

# WIPO Enabling Intellectual Property Environment (EIE) Project

## National Workshop 1 - IP Management & Technology Commercialization for Technology Managers of Hub & Spoke Institutions

organized by World Intellectual Property Organization (**WIPO**)  
in cooperation with  
Thailand's  
National Science & Technology Development Agency (**NSTDA**),  
Department of Intellectual Property (**DIP**)  
and with assistance of the Japan Patent Office (**JPO**)

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# EIE National Workshop I - Thailand

## Topic 21

**Introduction to Contracts and Agreements:  
Non-Disclosure Agreement (NDA), Material  
Transfer Agreement (MTA), License  
Agreements,  
Research Contracts**

# Property-based Contracts

Provide the basis for:

- R&D partnerships

- technology transfer

- extracting value from IP/bioproperty

- IP/bioproperty based business

Written or verbal (written is the standard in the IP/bioproperty world)

Embodies an agreement between two or more parties

## Property-based Contracts...continued

Defines some form of transaction

IP/bioproperty is the center piece of the agreement

They should be written clearly and made understandable to legal and non-legal readers

They should be based on common sense

Written properly, they clearly define the mutual desires and interests of the parties

# Property-based Contracts: basic elements

The Parties defined

The Background (“Whereas” clauses)

Definitions (particularly of the IP/bioproperty)

Scope of agreement

Grant of rights

Obligations of each Party

Record keeping

Legal “boilerplate”

Contact information

Signature page

# Types of Property-based Contracts in Technology Transfer

Confidentiality Agreement

(also called a Non-Disclosure Agreement)

Research or R&D Agreement

Material Transfer Agreement (“MTA”)

Option Agreement

License Agreement

Joint Venture,

Technology Development Agreement

IP/bioproperty Sale Agreement

# Confidentiality/Non-Disclosure Agreements

Allows freedom of information exchange

Defines “Confidential Information”

(can be very broad or narrow/specific)

Caution: don’t make everything

“Confidential Information”

Unilateral (“one-way”) and bilateral (“two-way”)

Defines limits to the use of the Information

Requires “Recipient” provide good care of the  
Information (i.e., no disclosure to 3<sup>rd</sup>  
parties)

# Confidentiality/Non-Disclosure Agreements

Each “Provider” retains all ownership rights in its Information

Information can also include tangible objects (e.g., a sample or prototype)

Provides for disposition of the Information at the termination of the Agreement

Duration is up to the Parties

No warranties on use of the Information

No implied license or other use beyond that expressly defined



# Confidentiality/Non-Disclosure Agreements

Recipient may be relieved of obligation if  
the Information becomes public  
through no fault of their own

Recipient may be required to divulge  
Information to a Court of Law

Penalties defined for breach of  
confidentiality

# Confidentiality/Non-Disclosure Agreements

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# Material Transfer Agreements

The “MTA” is a bailment contract

(transfer of the right to possess, not own)

Allows sharing of materials with others without losing control of possession and use

research collaborations (public & private)

testing

technology marketing

patent filings

They are a routine part of doing business

# Material Transfer Agreements

Huge variety of subject matter:

whole plants, animals, their parts (tissues)

populations of plants or animals

seeds, eggs, semen

microbial cultures

cell lines

DNA, genes, vectors

etc., etc.....

# Material Transfer Agreements

Define the “Material” precisely

Define the scope of use by the recipient (Bailee)  
testing, inventing, commercial use, other

Prohibit physical transfer to third parties

Define the disposition of Material at termination

Define ownership of “derivatives” of Material  
progeny, modifications

No warranties, no implied rights

# Option Agreements

Grant a temporary right (in IP/bioproperty) to obtain a longer-term right. For example:

the exclusive right to test and then, to license or buy

Are most useful for preliminary testing prior to entering into longer term or more significant agreements

Normally require consideration (usually \$\$) and are almost always time-limited

# License Agreements

The “heart” of technology transfer (particularly university-based)

Like rent of real estate, provide rights to use without transfer of ownership

May be exclusive or non-exclusive

Scope can range from

broad (all uses), world-wide....to

narrow (field of use), limited geography

# License Agreements: Typical Elements

The Parties defined

Background

The IP/bioproperty defined

Grant of rights

Fees and royalties

IP management and cost

Bioproperty stipulations

Recording keeping, reporting, audits

IP infringement

Term and termination



# License Agreements: Typical Elements

Warrants

Liabilities