative A, see the drafting notes in the IP clauses for more information).

¹³ See the text in the associated KTI Practical Guide for further explanation of Significant Background and Non-Severable Improvements.

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 disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

2. Scope of the Project

2.1 *Project.* The Parties shall carry out the Project according to the project plan described in Schedule 1. The Project shall be carried out under the direction and supervision of the Principal Investigator. Each of the Parties shall use all reasonable endeavours to obtain all regulatory and ethical licences, consents and approvals necessary to allow it to carry out the tasks allotted to it in Schedule 1.

2.2 *Duration.* The Project shall be carried out from the Commencement Date until the Completion Date or until such later date as may be agreed in writing between the Parties, or until it is terminated in accordance with the terms of this Agreement.

3. Project costs and contributions

3.1 *Invoices.* The RPO shall provide the Industry Party with invoices for the Fees due to the RPO in accordance with the payment schedule set out in Schedule 2.

3.2 *Payment.* The Industry 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.

3.3 *Currency and VAT.* All amounts stated are to be paid in Euro. The Industry Contribution is exclusive of value added tax (if applicable) which, subject to the provision of a valid value added tax invoice, shall be paid by the Industry Party in addition.

4. Intellectual Property

4.1 *Background IP.* Each Party shall retain all right and title to, and interest in its own Background IP. Nothing in this Agreement shall affect ownership of any Background IP. No licence to use any Background IP is granted or implied by this Agreement except the rights expressly granted in this Agreement.

4.2 *Register of IP.*

(a) Schedule 3 sets out a list of Background IP that the Parties have agreed to make available for the Project as at the date of this Agreement, together with details of any restrictions or encumbrances¹⁴ on the use of that Background IP and whether that Background IP is Significant Background¹⁵.

(b) Any Party wishing to make available Background IP for use in the Project after the date of this Agreement shall provide the other Party with a written description of the Background IP together with details of any restrictions or encumbrances on the use of that Background

¹⁴ The description of restrictions or encumbrances should include any limitations on the potential availability of this Background IP to be licensed for commercial use by the Industry Party after the Project has finished.

¹⁵ Care should be taken when identifying which of the Background IP is "Significant Background", as this may influence the potential routes available for industry to access any new IP that arises in the project and is based on this IP. Both Parties should review the list to ensure that they agree with the proposed designations.

IP. The Parties shall also agree whether that Background IP is Significant Background. The introduction of any such Background IP shall be subject to the prior written approval of the other Party (such approval shall not be unreasonably withheld or delayed).

- (c) The RPO shall maintain a register of Background IP contributed to the Project detailing the name of the contributing Party together with details of any restrictions or encumbrances on its use specified by the contributing Party.
- (d) No Party may withdraw or make any amendments to the terms and conditions of any Background IP without the prior written approval of the other Party (such approval shall not be unreasonably withheld or delayed).

4.3 *Use of Background in the Project.* Each Party grants to the other Party and its Affiliates a royalty-free, non-exclusive licence to use, and permit its Personnel who are involved in the Project to use, its Background IP for the purposes of carrying out the Project, but for no other purpose¹⁶. Neither Party may grant any sub-licence to use the other Party's Background IP.

4.4 *Notification of results.* Each of the Parties shall notify the other promptly after identifying any experimental result that it believes is patentable or otherwise protectable, and will supply copies of those results. All other experimental results will be reported according to the reporting arrangements in the Project plan described in Schedule 1.

4.5 *Personnel.* Each Party shall ensure that all its Personnel involved in the Project:

- (a) maintain adequate and secure records, either electronically or in laboratory books, for the purpose of establishing intellectual contribution, authorship and/or inventors and invention dates;
- (b) assign any rights they may have in any Foreground IP to it in order to be able to give full effect to the provisions of this Agreement; and
- (c) otherwise comply with the obligations of that Party under this Agreement.

Either Alternative A¹⁷: Where the parties have agreed to the assignment of RPO Non-Severable Improvements to the Industry Party¹⁸.

4.6 *Foreground IP.* All right and title to, and any interest in, any and all Foreground IP shall vest and remain vested in the Industry Party. To the extent that any Foreground IP is capable of

¹⁶ This clause provides access to the Background IP for **research** use during the Project only, and does not guarantee that the IP will be available to the Industry Party later. More information about any restrictions on the availability of the Background IP for industry to license for commercial use will be laid out in the register of Background IP in Schedule 3.

¹⁷ Refer to the text in the associated KTI Practical Guide for further discussion of how to negotiate the most appropriate route for industry to gain the access that it needs to the IP.

¹⁸ Select either Alternative A or Alternative B. Delete the other alternative. Where the RPO is introducing any Significant Background IP to the Project then this is listed in Schedule 3. In many cases, it will be appropriate for the RPO to treat any Non-Severable Improvements to this RPO Significant Background IP which are created during the Project in the same way as the other Foreground IP. If this is the case, use the clauses in Alternative A. However, certain IP (for example relating to improvements in testing methodologies, rather the results arising

prospective assignment¹⁹, the RPO now assigns that Foreground IP to the Industry Party; and to the extent that any Foreground IP cannot be prospectively assigned, shall assign such Foreground IP as and when that Foreground IP is created, at the request of the Industry Party from time to time. At the request and expense of the Industry Party, the RPO shall execute such documents as may be necessary to transfer title to the Industry Party and apply for patents or other protections for such Foreground IP.

4.7 Access to RPO Background for commercial purposes.

- (a) To the extent that a licence to any RPO Background IP is legally or technically necessary in order to commercially exploit the Foreground IP²⁰, the Industry Party shall have the option during the term of the Project to negotiate and conclude a non-exclusive licence²¹ to such RPO Background IP provided that the RPO has not indicated otherwise in Schedule 3 or pursuant to Clause 4.2.
- (b) If the Industry Party wishes to exercise an Option, it shall give an Exercise Notice to the RPO prior to the completion of the Project. 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 Background IP during the Negotiation Period. If the Industry Party does not exercise its Option during the term of the Project or the Parties are unable to agree the terms of a licence agreement within the Negotiation Period and subject to either Party's right to refer the matter under Clause 11 that Option shall lapse.
- (c) Any such licence shall be on fair and reasonable²² commercial terms and subject to separate agreement²³.

4.8 *Research rights.* Notwithstanding the provisions of Clause 4.6 the RPO shall have a non-exclusive, irrevocable, perpetual, royalty free right to utilise the Foreground IP for internal teaching and research, but for no other purpose. The RPO shall also have the right to request a non-exclusive, irrevocable, perpetual, royalty free right to utilise the Foreground IP for external research with specified third parties, to be considered by the Industry Party on a case-by-case basis. The Industry Party will give due consideration to such requests. The rights of the RPO

from the use of the test) may need to be retained by the RPO, and treated in the same way as the RPO Background IP. If this is the case, use the clauses in Alternative B. See the text in the associated KTI Practical Guide for further discussion of these alternatives.

¹⁹ In practical terms, prospective assignment only applies to IP in the form of copyright. Any patentable IP will need to be assigned formally with separate documentation.

²⁰ Many industry collaborators will wish to understand before they begin the research collaboration what potential costs they may face if the research is successfully commercialised. It may therefore be appropriate to agree Heads of Terms for this licence to RPO Background IP at the start of the collaboration.

²¹ This non-exclusive licence will usually bear a cost. Under exceptional circumstances, an exclusive licence may be negotiated instead.

²² For more information on the factors that may be considered when determining if terms are fair and reasonable, refer to the text in the associated KTI Practical Guide.

²³ Suitable model licence agreements may be found on the KTI website.

under this Clause 4.8 are subject to the confidentiality restrictions in Clause 5 and the rules on publication in Clause 6.

End of Alternative A

OR Alternative B: Where RPO Non-Severable Improvements are to be retained by the RPO²⁴.

- 4.9 *Foreground IP*. All right and title to, and any interest in, any Industry Foreground IP shall vest and remain vested in the Industry Party. To the extent that any Industry Foreground IP is capable of prospective assignment²⁵, the RPO now assigns that Industry Foreground IP to the Industry Party; and to the extent that any Industry Foreground IP cannot be prospectively assigned, shall assign such Industry Foreground IP as and when that Foreground IP is created, at the request of the Industry Party from time to time. At the request and expense of the Industry Party, the RPO shall execute such documents as may be necessary to transfer title to the Industry Party and apply for patents or other protections for such Industry Foreground IP.
- 4.10 *RPO Non-Severable Improvements*. All right and title to, and any interest in, any and all RPO Non-Severable Improvements shall vest and remain vested in the RPO. To the extent that any RPO Non-Severable Improvement is capable of prospective assignment, the Industry Party now assigns that RPO Non-Severable Improvement to the RPO; and to the extent that any RPO Non-Severable Improvement cannot be prospectively assigned, shall assign such RPO Non-Severable Improvement as and when that RPO Non-Severable Improvement is created, at the request of owning Party from time to time. At the request and expense of the RPO, the Industry shall execute such documents as may be necessary to transfer title to and apply for patents or other protections for such RPO Non-Severable Improvements.
- 4.11 *Access to RPO Background and RPO Non-Severable Improvements for commercial purposes²⁶*.
- (a) To the extent that a licence to any RPO Background IP or RPO Non-Severable Improvements is legally or technically necessary in order to commercially exploit the Foreground IP, the Industry Party shall have the option during the term of the Project to negotiate and conclude a non-exclusive licence²⁷ to such RPO Background IP and/or RPO

²⁴ Select either Alternative A or Alternative B. Delete the other alternative. Where the RPO is introducing any Significant Background IP to the Project then this is listed in Schedule 3. In many cases, it will be appropriate for the RPO to treat any Non-Severable Improvements to this RPO Significant Background IP which are created during the Project in the same way as the other Foreground IP. If this is the case, use the clauses in Alternative A. However, certain IP (for example relating to improvements in testing methodologies, rather the results arising from the use of the test) may need to be retained by the RPO, and treated in the same way as the RPO Background IP. If this is the case, use the clauses in Alternative B. See the text in the associated KTI Practical Guide for further discussion of these alternatives.

²⁵ In practical terms, prospective assignment only applies to IP in the form of copyright. Any patentable IP will need to be assigned formally with separate documentation.

²⁶ Many industry collaborators will wish to understand before they begin the research collaboration what potential costs they may face if the research is successfully commercialised. It may therefore be appropriate to agree Heads of Terms for this licence to RPO Background IP at the start of the collaboration.

²⁷ This non-exclusive licence will usually bear a cost. Under exceptional circumstances, an exclusive licence may be negotiated instead.

Non-Severable Improvements provided that the RPO has not indicated otherwise in Schedule 3 or pursuant to Clause 4.2.

- (b) If the Industry Party wishes to exercise an Option, it shall give an Exercise Notice to the RPO prior to the completion of the Project. 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 Background IP and RPO Non-Severable Improvements during the Negotiation Period. If the Industry Party does not exercise its Option during the term of the Project or the Parties are unable to agree the terms of a licence agreement within the Negotiation Period and subject to either Party's right to refer the matter under Clause 11 that Option shall lapse.
- (c) Any such licence shall be on fair and reasonable²⁸ commercial terms and subject to separate agreement²⁹.

4.12 *Research rights.* Notwithstanding the provisions of Clause 4.9 the RPO shall have a non-exclusive, irrevocable, perpetual, royalty free right to utilise the Industry Foreground IP for internal teaching and research, but for no other purpose. The RPO shall also have the right to request a non-exclusive, irrevocable, perpetual, royalty free right to utilise the Industry Foreground IP for external research with specified third parties, to be considered by the Industry Party on a case-by-case basis. The Industry Party will give due consideration to such requests. The rights of the RPO under this Clause 4.12 are subject to the confidentiality restrictions in Clause 5 and the rules on publication in Clause 6.

End of Alternative B

5. Confidentiality³⁰

5.1 *Confidentiality obligations.* Each Receiving Party undertakes:

- (a) to maintain as secret and confidential all Confidential Information obtained directly or indirectly from the Disclosing Party in the course of or in anticipation of this Agreement and to respect the Disclosing Party's rights therein;

²⁸ For more information on the factors that may be considered when determining if terms are fair and reasonable, refer to the text in the associated KTI Practical Guide.

²⁹ Suitable model licence agreements may be found on the KTI website.

³⁰ Some industry partners, especially in the ICT field, may request the addition of a "Residual information" provision to the confidentiality clauses. If this addition is agreed, then suitable wording may be:

"Residual information. Provided that the Receiving Party and its Affiliates do not disclose such Confidential Information and, without implying or granting any licence under any patent and copyright of the Disclosing Party and its Affiliates, the Receiving Party and its Affiliates shall not be in breach of their obligations under this Section 5 in the event of any use of any idea, concept, know-how or technique contained in the Disclosing Party's Confidential Information (provided, for the avoidance of doubt, such idea, concept, know-how or technique does not itself constitute Confidential Information of the Disclosing Party) and unintentionally retained in the unaided memories of any employee of the Receiving Party and its Affiliates who has had legitimate access to the Confidential Information. The foregoing does not permit intentional memorisation of information for the sole purpose of evading obligations contained in this Agreement. The Receiving Party agrees to instruct its Personnel

- (b) to use such Confidential Information only for the purposes of this Agreement;
- (c) to disclose such Confidential Information only to those of its Personnel, professional advisers, Affiliates and sub-licensees pursuant to this Agreement (if any) to whom and to the extent that such disclosure is reasonably necessary for the purposes of this Agreement; and
- (d) to ensure that all those to whom disclosure of or access to such Confidential Information has been given, including its Personnel, professional advisers, Affiliates and sub-licensees, comply with the provisions of this Agreement, and the Receiving Party shall be liable to the Disclosing Party for any breach of this Agreement by any of the foregoing.

5.2 *Exceptions to obligations.* The provisions of Clause 5.1 shall not apply to Confidential Information which the Receiving Party can demonstrate by reasonable, written evidence:

- (a) was, prior to its receipt by the Receiving Party from the Disclosing Party, in the possession of the Receiving Party and at its free disposal; or
- (b) is subsequently disclosed to the Receiving Party without any obligations of confidence by a third party who has not derived it directly or indirectly from the Disclosing Party; or
- (c) is independently developed by the Receiving Party by individuals who have not had any direct or indirect access to the Disclosing Party's Confidential Information; or
- (d) is or becomes generally available to the public through no act or default of the Receiving Party or its agents, Personnel, or Affiliates.

5.3 *Disclosure in accordance with legal obligations.* To the extent that the Receiving Party is required to disclose any of the Disclosing Party's Confidential Information by order of a court or other public body that has jurisdiction over it or under other statutory or regulatory obligations it may do so, provided that, before making such a disclosure the Receiving Party shall, unless it is prohibited from so doing by law:

- (a) inform the Disclosing Party of the proposed disclosure as soon as possible, in any event, no later than five (5) business days after becoming aware of the proposed disclosure; and
- (b) cooperate with the Disclosing Party's reasonable, lawful efforts to resist, limit or delay such disclosure (at the cost and expense of the Disclosing Party).

Disclosure of any Confidential Information pursuant to any such order or requirement shall not be deemed to render it non-confidential and the Receiving Party's obligations with respect to such Confidential Information shall not be changed or lessened by virtue of any such disclosure, unless such disclosure results in one or more of the exceptions listed in Clause 5.2 above applying to that Confidential Information.

5.4 *Freedom of Information Act.* The Industry Party acknowledges and agrees that the RPO is subject to FOIA and the codes of practice issued under FOIA as may be amended, updated or replaced from time to time. The Industry Party agrees that all requests under FOIA relating to this Agreement and any other relevant records will be processed by the RPO under the terms of FOIA.

and those of its Affiliates to not intentionally memorise the information for the sole purpose of evading obligations contained in this Agreement.”

The RPO and the Industry Party shall communicate and cooperate in relation to the processing of any requests under FOIA.

- 5.5 *Notice of breach.* Each Party shall give notice to each of the other Party of any unauthorised use, disclosure, theft or other loss of that other Party's Confidential Information as soon as is practicable after becoming aware of it.
- 5.6 *Duration of obligations.* The obligations of confidentiality and non-use set out in this Clause 5 shall survive termination of this Agreement for any reason for a period of [five (5)]³¹ years from the date of termination.

6. Publication

- 6.1 *Prior consultation.* Each Publishing Party shall submit its proposed publication in writing to the Reviewing Party at least 30 days before submitting it for publication.
- 6.2 *Delay for protection of IP.* If the Reviewing Party believes that delay is needed in order to seek patent or similar protection for any of the Reviewing Party's Background IP or any Foreground IP, the Reviewing Party may by giving written notice to the Publishing Party require the Publishing Party to delay the proposed publication for a maximum of ninety (90) days or other such time as both Parties may agree, or until any affected IP is protected, whichever is the sooner.
- 6.3 *Removal of Confidential Information.* All Foreground IP shall be treated as Confidential Information belonging to the Industry Party³². The Reviewing Party may by giving written notice to the Publishing Party require the removal of any of the Reviewing Party's Confidential Information from the publication.
- 6.4 *Assumed permission.* If the Publishing Party does not receive a written objection from the Reviewing Party within 30 days of submission of notification of publication then permission to publish shall be deemed to have been given³³.

7. Notification to Irish Government-related Bodies

- 7.1 *Reporting obligations.* The Industry Party acknowledges that as a publicly funded organisation, the RPO may be obliged to report on its activities, including those relating to research to Government-related Bodies.
- 7.2 *Provision of information.* The Industry Party hereby consents to information relating to the Project being reported to Government-related Bodies providing that any such information shall be kept to the minimum required and shall, except for the name of the Industry Party, the amount of the Industry Contribution, and a non-confidential project title, be marked "confidential" to the extent it comprises Confidential Information.

³¹ The appropriate timescale for the confidentiality obligations will vary depending on the nature of the project, the time needed for further development before commercialisation, the type of IP and whether any licences to Foreground IP will include licences to Know-How. Refer to the text in the associated KTI Practical Guide for further information.

³² The impact of this sentence is that the RPO will be unable to use or publish the results without the permission of the Industry Party for as long as the confidentiality obligations remain in force.

³³ It is good practice to maintain communication with the other party and to ensure that the relevant project manager has acknowledged receipt of the notification, rather than to rely on this Assumed permission clause.

8. Warranties and Undertakings

- 8.1 *No implied warranties, etc.* Each Party acknowledges that, in entering into this Agreement, it does not do so in reliance on any representation, warranty or other provision except as expressly provided in this Agreement, and any conditions, warranties or other terms implied by statute or common law are excluded from this Agreement to the fullest extent permitted by law.
- 8.2 *Entitlement to enter the contract.* Each Party warrants to the other that it has full power and authority under its constitution and has taken all necessary actions and obtained all authorisations, licences, consents and approvals, to allow it to enter into this Agreement.
- 8.3 *Performance of the Project.* Each Party shall carry out the research and tasks which it is specified to perform in the project plan set out in Schedule 1, and provide the human resources, materials, facilities and equipment that are designated to be provided by in the project plan, in each case in a timely manner, in accordance with good accepted research practice and all applicable laws, and with due regard for the health and safety of those involved in the Project.
- 8.4 *Use of results or outcome.* Each Party shall be responsible for the use to which it puts any technology, product, process, method, discovery, software, information, material or data developed during the course of or otherwise arising from the Project.
- 8.5 *No other warranties.* Each Party acknowledges that this Agreement provides for the performance of research and that specific results cannot be guaranteed. Neither Party warrants or undertakes that any result or outcome, whether stated in this Agreement or not, shall be achieved, be achievable or be attained at all or by a given Completion Date or any other date, nor does either Party give any warranty that the content or use of any results, Intellectual Property, reports, information or other materials provided in connection with this Agreement will not constitute or result in any infringement of third-party rights.

9. Liability and insurance³⁴

- 9.1 *Liability of the Parties.*
- (a) To the extent that either Party has any liability to the other Party in contract, tort (including negligence), or otherwise under or in connection with this Agreement, including any liability for breach of warranty, that Party's liability shall be limited in accordance with the following provisions of this Clause 9.1.
- (b) Except as provided in Clauses 9.1(c) and 9.1(e), the aggregate liability of each Party to the other Party shall be limited to a sum equal to the total Industry Contribution to the Project under this Agreement³⁵.

³⁴ In some types of agreement, this section will also refer to indemnities. These are often contentious, and slow down the process of negotiation, and are very rarely directly relevant in a research situation. They have therefore been deliberately omitted from this model agreement, as they will be addressed instead in any licence or assignment agreement that is put in place to allow access to the IP.

³⁵ The limits suggested in clauses 9.1(b) and 9.1(c) are suitable for many standard projects, but the limits chosen should be considered on a project-by-project basis, and should represent a reasonable level of limitation taking into consideration an assessment of the risks and the level of potential damages that could be caused. These limits may need further consideration in specific circumstances, for example if the project involves hazardous

- (c) The aggregate liability of each Party to the other Party in the case of breach of confidentiality, wilful default or negligence (not leading to death or personal injury) shall be limited to a sum equal to three (3) times the total Industry Contribution to the Project under this Agreement.
- (d) In no circumstances shall either Party be liable for any loss, damage, costs or expenses of any nature whatsoever incurred or suffered by the other Party or its Affiliates that is (i) of an indirect, special or consequential nature; or (ii) any loss of profits, revenue, business opportunity or goodwill.
- (e) Nothing in this Agreement excludes or limits any Party's liability for death or personal injury caused by that Party's negligence, for fraud or fraudulent misrepresentation or for any other liability to the extent it cannot be excluded or limited under applicable law.

9.2 *Insurance.* Each Party shall effect and maintain in force all necessary insurance coverage for the performance of its respective obligations under this Agreement, including as a minimum:

- (a) Employer's liability insurance for any one claim in the amount of €13,000,000; and
- (b) Public liability insurance for any one claim in the amount of €6,500,000; and
- (c) If the Party is providing relevant professional advice under the Project, Professional indemnity insurance in the amount of [●]³⁶.

10. Termination³⁷

10.1 *Early termination.* Without prejudice to any other rights or remedies, a Party may terminate this Agreement, at any time, on written notice to the Notice Party:

- (a) 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; or
- (b) if: (i) the Notice 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 the Notice 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 the Notice Party's assets or business; (iv) the Notice Party makes any composition with its creditors; (v) the Notice Party ceases to continue its business; or

materials, untested chemicals, animal studies, or clinical studies. Refer to the text in the associated KTI Practical Guide for further details.

³⁶ The level of insurance should relate to the level of a potential claim if a mistake is made in the provision of the advice. Professional advice (excluding any usual input into the development of the research project) would not be expected to be provided by an RPO under a Collaborative Research project and, if this is anticipated, should be given under a separate Consultancy Agreement.

³⁷ See the text in the associated KTI Practical Guide for information about other termination events that may be relevant in specific circumstances, or termination by mutual agreement in other circumstances.

(vi) as a result of debt and/or maladministration the Notice Party takes or suffers any similar or analogous action.

10.2 *Consequences of termination.* On termination of this Agreement for any reason except for material breach by the RPO, the Industry Party shall pay to the RPO:

- (a) any payment which was due to the RPO prior to the date of termination but which was not paid prior to termination; and
- (b) a proportion of the next payment (if any) falling due after the date of termination reflecting the RPO work prior to the date of termination and any non-cancellable commitments entered into by the RPO [including a proportionate contribution to any redundancy costs that the RPO may incur as a direct result of the termination this Agreement with respect to personnel employed for the purposes of the Project and funded from the Industry Contribution]³⁸.

10.3 *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 will 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. Without prejudice to the generality of this clause, the termination or expiration of this Agreement will not affect Clauses 4, 5, 6, 7, 9, 11 and, to the extent applicable, 12 which shall survive the expiration and/or termination of this Agreement.

11. Dispute Resolution

11.1 *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 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.

11.2 *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.

11.3 *Injunctive relief.* For the avoidance of doubt, however, nothing in this Clause 11 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.

12. General

12.1 *Force majeure.*

- (a) Neither Party shall have any liability or be deemed to be in breach of this Agreement for any delays or failures in performance of this Agreement (except payment obligations) that result from any Event of Force Majeure. The Party affected by an Event of Force Majeure shall promptly notify the other Party in writing when such circumstances cause a delay or failure in performance and when they cease to do so.

³⁸ Inclusion of the part of the clause relating to redundancy costs is only needed if the anticipated length of the Project will be more than 2 years.

- (b) If a Party is prevented from performing a material obligation under this Agreement by any Event of Force Majeure for a continuous period of 90 days or more, then the other Party shall be entitled to terminate this Agreement with immediate effect by giving notice in writing. Neither Party shall be liable to the other for such termination.
- 12.2 *Amendments.* This Agreement may only be amended in writing signed by duly authorised representatives of the Parties.
- 12.3 *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.
- 12.4 *Sub-contracting.* The RPO may not sub-contract any part of the Project except with the written authorisation of the Industry Party. Where such authorisation is given the RPO shall be responsible for the work of any sub-contractor and for such sub-contractor's compliance with the provisions of this Agreement.
- 12.5 *Assignment.* Neither Party may assign, mortgage, charge or otherwise transfer any or all of its rights and obligations under this Agreement except to its Affiliates without the prior written agreement of the other Party.
- 12.6 *Standard form documents.* The Parties recognise that printed form purchase orders, invoices and other commonly used form documents relating to the performance of any obligations under this Agreement may contain terms which conflict with one or more terms of this Agreement. In case of any such conflict, the relevant terms of this Agreement shall prevail.
- 12.7 *Entire agreement.* This Agreement, including its Schedules, sets out the entire agreement between the Parties relating to its subject matter and supersedes all prior oral or written agreements, arrangements or understandings between them relating to such subject matter.
- 12.8 *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.
- 12.9 *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.
- 12.10 *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.

12.11 *Costs.* Each Party shall pay its own costs in connection with or incidental to the preparation, negotiation and execution of this Agreement.

12.12 *Export and Import Control.*

- (a) Any Party making available Restricted Materials for use in connection with the Project shall inform the other Party if Export Control Rules apply to the other Party's use of the Restricted Materials.
- (b) Subject to the foregoing, each Party shall adhere to, and reasonably assist each other with adhering to, Export Control Rules and shall not export, re-export, resell, transfer, or disclose, directly or indirectly, any Restricted Materials to any proscribed person, entity, or country, or foreign national thereof, unless properly authorised in accordance with Export Control Rules.
- (c) Any Party exporting Restricted Materials shall be solely responsible for obtaining any applicable licences and authorisations.

12.13 *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.

12.14 *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.

12.15 *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.

Agreed by the parties through their authorised signatories:

SIGNED For and on behalf of
[Insert full legal name of the RPO]³⁹

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

Signed

Signed

Name

Name

Title

Title

Date

Date

We/I not being a party to this Agreement and without intention to create legal relations acknowledge the terms of this Agreement.

RPO Principal Investigator

Signed

Name

Title

Date

³⁹ 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

Project Plan

Work scope	<i>Describe the research to be undertaken and key roles and obligations for each participant</i>
Goals	<i>The main aims of the Project</i>
Commencement Date⁴⁰	
Completion Date	
Timetable	<i>Provide an estimated timetable of activities.</i>
	<i>Milestones:</i>
Staff	<i>List who will work on the Project and who employs them, and where they will work. State if any elements of the research be subcontracted to third parties. Name the project managers for each of the parties.</i>
	<i>Are suitable contractual arrangements in place with personnel? Y/N? If not, is there a suitable recruitment plan? Y/N?</i>
Facilities	<i>List the premises, laboratory, specialist equipment and consumables that will be needed for the Project and who will supply these and who will own them. Who will insure the equipment? Will any equipment be loaned and, if so, who will insure it?</i>
Reporting requirements	<i>Describe how and how often progress will be reported amongst the parties and to research funders (as applicable)</i>
Project management	<i>Describe the project management arrangements for the Project. Who is the primary point of contact for each organisation? Will there be a steering committee? If so, what role will it have, how often will it meet?</i>
Dissemination	<i>Describe how the results of the research will be disseminated and describe any restrictions to be imposed</i>
Changes	<i>Are any alterations to the Project possible, and if so what steps are needed to make these changes</i>

⁴⁰ Insert the date on which the research agreement is to commence. This can be after the date on which the agreement is signed if appropriate, but may not be before the agreement is signed.

Schedule 2

Payment Schedule

Payment schedule (exclusive of VAT)	Date due	Amount
	[•]	€ [•]
	[•]	€ [•]
	[•]	€ [•]
	Total fees	€ [•]
In-Kind contribution by the Industry Party	Type of in-kind provision (e.g. personnel, materials, equipment)	Value
	[•]	€ [•]
	[•]	€ [•]
	[•]	€ [•]
	Total in-kind contribution	€ [•]
Total Industry Contribution		€ [•]
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.] ⁴¹	
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. ⁴²	
Payment details for RPO	Bank account name: [•] Bank account number: [•] Bank sort code: [•] Reference: [•]	

⁴¹ These are the recommended payment terms and mechanism, but may be varied by agreement of both parties.

⁴² These are the default late payment arrangements which will apply by law in the absence of alternative arrangements, but may be varied by agreement of both parties.

VAT⁴³	<p>The provision of research activities by the RPO under this contract is expected to be a taxable supply of services because full costs are paid and a benefit is conferred on the Industry Party in the form of assignment of the Intellectual Property arising.</p> <p>VAT will be chargeable on the total Industry Contribution⁴⁴ at the relevant prevailing rate.</p>
Industry VAT Number	[•]
RPO VAT Number	[•]

⁴³ This statement on VAT is not intended to provide any legal or tax advice. Parties should seek their own tax advice in relation to any tax issue or treatment which might arise as a result of performing or implementing the agreement. Tax treatment will depend in part on the parties' circumstances at the time the agreement is made and thereafter.

⁴⁴ Note that the Industry Contribution includes both cash and the value of any in-kind contributions, and both of these may attract VAT.

Schedule 3

Register of Background IP

RPO Background IP

Describe Background	List any relevant restrictions and encumbrances associated with the Background ⁴⁵	Is this "Significant Background"?
[•]	[•]	Yes / No
[•]	[•]	Yes / No

Industry Party Background IP

Describe Background	List any relevant restrictions and encumbrances associated with the Background	Is this "Significant Background"?
[•]	[•]	Yes / No
[•]	[•]	Yes / No

⁴⁵ For example, this should include any pre-existing licences to the IP, or other reasons that the Background may not be available to be licensed for commercial use after the project has ended.

Dated _____ 20[●]¹

(1) [Full legal name of the RPO]

and

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

KTI MODEL COLLABORATIVE RESEARCH AGREEMENT (PART INDUSTRY FUNDED)

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.

COLLABORATIVE RESEARCH AGREEMENT (PART INDUSTRY FUNDED)

This agreement is for use for collaborative research between an RPO and an industry partner which is funded partly by the State and partly (in cash and/or in kind, including participation in the research itself) by the industry partner

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:

- A. The Industry Party is engaged in the research and development of [•].
- B. The Industry Party wishes to collaborate with the RPO in respect of the Project and has agreed to provide the Industry Contribution in respect of the Project in each case upon the terms and subject to the conditions of this Agreement.
- C. Grant co-funding for the Project has been obtained from the State Research Funding Organisation.

The Parties agree as follows:

1. 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.

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 ³ 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.

Background IP	Any Intellectual Property in the same or related fields to the research contemplated by this Agreement, developed, owned, licensed to or otherwise controlled by a Party prior to the Commencement Date or generated by that Party independently of the Project and, in each case, made available by that Party for use in connection with the Project in accordance with the process set out at Clause 4.2. A list of Background IP as at the date of this Agreement is set out in Schedule 3.
Commencement Date	The commencement date as set out in Schedule 1.
Completion Date	The completion date as set out in Schedule 1.
Confidential Information	<p>Any information relating to the business, affairs, technology, products or processes of a Disclosing Party that:</p> <ul style="list-style-type: none">(i) in respect of information provided in documentary form or by way of a model or in other tangible form, at the time of provision is marked or otherwise designated to show expressly or by necessary implication that it is imparted in confidence;(ii) in respect of information that is imparted orally, described by the Disclosing Party or its representatives to the Receiving Party as being confidential at the time of disclosure [and confirmed in writing, marked confidential and sent to the receiving party within [28] days of the oral disclosure];⁵(iii) is a copy of any of the foregoing; or(iv) due to its character or nature, a reasonable person in a like position to the Receiving Party and under like circumstances would consider confidential.
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.
Disclosing Party	The Party disclosing Confidential Information to the other Party in connection with the Project.
Event of Force Majeure	Circumstances beyond the reasonable control of any Party, including labour disputes involving that Party, which may lead to a delay or failure of performance of obligations under this Agreement.
Evaluation Exercise	The process of evaluating the Foreground IP, including the carrying out of investigations, development and experimental work, for the purposes of assessing the commercial potential of the Foreground IP under the terms of clause 4.10.

⁵ Some parties may prefer that oral disclosures have to be followed up in writing within a particular period. However, care should be taken with this extension as it may lead to a party having no protection for oral disclosures unless good procedures are in place to follow up all discussions in writing.

Exercise Notice	Written notice from the Industry Party to the RPO that it wishes to exercise the Option.
Export Control Rules	Any export and import laws and associated embargo and economic sanction regulations, including those administered by Ireland, the EU and the United States to the extent they apply to a Party's activities under this Agreement.
Fees	The fees to be paid to the RPO by the Industry Party as set out in Schedule 2.
FOIA	The Freedom of Information Act 2014, as amended, revised, modified or replaced from time to time.
Foreground IP	All Intellectual Property generated by the Parties in the performance of the Project. For the avoidance of doubt, Foreground IP shall include any Non-Severable Improvements.
Government-related Bodies⁶	Irish Government departments, agencies or State research funding organisations to which the RPO may need to report on their activities, which may include, but are not limited to: the Higher Education Authority; Enterprise Ireland (EI); Science Foundation Ireland (SFI).
Grant	The grant from the State Research Funding Organisation to the RPO for the purpose of carrying out the Project and its associated terms and conditions.
Industry Contribution	The total contribution of the Industry Party to the Project, including the Fees plus the monetary equivalent of any in-kind contributions as set out in Schedule 2.
Industry Non-Severable Improvement	Any Non-Severable Improvement to any Significant Background of the Industry Party.
Intellectual Property (IP)	All intellectual property of any description including Know-How, copyright, trade marks, database rights, design rights, patents, utility models, and applications for, and the right to apply for any of the foregoing items.
Know-How	Any unpatented technical information (including, without limitation, information relating to inventions, discoveries, concepts, methodologies, models, research, development and testing procedures, the results of experiments, tests and trials, manufacturing processes, techniques and specifications, quality control data, analyses, reports and submissions) that is not in the public domain.

⁶ There may be an obligation on the RPO to inform various government agencies or state research funding bodies about their research activities with industry. The terms under which information about this Project may be reported are described in Clause 7.

Licence Field	[•] ⁷
Licence Territory	[•] ⁸
Negotiation Period	[90] days ⁹ from and including the date of the Exercise Notice, being the period within which the parties must negotiate and conclude a licence.
Non-Severable Improvement¹⁰	IP generated by any Party in the performance of the Project where, at a minimum, the IP in question: (i) was created using Significant Background; and (ii) cannot be used without infringing the Significant Background.
Notice Party	A Party in respect of whom notice of termination is issued by the other Party pursuant to Clause 10.1.
Option	Any option to negotiate a licence to Intellectual Property (or in the case of Industry Non-Severable Improvements, an assignment) granted by the RPO to the Industry Party pursuant to Clauses 4.7 4.8, 4.10 or 4.11.
Option Period	For Foreground IP, [90] days ¹¹ from and including the date of formal notification of the creation of the Foreground IP in question. For Background IP, the term of the Project.

⁷ The inclusion of this definition assumes that any licence that is 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”.

⁸ Insert the countries to which any licence that is 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”.

⁹ Negotiations 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.

¹⁰ See the text in the associated KTI Practical Guide for further explanation of Non-Severable Improvements and Significant Background.

¹¹ 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.

Parties	The RPO and the Industry Party, and “ Party ” shall mean either of them.
Personnel	The officers, directors, employees, contractors, researchers or registered students of a Party and those of its Affiliates.
Principal Investigator	[●] ¹² , the lead researcher from the RPO for the Project.
Project	The programme of work to be carried out by the Parties as described in the project plan in Schedule 1.
Project Foreground IP	All Foreground IP arising in the Project excluding any Industry Non-Severable Improvements.
Publishing Party	Any Party intending to publish any results of the Project.
Receiving Party	The Party receiving Confidential Information from the other Party in connection with the Project.
Restricted Material	Any technical data, technology, services, products or materials that are subject to Export Control Rules.
Reviewing Party	The Party other than the Publishing Party.
RPO Non-Severable Improvement	Any Non-Severable Improvement to any Significant Background of the RPO.
Significant Background¹³	A Party's Background IP used in the Project will constitute "Significant Background" where: (i) it is the subject of a granted patent; and/or (ii) the Project substantially relies on this Party's Background IP and without it the Project would be difficult or impossible to carry out. A list of Significant Background as at the date of this Agreement is set out in Schedule 3.
State Research Funding Organisation¹⁴	[●]

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 and Schedules mean clauses of, and schedules to, this Agreement;

¹² Insert the full name and title of the Principal Investigator for the Project.

¹³ See the text in the associated KTI Practical Guide for further explanation of Significant Background and Non-Severable Improvements

¹⁴ Insert the name of the funding agency which is co-funding the Project.

- (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.*

2. Scope of the Project

- 2.1 *Project.* The Parties shall carry out the Project according to the project plan described in Schedule 1. The Project shall be carried out under the direction and supervision of the Principal Investigator. Each of the Parties shall use all reasonable endeavours to obtain all regulatory and ethical licences, consents and approvals necessary to allow it to carry out the tasks allotted to it in Schedule 1.
- 2.2 *Duration.* The Project shall be carried out from the Commencement Date until the Completion Date or until such later date as may be agreed in writing between the Parties, or until it is terminated in accordance with the terms of this Agreement.
- 2.3 *Grant*¹⁵. The Industry Party acknowledges that the RPO is bound by the terms and conditions of the Grant, and agrees to reasonably cooperate with the RPO so as to ensure that the conduct of the Project complies with the Grant and the RPO’s obligations thereunder by complying with the terms described in Schedule 4. The Industry Party further agrees to make any reasonable necessary amendments to this agreement if the terms of the Grant are altered.

3. Project costs and contributions

- 3.1 *Invoices.* The RPO shall provide the Industry Party with invoices for the Fees due to the RPO in accordance with the payment schedule set out in Schedule 2.
- 3.2 *Payment.* The Industry 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.
- 3.3 *Currency and VAT.* All amounts stated are to be paid in Euro. The Industry Contribution is exclusive of value added tax (if applicable) which, subject to the provision of a valid value added tax invoice, shall be paid by the Industry Party in addition.

¹⁵ The Grant may contain terms relating to reporting, auditing, acknowledgement during publication, etc. which need to be mirrored in this agreement. These will vary between different funding schemes. The RPO should review the terms and conditions of the Grant to ensure that the relevant provisions that may apply to the Industry Party are included in Schedule 4. It is not appropriate to bind the Industry Party to **all** the provisions of the Grant in the same way as the RPO.

4. Intellectual Property

- 4.1 *Background IP.* Each Party shall retain all right and title to, and interest in its own Background IP. Nothing in this Agreement shall affect ownership of any Background IP. No licence to use any Background IP is granted or implied by this Agreement except the rights expressly granted in this Agreement.
- 4.2 *Register of IP.*
- (a) Schedule 3 sets out a list of Background IP that the Parties have agreed to make available for the Project as at the date of this Agreement, together with details of any restrictions or encumbrances¹⁶ on the use of that Background IP and whether that Background IP is Significant Background¹⁷.
 - (b) Any Party wishing to make available Background IP for use in the Project after the date of this Agreement shall provide the other Party with a written description of the Background IP together with details of any restrictions or encumbrances on the use of that Background IP. The Parties shall also agree whether that Background IP is Significant Background. The introduction of any such Background IP shall be subject to the prior written approval of the other Party (such approval shall not be unreasonably withheld or delayed).
 - (c) The RPO shall maintain a register of Background IP contributed to the Project detailing the name of the contributing Party together with details of any restrictions or encumbrances on its use specified by the contributing Party.
 - (d) No Party may withdraw or make any amendments to the terms and conditions of any Background IP without the prior written approval of the other Party (such approval shall not be unreasonably withheld or delayed).
- 4.3 *Use of Background in the Project.* Each Party grants to the other Party and its Affiliates a royalty-free, non-exclusive licence to use, and permit its Personnel who are involved in the Project to use, its Background IP for the purposes of carrying out the Project, but for no other purpose¹⁸. Neither Party may grant any sub-licence to use the other Party's Background IP.
- 4.4 *Notification of results.* Each of the Parties shall notify the other promptly after identifying any experimental result that it believes is patentable or otherwise protectable, and will supply copies of those results. All other experimental results will be reported according to the reporting arrangements in the Project plan described in Schedule 1.
- 4.5 *Personnel.* Each Party shall ensure that all its Personnel involved in the Project:

¹⁶ The description of restrictions or encumbrances should include any limitations on the potential availability of this Background IP to be licensed for commercial use by the Industry Party after the Project has finished.

¹⁷ Care should be taken when identifying which of the Background IP is "Significant Background", as this will influence the potential routes available for industry to access any new IP that arises in the project and is based on this IP. Both Parties should review the list to ensure that they agree with the proposed designations.

¹⁸ This clause provides access to the Background IP for **research** use during the Project only, and does not guarantee that the IP will be available to the Industry Party later. More information about any restrictions on the availability of the Background IP for industry to license for commercial use will be laid out in the register of Background IP in Schedule 3.

- (a) maintain adequate and secure records, either electronically or in laboratory books, for the purpose of establishing intellectual contribution, authorship and/or inventors and invention dates;
- (b) assign any rights they may have in any Foreground IP to it in order to be able to give full effect to the provisions of this Agreement; and
- (c) otherwise comply with the obligations of that Party under this Agreement.

4.6 *Foreground IP*¹⁹. Subject to Clause 4.7, all right and title to, and any interest in, any and all Project Foreground IP shall vest and remain vested in the RPO. To the extent that any Project Foreground IP is capable of prospective assignment²⁰, the Industry Party now assigns that Project Foreground IP to the RPO; and to the extent that any Project Foreground IP cannot be prospectively assigned, shall assign such Project Foreground IP as and when that Project Foreground IP is created, at the request of the RPO from time to time. At the request and expense of the RPO, the Industry Party shall execute such documents as may be necessary to transfer title to the RPO and apply for patents or other protections for such Project Foreground IP.

4.7 *Industry Non-Severable Improvements*.

- (a) In consideration of the performance by the Industry Party of its obligations under this Agreement, the Industry Party shall have the right during the Option Period to acquire an assignment of any Industry Non-Severable Improvements at fair market rates²¹.
- (b) It is agreed that the fair market rate shall not exceed the value of the Industry Contribution made by the Industry Party at the date of the assignment to the extent that the Industry Party has not previously received a credit to the full value of that contribution and provided that this does not give rise to an unlawful state aid (within the meaning of Articles 107 to 109 of the Treaty on the Functioning of the European Union).²²

4.8 *Access rights - Option to an exclusive/non-exclusive licence*

- (a) The RPO grants to the Industry Party an exclusive option during the Option Period to elect to negotiate a licence²³ in the Licence Field in the Licence Territory to the Project Foreground IP.

¹⁹ Refer to the text in the associated KTI Practical Guide for further discussion of how to negotiate the most appropriate route for industry to gain the access that it needs to the IP.

²⁰ In practical terms, prospective assignment only applies to IP in the form of copyright. Any patentable IP will need to be assigned formally with separate documentation.

²¹ See the text in the associated KTI Practical Guide for more information on how to determine a “fair market rate”.

²² The effect of this clause is to ensure that the value of the Industry Non-Severable Improvements is not disproportionate to the amount of funding (in kind and in cash) that the Industry Party has put into the Project, which might give rise to unlawful state aid. Where the Parties are agreed that this has been considered and does not apply, then this clause allows for the assignment of these Industry Non-Severable Improvements to be considered as fully paid up by the full payment of the Industry Contribution.

²³ Choose the most appropriate type of licence, using the decision tree and notes in the associated KTI Practical Guide to guide negotiations. Suitable model licences may be found on the KTI website.

- (b) Any such licence shall:
- (i) be on fair and reasonable commercial terms²⁴;
 - (ii) be concluded by way of a separate licence²⁵; and
 - (iii) include, without limitation, terms based on the provisions of Schedule 5.

For the avoidance of doubt, the terms in Schedule 5 are provided for the purposes of developing a licence and no provision of Schedule 5 is intended to be or is legally binding on any person.

- (c) Any such licence shall be in consideration of the performance by the Industry Party of its obligations under this Agreement and subject to the Industry Contribution made by the Industry Party being in excess of the relevant minimum contribution level as set by the State Research Funding Organisation and being made in full.²⁶

4.9 **[Start of Discretionary NERF Clause²⁷ Access rights – Right to a non-exclusive royalty-free (NERF)**

- (a) At the request of the Industry Party, the RPO agrees to grant to the Industry Party on conclusion of the Project, a non-exclusive royalty free (NERF) licence in the Licence Field in the Licence Territory²⁸ to the Project Foreground IP [excluding the RPO Non-Severable Improvements²⁹].

²⁴ For more information on the factors that may be considered when determining if terms are fair and reasonable, see the text in the associated KTI Practical Guide. 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.

²⁵ Suitable model licences may be found on the KTI website.

²⁶ Where the licence is granted prior to the minimum contribution level having been made in full, the licence should provide that the licence will terminate if this minimum contribution is not made prior to the Completion Date.

²⁷ This discretionary clause should only be included in certain circumstances and with the agreement of both parties. It should be used where the Industry Party has requested it, requires a freedom to operate only and where the Industry Contribution is **significantly** higher than the minimum level stipulated by the State funder of the Project, or where granting of such a right is to the benefit of Ireland See the decision tree and notes in the associated KTI Practical Guide for more details. Delete the clause where it is not required or agreed.

²⁸ See the definitions and the text in the associated KTI Practical Guide for more information on the considerations needed to determine the Licence Field and Licence Territory. These **must** be agreed and defined in this agreement if this clause is included.

²⁹ Where the RPO is introducing any Significant Background IP to the Project then this is listed in Schedule 3. In many cases, it will be appropriate for the RPO to treat any Non-Severable Improvements to this RPO Significant Background IP which are created during the Project in the same way as the other Foreground IP. Delete this exception relating to RPO Non-Severable Improvements if this is the case. However, certain IP (for example relating to improvements in testing methodologies, rather the results arising from the use of the test) will be

- (b) Any such licence shall be delivered in a separate agreement³⁰ and concluded on completion of the Project.
- (c) Any such licence shall be granted in consideration of the performance by the Industry Party of its obligations under this Agreement and subject to the Industry Contribution paid by the Industry Party being in excess of the relevant minimum contribution level as set by the State Research Funding Organisation, and being made in full,

End of Discretionary NERF clause]

4.10 *Evaluation licence.*³¹

- (a) In consideration of the performance by the Industry Party of its obligations under this Agreement, the RPO hereby grants to the Industry Party [an exclusive][a non-exclusive] non-transferable, non-sub-licensable, royalty-free licence during the Option Period or such other period as both parties may agree to use the Project Foreground IP for the limited purpose of performing the Evaluation Exercise.
- (b) This Evaluation Exercise shall be subject to the provisions of this Agreement,
- (c) The Industry Party shall promptly disclose to the RPO the information resulting from the Evaluation Exercise.

4.11 *Access to RPO Background for commercial purposes*³². To the extent that a licence to any RPO Background IP is legally or technically necessary in order to commercially exploit the Foreground IP, the Industry Party shall have the option during the Option Period to negotiate and conclude a non-exclusive licence³³ to the RPO Background IP provided that the RPO has not indicated otherwise in Schedule 3 or pursuant to Clause 4.2. Any such licence shall be on fair and reasonable commercial terms³⁴.

4.12 *Procedure for the exercise of Options:*

retained by the RPO, and treated in the same way as the RPO Background IP. See the text in the associated KTI Practical Guide for further discussion of these alternatives.

³⁰ A suitable model NERF licence may be found on the KTI website.

³¹ This clause is included to allow the Industry Party to continue to work with the Foreground IP after the end of the project, but while the Options are still available. This will allow industry to determine the commercial potential of the outcomes of the research, for example by carrying out market testing or by trying the technology in real-world production situations.

³² Many industry collaborators will wish to understand before they begin the research collaboration what potential costs they may face if the research is successfully commercialised. It may therefore be appropriate to agree Heads of Terms for this licence to RPO Background IP at the start of the collaboration. The outline terms in Schedule 5 may be used as the basis for this discussion.

³³ This non-exclusive licence will usually bear a cost. Under exceptional circumstances, an exclusive licence may be negotiated instead.

³⁴ For more information on the factors that may be considered when determining if terms are fair and reasonable, see the text in the associated KTI Practical Guide.

- (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 applicable 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 the case of an Industry Non-Severable Improvement, an assignment) in respect of the relevant Intellectual Property 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 (in the case of an Industry Non-Severable Improvement, an assignment) within the Negotiation Period and subject to either Party's right to refer the matter under Clause 11 that Option shall lapse.
- 4.13 *Research rights*³⁵. Notwithstanding the provisions of Clause 4.7 or the grant of any exclusive licence to Project Foreground IP, the RPO shall have a non-exclusive, irrevocable, perpetual, royalty free right to utilise the Foreground IP for internal teaching and research, but for no other purpose. The rights of the RPO under this Clause 4.13 are subject to the confidentiality restrictions in Clause 5 and the rules on publication in Clause 6.
- 4.14 *IP protection*. The RPO shall consult with the Industry Party in respect of the IP protection strategy and associated costs for the Project Foreground IP, including application for patents or other protections. The RPO shall be responsible for the costs of such IP protection until the Project Foreground IP is licensed to the Industry Party, and any such licence shall include terms that relate to ongoing IP costs and/or the reimbursement of [a contribution to]³⁶ the previous direct costs of this IP protection.
- 4.15 *Step-in rights*³⁷. If the RPO chooses not to file, prosecute or maintain any IP protection for the Foreground IP, the RPO shall give the Industry Party notice within a reasonable period prior to the potential loss of rights, and if the Industry Party so requests, the RPO shall (at the cost and expense of the Industry Party) prepare, file, prosecute and maintain such IP protection as the Industry Party sees fit.
- 4.16 *State Aid*. The grant of any assignment of, or licence to, Intellectual Property pursuant to Clauses 4.7, 4.8, [4.9] or 4.11 is subject to compliance with EU state aid rules and the Parties shall use all reasonable endeavours to ensure that the terms of any such assignment or licence do not give rise to unlawful state aid.

5. Confidentiality³⁸

5.1 *Confidentiality obligations*. Each Receiving Party undertakes:

³⁵ See the text in the associated KTI Practical Guide for further information about wider research rights which would be retained by the RPO in different access situations.

³⁶ If an exclusive licence is anticipated, then use the full costs option, if a non-exclusive licence is anticipated, then use the contribution to the costs option

³⁷ This clause ensures that the Industry Party is able to benefit from the IP protection that it considers necessary to commercialise the outcomes of the research even if the RPO is unable to pay for this protection. These rights should remain in the name of the RPO in order to comply with the provisions of the national IP Protocol.

³⁸ Some industry partners, especially in the ICT field, may request the addition of a "Residual information" provision to the confidentiality clauses. If this addition is agreed, then suitable wording may be:

- (a) to maintain as secret and confidential all Confidential Information obtained directly or indirectly from the Disclosing Party in the course of or in anticipation of this Agreement and to respect the Disclosing Party's rights therein;
- (b) to use such Confidential Information only for the purposes of this Agreement;
- (c) to disclose such Confidential Information only to those of its Personnel, professional advisers, Affiliates and sub-licensees pursuant to this Agreement (if any) to whom and to the extent that such disclosure is reasonably necessary for the purposes of this Agreement; and
- (d) to ensure that all those to whom disclosure of or access to such Confidential Information has been given, including its Personnel, professional advisers, Affiliates and sub-licensees, comply with the provisions of this Agreement, and the Receiving Party shall be liable to the Disclosing Party for any breach of this Agreement by any of the foregoing.

5.2 *Exceptions to obligations.* The provisions of Clause 5.1 shall not apply to Confidential Information which the Receiving Party can demonstrate by reasonable, written evidence:

- (a) was, prior to its receipt by the Receiving Party from the Disclosing Party, in the possession of the Receiving Party and at its free disposal; or
- (b) is subsequently disclosed to the Receiving Party without any obligations of confidence by a third party who has not derived it directly or indirectly from the Disclosing Party; or
- (c) is independently developed by the Receiving Party by individuals who have not had any direct or indirect access to the Disclosing Party's Confidential Information; or
- (d) is or becomes generally available to the public through no act or default of the Receiving Party or its agents, Personnel, or Affiliates.

5.3 *Disclosure in accordance with legal obligations.* To the extent that the Receiving Party is required to disclose any of the Disclosing Party's Confidential Information by order of a court or other public body that has jurisdiction over it or under other statutory or regulatory obligations it may do so, provided that, before making such a disclosure the Receiving Party shall, unless it is prohibited from so doing by law:

- (a) inform the Disclosing Party of the proposed disclosure as soon as possible, in any event, no later than five (5) business days after becoming aware of the proposed disclosure; and
- (b) cooperate with the Disclosing Party's reasonable, lawful efforts to resist, limit or delay such disclosure (at the cost and expense of the Disclosing Party).

“Residual information. Provided that the Receiving Party and its Affiliates do not disclose such Confidential Information and, without implying or granting any licence under any patent and copyright of the Disclosing Party and its Affiliates, the Receiving Party and its Affiliates shall not be in breach of their obligations under this Section 5 in the event of any use of any idea, concept, know-how or technique contained in the Disclosing Party's Confidential Information (provided, for the avoidance of doubt, such idea, concept, know-how or technique does not itself constitute Confidential Information of the Disclosing Party) and unintentionally retained in the unaided memories of any employee of the Receiving Party and its Affiliates who has had legitimate access to the Confidential Information. The foregoing does not permit intentional memorisation of information for the sole purpose of evading obligations contained in this Agreement. The Receiving Party agrees to instruct its Personnel and those of its Affiliates to not intentionally memorise the information for the sole purpose of evading obligations contained in this Agreement.”

Disclosure of any Confidential Information pursuant to any such order or requirement shall not be deemed to render it non-confidential and the Receiving Party's obligations with respect to such Confidential Information shall not be changed or lessened by virtue of any such disclosure, unless such disclosure results in one or more of the exceptions listed in Clause 5.2 above applying to that Confidential Information.

- 5.4 *Freedom of Information Act.* The Industry Party acknowledges and agrees that the RPO is subject to FOIA and the codes of practice issued under FOIA as may be amended, updated or replaced from time to time. The Industry Party agrees that all requests under FOIA relating to this Agreement and any other relevant records will be processed by the RPO under the terms of FOIA. The RPO and the Industry Party shall communicate and cooperate in relation to the processing of any requests under FOIA.
- 5.5 *Notice of breach.* Each Party shall give notice to each of the other Party of any unauthorised use, disclosure, theft or other loss of that other Party's Confidential Information as soon as is practicable after becoming aware of it.
- 5.6 *Duration of obligations.* The obligations of confidentiality and non-use set out in this Clause 4.8 shall survive termination of this Agreement for any reason for a period of [five (5)]³⁹ years from the date of termination.

6. Publication

- 6.1 *Prior consultation.* Each Publishing Party shall submit its proposed publication in writing to the Reviewing Party at least 30 days before submitting it for publication.
- 6.2 *Delay for protection of IP.* If the Reviewing Party believes that delay is needed in order to seek patent or similar protection for any of the Reviewing Party's Background IP or any Foreground IP, the Reviewing Party may by giving written notice to the Publishing Party require the Publishing Party to delay the proposed publication for a maximum of ninety (90) days or other such time as both Parties may agree, or until any affected IP is protected, whichever is the sooner.
- 6.3 *Removal of Confidential Information.* All Non-Severable Improvements shall be treated as Confidential Information belonging to the owning Party⁴⁰. The Reviewing Party may by giving written notice to the Publishing Party require the removal of any of the Reviewing Party's Confidential Information from the publication.
- 6.4 *Assumed permission.* If the Publishing Party does not receive a written objection from the Reviewing Party within 30 days of submission of notification of publication then permission to publish shall be deemed to have been given⁴¹.

³⁹ The appropriate timescale for the confidentiality obligations will vary depending on the nature of the project, the time needed for further development before commercialisation, the type of IP and whether any licences to Foreground IP will include licences to Know-How. Refer to the text in the associated KTI Practical Guide for further information.

⁴⁰ The impact of this sentence is that neither Party will be able to use or publish the results which stem directly from the other Party's Significant Background without the permission of the other Party for as long as the confidentiality obligations remain in force.

⁴¹ It is good practice to maintain communication with the other party and to ensure that the relevant project manager has acknowledged receipt of the notification, rather than to rely on this Assumed permission clause.

7. Notification to Irish Government-related Bodies

- 7.1 *Reporting obligations.* The Industry Party acknowledges that as a publicly funded organisation, the RPO may be obliged to report on its activities, including those relating to research to Government-related Bodies. In particular the RPO is required to report under the terms and conditions of the Grant and related funding to Government-related Bodies.
- 7.2 *Provision of information.* The Industry Party hereby consents to information relating to the Project being reported to Government-related Bodies providing that any such information shall be kept to the minimum required and shall, except for the name of the Industry Party, the amount of the Industry Contribution, and a non-confidential project title, be marked “confidential” to the extent it comprises Confidential Information.
- 7.3 *Reporting under the Grant.* In respect of the Grant, the Industry Party hereby consents to the information listed in Schedule 4 relating to the Project being reported to the State Research Funding Organisation.

8. Warranties and Undertakings

- 8.1 *No implied warranties, etc.* Each Party acknowledges that, in entering into this Agreement, it does not do so in reliance on any representation, warranty or other provision except as expressly provided in this Agreement, and any conditions, warranties or other terms implied by statute or common law are excluded from this Agreement to the fullest extent permitted by law.
- 8.2 *Entitlement to enter the contract.* Each Party warrants to the other that it has full power and authority under its constitution and has taken all necessary actions and obtained all authorisations, licences, consents and approvals, to allow it to enter into this Agreement.
- 8.3 *Performance of the Project.* Each Party shall carry out the research and tasks which it is specified to perform in the project plan set out in Schedule 1, and provide the human resources, materials, facilities and equipment that are designated to be provided by in the project plan, in each case in a timely manner, in accordance with good accepted research practice and all applicable laws, and with due regard for the health and safety of those involved in the Project.
- 8.4 *Use of results or outcome.* Each Party shall be responsible for the use to which it puts any technology, product, process, method, discovery, software, information, material or data developed during the course of or otherwise arising from the Project.
- 8.5 *No other warranties.* Each Party acknowledges that this Agreement provides for the performance of research and that specific results cannot be guaranteed. Neither Party warrants or undertakes that any result or outcome, whether stated in this Agreement or not, shall be achieved, be achievable or be attained at all or by a given Completion Date or any other date, nor does either Party give any warranty that the content or use of any results, Intellectual Property, reports, information or other materials provided in connection with this Agreement will not constitute or result in any infringement of third-party rights.

9. Liability and insurance⁴²

- 9.1 *Liability of the Parties.*

⁴² In some types of agreement, this section will also refer to indemnities. These are often contentious, and slow down the process of negotiation, and are very rarely directly relevant in a research situation. They have therefore

- (a) To the extent that either Party has any liability to the other Party in contract, tort (including negligence), or otherwise under or in connection with this Agreement, including any liability for breach of warranty, that Party's liability shall be limited in accordance with the following provisions of this Clause 9.1.
- (b) Except as provided in Clauses 9.1(c)(c), 9.1(d) and 9.1(e)(e), the aggregate liability of each Party to the other Party shall be limited to a sum equal to the total Industry Contribution to the Project under this Agreement⁴³.
- (c) The aggregate liability of each Party to the other Party in the case of breach of confidentiality, wilful default or negligence (not leading to death or personal injury) shall be limited to a sum equal to three (3) times the total Industry Contribution to the Project under this Agreement.
- (d) The aggregate liability of the Industry Party to the RPO in respect of any breach of any terms of the Grant to the extent that such breach arises out of or in connection with the Industry Party's breach of this Agreement or negligence shall be limited to a sum equal to the Total Project Budget (and the Parties acknowledge that losses incurred by the RPO under the Grant as a result of the Industry Party's breach of this Agreement or negligence shall constitute a direct loss arising out of or in connection with the Industry Party's breach of this Agreement or negligence).
- (e) In no circumstances shall either Party be liable for any loss, damage, costs or expenses of any nature whatsoever incurred or suffered by the other Party or its Affiliates that is (i) of an indirect, special or consequential nature; or (ii) any loss of profits, revenue, business opportunity or goodwill.
- (f) Nothing in this Agreement excludes or limits any Party's liability for death or personal injury caused by that Party's negligence, for fraud or fraudulent misrepresentation or for any other liability to the extent it cannot be excluded or limited under applicable law.

9.2 *Insurance.* Each Party shall effect and maintain in force all necessary insurance coverage for the performance of its respective obligations under this Agreement, including as a minimum:

- (a) Employer's liability insurance for any one claim in the amount of €13,000,000; and
- (b) Public liability insurance for any one claim in the amount of €6,500,000; and
- (c) If the Party is providing relevant professional advice under the Project, Professional indemnity insurance in the amount of [●]⁴⁴.

been deliberately omitted from this model agreement, as they will be addressed instead in any licence or assignment agreement that is put in place to allow access to the IP.

⁴³ The limits suggested in clauses 1.1(b), 9.1(c) and 1.1(d) are suitable for many standard projects, but the limits chosen should be considered on a project-by-project basis, and should represent a reasonable level of limitation taking into consideration an assessment of the risks and the level of potential damages that could be caused. These limits may need further consideration in specific circumstances, for example if the project involves hazardous materials, untested chemicals, animal studies, or clinical studies. Refer to the text in the associated KTI Practical Guide for further details.

⁴⁴ The level of insurance should relate to the level of a potential claim if a mistake is made in the provision of the advice. Professional advice (excluding any usual input into the development of the research project) would not

10. Termination⁴⁵

10.1 *Early termination.* Without prejudice to any other rights or remedies, a Party may terminate this Agreement, at any time, on written notice to the Notice Party:

- (a) 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; or
- (b) if: (i) the Notice 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 the Notice 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 the Notice Party's assets or business; (iv) the Notice Party makes any composition with its creditors; (v) the Notice Party ceases to continue its business; or (vi) as a result of debt and/or maladministration the Notice Party takes or suffers any similar or analogous action.

10.2 *Consequences of termination.* On termination of this Agreement for any reason except for material breach by the RPO, the Industry Party shall pay to the RPO:

- (a) any payment which was due to the RPO prior to the date of termination but which was not paid prior to termination; and
- (b) a proportion of the next payment (if any) falling due after the date of termination reflecting the RPO work prior to the date of termination and any non-cancellable commitments entered into by the RPO [including a proportionate contribution to any redundancy costs that the RPO may incur as a direct result of the termination this Agreement with respect to personnel employed for the purposes of the Project and funded from the Industry Contribution]⁴⁶.

10.3 *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 will 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. Without prejudice to the generality of this clause, the termination or expiration of this Agreement will not affect Clauses 4, 5, 6, 7, 9, 11 and, to the extent applicable, 12 which shall survive the expiration and/or termination of this Agreement.

11. Dispute Resolution

11.1 *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

be expected to be provided by an RPO under a Collaborative Research project and, if this is anticipated, should be given under a separate Consultancy Agreement.

⁴⁵ See the text in the associated KTI Practical Guide for information about other termination events that may be relevant in specific circumstances, or termination by mutual agreement in other circumstances.

⁴⁶ Inclusion of the part of the clause relating to redundancy costs is only needed if the anticipated length of the Project will be more than 2 years.

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.

11.2 *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.

11.3 *Injunctive relief.* For the avoidance of doubt, however, nothing in this Clause 11 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.

12. General

12.1 *Force majeure.*

(a) Neither Party shall have any liability or be deemed to be in breach of this Agreement for any delays or failures in performance of this Agreement (except payment obligations) that result from any Event of Force Majeure. The Party affected by an Event of Force Majeure shall promptly notify the other Party in writing when such circumstances cause a delay or failure in performance and when they cease to do so.

(b) If a Party is prevented from performing a material obligation under this Agreement by any Event of Force Majeure for a continuous period of 90 days or more, then the other Party shall be entitled to terminate this Agreement with immediate effect by giving notice in writing. Neither Party shall be liable to the other for such termination.

12.2 *Amendments.* This Agreement may only be amended in writing signed by duly authorised representatives of the Parties.

12.3 *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.

12.4 *Sub-contracting.* The RPO may not sub-contract any part of the Project except with the written authorisation of the Industry Party. Where such authorisation is given the RPO shall be responsible for the work of any sub-contractor and for such sub-contractor's compliance with the provisions of this Agreement.

12.5 *Assignment.* Neither Party may assign, mortgage, charge or otherwise transfer any or all of its rights and obligations under this Agreement except to its Affiliates without the prior written agreement of the other Party.

12.6 *Standard form documents.* The Parties recognise that printed form purchase orders, invoices and other commonly used form documents relating to the performance of any obligations under this Agreement may contain terms which conflict with one or more terms of this Agreement. In case of any such conflict, the relevant terms of this Agreement shall prevail.

12.7 *Entire agreement.* This Agreement, including its Schedules, sets out the entire agreement between the Parties relating to its subject matter and supersedes all prior oral or written agreements, arrangements or understandings between them relating to such subject matter.

12.8 *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:

- (c) if sent by hand, when delivered;
- (d) if sent by post or courier, one business day after posting.

12.9 *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.

12.10 *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.

12.11 *Costs.* Each Party shall pay its own costs in connection with or incidental to the preparation, negotiation and execution of this Agreement.

12.12 *Export and Import Control.*

- (e) Any Party making available Restricted Materials for use in connection with the Project shall inform the other Party if Export Control Rules apply to the other Party's use of the Restricted Materials.
- (f) Subject to the foregoing, each Party shall adhere to, and reasonably assist each other with adhering to, Export Control Rules and shall not export, re-export, resell, transfer, or disclose, directly or indirectly, any Restricted Materials to any proscribed person, entity, or country, or foreign national thereof, unless properly authorised in accordance with Export Control Rules.
- (g) Any Party exporting Restricted Materials shall be solely responsible for obtaining any applicable licences and authorisations.

12.13 *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.

12.14 *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.

12.15 *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.

Agreed by the parties through their authorised signatories:

SIGNED For and on behalf of
[Insert full legal name of the RPO]⁴⁷

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

Signed

Signed

Name

Name

Title

Title

Date

Date

We/I not being a party to this Agreement and without intention to create legal relations acknowledge the terms of this Agreement.

RPO Principal Investigator

Signed

Name

Title

Date

⁴⁷ 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

Project Plan

Work scope	<i>Describe the research to be undertaken and key roles and obligations for each participant</i>
Goals	<i>The main aims of the Project</i>
Commencement Date⁴⁸	
Completion Date	
Timetable	<i>Provide an estimated timetable of activities.</i>
	<i>Milestones:</i>
Staff	<i>List who will work on the Project and who employs them, and where they will work. State if any elements of the research be subcontracted to third parties. Name the project managers for each of the parties.</i>
	<i>Are suitable contractual arrangements in place with personnel? Y/N? If not, is there a suitable recruitment plan? Y/N?</i>
Facilities	<i>List the premises, laboratory, specialist equipment and consumables that will be needed for the Project and who will supply these and who will own them. Who will insure the equipment? Will any equipment be loaned and, if so, who will insure it?</i>
Reporting requirements	<i>Describe how and how often progress will be reported amongst the parties and to research funders (as applicable)</i>
Project management	<i>Describe the project management arrangements for the Project. Who is the primary point of contact for each organisation? Will there be a steering committee? If so, what role will it have, how often will it meet?</i>
Dissemination	<i>Describe how the results of the research will be disseminated and describe any restrictions to be imposed</i>
Changes	<i>Are any alterations to the Project possible, and if so what steps are needed to make these changes (including what consultation with the funder will be needed)</i>

⁴⁸ Insert the date on which the research agreement is to commence. This can be after the date on which the agreement is signed if appropriate, but may not be before the agreement is signed.

Schedule 2

Budget and Payment Schedule

Total Budget

<i>State Research Funding Organisation Contribution</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Total</i>
Direct Contribution			
Overheads @ [•]%			
Total Cash Contribution			

<i>Industry Party Contribution</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Total</i>
Direct Contribution			
Overheads @ [•]%			
VAT (if applicable)			
Total Industry Party Cash Contribution			
Type of In-kind Contribution			
• Personnel			
• Materials			
• Equipment			
• [•]			
Total Industry Party In-kind Contributions			
Total Industry Contribution			

Total Project Cash Contribution			
Total Project In-kind Contributions			
Total Project Budget			

Payment Schedule

Payment schedule (exclusive of VAT)	Date due	Amount
	[•]	€ [•]
	[•]	€ [•]
	[•]	€ [•]
	Total fees	€ [•]
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.] ⁴⁹
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. ⁵⁰
Payment details for RPO	Bank account name: [•] Bank account number: [•] Bank sort code: [•] Reference: [•]
VAT⁵¹	<p>Where the Discretionary NERF clause is included in the access rights and/or the Industry Party receives a right to take assignment of Industry Non-Severable Improvements, the total Industry Contribution⁵² may become subject to VAT at the prevailing rate.</p> <p>In any other case, the research activities carried out by the RPO under this contract will normally not be a taxable supply of services because they involve publicly funded speculative research, and there is no automatic benefit conferred on the Industry Party and VAT will not normally be chargeable on the Industry Contribution.</p>
[Industry VAT Number⁵³	[•]
[RPO VAT Number	[•]

⁴⁹ These are the recommended payment terms and mechanism, but may be varied by agreement of both parties.

⁵⁰ These are the default late payment arrangements which will apply by law in the absence of alternative arrangements, but may be varied by agreement of both parties.

⁵¹ This statement on VAT is not intended to provide any legal or tax advice. Parties should seek their own tax advice in relation to any tax issue or treatment which might arise as a result of performing or implementing the agreement. Tax treatment will depend in part on the parties' circumstances at the time the agreement is made and thereafter.

⁵² Note that the Industry Contribution includes both cash and the value of any in-kind contributions, and both of these may attract VAT.

⁵³ Delete these rows unless VAT is expected to be charged

Schedule 3

Register of Background IP

RPO Background IP

Describe Background	List any relevant restrictions and encumbrances associated with the Background ⁵⁴	Is this "Significant Background"?
[•]	[•]	Yes / No
[•]	[•]	Yes / No

Industry Party Background IP

Describe Background	List any relevant restrictions and encumbrances associated with the Background	Is this "Significant Background"?
[•]	[•]	Yes / No
[•]	[•]	Yes / No

⁵⁴ For example, this should include any pre-existing licences to the IP, or other reasons that the Background may not be available to be licensed for commercial use after the project has ended.

Schedule 4

Provisions of the Grant which are relevant to the Industry Party⁵⁵

Reporting

The Industry Party agrees that the RPO will provide the following information to Government-related Bodies according to the reporting schedule described. Unless otherwise specified, all such information will be marked “confidential”.

Information to be provided	Government-related Body	Date of reporting
[•]	[•]	
[•]	[•]	

Auditing

Acknowledgement during publication

Termination

[Other]

⁵⁵ This schedule includes any terms and conditions in the Grant which the RPO considers will require the cooperation of the Industry Party. These terms and conditions vary between funders and the headings in this schedule are typical areas only, and may not be applicable in all cases.

It is not appropriate to bind the Industry Party to **all** the provisions of the Grant in the same way as the RPO. For more information, refer to the terms, conditions and guidance for the specific funding scheme that is supporting the research Project.

Schedule 5

Indicative Term Sheet for the Licence to be negotiated under the Option

These outline terms for the licence are based on the KTI Model Non-Binding Term Sheet for Licence Agreements, which is available on the KTI website. See the KTI Practical Guide to Licence Agreements for more background information and a full term sheet.

A range of different types of licence may be available; for more information on which is appropriate in which situation see the decision tree and text in the associated KTI Practical Guide:

- Exclusive licence which may be licence restricted by field and/or by territory;
- Non-exclusive royalty-free (NERF) licence which may be restricted by field and/or territory;
- Non-exclusive cost-bearing licence which may be restricted by field and/or territory

The Parties intend that the licence agreement will contain terms based on the following principles:

Licence grant:	The RPO will grant the Industry Party [an exclusive] OR [a non-exclusive] licence to use the IP to develop, manufacture, use, and sell or otherwise supply Licensed Products (to be defined in the Licence Agreement) only in the Licence Field and in the Licence Territory.
IP:	The Foreground IP arising in the Project
Licence Field:	[Insert description of the Field].
Licence Territory:	[Insert description of the Territory].
Sub-licensing:	The Industry Party will have no right to grant sub-licences of its rights under the IP, except with the prior written consent of the RPO.
Payments:	<p>The Industry Party will pay to the RPO: [insert description of the various payments to be made, which may include e.g. initial payments and/or milestone payments and/or royalties on Net Sales and Net Receipts, etc. For example:</p> <ul style="list-style-type: none"> • An initial payment of €[●] within 30 days of signing the Licence Agreement; • A royalty of [●]% of Net Sales Value (to be defined in the Licence Agreement); and • A royalty of [●]% of Net Receipts (to be defined in the Licence Agreement).] <p>OR</p> <p>None [if a NERF has been agreed]</p>
Other payment terms:	[Insert here a description of any other main payment terms, e.g. minimum royalties, reimbursement of prior and and/or ongoing IP protection and related enforcement costs, etc.]
Commercialisation:	The Industry Party will use Diligent and Reasonable Efforts (to be defined in the licence agreement) to develop and commercially exploit Licensed Products. In addition, the Industry Party will submit annual statements to the RPO outlining (amongst other things) the activities taken and planned to bring Licensed Products to market.
Indemnities	The Industry Party shall indemnify the RPO against any losses relating to the use, manufacture, distribution, sale or supply of any products or services which incorporate the licensed IP, including claims based on product liability laws.
Start date of the licence	[●]
Duration of the licence	[●]
Other:	[Insert here any other main commercial terms for the proposed licence agreement].

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