

Guidebook of IP/Technology Transfer

Track 1

Entry-level Tech Transfer Professional

Topic 1.11.1

Confidentiality (CDA) & Non-Disclosure Agreements (NDA)

Confidentiality/Non-Disclosure Agreements

- What are they?
- What role do they play in the IP management/technology transfer process?
- When and how should the TTP use them?
- Elements of a standard Confidentiality/Non-Disclosure Agreement

Confidentiality/Non-Disclosure Agreements

What are they?

- Confidentiality Agreements
& Non-Disclosure Agreements are different names for exactly the same agreement
- They allow confidential information to be shared between a holder/owner and a recipient, without loss of confidentiality

Confidentiality/Non-Disclosure Agreements

What role do these play in the IP management/technology transfer process?

- The technology transfer process requires that information be exchanged between the creator of a new technology, and a potential implementor and some (NOT ALL) of this information must be maintained as confidential (at least for awhile)
- The Confidentiality/Non-Disclosure Agreement signed by the information provider and the recipient prior the information exchange serves this process

Confidentiality/Non-Disclosure Agreements (NDA)

When and how should the TTP use them?

- The experienced TTP knows precisely when it is essential to use an NDA – not too soon, and not too late
- The inexperienced TTP will expect an NDA before ANY discussions with potential licensee
- The inexperienced TTP will not execute an NDA prior to providing confidential information – even though it may threaten possible IP rights
- The TTP should not expect to use an NDA to exchange information that is NOT confidential, or
will not be confidential for long (will be published)

Confidentiality/Non-Disclosure Agreements (NDA)

When and how should the TTP use them?

To protect potential patent rights:

- Without a signed NDA, there must be no record of providing information of an unfiled invention to a third party, prior to filing of a patent
any such record, that predates patent filing is grounds for immediate loss of patentability
- This is the single-most important criteria for using an NDA

Confidentiality/Non-Disclosure Agreements (NDA)

When and how should the TTP use them?

To protect potential trade secret rights:

- In order to maintain the Trade Secret, an NDA must ALWAYS be in place prior to providing any portion of the information

Confidentiality/Non-Disclosure Agreements (NDA)

When and how should the TTP use them?

To protect future patent rights:

- If there is ANY expectation that a discussion might lead to a future discover or invention, an NDA should be in place prior to the discussion.
- The NDA would be structured to protect the interests of each signatory party in the case a future invention is made during, or because of, the discussion

Confidentiality/Non-Disclosure Agreements (NDA)

When and how should the TTP use them?

To allow a private sector partner to share its confidential business information with the PSRI licensor:

- It is in the interests of licensor and licensee that the PSRI licensor know about the licensee's business – in order to enter into an effective, win-win license 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 3rd
parties)

Duration of agreement needs some attention

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

Trade Secret Agreements are like
a Confidentiality Agreement
on steroids

Confidentiality/Non-Disclosure Agreements

Elements of a standard Confidentiality/Non-Disclosure Agreement

The Parties defined

MUTUAL NON- DISCLOSURE AGREEMENT

This Mutual Non-Disclosure Agreement (the "**Agreement**") is entered into as of the _____, **20XX** (hereinafter called "**the Effective Date**") between **XXXXXXXX.**, with its registered address at 898989898 Place, United States of America (hereinafter "**XXX**") and YYYYYYYY, with an address at _____ (hereinafter "**YYYYYYY**"). **XXX** and **YYYYYY** shall hereinafter collectively be referred to as "**the Parties**" and individually as "**Party**".

The Parties hereby agree that:

Whereas clauses: no legal impact, set the stage

WHEREAS, each Party holds certain financial, business, and technical information, know-how, patentable and unpatentable inventions, and trade secret information and such information is proprietary and confidential (hereinafter “Confidential Information”); and

WHEREAS, each Party wishes to share its Confidential Information with the other Party for the purpose of business collaboration; and

WHEREAS, each Party is willing to disclose its Confidential Information to the other Party on the terms and conditions set forth in this Agreement for the purpose stated above; and

NOW THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants and stipulations hereinafter set forth, the Parties hereby agree as follows:-

Definitions: the foundation of the Agreement

1. **“Confidential Information”** shall mean the information, processes, process parameters, methods, practices, fabrication techniques, technical plans, trade secrets, technology, product specifications and similar information, financial information, and all other compilations of information which relate to the use, application, manufacture or provision of any products or services, or the business of the Disclosing Party (as hereinafter defined) and which has not been disclosed by the Disclosing Party to the general public. Confidential Information shall include all information and documents marked "confidential", "proprietary" or by some similar designation and all other information and documents not so marked, but which the Receiving Party believes or reasonably should believe are confidential or proprietary information of the Disclosing Party. Wherever this Agreement requires the Receiving Party to take action with respect to Confidential Information, such provision shall refer to the Confidential Information of the Disclosing Party. All information disclosed by a Party shall be deemed to be disclosure of Confidential Information and the Parties shall not be required to take any further action to identify the information disclosed as Confidential Information.

The Purpose of the Agreement: to be made clear

Purpose.

Each Party herein has agreed to make available its Confidential Information to the other Party for the purpose of [business collaboration, technical evaluation, market assessment, etc.] (hereinafter “**Purpose**”).

Valuable Asset: the information is not taken lightly

Valuable Asset

The Receiving Party acknowledges that the Confidential Information is a valuable proprietary asset of the Disclosing Party and such information is being disclosed solely for the Purpose.

Confidentiality Obligation: steps recipient must take to maintain the information confidential

Confidentiality obligation

The Receiving Party also agrees that disclosure by the Disclosing Party of any of the Confidential Information (CI), whether written, oral, or in machine-readable form, is made in strict confidence and that the Receiving Party hereby agrees to the following obligations to maintain the CI:

- Protect as it would its own CI

- No disclosure to 3rd parties

- No printing or reproduction

- No use for inventing (PSRI's don't do this)

- No filing of patents

- No ownership transfer

- Return or destruction of all CI upon termination

No Business Relationship or License: limits the rights

No Business Relationship or License

Nothing in this Agreement shall obligate either Party to enter into a business relationship with the other Party. No right or license, either expressed or implied, under any Confidential Information or patent is granted to the Receiving Party under this Agreement.

Relief from Obligations of Confidentiality

The Receiving Party has no obligation with respect to any Confidential Information which:

is already known to the Receiving Party;

is publicly known through no wrongful act of the Receiving Party;

is disclosed to the Receiving Party by a third person not in violation of any obligation of non-disclosure owed to the Disclosing Party; or

is approved for release by written authorization of the Disclosing Party.

Term

The Parties agree that this Agreement shall last for a period of X. Said duration of this Agreement notwithstanding, the termination of this Agreement for any reason shall not affect the rights and obligations of the Parties accrued prior to the Effective Date, and more particularly shall not release the Parties from their obligations under Articles X, Y, and Z.

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Thank you