



Australian Government
Department of Education

Higher Education Research Commercialisation Intellectual Property Framework

Practical Guide



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The document must be attributed as the Higher Education Research Commercialisation Intellectual Property Framework Practical Guide.

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Foreword


The Higher Education Research Commercialisation (HERC) Intellectual Property (IP) Framework Practical Guide is a resource for those undertaking transactions between universities and industry partners.

The Practical Guide helps researchers, technology transfer and research office professionals, start-ups, SMEs, large businesses, investors and innovation intermediaries to understand the situations where the use of the HERC IP Framework is useful and describes the considerations that might apply. It also provides information to help guide those situations where there is flexibility in how the HERC IP Framework is applied and how this can be used as a starting point for drafting and discussions between collaborating parties.

The Practical Guide is based on Australian and international best practice and draws upon guidance published by a wide range of trusted publicly available resources including IP Australia, Knowledge Commercialisation Australasia, the Department of Industry, Science, Energy and Resources, and WIPO.

Disclaimer

While the information in this education and guidance material is designed to assist users through the commercialisation journey, the material produced by the Department of Education, Skills and Employment is to be used for reference purposes only. It is recommended that when engaging in university-research commercialisation or collaboration activities that independent advice is sought by both parties. Independent legal advice will help ensure that individual circumstances are considered as well as commercial sensitivities.



Additionally, it is recommended that any industry partner who is receiving the Research and Development Tax Incentive and is utilising an HERC IP Framework agreement which involves IP will require separate independent advice. Independent advice will help ensure that agreements are set up which do not conflict with tax rules that underpin eligibility for programs that are foundational to government support for business R&D and commercialisation. In particular, it is recommended that any agreement is examined to ensure it does not conflict with the ATO's expenditure 'at risk' rule or the ATO's expenditure 'on own behalf' rule.

1. Introduction

The Higher Education Research Commercialisation (HERC) Intellectual Property (IP) Framework provides a clear pathway through the complexity of universities working with industry partners.

The HERC IP Framework outlines the most common activities where universities and industry partners (the parties) work together to access research expertise and collaborate to commercialise IP, including:

1. **Collaborative research** – when the parties are working together to develop new technology solutions or solve a research problem
2. **Accessing technical (consulting) services and equipment** – when an industry partner wishes to access a technical (consulting) service using existing expertise at the university or equipment for its own research activities
3. **Licensing IP** – when a university has developed IP (either from its own research or in a research collaboration with the industry partner) and the industry partner wishes to access rights for its own internal use or commercial purposes (including selling products and services)
4. **Buying & selling IP** – when one party agrees to sell its IP to another party

The Framework also provides agreement templates for parties to consider and use as a starting point. Each template agreement is accompanied by an annotated version of the template with a plain English guide explaining the key legal terms. The agreements are government-endorsed and have been drafted through extensive consultation with Public Funded Research Agencies, Commonwealth Agencies, universities and commercial companies. They provide for a fair position for both parties.

To recognise that different projects represent different levels of complexity and risk, the Framework provides agreements in two tracks:

1. **Accelerated templates** for lower-risk transactions, which can be used with minimal negotiation
2. **Standard templates** for more complex (including multi-party), higher risk projects that are not suitable for the Accelerated templates. These provide greater flexibility to cater for different scenarios

1.1 Where should I start?

To understand the general principles behind the HERC IP Framework's approach, read about what to consider before you start, please see [Section 2: General Principles](#)



To confirm what you are trying to achieve, and which agreement(s) may be appropriate, please review the guidance on the different routes to work together in [Section 3: How do you want to work together?](#)



If you already know what type of agreement you need, please go directly to [Section 5: Individual Template Guides](#)



1.2 Do I have to use the Framework?

Use of the HERC IP Framework is presently voluntary. Further guidance on any future obligations to use the Framework and its applicability for relevant funding programs will be provided in due course.

A Glossary of Terms is provided as a reference to key terms used in the guidance.

2. General Principles

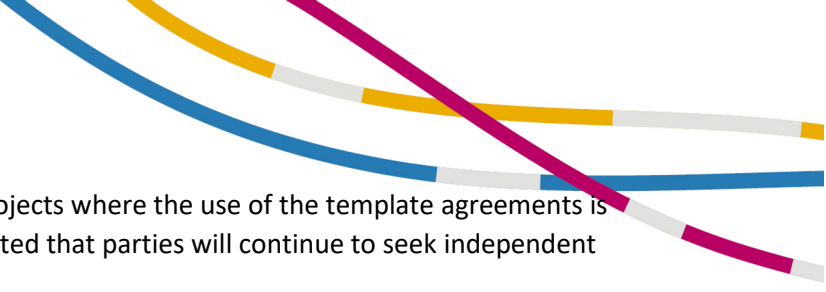
2.1 Background

The HERC IP Framework helps to reduce the complexity of research organisations and industry partners working together by providing:

1. Information and guidance to help organisations (the parties) better understand each other's positions, and reach agreement more quickly and at lower cost
2. Fixed agreements for lower-risk transactions which can help speed up transactions (Accelerated Track)
3. Templates for more complex, higher-risk transactions, which can be the starting point for the parties to reach a final agreement (Standard Track)
4. Plain English guidance documents for each of the Accelerated and Standard track template agreements that explain the key legal terms

The Framework's template agreements incorporate the following approaches:

1. The agreements are drafted to be applicable for all universities and public sector research organisations as well as Commonwealth entities and for companies
2. The agreements balance the needs of both parties (research organisation and industry partner) with respect to the protection of confidential information and IP that each party already owns or controls (Pre-existing IP)
3. IP which is generated during the project (Project IP) is owned by the party who creates it and who is best placed to manage the IP. In most cases this will be the research organisation performing the work. The exception is for the provision of technical (consulting) services where the party requesting the services would be expected to own the outputs
4. The parties are able to select templates that will give them the rights that they will need to be able to use Project IP for their future research activities. This also includes flexible rights to Pre-existing IP that may be required in order to use the Project IP. The templates help to guide the parties to a position that is balanced, so that companies and investors have a clear route to market, and research organisations can continue their academic research. The intent is to enable a fair reward to be agreed for each party's contributions
5. The agreements provide a compromise and balanced position for both parties in relation to warranties and liabilities, which are important and which can be significant points of negotiation. Parties should consider the risks of the transaction to ensure they are appropriate to the template position.
6. Templates are provided in two tracks, suitable for different types of projects and scenarios:
 - a. **Accelerated templates** for lower risk transactions, which can be used with minimal negotiation
 - b. **Standard templates** for more complex (including multi-party), higher risk projects that are not suitable for the Accelerated templates. These provide greater flexibility to cater for different scenarios



The Framework recognises that there will be projects where the use of the template agreements is not appropriate. For these situations, it is expected that parties will continue to seek independent legal advice and adopt their own agreements.

2.2 Approaches to Commercialisation

Collaborations to commercialise the outputs for academic or government research can take many different forms and may involve one or more businesses. Examples include:

- carrying out a research project together
- testing or validating a company's new technology, products or service using expertise or facilities at the university
- licensing or assigning IP developed by a research partner for a company to develop into a new product or service
- creating a new spin-out company to develop new products or services

Most commercialisation activities will need a dedicated agreement to ensure a fair, well-managed collaboration and a solid plan for moving forward.

The best commercialisation collaborations benefit all the participants and help the parties achieve their respective goals more effectively and quickly.

The HERC IP Framework builds on an understanding of the different drivers that each party has, whilst recognising that many of the key requirements are the same for both parties.

It is important that **the parties discuss their aims for the project as early as possible**. Agreements can take three to six months or more to negotiate and sign, particularly for research and licence agreements, so the earlier you engage in discussions with the other party or parties, the better.

As part of the process of planning a collaboration, it is also important that each party understands what IP they may use in the collaboration including both unregistered IP rights (e.g., confidential know-how, software) and registered IP rights (e.g., patented technologies). If you are unclear about what IP you may have and how this may be relevant to the collaboration, IP Australia (<https://www.ipaustralia.gov.au/understanding-ip>) provides guidance about the different kinds of IP, how they apply to you and how to make them work for your business.


The table below is a guide to help the parties appreciate the key requirements and areas of potential concern that the other party may have. **Discussing and understanding these will help you reach an agreement more quickly.**

For commercial organisations, particularly SMEs, that do not have any experience of working with universities, this table will help you understand the key requirements that you need to have considered prior to entering discussions with the other party.

Partner	Key Requirements	Key Areas of Potential Concern
University	<ul style="list-style-type: none"> • Clear project plan and definition of key deliverables and milestones • Freedom to carry on academic research using the outputs from the research • Rights to publish except in limited circumstances • Clarity over what IP is being contributed to the project and how new IP will be owned and managed • Clarity over commercialisation plans and the academic party's rights to share in any value created 	<ul style="list-style-type: none"> • Restrictions over future research activities • Unrealistic expectations with deliverables when undertaking research • Undefined and not controllable potential liabilities • Contributions are not fairly rewarded • The partner not taking forward the research to market
Industry Partner	<ul style="list-style-type: none"> • Clear project plan and definition of key deliverables and milestones • Rights to ensure its confidential information and/or materials is respected and protected • Clarity over what IP is being contributed to the project and how new IP will be owned and managed • Clarity over IP ownership and management • Clarity over commercialisation plans and the industry partner's right to use the outputs 	<ul style="list-style-type: none"> • Ability to monitor progress and ensure deliverables are being met • Having freedom to use the results without restrictions from unknown third-party rights • Losing control over proprietary material shared in the collaboration • Having a fair return for the investment being made in the research

Whilst planning for success, it is important to:

- Take the time to discuss the other party's drivers, concerns and goals

- 
- Be well prepared before you enter into detailed collaboration negotiations
 - Think about any risks of sharing your ideas, information and insights with others
 - Ensure that everyone understands their responsibilities and what they can expect from the collaboration
 - Understand that research is inherently risky and outcomes cannot be guaranteed
 - Consider all the risks that entering into a commercialisation arrangement may entail. The HERC IP Framework has been created to reflect legal risks and to highlight specific accounting risks. Many arrangements that may be entered into under the HERC IP Framework will also carry specific commercial risks that both parties should consider
 - Consider what will happen if the relationship does not reach its goals or if there is a change to one of the collaborators
 - Discuss how to mitigate against risks if things do not go as expected
 - Record all of the key decisions in an appropriate agreement

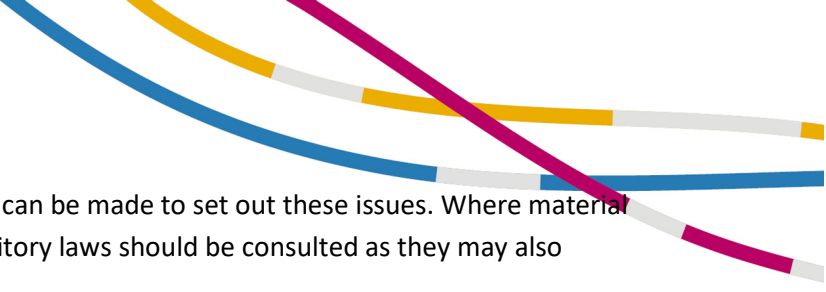
2.3 Using Indigenous Knowledge

Indigenous Knowledge is an important asset belonging to Aboriginal and Torres Strait Islander people, their communities and their organisations or businesses. Indigenous Knowledge can reflect and identify a community's history, cultural and social identity and its values. Indigenous Knowledge covers a range of knowledge and culture held and developed by Aboriginal and Torres Strait Islander peoples, including Traditional Knowledge (know-how, practices, techniques and skills), and Traditional Cultural Expressions (visual imagery, performance, design, words and names). If you are working with research based on Australian plants or animals or with other information collected or obtained from Aboriginal or Torres Strait Islander people, you may be working with Indigenous Knowledge.

The misuse of Indigenous Knowledge can be disrespectful and offensive to Indigenous people. It can undermine cultural practices and may also affect the economic opportunities available to Indigenous communities. Some Indigenous Knowledge is regarded as secret and sacred and should not be used commercially at all. Some other knowledge could be used commercially, but consent from the Traditional Owners must be sought, and protocols attaching to its use should be observed. Use of Indigenous Knowledge without proper attribution is also problematic.

Many issues concerning the use of Indigenous Knowledge can be addressed by obtaining consent from the Traditional Owners. 'Free, prior and informed consent', or FPIC, is a principle established under international human rights law. It refers to conditions where people can negotiate the terms of an action or policy which will directly affect their interests, and they have the option to give or withhold their consent. Obtaining consent before proceeding to use Indigenous Knowledge is good practice to conduct research in an ethical way and avoid causing cultural harm or offence.

When engaging in research commercialisation which could involve the use of Indigenous Knowledge or material, it is important to engage in conversation with the Traditional Owners at the beginning to receive consent as well as agreeing to how the source of Indigenous Knowledge can be attributed, and any benefits shared back (which could be financial or other benefits). Contracts can include



specially drafted terms or separate agreements can be made to set out these issues. Where material is being collected from land, relevant State/territory laws should be consulted as they may also contain procedures that need to be followed.

Relevant Sources

To find out further information about how to engage the potential commercialisation of Indigenous Knowledge or material, please visit existing government material.

CSIRO's Our Knowledge Our Way.

<https://www.csiro.au/en/research/indigenous-science/indigenous-knowledge/our-knowledge-our-way>

The Australian Institute of Aboriginal and Torres Strait Islander Studies also provides information about how to engage with Traditional Owners and obtain Free, Prior and Informed Consent through the snapshot.

Engaging with Traditional Owners

https://aiatsis.gov.au/sites/default/files/research_pub/FPIC_Snapshot_2020.pdf

General information for people who are seeking to work with Indigenous Knowledge as part of a business or within intellectual property rights can be found at IP Australia.

Indigenous Knowledge IP Hub

<https://www.ipaustralia.gov.au/indigenous-knowledge-ip-hub>

3. How do you want to work together?

If you are unclear as to which agreement is applicable for your particular circumstance, the following section of the guidance will help you navigate the IP Framework.

Early discussions with your potential partner are the key to reaching a fair agreement, as agreements can take three to six months or more to negotiate and sign, particularly for research and licence agreements. This guidance will help you understand the key considerations each party will have and help to structure those discussions.

3.1 Common Scenarios where you would use the IP Framework

Whilst not exhaustive, common scenarios where the IP Framework can guide you include:

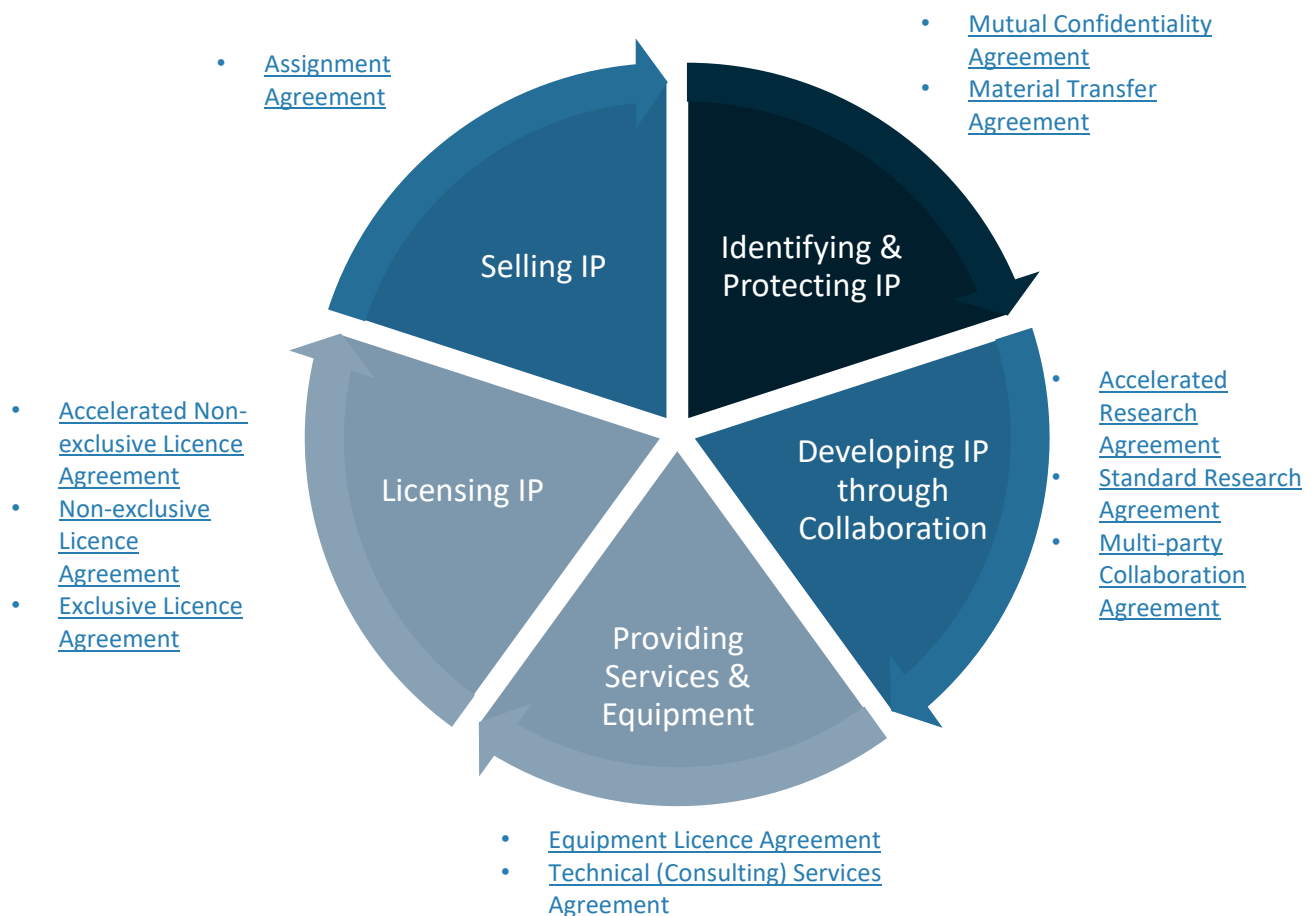
- 1. A university and a company want to do some investigative research, with both parties contributing to the plan or the work**
 - a. Commercialisation Pathway: [Developing IP through Collaboration](#)
 - b. Agreement template(s):
 - i. [Mutual Confidentiality Agreement](#) – if confidential information needs to be disclosed as part of the initial discussions to plan the proposed project
 - ii. [Accelerated Research Agreement](#) or [Standard Research Agreement](#) – the guidance will help you decide. A [Multi-party Collaboration Agreement](#) is provided for when there are more than two parties
- 2. A company wishes to use IP from a university to develop into a new product or service**
 - a. Commercialisation Pathways: [Licensing IP](#), [Selling IP](#)
 - b. Agreement template(s):
 - i. [Mutual Confidentiality Agreement](#) – if confidential information needs to be disclosed as part of the negotiations
 - ii. [Accelerated Non-Exclusive](#), [Standard Non-Exclusive](#), or [Standard Exclusive Licence Agreement](#), or [Assignment Agreement](#) – the guidance will help you decide
- 3. A company approaches a university to access expertise to help the company test a product and provide a technical report, with the work specified by the company**
 - a. Commercialisation Pathway: [Providing Services & Equipment](#)
 - b. Agreement template(s):
 - i. [Mutual Confidentiality Agreement](#) – if confidential information needs to be disclosed as part of the initial discussions to plan the work and agree a work schedule and price before entering a formal services agreement
 - ii. [Technical \(Consulting\) Services Agreement](#) – to cover each party's duties and rights associated with the delivery of the services

3.2 Commercialisation Pathway


A good starting point is to consider where you are on the commercialisation pathway and what you are trying to achieve with your partner.

The agreements provided under the HERC IP Framework are segmented to five key activities that encompass the majority of university / industry partner interactions:

- **[Identifying & Protecting IP](#)** – agreements to help you protect your confidential information in discussions with another party or to provide or access proprietary materials for your research
- **[Developing IP through Collaboration](#)** – agreements for research projects where the parties are working together to develop new technologies or solve research problems
- **[Providing Services & Equipment](#)** – agreements for companies that want to commission a technical (consulting) service or access equipment at a university
- **[Licensing IP](#)** – agreements that allow an industry partner to use IP which is owned by a university for internal use or commercialisation by the partner
- **[Selling IP](#)** – an agreement to purchase IP from a university for internal or commercial use



The journey of commercialising IP will be unique to each opportunity. The steps illustrated above do not necessarily follow in the order depicted. Opportunities can develop along their own Pathway.



Click on the links for further guidance and advice on understanding each commercialisation pathway and the key considerations when negotiating an agreement under the respective pathway with a partner.

The parties may wish to vary an agreement once a project is underway, for example, to change a research plan or extend a collaboration. A [Variation Agreement](#) is provided within the Framework for this purpose, including one specific for the Multi-party Collaboration Agreement.

3.3 Sources of further help

Still not sure where to start?

The Australian IP Toolkit for Collaboration provides additional toolkits for companies and universities planning collaborations that you may also find useful as a starting point.

Australian IP Toolkit for Collaboration

<https://www.ipaustralia.gov.au/understanding-ip/commercialise-your-ip/ip-toolkit-collaboration>

4. Individual Pathways Guidance

This section of the guide provides you with information on each of the five commercialisation pathways that the HERC IP Framework encompasses.

This information will help you understand which pathway is relevant to your needs, the important factors that you need to consider for each type of project and which template agreement is most appropriate.

4.1 Identifying & Protecting IP

Being able to recognise the IP you have and protect your IP is a critical first step on a commercialisation journey.

Within the HERC IP Framework, two Accelerated track agreements are provided to help you protect your IP in interactions with your commercialisation partner:

- **Mutual Confidentiality Agreement** – for protecting your ideas and unpublished IP in discussions with external parties. For example, to protect you in initial discussions with a potential collaborator on a research project. The agreement covers information disclosed to the external party as well as information received from that party
- **Material Transfer Agreement** – to be used when transferring proprietary materials to an external party. For example, when an industry partner wishes to test your proprietary material before setting up a collaboration, or to evaluate it in their internal research before entering into a licence

Do I need a Mutual Confidentiality Agreement?

Key actions:

- Before sharing any ideas or secrets with potential collaborators check if you need a Mutual Confidentiality Agreement (MCA) in place. An MCA is also referred to more generally as a Confidentiality Agreement (CDA) or a Non-disclosure Agreement (NDA)
- Decide what you are prepared to disclose – you may decide that some information is so sensitive that you do not want to share it even under an MCA
- Decide whether you need a one-way confidentiality agreement (covers only information you disclose but not the information you receive) or a two-way, Mutual Confidentiality Agreement (MCA), which covers both the information you disclose and the information you receive. In most circumstances both parties will be disclosing confidential information and the HERC IP Framework provides a template MCA
- An MCA may take a few days to a few weeks to negotiate and sign, depending on the complexity of the proposed discussions and the information being exchanged
- Ensure all parties sign and exchange copies of the agreement before you share your confidential information

Things to double-check:

- Ensure you know what you are prepared to disclose under the MCA
- Check that your MCA clearly defines the purposes for which the information may be used, for example to assess whether or not to collaborate
- Consider your obligations under an MCA - you are unlikely to be able to use the ideas from your partner for your own research and development
- If you already have an MCA in place, ensure that it is still in force, lasts for long enough, and covers all the relevant collaborators and the information to be shared
- Remember that an MCA is not a substitute for a full research collaboration agreement

Why is this important?

- Discussing your ideas and secrets with someone without an MCA in place, will usually mean that they are free to use this information in their business, or disclose it to someone else
- It could prevent your new inventions from being protected by IP rights later on, so others will be free to use and exploit them without your permission

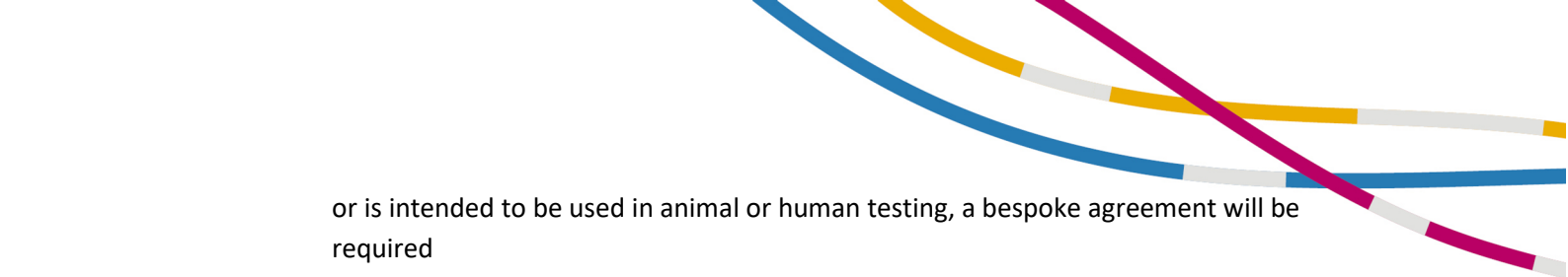
Do I need a Material Transfer Agreement?

Key actions:

- Before sharing materials with potential collaborators, check whether the material is considered proprietary and/or confidential to your organisation and if so, you will need a Material Transfer Agreement (MTA)
- Discuss and agree what the permitted use for the material is
- Identify any confidential information associated with the material that will also be transferred under the agreement, for example unpublished data sheets or methods
- Agree the delivery, handling and return instructions
- An MTA may take a few days to a few weeks to negotiate and sign depending on the complexity of the proposed material exchange and its purpose
- Ensure all parties sign and exchange copies of the agreement before you transfer the material

Things to double-check:

- Ensure you own or otherwise have the right to transfer the material for the intended use
- Check that the recipient understands what the material is and has the necessary legal permits to handle the material if there are restrictions on its storage and use. If the material is high risk and could pose significant environmental or health and safety risks,



or is intended to be used in animal or human testing, a bespoke agreement will be required

- Remember that an MTA is not a substitute for a full research collaboration agreement

Why is this important?

- Proprietary materials are valuable, and it is important that their use by another organisation is limited to permitted research activities in the absence of a commercial licence or sale agreement
- An MTA ensures that the other party understands their risks and liabilities with respect to their use of the Material

Key Considerations

A guide is provided on the individual template page to help the parties appreciate the key considerations that each party will have when completing either of the two templates. Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of each template.

Both of the templates are provided in the Accelerated track and it is expected that parties can use each template with minimal negotiation. Nevertheless, it is important to discuss and understand each party's needs and concerns as this will help you reach an agreement more quickly.

For organisations, particularly SMEs, that have not previously been asked to enter this type of agreement, the tables will help you to understand what the key provisions are, how to complete the template, and what you need to think about before signing either of these agreements.

Resources

[Mutual Confidentiality Agreement template and accompanying plain English guide](#)

[Material Transfer Agreement template and accompanying plain English guide](#)

Sources of further information

Further information on protecting IP and how this applies to different types of IP is provided by IP Australia

<https://www.ipaustralia.gov.au/understanding-ip/getting-started-ip/protecting-your-ip>

Further information on the use of Confidentiality Agreements is provided by IP Australia.

<https://www.ipaustralia.gov.au/tools-resources/ip-toolkit/researcher/contracts-and-other-resources#model>

WIPO's publication *Enterprising Ideas A Guide to Intellectual Property for Start-ups* provides useful information on how to protect and manage your IP

<https://www.wipo.int/publications/en/details.jsp?id=4545&plang=EN>

4.2 Developing IP through Collaboration

Collaborative research between universities and government organisations or industry plays a critical role in the overall innovation ecosystem. To manage these projects, the parties will need to discuss and agree a research agreement.

Within the HERC IP Framework, there are three research agreements: one in the Accelerated track, and two in the Standard track:

Accelerated Track

- **Accelerated Research Agreement** – when a university is engaged with a collaborator (either a government organisation or industry) on a fully funded or partly funded basis to undertake a low-risk research project. Further guidance on when it is appropriate to use this agreement is given below

Standard Track

- **Standard Research Agreement** – as above but additionally where the project is higher risk and not suitable for the Accelerated Research Agreement. Further guidance on how to decide whether to use an Accelerated or Standard track agreement is given below
- **Multi-party Collaboration Agreement** – for the management of multi-party collaborations (3 or more parties)


Changes to research agreements after they are signed are not uncommon (for example, if additional funding is received, or the project is extended). In these circumstances, a Variation Agreement should be used to record the agreed changes. Templates are provided, one for amending the two-party research agreements (either the Accelerated Research Agreement or the Standard Research Agreement) and one for amending the Multi-party Collaboration Agreement.

Is my project a research collaboration or is it the provision of a technical (consulting) service?

A first step is to establish if your project is a research collaboration or whether you want to procure technical (consulting) services from a university partner. This is important as the different arrangements need very different approaches to how a project is structured and managed, IP ownership and rights to use the outcomes of the work, and risks/liabilities.

A collaborative research project involves:

- both parties being involved in planning the project and in deciding on the research plan
- the university, or both parties, contributing their intellectual property (Pre-existing IP) and/or tangible materials to deliver the project
- investigative research where the end result is not known at the outset, but could lead to a new process or product or just scientific knowledge. This research may make use of only university personnel and facilities, or could also involve research at the industry partner



In contrast, the provision of technical (consulting) services involves an industry partner accessing expertise at the university, for example to help a company test their product, with the work specified by the company. The output for the work is often a written report. For further guidance, please see the [Providing Services and Equipment](#) guidance pages.

Which research agreement to use?

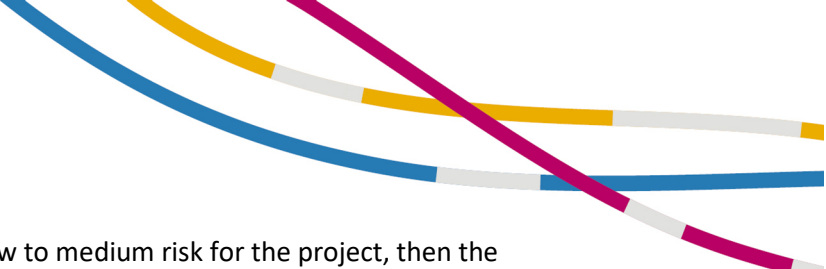
If your research project involves three or more parties, then the [Multi-party Collaboration Agreement](#) must be used.

For two party research collaborations, both the university and the industry partner should consider the following factors to decide whether to use the Accelerated or Standard Research Agreement. Independent advice or further information from the other party may be needed to make an informed judgement.

The Accelerated template is intended for lower risk transactions, and is designed to be used with minimal customisation or negotiation. The Standard template is used for more complex, higher risk projects and provides greater flexibility to cater for different scenarios.

If you cannot agree on which agreement is appropriate, the Standard Research Agreement is recommended.

- **Is the value of the activity or project less than \$250,000?** For most lower value projects, the Accelerated Research Agreement will be appropriate, and will streamline the process of negotiating and finalising an agreement, which can otherwise be costly and time consuming for both parties. However, if the risks in the project are high and/or specific risks are identified, then the Standard Research Agreement will be more suitable, for example, if:
 - the parties agree to include an indemnity
 - one party is a foreign entity
 - the project is complex (for example, in terms of the technical work being performed)
 - the proposed intellectual property arrangements are complex (for example, multiple types of intellectual property being licensed with different licensing approaches)
 - there are existing arrangements in place between the parties (for example, joint venture arrangements)
- **What has your internal risk assessment returned?** Before starting a project, each party should carry out their own risk assessment. Factors to consider include:
 - what is the potential legal exposure the project may create?
 - could this project lead to a breach of intellectual property rights, including patent or copyrights?
 - will this project involve significant physical or environmental risks?



If the internal assessment indicates a low to medium risk for the project, then the Accelerated Research Agreement would be appropriate. This risk assessment may also be used to determine an appropriate liability cap for the agreement, based on the assessed level of risk. For the Accelerated Research Agreement, the liability cap would generally not exceed \$250,000. If the proposed liability cap is higher than \$250,000, the Standard Research Agreement may be more appropriate

- **Are indemnity or warranty provisions needed?** If one or both parties require indemnity and/or warranty provisions, then it is recommended that a Standard Research Agreement is used, as this includes more comprehensive warranties and an indemnity clause that can be customised as required. The Accelerated Research Agreement only requires each party to warrant that, to the best of that party's knowledge and belief, it has the rights to vest ownership of, and grant licences to, the relevant IPR under the agreement
- **Are additional arbitration or mediation systems needed?** The Accelerated Research Agreement has a simplified dispute resolution process and does not include an internal escalation mechanism or arbitration arrangements to help to resolve disputes. If these are needed, then the Standard Agreement is recommended

When to use a Variation Agreement?

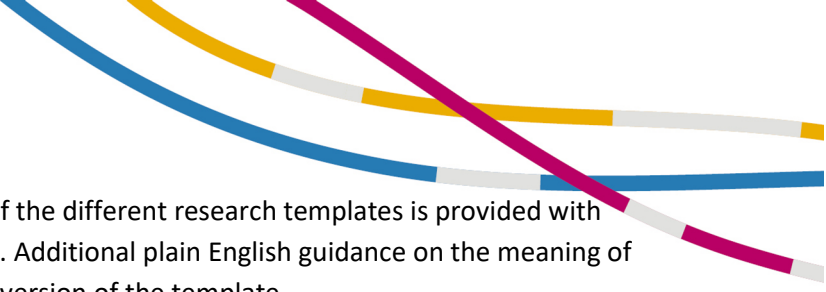
- After signing, changes to the agreement may be needed during a project (for example because research results lead to a change in the future research plans, or if the parties need to extend the project). Any changes should be agreed and recorded in a Variation Agreement that is signed by all parties. This ensures that everyone knows what has changed and has given their written consent. The exception is changes to the project plan in the Multi-party Collaboration Agreement, which can be agreed by the Governance Committee
- A Variation Agreement should not be used to change the form of the agreement – for example, to include additional rights such as a licence to IP rights or new technical (consulting) services or access to equipment. A separate, additional agreement using the appropriate template will be needed

Key Considerations

The following table is provided as a guide to help the parties appreciate the key considerations that each party will have when negotiating any collaboration agreement.

Discussing and understanding each party's needs and concerns up front will help you reach an agreement more quickly and will help you apply the applicable template to reach a fair agreement.

For organisations, particularly SMEs, that do not have any experience of collaborating with universities, this table will help you understand what key provisions of a collaborative research agreement and what you need to have considered before you start discussions with the other party.



Further information on how to complete each of the different research templates is provided with the respective guides and template agreements. Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of the template.

Resources

[Accelerated Research Agreement template and accompanying plain English guide](#) - For low value and low risk projects between two parties

[Standard Research Agreement template and accompanying plain English guide](#) - For two-party projects that are not suitable for the Accelerated Research Agreement

[Variation Agreement \(two parties\) and accompanying plain English guide](#) – For recording changes to the Accelerated or Standard Research Agreements

[Multi-party Collaboration Agreement and accompanying plain English guide](#) – For the management of multi-party collaborations

[Variation Agreement \(multi-party\) and accompanying plain English guide](#) – For recording changes to the Multi-party Collaboration Agreement

Sources of further information

IP Australia provides further guidance that you may find helpful on how to make collaborations a success and a collaboration checklist to assist in systematically considering common collaboration issues:

How IP can help make your collaboration a success

<https://www.ipaustralia.gov.au/tools-resources/ip-toolkit/researcher/successful-collaboration>

Collaboration Checklist

<https://www.ipaustralia.gov.au/tools-resources/ip-toolkit/researcher/contracts-and-other-resources#considerations>

This table sets out the key points each party needs to consider when entering a research collaboration. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties. Further guidance on how each of these points is approached in the individual research agreement templates is given with the respective template

Research Agreement Provision	University	Collaborator
Details of the Project		
<ul style="list-style-type: none"> • A clear plan for the research project describing the aims, what work will be undertaken, by whom, and the expected outcomes (including any reports) • Where milestones are included, a clear definition of what these are and what is needed to meet each milestone and the associated timelines • Who the key personnel are that will manage and deliver the project • What confidential information will be exchanged and how long this needs to be kept confidential for • The frequency for reports and meetings 	<ul style="list-style-type: none"> • Be clear and realistic in what can be achieved, when and what the expected outcomes are • Ensure that any risks and uncertainties are clearly articulated • Ensure any milestones are realistic and achievable, particularly if funding is contingent on achieving these milestones • Be clear on what information is considered confidential to each party • Ensure the collaborator is kept appropriately informed of progress and involved in all major decisions relating to the project, without this becoming over burdensome 	<ul style="list-style-type: none"> • Ensure you know what will be delivered through the project and what the risks and uncertainties are • Ensure that the funding is linked to suitable progress with the research, whilst recognising that research can be inherently risky and results are not always guaranteed • Be clear on what information is considered confidential to each party • Ensure you are kept appropriately informed of progress and involved in all major decisions relating to the project, whilst not becoming unnecessarily over burdensome to the academic party

This table sets out the key points each party needs to consider when entering a research collaboration. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties. Further guidance on how each of these points is approached in the individual research agreement templates is given with the respective template

Research Agreement Provision	University	Collaborator
<p>Project Funding</p> <ul style="list-style-type: none"> • A detailed breakdown of the funding that will be provided by the collaborator and when payments will be made, and if these payments are contingent on meeting milestones • Details of any in-kind contributions to the project 	<ul style="list-style-type: none"> • Ensure all costs and contingencies in the research are covered through the funding • Be clear on your liabilities if milestones have been agreed and a milestone is not delivered • Ensure all in-kind contributions are documented and you can deliver these 	<ul style="list-style-type: none"> • Be clear on your financial liability and when payments will be due • Ensure all in-kind contributions are documented and you can deliver these • Understand what your financial responsibilities may be if the project terminates earlier than anticipated
<p>Use of Third Party Intellectual Property Rights (IPR)</p> <ul style="list-style-type: none"> • Details of any IPR owned by third parties that will be used within the Project • The restrictions that apply to the third party IPR 	<ul style="list-style-type: none"> • Ensure the Collaborator is aware of any restrictions that might apply to the outputs from the research if you are using third party IPR, and that you are aware of any restrictions from third party IPR made available by the Collaborator 	<ul style="list-style-type: none"> • Ensure you know what restrictions might impact on your freedom to use the outcomes of the project before it starts • This is important as you may be restricted from using the results without securing additional licences to the third party IPR

This table sets out the key points each party needs to consider when entering a research collaboration. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties. Further guidance on how each of these points is approached in the individual research agreement templates is given with the respective template

Research Agreement Provision	University	Collaborator
<p>Use of Pre-existing IPR</p> <ul style="list-style-type: none"> • Details of any IPR owned by either party before the project starts (called Pre-existing IPR) that will be used in the project • Whether there are any restrictions on its use (particularly if access to this IPR will be needed to make use of the outcomes of the project) 	<ul style="list-style-type: none"> • Ensure the collaborator is aware of your Pre-existing IPR that you will be using in the Project • Ensure you do not introduce any Pre-existing IPR into the project if you are unwilling or unable to grant the Collaborator a licence for them to use the results internally. As a default, the templates grant the collaborator a free licence to use the results for defined internal purposes, and unless otherwise agreed this will include rights to Pre-existing IPR • If the collaborator is providing access to its Pre-existing IPR, be clear that you will only be able to use this for the specified project, and not for any future independent research 	<ul style="list-style-type: none"> • Ensure you know what restrictions might impact on its freedom to use the outcomes of the project and what additional licences might be needed either for internal use or for commercialisation

This table sets out the key points each party needs to consider when entering a research collaboration. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties. Further guidance on how each of these points is approached in the individual research agreement templates is given with the respective template

Research Agreement Provision	University	Collaborator
Ownership of IPR in the Project IP		
<ul style="list-style-type: none"> Who will own the results generated by the Project (defined as Project IP) How these results will be protected and who is responsible for this 	<ul style="list-style-type: none"> You should expect to retain ownership of the Project IP in collaborations where the university is providing the majority of the research and intellectual contribution to the project If the Project IP incorporates significant Pre-existing IPR owned by the industry partner and/or the industry partner has directed the research plan and the industry partner is fully funding the Project at a commercial rate, it would be reasonable for the parties to agree that the industry partner owns and protects the Project IP In multi-party collaborations, it is often preferable that one party owns the IPR in the results as this avoids complications from joint ownership Agree and document how any Project IP will be protected if formal registration (e.g., via a patent application) is expected. For example, who is responsible for filing the application(s) and who will pay the costs. Generally, the owner would expect to do this. It may be appropriate for the collaborator to contribute to the costs, especially if they have a right to negotiate commercialisation rights 	<ul style="list-style-type: none"> Be confident the Project IP will be properly managed and protected when these are owned by the university Ensure you secure all the rights you need to use the outputs of the project. This could be through the right to negotiate a commercialisation licence (if this is important to you) Ensure you secure all the rights you need to use the Project IP, either through the default right to negotiate a commercialisation licence, or through ownership of the Project IP if the circumstances indicate this is reasonable and/or the parties agree that you are better placed to manage this process Ownership of the Project IP is less important than making sure you have all the access rights you will need to use the results internally and for your business activities. This can be achieved through a licence

This table sets out the key points each party needs to consider when entering a research collaboration. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties. Further guidance on how each of these points is approached in the individual research agreement templates is given with the respective template

Research Agreement Provision	University	Collaborator
Use of the Project IP (for internal use)		
<ul style="list-style-type: none"> • If the university is the owner of the Project IP, in recognition of their contribution to the project, the collaborator will expect to be granted a non-exclusive, free licence to use the Project IP internally for activities that fall within an agreed field • It is important to define this field before starting the project. This is referred to as “the Purpose” in the templates • If the industry partner is the owner of the Project IP, the university should ensure it has the necessary rights to use this for its future research and teaching purposes 	<ul style="list-style-type: none"> • Be clear on what a suitable field of use is for the collaborator’s internal use of the Project IP. This is usually confined to their active or expected research areas • Ensure the university retains the necessary rights to use the Project IP that the industry partner owns 	<ul style="list-style-type: none"> • Ensure you have the rights you need to fully use the Project IP for your own internal uses
Use of the Project IP (for commercialisation – selling products or services)		
<ul style="list-style-type: none"> • Details of whether the collaborator has additional rights to commercialise the Project IP or not • Generally, the collaborator would expect to have a first right to negotiate a licence to 	<ul style="list-style-type: none"> • Be clear whether the collaborator will have a right to negotiate further rights to commercialise the Project IP and how this will be negotiated • If the collaborator owns the Project IP, ensure it takes adequate steps to commercialise the Project IP. This 	<ul style="list-style-type: none"> • Ensure you have a right to negotiate further commercialisation rights to the Project IP if these are likely to be needed

This table sets out the key points each party needs to consider when entering a research collaboration. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties. Further guidance on how each of these points is approached in the individual research agreement templates is given with the respective template

Research Agreement Provision	University	Collaborator
commercialise the Project IP owned by the university in addition to its licence to use the Project IP internally. This is particularly important for companies where the Project IP will form part of a commercial service or product	might include providing a business plan that lays out the steps the collaborator will take to commercialise the Project IP with timelines and the resources it will commit to support this	
<p>Liability</p> <ul style="list-style-type: none"> The financial limit of liability that each party will have arising from the project, except for those situations that are agreed to be excluded or that are specifically uncapped or cannot be limited by law It is important that the parties understand the potential liabilities that may arise from their collaboration and ensure this is limited (where they agree it is reasonable to have a cap) to acceptable levels 	<ul style="list-style-type: none"> Generally, depending on the outcome of the university's risk assessment, this should be capped at the level of funding or a multiple of the funding provided by the collaborator or might be agreed to align with the organisation's insurance limits The limit will usually be the same for both parties in a research collaboration unless it is agreed that one party is taking on a higher risk than the other 	<ul style="list-style-type: none"> Generally, depending on the outcome of the collaborator's risk assessment, this should be capped at the level of funding or a multiple of the funding provided by the collaborator or might be agreed to align with the organisation's insurance limits The limit will usually be the same for both parties unless it is agreed that one party is taking on a higher risk than the other
<p>Indemnity</p> <ul style="list-style-type: none"> An indemnity is a contractual obligation of one party to compensate the other party for any loss incurred due to the acts of the first party. Indemnities form an important 	<ul style="list-style-type: none"> Very carefully consider whether giving an indemnity to cover the industry partner's use of the results is reasonable and appropriate, particularly with respect to an indemnity for infringement of IPR 	<ul style="list-style-type: none"> For many research projects the industry partner should not insist on an indemnity from the university to cover infringement of IPR from your use of the results for the agreed purpose. This is because the outcomes of a research project are often unknown at the start and

This table sets out the key points each party needs to consider when entering a research collaboration. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties. Further guidance on how each of these points is approached in the individual research agreement templates is given with the respective template

Research Agreement Provision	University	Collaborator
<p>part of agreements where commercial rights are being granted</p> <ul style="list-style-type: none"> In collaborative research agreements, indemnities are less often appropriate since the agreement does not generally include commercialisation rights 	<ul style="list-style-type: none"> Since most research project agreements do not include a right for the industry partner to commercialise the results, an indemnity from the industry partner is generally not appropriate. This would be included in a subsequent licence agreement 	<p>therefore it is not reasonable, or sometimes even possible, to know whether the results might infringe third party rights or not</p>
<p>Dispute Resolution</p> <ul style="list-style-type: none"> It is important to have mechanisms agreed if the parties are unable to resolve any disputes amicably The template agreements include standard approaches to dispute resolution 	<ul style="list-style-type: none"> Where this is a choice in the template, select the approach that works best for both parties. Most organisations will have a preferred approach In the absence of agreement, escalation to court proceedings should be the default 	<ul style="list-style-type: none"> Where this is a choice in the template, select the approach that works best for both parties. Most organisations will have a preferred approach In the absence of agreement, escalation to court proceedings should be the default
<p>Insurance</p> <ul style="list-style-type: none"> For larger projects, the templates allow the parties to determine the levels of insurance that are appropriate for the circumstances 	<ul style="list-style-type: none"> Ensure your insurance levels meet the agreed levels A lower level of insurance, particularly for professional indemnity, may be appropriate if the company is a SME 	<ul style="list-style-type: none"> Ensure your insurance levels meet the proposed levels in the template You may need to ask for the limits to be lowered

4.3 Providing Services and Equipment

Universities have unique technical expertise and equipment that industry partners may wish to access to support their own research needs.

Buying technical (consulting) services accesses expertise that the university has already developed and does not require the university to carry out new inventive research. The services are distinct from a research collaboration where the industry partner is specifically collaborating with a university to investigate new ideas and develop new IP.

Is my project the provision of a technical (consulting) service or is it a research collaboration?

The provision of technical (consulting) services involves an industry partner accessing expertise at the university, for example, to help a company test their product with the work specified by the company. The output for the work is often a written report. This type of interaction is also sometimes referred to as contract research.

A technical (consulting) service may be provided on full commercial terms, in which case the recipient of the services would expect more guarantees in terms of the delivery of the service and would have exclusive use of the results. Technical (consulting) services can also be provided as part of a wider relationship, for example, to a spin-out company that needs to access expertise from the university during its start-up period, or to a company as a follow on to a research collaboration. In return for a more flexible fees structure, the company would still expect to own the results, but the university would expect to retain rights, such as use of the data in publications.

It is important that the parties assess and agree whether their project is the provision of a technical (consulting) service or is a collaborative research project. This is important as the different arrangements need very different approaches to how a project is structured and managed, IP ownership and rights to use the outcomes of the work, and risks/liabilities.

A collaborative research project involves:

- both parties being involved in planning the project and in deciding on the research plan
- the university, or both parties, contributing their intellectual property (Pre-existing IP) and proprietary materials to deliver the project
- investigative research where the end result is not known at the outset but could lead to a new process or product or just scientific knowledge. This research may make use of only university personnel and facilities, or could also involve research at the company partner

For further guidance on collaborative research projects and to access the respective templates, please see the [Developing IP through Collaboration](#) guidance pages.



Accessing Equipment

Industry partners or universities may wish to access equipment from the other party for use on a specific project or to test its applicability for a particular purpose. An [Equipment Licence Agreement](#) is provided for these purposes.

The [Equipment Licence Agreement](#) template is intended for use where there are low risks in relation to the equipment. Further assessment of risks should be undertaken where an improper use of the equipment poses significant environmental or health and safety risks.

Key Considerations

A guide, with a key considerations table, is provided on the individual template pages to help the parties appreciate the key considerations that each will have when completing either of the two template agreements. Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of each template.

For organisations, particularly SMEs, that have not previously been asked to enter this type of agreement, the tables will help you understand what the key provisions are and what you need to think about before entering either of these agreements with a university.

Resources

[Equipment Licence Agreement template and accompanying plain English guide](#)

[Technical \(Consulting\) Services Agreement template and accompanying plain English guide](#)

4.4 Licensing IP

What is a licence?

- An agreement under which the rights to use IP are granted by one party (the Licensor) to another (the Licensee) for the purpose of internal use (defined in the Framework as Use) and/or commercialisation (including marketing and selling products or services, defined in the Framework as Commercialisation)
- The key elements of a licence are:
 - **What is being licensed** – examples include: registered IP rights (IPR) like patents, rights to designs, copyright materials, plant breeder's rights, software
 - The nature of the licence – whether it is **non-exclusive** (others can take a licence) or **exclusive** (only the Licensee can exploit the licensed IP)
 - The **field of use** e.g., the specific business field or application that the licence covers, and the territories (countries) the licence operates in
 - Payment terms – whether the licence is **royalty-free** or **royalty-bearing**, and if payments are due, how those are structured (**up-front fee / signature fee, milestone payments and/or royalties on sales**)
 - **Diligence** – the steps the Licensee commits to take in order to maximise the demand for products or services enabled by the licensed IP
 - **Warranties and Liabilities** – provisions that cover assurance regarding ownership and other rights to the IP rights being licensed, and who is responsible for what risks that may arise as the products and/or services are commercialised

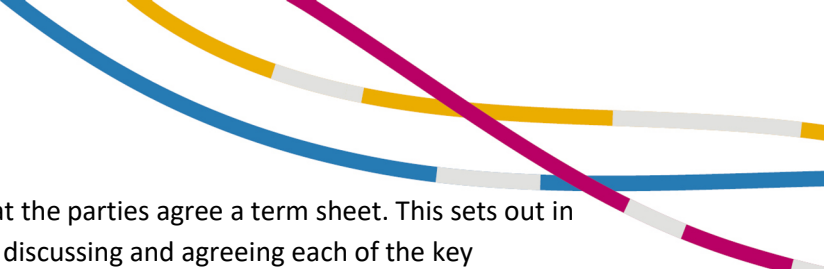
When is a licence needed?

Companies very often access IP from research organisations through licensing. This is the most common route for IP developed by research organisations to get to market.

Typical situations where a licence is negotiated by companies with a research organisation include:

1. Accessing IP independently developed by the research organisation which the company wants to access to develop new products or services
2. Accessing IP owned by the research organisation that has been developed jointly by the company and the research organisation through a collaborative research project
3. Licensing IP to a spin-out company formed by the research organisation

All forms of IP can be licensed, including registered IP rights (e.g., patents) and unregistered IP rights (e.g., confidential know-how or proprietary tangible materials).



Before drafting a licence, it is recommended that the parties agree a term sheet. This sets out in simple language the key terms of the licence by discussing and agreeing each of the key considerations outlined below.

It is also common for companies to first sign an option agreement with the research organisation. This gives the company rights to negotiate a licence in the future. An option may be included within a research collaboration agreement or may be a standalone agreement. During the option period the company is able to work with the research organisation to further evaluate the technology, to decide if they want to take a licence.

Valuing IP in a licence

Agreeing a fair value for a licence is not straightforward and requires the parties to negotiate terms based on their respective contributions and expectations. Reaching a common position requires openness and trust. A licence agreement should be a win-win, with both parties benefiting.

Two general approaches can be used to identify a reasonable way to share value in a licence agreement:

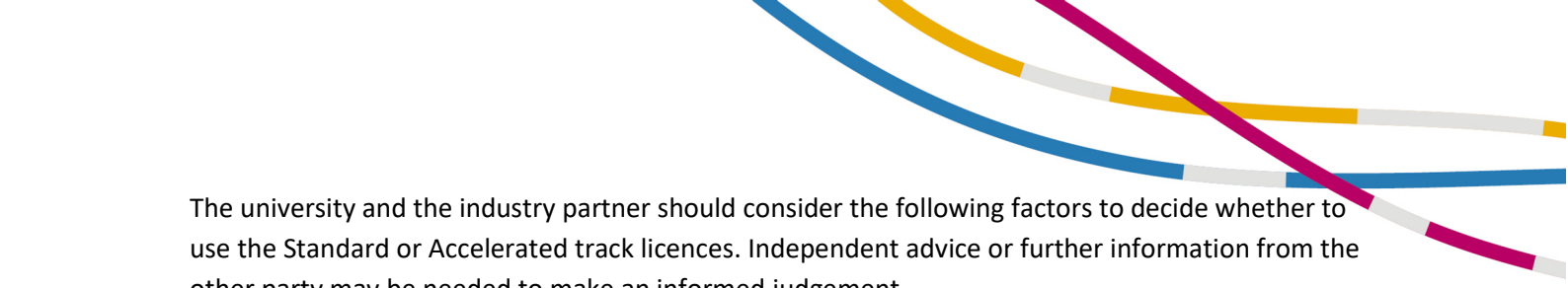
- Accepted wisdom in the industry sector – companies in sectors where there is a history of in-licensing technology often have an empirical viewpoint on what constitutes a fair and reasonable value sharing arrangement
- Third party examples – searches of public domain information or licensing databases can be used to identify similar deals and use these as comparators

Revenue sharing terms (upfronts, milestones, royalties etc.) are also influenced by the following factors:

1. The scope of rights – a Licensor would expect to receive a higher share of value in an exclusive licence (compared with a non-exclusive licence)
2. The Technology Readiness Level (TRL) of the licensed IP – the higher the TRL, the higher the share of value for the Licensor
3. Warranties & Indemnities – if the Licensor is granting additional warranties for the IP and/or giving an indemnity for IP infringement, the Licensor can expect a higher share of the value under the licence

Which licence agreement to use?

The Framework provides two non-exclusive licence templates and one exclusive licence template. All exclusive commercialisation licences should use the Standard Exclusive Licence template. Only the Accelerated Licence Agreement contemplates licences that do not include commercialisation. Non-commercial licences would not normally be granted on an exclusive basis and therefore no template is provided for an exclusive non-commercialisation licence.

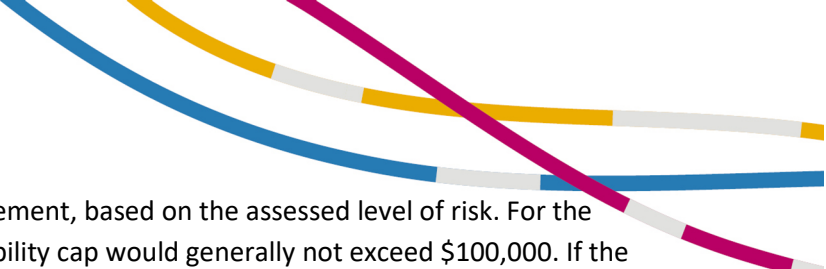


The university and the industry partner should consider the following factors to decide whether to use the Standard or Accelerated track licences. Independent advice or further information from the other party may be needed to make an informed judgement.

The Accelerated template is intended for lower risk transactions, including transactions that include 'low risk' commercialisation, and is designed to be used with minimal customisation or negotiation. The Standard templates are limited to licences involving commercialisation. They are more complex, higher risk situations and provides greater flexibility to cater for different scenarios. If you cannot agree on which agreement is appropriate for a commercialisation venture, the Standard licence agreements are recommended.

- **Will the licence be for exclusive commercialisation?** If the licence will be exclusive, in any territory or application, then the Licence Agreement (Exclusive Commercialisation) **must be used**
- **Will the licence be for uses that do not involve commercialisation?** If the licence is for internal use only, then the Accelerated Licence Agreement **must be used**
- **Are indemnity or warranty provisions needed?** If one or both parties require indemnity and/or warranty provisions, then it is recommended that a Standard Licence Agreement is used, as these include standard warranty and indemnity provisions that can be customised as required
- **Are the Fees payable expected to be less than \$100,000?** For many lower value agreements, the Accelerated Licence Agreement will be appropriate, and will streamline the process of negotiating and finalising an agreement, which can otherwise be costly and time consuming for both parties. Each form of agreement allows for flexibility in how the parties set the Fees - including for royalty payments. However, if the risks in the agreement are high and/or specific risks are identified, the Standard Licence Agreement will be more suitable, for example if:
 - one party is a foreign entity
 - the licence structure or fees are complex
 - the proposed intellectual property arrangements are complex (for example, multiple types of intellectual property being licensed with different licensing approaches)
 - there are existing arrangements in place between the parties (for example, joint venture arrangements)
- **What has the internal risk assessment returned?** Before starting a commercialisation project, each party should carry out their own risk assessment. Factors to consider include:
 - what is the potential legal exposure that the activity may create?
 - could this activity lead to a breach of intellectual property rights, including patent or copyrights?
 - will this activity involve significant physical or environmental risks?

If the internal assessment indicates a low to medium risk, then the Accelerated Licence Agreement would be appropriate (only low risk transactions are recommended for commercialisation using this template). This risk assessment may also be used to determine



an appropriate liability cap for the agreement, based on the assessed level of risk. For the Accelerated Licence Agreement, the liability cap would generally not exceed \$100,000. If the proposed liability cap is higher than \$100,000, the Standard Licence Agreements may be more appropriate.

- **Are additional arbitration or mediation systems needed?** While the parties can always agree to refer their dispute to mediation, there is no mandated mediation or arbitration in the Accelerated Licence Agreement. If this is required, the Standard Licence Agreements are recommended, and may be amended if the arbitration approach used in the Standard Licence Agreements is not preferred or (for overseas entities) enforceable with the industry partner
- **Will the licensee be paying a royalty?** Either the Accelerated Licence Agreement or the Standard Licence Agreements can be used with a royalty model. The method for calculating the royalty must be agreed by the parties. If the method is complex, the Standard Licence Agreements are preferred, as these provide more guidance on audit rights and a template that can be adapted for calculation of royalty amounts. In each case parties should obtain independent financial and taxation advice
- **Is sublicensing allowed?** In most commercialisation arrangements, a licensee may need to sublicense the licensed IP rights to enable commercial exploitation. For example, the licensee may wish to outsource some aspects of manufacturing, service provision or sales. While this is consistent with options in both the Accelerated Licence Agreement and the Standard Licence Agreements, it indicates a higher level of complexity and risk. If sublicensing is allowed for these types of activities, then the Standard Licence Agreements are recommended, as they include template provisions regulating sublicensing, such as provisions which must be included in the sublicense, whether the sublicense must be approved, and management of the risks associated with sublicensing
- **Other factors to consider are:** whether the agreement is required to address the ownership and/or licensing of any improvements back to the licensor, and whether there are any product safety requirements that need to be addressed. In general, these factors increase risk and make the Standard Licence Agreement more appropriate

When to use a Variation Agreement?

- Many licence agreements are re-negotiated after signature, for example, because of changes in the commercial development timelines, or to reflect changes in the commercial environment. The changes should be agreed and recorded in a Variation Agreement that is signed by the parties. This ensures that everyone knows what has changed and has given their written consent
- A Variation Agreement should not be used to change the form of the agreement – for example, to include new research activities or technical (consulting) services. A separate, additional agreement using the appropriate template will be needed



Key Considerations

The following table is provided as a guide to help the parties appreciate the key considerations that each party will have when negotiating a licence agreement. This assumes that the Licensor is a university, and the Licensee is an industry partner. In the templates provided under the Framework, either the university or the industry partner can be the Licensor.

Discussing and understanding each party's needs and concerns up front will help you reach a licence agreement more quickly and will help you apply the templates to reach a fair agreement.

For organisations, particularly SMEs, that do not have any experience of licensing IPR, this table will help you understand what the key provisions of a licence are and what you need to think about before you start discussions with the other party.

Further information on how to complete each of the licence templates is provided with the respective guides and template agreements. Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of each template.

Resources

[Accelerated Non-Exclusive Licence template and accompanying plain English guide](#) - For non-exclusive licensing of low value / low risk IP

[Standard Non-Exclusive Licence template and accompanying plain English guide](#) - For non-exclusive licensing of higher value/ more complex IP

[Standard Exclusive Licence template and accompanying plain English guide](#) - For exclusive licensing of IP in a field and/or territory

[Variation Agreement and accompanying plain English guide](#) – For recording agreed changes to a licence

Sources of further information

For further background information on licensing please see:

IP Australia's guide to licensing

<https://www.ipaustralia.gov.au/understanding-ip/commercialise-your-ip/types-licences>

WIPO's publication - Exchanging Value - Negotiating Technology Licensing Agreements: A Training Manual

<https://www.wipo.int/publications/en/details.jsp?id=291&plang=EN>

This table sets out the key points each party needs to consider when entering a licence. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties. Further guidance on how each of these points is approached in the individual licence templates is given with the respective template

Licence Provision	University (Licensor)	Industry partner (Licensee)
Licensed IP Rights (IPRs)	<ul style="list-style-type: none"> • Be clear on exactly what is being licensed and what is not • Check that you have the right to grant the rights to the IPR • Generally, the licensee would expect to own the improvements that they make under the licence. In some non-exclusive licences, the licensor owning may be appropriate, with a grant back to the licensee • The university should ensure it has rights to improvements for its own research and teaching purposes 	<ul style="list-style-type: none"> • Be clear on exactly what is being licensed to ensure the industry partner has access to everything it needs to commercialise the IPRs • Being able to access improvements if these are owned by the university to ensure the industry partner is working on the best version of the technology
Scope of licence	<ul style="list-style-type: none"> • The granted rights should match the needs, capabilities and commitment from the industry partner and will maximise the take-up of the technology, but retain rights to be granted to others if applicable • Ensure academic research and teaching rights are retained 	<ul style="list-style-type: none"> • Ensure the industry partner has the rights it needs and that this matches your business model and the level of investment needed to get to market
Field/Application of use	<ul style="list-style-type: none"> • Ensure that the licence is to those fields/applications of use and in those countries/regions where the industry partner is able to operate • This is particularly important with IPRs that can be applied in many different applications (so called platform technologies) 	<ul style="list-style-type: none"> • Ensure the industry partner has the rights it needs and that this matches your business model and the level of investment needed to get to market

This table sets out the key points each party needs to consider when entering a licence. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties. Further guidance on how each of these points is approached in the individual licence templates is given with the respective template

Licence Provision	University (Licensor)	Industry partner (Licensee)
<p>Diligence</p> <ul style="list-style-type: none"> • Reporting obligations including the need to provide business plans and pathways to market • Termination and other rights for non-performance if appropriate 	<ul style="list-style-type: none"> • Ensure that the impact of the licensed IPRs is maximised and the company does not take a licence and then does not develop the technology • Rights to terminate if the industry partner is no longer developing the technology • Having robust performance criteria for the licence is particularly important in an exclusive licence 	<ul style="list-style-type: none"> • Ensure the industry partner has the freedom to take commercial decisions and adopt development timelines that are realistic • Ensure any diligence requirements reflect technical and commercial realities and are fair, reasonable and achievable
<p>Fee/Royalty terms</p> <ul style="list-style-type: none"> • Details of upfront, milestone and/or royalty payments on sales • Payment timing and reporting • Auditing rights 	<ul style="list-style-type: none"> • Ensure a fair return for the university's contribution to developing the IPR • Negotiating what constitutes a fair financial deal structure for a licence is not straight forward and requires knowledge of the particular market as well as other factors including whether the licence is non-exclusive or exclusive and the technology readiness level (TRL) • Rights to reporting to be able to verify payments and audit if necessary 	<ul style="list-style-type: none"> • Ensure a fair return for the industry partner's investment and risks it is taking to get the technology to market, and any prior investment in working with the university to develop the IPR (if relevant) • Reporting and auditing obligations should not be overly burdensome

This table sets out the key points each party needs to consider when entering a licence. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties. Further guidance on how each of these points is approached in the individual licence templates is given with the respective template

Licence Provision	University (Licensor)	Industry partner (Licensee)
Warranties & Liabilities		
<ul style="list-style-type: none"> • Warranties on IPR ownership and rights to licence • Warranties on freedom to operate • Liabilities to cover IPR and commercial risks 	<ul style="list-style-type: none"> • Limit warranties and liabilities to those activities the research partner has knowledge of and control over • Not being liable for risks arising from activities that the company is solely responsible for, e.g. product sales. This should be covered by an indemnity from the licensee • Ensure liability caps are in line with the value being captured by the licence 	<ul style="list-style-type: none"> • Ensure the industry partner can use the rights it has licensed and can fully benefit from these • Ensure the industry partner has visibility of any known risks and constraints that the research partner is aware of • Ensure liability caps are in line with the value being captured by the licence and the risks the licensee is taking to develop the technology

4.5 Selling IP

Intellectual Property (IP) is an asset that can be bought and sold. An IP assignment is a written agreement to legally transfer ownership of IP from one party (the Assignor) to another party (the Assignee).

For most forms of IP rights (IPR), particularly registered IPR like patents, a written assignment is required by law and this will need to be recorded with the respective patent or trade mark offices in each country.

Unlike in a licence where the IP remains owned by the party who is licensing the IPR to the other party, under an assignment the new owner has full control over the IP and the previous owner will give up its control.

An Assignment Agreement generally does not include the grant back of any licence rights that would allow the Assignor to continue to use the IPR and the Assignor will have no rights to use and benefit from the IP, even if the new owner does not use or commercialise the IPR. As such, IP owners should think very carefully about whether to assign their IP if this is being used as the route to commercialisation. A licence may be more appropriate than an assignment (please refer to the [Licensing IP](#) guide).

Where an assignment is appropriate, the Assignor should consider the need for a separate licence agreement to grant back certain rights to use the IPR (for example for academic research and educational purposes).

When to assign IP?

The assignment of IP can take place in two sets of circumstances:

1. Recording or confirming assignment:
 - a. from researchers working on a particular project to the university
 - b. from the university back to the inventor(s) when the university has decided not to pursue exploitation and the inventor(s) wish to do this in their personal capacity. This will be dependent on the university's IP policy
2. As part of a commercialisation transaction, including:
 - a. Assignment to a spin-out company being formed by the university where it is agreed that the company should own (rather than license) the IP
 - b. Sale of IP to a commercial partner where this is the best route to market (i.e., a licence is not appropriate or possible)

In the majority of circumstances, a university would expect to licence IP rights to a commercial partner and not to sell the IP.



Key Considerations

The following table is provided as a guide to help the parties appreciate the key considerations that each party will have when negotiating an assignment agreement. This assumes that the Assignor is a university, and the Assignee is an industry partner. In the template provided under the Framework, either the university or the industry partner can be the Assignor.

Discussing and understanding each party's needs and concerns up front will help you reach an agreement more quickly and will help you apply the template to reach a fair agreement.

For organisations, particularly SMEs, that do not have any experience of buying or selling IP, this table will help you understand what the key provisions of an assignment agreement are and what you need to think about before you start discussions with the other party.

Further information on how to complete the template is provided with the guide and template agreement. Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of the template.

Resources

[Assignment Agreement template and accompanying plain English guide](#)

This table sets out the key points each party needs to consider when buying or selling IP. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties. Further guidance on how each of these points is approached in the assignment template is given with the respective template

Assignment Provision	University (Assignor)	Industry Partner (Assignee)
The Parties		
<ul style="list-style-type: none"> Identifying the correct legal parties to the transaction Identifying the correct signatories Ensuring the appropriate authorised personnel are signing the agreement 	<ul style="list-style-type: none"> Ensure that the university is the correct legal owner of the IP being assigned and that it is confident it has the necessary full ownership rights through employment or assignment from all inventors and collaborators Ensure the correct approvals have been sought and an authorised person signs the agreement. For some organisations a particular approval process and authorised signatory is required when disposing of any assets, including IP 	<ul style="list-style-type: none"> Ensure the IP is being assigned to the correct legal entity, particularly within a corporate group structure
Definition of IP		
<ul style="list-style-type: none"> A clear description of the IP being assigned For registered IP this should include registration numbers and filing dates Is the assignment just to existing rights or will future rights also be included? 	<ul style="list-style-type: none"> Be clear exactly what IP is being assigned and whether there will be ongoing obligations to assign further IP that may arise Check that the university owns the IP and that there are no other rights already granted to the IP (for example, a previous licence or an ongoing research collaboration). If rights have already been granted to the IP, these agreements will need to be assigned to the new owner or terminated before the IP is sold For patents, this will include all future patent applications and granted patents that take priority from the assigned patent(s) 	<ul style="list-style-type: none"> Ensure the industry partner is buying the full IP rights it will need and that this is clearly defined

This table sets out the key points each party needs to consider when buying or selling IP. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties. Further guidance on how each of these points is approached in the assignment template is given with the respective template

Assignment Provision	University (Assignor)	Industry Partner (Assignee)
<p>Assigned and retained rights</p> <ul style="list-style-type: none"> Typically, alongside all future rights, the assignment will include the right for the Assignee to sue for past infringement and retain the benefit from this Universities should consider whether they need any ongoing rights to the IP, and if so, ensure this is granted by way of a licence from the Assignee 	<ul style="list-style-type: none"> Retain rights to the IP for its own academic research and educational uses through a separate licence agreement (if these are not already granted, for example under an existing collaboration agreement) If the right to sue for past infringement is included in the assigned rights, the value (if any) of past infringement of the IP by a third party should be considered when agreeing the price for the IP purchase 	<ul style="list-style-type: none"> Ensure the industry partner has full control of the IP it is buying, and it is clear what rights the university will retain via a licence
<p>Payment terms</p> <ul style="list-style-type: none"> The negotiated price for the assigned IP and how this will be paid Upfront one-off payment or staged payments 	<ul style="list-style-type: none"> Ensure that a fair price is paid for the IP - valuing IP requires expert advice If the value is not taken in full as an upfront payment, there may be risks associated with future payments (for example, if the Assignee goes bankrupt, or if it sells on the IP) 	<ul style="list-style-type: none"> Ensure the industry partner pays a fair price for the IP rights it purchases and that this price reflects the value to the industry partner and the contribution of the University to its creation
<p>Warranties</p> <ul style="list-style-type: none"> The agreement would typically include warranties relating to ownership and there being no restrictions on the IP 	<ul style="list-style-type: none"> The University should be prepared to warrant that it owns the IP being assigned and that it is free from all charges/encumbrances and that no rights have been granted to third parties The University should take legal advice if it is expected to take on further warranties 	<ul style="list-style-type: none"> Consider whether any other warranties are appropriate to manage risk, particularly if the transaction includes a large upfront payment

5. Individual Template Guides

This section of the guidance provides you with information on each of the twelve template agreements that the HERC Intellectual Property (IP) Framework encompasses.

This information will help you to understand the important factors that you need to consider when using each template agreement.

5.1 Mutual Confidentiality Agreement

The Mutual Confidentiality Agreement is for the exchange of confidential information between two parties, for example for preliminary discussions about a future project.

When should it be used?

- When a collaborator (for example, an industry partner) and a university wish to exchange confidential information, for example for preliminary discussions about a future project; and
- The parties are Australian entities

The agreement is also suitable when one of the parties is a Commonwealth Entity.

When should it not be used?

- For longer term project activities or where proprietary material needs to be exchanged. In these circumstances, the parties should use a further agreement such as a research agreement or material transfer agreement
- When only one party is disclosing confidential information unless this is made clear in the schedule

Key considerations when completing the template

The following table is provided as a guide to help the parties appreciate the key considerations that each party will have when negotiating a Mutual Confidentiality Agreement using the template.

The template is provided in the Accelerated track and it is expected that parties can use the template with minimal negotiation. Nevertheless, discussing and understanding each party's needs and concerns up-front will help you reach an agreement more quickly. A Mutual Confidentiality Agreement may take a few days to a few weeks to negotiate and sign depending on the complexity of the proposed discussions and the information being exchanged.

For organisations, particularly SMEs, that have not previously been asked to enter this type of agreement, this table will help you understand what the key provisions are and what you need to discuss and agree in order to finalise the agreement from the template.

Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of the template.

This table sets out the key points each party needs to consider when entering a Mutual Confidentiality Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Mutual Confidentiality Agreement Provision	University	Collaborator
<p>Details of the Confidential Information being exchanged</p> <ul style="list-style-type: none"> • A clear description of the scope of the confidential information that each party will exchange • The template agreement defines confidential information as the specific information that is listed as well as information where a party knows or ought to know it is confidential 	<ul style="list-style-type: none"> • Ensure all of your confidential information that will be disclosed is included and properly described • Descriptions should be in sufficient detail such that it is clear what the information relates to • Ensure it is clear what information you will be receiving from the other party that will need to be kept confidential • It is generally not appropriate to restrict the definition of confidential information to just the listed information/documents unless you are clear that only this information will be disclosed 	<ul style="list-style-type: none"> • Ensure all of your confidential information that will be disclosed is included and properly described • Descriptions should be in sufficient detail such that it is clear what the information relates to • Check that the information that you will be receiving will not restrict your wider activities in related research fields where you are already developing your own IP in these areas • It is generally not appropriate to restrict the definition of confidential information to just the listed information/documents unless you are clear that only this information will be disclosed
<p>Period of confidentiality</p> <ul style="list-style-type: none"> • How long each party must keep the information confidential • Often this will be 5-7 years, although longer periods may be appropriate in some circumstances • A perpetual term is sometimes appropriate, subject to the receiving party being confident they can manage this long-term obligation 	<ul style="list-style-type: none"> • Ensure your confidential information is kept confidential long enough so as not to impact on your research and commercialisation activities. For example, so that others cannot use this information before the University has published it or filed patent applications • If you are asked to accept a perpetual term, ensure you have the systems and processes to manage these obligations into the future 	<ul style="list-style-type: none"> • Ensure your confidential information is kept confidential long enough so as not to impact on your commercial activities. For example, so that competitors do not benefit from your confidential information whilst it still provides a competitive advantage • If you are asked to accept a perpetual term, ensure you have the systems and processes to manage these obligations into the future

This table sets out the key points each party needs to consider when entering a Mutual Confidentiality Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Mutual Confidentiality Agreement Provision	University	Collaborator
<ul style="list-style-type: none"> In most cases the term will be the same for both parties Whilst the template allows flexibility in having different periods of confidentiality for each item of Confidential Information, the period of confidentiality should normally be the same for all Confidential Information 		
<p>Permitted Purpose</p> <ul style="list-style-type: none"> A clear description of the purpose that the exchanged confidential information will be used for; for example, “to enable the parties to discuss a potential collaboration project relating to x” This should not include carrying out actual research activities using the information The template does not permit disclosure to affiliates i.e., other companies within a group 	<ul style="list-style-type: none"> Ensure your confidential information is only used for the specific project being discussed and it cannot be used more widely by the Collaborator Understand the restrictions on the University on how it can use the Collaborator’s confidential information 	<ul style="list-style-type: none"> Ensure your confidential information is only used for the specific project being discussed and cannot be used more widely by the University Understand the restrictions on how you can use the University’s confidential information If you need to be able to disclose information to your affiliates as part of the discussions then this will need to be agreed and the template amended, or the affiliate will need to enter their own agreement with the University using the template
<p>Agreement term</p> <ul style="list-style-type: none"> The agreement has a start date and no defined end date 	<ul style="list-style-type: none"> It is good practice to end the engagement when you are confident that no further information will be exchanged 	<ul style="list-style-type: none"> It is good practice to end the engagement when you are confident that no further information will be exchanged

This table sets out the key points each party needs to consider when entering a Mutual Confidentiality Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Mutual Confidentiality Agreement Provision	University	Collaborator
<ul style="list-style-type: none"> Unless the engagement under the Agreement is ended by either party requiring the return (or destruction) of the Confidential Information, all subsequent Confidential Information exchanged will continue to be subject to the agreement and its obligations 	<p>or when the MCA has been superseded by another arrangement, for example by a research agreement</p> <ul style="list-style-type: none"> On ending the engagement, decide if you want the other party to return or destroy the confidential information you have shared or if you are happy for them not to do this Remember your confidentiality obligations will continue for the agreed period even after the engagement under the Agreement is ended 	<p>or when the MCA has been superseded by another arrangement, for example by a research agreement</p> <ul style="list-style-type: none"> On ending the engagement, decide if you want the other party to return or destroy the confidential information you have shared or if you are happy for them not to do this Remember your confidentiality obligations will continue for the agreed period even after the engagement under the Agreement is ended

5.2 Material Transfer Agreement

The Material Transfer Agreement is for the exchange of physical materials between two parties, for example for a company to test before entering a further research or licence agreement.

When should it be used?

- When one party wishes to share proprietary physical materials with another party; and
- The parties are Australian entities

The agreement is also suitable when one of the parties is a Commonwealth Entity.

Whilst it will often be the University providing material to an industry collaborator, the agreement is structured so that either party could be the transferor.

A Material Transfer Agreement (MTA) can be used for situations requiring the exchange of physical materials, for example, where a company wishes to test materials to decide whether to sign a licence or purchase agreement. It can also be used to provide materials for use in a project or other collaboration if the agreements for those projects do not already include terms relating to the exchange of materials.

When should it not be used?

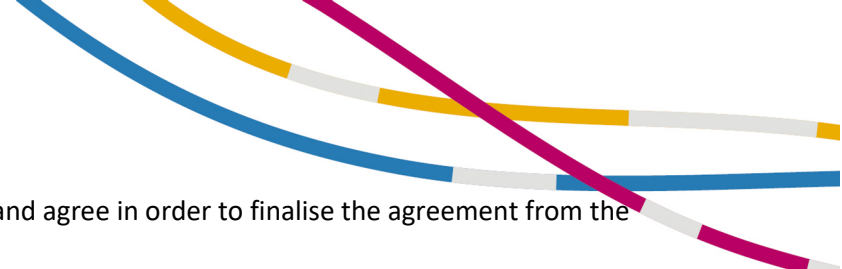
- For the transfer of biological material
- For transfers where specific intellectual property (IP) arrangements relating to the material are required. For example, where the recipient may create new patentable discoveries through use of the material
- For longer term project activities. In these circumstances, the parties should use a further agreement such as a research agreement that will contain additional terms to protect each party's interests
- When the material could pose significant environmental or health and safety risks or is intended to be used in animal or human testing. Further assessment of risks will be needed in these circumstances and a bespoke agreement will be required

Key considerations when completing the template

The following table is provided as a guide to help the parties appreciate the key considerations that each party will have when negotiating a Material Transfer Agreement using the template.

The template is provided in the Accelerated track and it is expected that parties can use the template with minimal negotiation. Nevertheless, discussing and understanding each party's needs and concerns up front will help you reach an agreement more quickly. A Material Transfer Agreement may take a few days to a few weeks to negotiate and sign depending on the nature of the materials being exchanged and their proposed use.

For organisations, particularly SMEs, that have not previously been asked to enter this type of agreement, this table will help you understand what the key provisions of a Material Transfer



Agreement are and what you need to discuss and agree in order to finalise the agreement from the template.

Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of the template.

This table sets out the key points each party needs to consider when entering a Material Transfer Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Material Transfer Agreement Provision	University (Transferor)	Collaborator (Recipient)
<p>Details of the Material being exchanged</p> <ul style="list-style-type: none"> A clear description of the Material being transferred including its technical specifications 	<ul style="list-style-type: none"> Descriptions should have enough detail to make it clear what the Material you will be sharing is made up of 	<ul style="list-style-type: none"> Ensure you understand what Material is being received, and that it is in a suitable form for your intended use
<p>Permitted Use</p> <ul style="list-style-type: none"> A clear description of what the recipient is allowed to do with the Material; for example, “to use the Material internally to test its activity for x” This should be as clearly defined as possible and avoid generic descriptions such as “for internal research purposes” 	<ul style="list-style-type: none"> Ensure your Material is only used for the specific project described and cannot be used more widely by the Collaborator (unless this is agreed) 	<ul style="list-style-type: none"> Understand the restrictions on how the University’s Material can be used, and ensure this covers all of your intended uses
<p>Delivery, Handling and Return Instructions</p> <ul style="list-style-type: none"> Details of how the Material will be delivered and whether there are any specific handling requirements In most cases, the Transferor should ask for the Material to be destroyed at the end of the Agreement 	<ul style="list-style-type: none"> Ensure the Collaborator is aware of any special conditions for transport and handling of the Materials This is particularly important if there are known hazards or other requirements e.g., the Material needs to be kept below freezing 	<ul style="list-style-type: none"> Ensure you are informed of and understand any special handling requirements so that you can meet these Ensure you inspect the Material and are satisfied it meets the requirements upon receipt. Inform the University of any issues prior to commencing work with the Material

This table sets out the key points each party needs to consider when entering a Material Transfer Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Material Transfer Agreement Provision	University (Transferor)	Collaborator (Recipient)
<ul style="list-style-type: none"> The Transferor would not normally get the Material back at the end of work, so if this is important, this should be made clear at the outset If there are no agreed instructions to return the Material, ownership of the Material transfers to the Recipient on receipt 	<ul style="list-style-type: none"> Ensure the Collaborator does not continue to use the Material after the end of the Agreement (unless the University agrees to this) 	<ul style="list-style-type: none"> Be aware of what you need to do with the Material at the end of the Agreement and the potential costs involved in returning the Material
<p>Fees & Expenses</p> <ul style="list-style-type: none"> For many exchanges of materials for research purposes, it may not be appropriate to charge a Fee and the template is structured to be legally binding whether a Fee is charged or not If a Fee is being charged for the Material, this needs to be discussed and agreed up front Any additional expenses incurred (for example, delivery costs) should be identified and included 	<ul style="list-style-type: none"> Decide whether a Fee is appropriate and discuss this with the Collaborator as early as possible. Be prepared to justify the Fee, for example, based on the costs incurred by the University in making the Material or its value to the Collaborator If you will incur out of pocket expenses for delivery of the Material, make sure these costs are recorded and that they are reimbursed 	<ul style="list-style-type: none"> If a Fee is being charged, this is usually negotiable and will depend on the value of the Material (including costs incurred by the University to make it) Typically, this will include reimbursement of delivery costs unless this is included in the Fee. Sometimes it can be cheaper if you organise collection of the Material yourself
<p>Confidential Information exchanged</p> <ul style="list-style-type: none"> A clear and concise description of the scope of the information that each 	<ul style="list-style-type: none"> Ensure if confidential information is exchanged with the Material that this is clearly identified 	

This table sets out the key points each party needs to consider when entering a Material Transfer Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Material Transfer Agreement Provision	University (Transferor)	Collaborator (Recipient)
<p>party intends to share with the other and which that party considers to be confidential</p> <ul style="list-style-type: none"> How long this information must be kept confidential should also be included. Typically, the time period will be 5-7 years, although longer periods may be appropriate. In most cases the term will be the same for both parties 	<ul style="list-style-type: none"> Ensure this information is kept confidential long enough so as not to impact on your research and commercialisation activities. For example, so that others cannot use this information before the University has published it or filed patent applications Understand what restrictions apply to confidential information shared with you by the Collaborator. This will usually include information about their work with the Material 	<ul style="list-style-type: none"> Ensure you understand what information you receive from the University that needs to be kept confidential Ensure it is clear what information you will share that you consider to be confidential information and that this is kept confidential long enough so as not to impact on your commercial activities For example, so that the University does not publish the information and competitors do not benefit from this confidential information whilst it still provides a competitive advantage
<p>Warranties & Liabilities</p> <ul style="list-style-type: none"> The Transferor provides a warranty that, to the best of its knowledge and belief, the Material when used for the Permitted Use does not infringe any IPR of a third party No further warranties or indemnities are included in relation to the Material and its use The template includes an option for the parties to agree a cap for certain liabilities that may arise 	<ul style="list-style-type: none"> Ensure that the University can agree to the warranty and that you are not aware of any third party rights that use of the Material by the industry partner would infringe If a liability cap is agreed to, ensure this is appropriate taking into consideration any fee paid for the Material and the agreement risks The liability cap could be \$0 if no fees are being charged 	<ul style="list-style-type: none"> If a liability cap is agreed to, ensure this is appropriate taking into consideration any fee paid for the Material and the agreement risks The liability cap could be \$0 if no fees are being charged

5.3 Accelerated Research Agreement

The Accelerated Research Agreement is for lower risk research and development projects between a collaborator and a university.

When should it be used?

- The collaborator and university wish to undertake a specific research project using the university's research expertise
- The collaborator is funding the project (in full or in part)
- The collaborator is an Australian entity
- **The project is agreed by the parties to not to be high risk**


When should it not be used?

- An Accelerated Research Agreement is only recommended when both parties decide that the project is lower risk and that the Accelerated Research Agreement is appropriate. If you cannot agree, the [Standard Research Agreement](#) is recommended
- For projects where there are multiple academic and/or commercial partners, use the [Multi-party Research Agreement](#) instead
- For projects where the university is leasing equipment or providing contract technical (consulting) services, which do not involve basic research (please refer to the [Providing Services and Equipment](#) guidance)
- For commercialisation of any results
- Where the university already has an over-arching agreement with the collaborator as part of a long term strategic partnership

When is a project low/medium risk?

The factors that should be considered by the parties when determining if a project is low/medium risk are as follows:

- **Is the value of the project less than \$250,000?** For most lower value projects, the Accelerated Research Agreement will be appropriate, and will streamline the process of negotiating and finalising an agreement, which can otherwise be costly and time consuming for both parties. However, if the risks in the project are high and/or specific risks are identified, then the Standard Research Agreement will be more suitable, for example if:
 - the parties agree to include an indemnity
 - one party is a foreign entity
 - the project is complex (for example, in terms of the technical work being performed)
 - the proposed intellectual property arrangements (for example, multiple types of intellectual property being licensed with different licensing approaches)

- 
- there are existing arrangements in place between the parties (for example, joint venture arrangements)
 - **What has your internal risk assessment returned?**

Before starting a research project, each party should carry out their own risk assessment. Factors to consider include:

 - what is the potential legal exposure the project may create?
 - could this project lead to a breach of intellectual property rights, including patent or copyrights?
 - will this project involve significant physical or environmental risks?

If the internal assessment indicates a low to medium risk for the project, then the Accelerated Research Agreement would be appropriate. This risk assessment may also be used to determine an appropriate liability cap for the agreement, based on the assessed level of risk. For the Accelerated Research Agreement, the liability cap would generally not exceed \$250,000. If the proposed liability cap is higher than \$250,000, the Standard Research Agreement may be more appropriate

- **Are indemnity or warranty provisions needed?** If one or both parties require indemnity and/or warranty provisions, then it is recommended that a Standard Research Agreement is used, as this includes more comprehensive warranties and an indemnity clause that can be customised as required

Key considerations when completing the template

The following table is provided as a guide to help the parties appreciate the key considerations that each party will have when negotiating an Accelerated Research Agreement.

There may be situations where one or other of the parties has to comply with different standards that will also need to be applied to the other party (for example, with respect to privacy laws). In these circumstances, the standard provisions may need to be adapted or added to.

Discussing and understanding each party's needs and concerns up front will help you reach an agreement quickly and help you apply the template to reach a fair agreement. A research agreement may take up to three months to negotiate and sign, often longer, depending on the complexity of the proposed project. It is important the parties start these discussions as early as possible.

For organisations, particularly SMEs, that do not have any experience of working with universities, this table will help you understand what the key provisions of a research collaboration are and what you need to discuss and agree in order to finalise the agreement based on the template.

This template is provided as part of the Accelerated track and it is expected that this can be used for low-risk projects to minimise negotiation time and costs.

Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of the template.

This table sets out the key points each party needs to consider when using the Accelerated Research Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Accelerated Research Agreement Provision	University	Collaborator
Details of the Project		
<ul style="list-style-type: none"> • A clear plan for the research project describing the aims, what work will be undertaken, by whom, and the expected results, including any reports (defined as Project IP) • The template does not envision that the Collaborator will be carrying out research as part of the Project beyond the provision of ideas, information, and materials for use by the University. The Collaborator will have a licence to use the results from the Project. If the Collaborator requires specific tangible material from the University to use the Project IP, it may be appropriate to use a Material Transfer Agreement • Where milestones are included, a clear definition of what these are and what is needed to meet each milestone and the associated timelines • Who the key personnel are that will manage and deliver the Project • What confidential information will be exchanged • The frequency of meetings 	<ul style="list-style-type: none"> • Be clear and realistic in what can be achieved, when and what the expected Project IP is • Ensure that any risks and uncertainties are clearly articulated • Ensure any milestones are realistic and achievable (e.g., the provision of a report on the results by a certain date). For low-risk research projects, technical development milestones linked to progress are generally not required and not appropriate • Be clear on what type of information is considered confidential to each party and list this in the agreement • Ensure the collaborator is kept appropriately informed of progress and involved in all major decisions relating to the Project, without this becoming over burdensome 	<ul style="list-style-type: none"> • Ensure you know what will be delivered through the Project and what the risks and uncertainties are • Ensure that the funding is linked to suitable progress with the research if milestones are included • Be clear on what type of information is considered confidential to each party and list this in the agreement • Ensure you are kept appropriately informed of progress and involved in all major decisions relating to the Project, whilst not becoming unnecessarily over burdensome to the academic party

This table sets out the key points each party needs to consider when using the Accelerated Research Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Accelerated Research Agreement Provision	University	Collaborator
Ownership of IP Rights (IPRs) in the Project IP		
<ul style="list-style-type: none"> Who will own the Project IP generated by the Project How these results will be protected and who is responsible for this 	<ul style="list-style-type: none"> You should expect to retain ownership of the Project IP from the Project if the research plan is directed by the University and/or builds on significant Pre-existing IPR owned by the University If the Project IP incorporates significant Pre-existing IPR owned by the Collaborator, and/or the Collaborator has directed the research plan and the Collaborator is fully funding the Project at a commercial rate, it would be reasonable for the parties to agree that the Collaborator owns and protect the Project IP Agree and document how any Project IP will be protected if formal registration (e.g. via a patent application) is expected. For example, who is responsible for filing the applications and who will pay the costs. Generally, the owner would expect to do this. It may be appropriate for the Collaborator to contribute to the costs, especially if they have a right to negotiate commercialisation rights 	<ul style="list-style-type: none"> Be confident the Project IP will be properly managed and protected when these are owned by the University Ensure the industry partner secures all the rights it needs to use the Project IP, either through the default right to negotiate a commercialisation licence, or through ownership of the Project IP if the circumstances indicate this is reasonable and/or the parties agree that the industry partner is better placed to manage this process

This table sets out the key points each party needs to consider when using the Accelerated Research Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Accelerated Research Agreement Provision	University	Collaborator
Use of Third Party IPR		
<ul style="list-style-type: none"> • Details of any IPR owned by third parties that will be used within the Project • The restrictions that apply to the third party IPR 	<ul style="list-style-type: none"> • Ensure the Collaborator is aware of any restrictions that might apply to the outputs from the Research from Third Party IPR you will use in the Project • If the parties need to use Third Party IPR that is not identified at the start of the Project, the parties can amend the Agreement 	<ul style="list-style-type: none"> • Ensure the industry partner knows what restrictions might impact on its freedom to use the Project IP before the Project starts

This table sets out the key points each party needs to consider when using the Accelerated Research Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Accelerated Research Agreement Provision	University	Collaborator
Use and Commercialisation of IPRs in the Project IP		
<ul style="list-style-type: none"> • If the University owns the Project IP, defining the scope of the internal uses the Collaborator has rights to the Project IP for (defined as the Purpose). As a default position, the Collaborator will have a non-exclusive, free licence to use the Project IP internally for the activities that fall within the Purpose. This is usually confined to their active or expected research areas • Details of any Pre-existing IPR being used in the Project and whether there are any restrictions on their use. Rights to this Pre-existing IPR are otherwise assumed within the licence granted to the Collaborator for the Purpose • As a default, the Collaborator has an additional right to negotiate a commercialisation licence to the Project IP • If the Collaborator is the owner of the Project IP, the University's rights to use the Project IP should include as a minimum rights for research and teaching • If the Collaborator is the owner, the University will have a right after the Commercialisation Option Period to take over commercialisation via a licence subject to any agreements the Collaborator has signed that are on an arms-length basis i.e. agreements at market rates and not on favourable terms, for example to a connected company or affiliate 	<ul style="list-style-type: none"> • When the University is the owner, be clear on what rights the Collaborator will have to use the Project IP internally and whether they will also have a right to negotiate further rights to commercialise the Project IP • Ensure any restrictions to your Pre-existing IPR and the rights you can grant to them are clear to the Collaborator before the Project starts. If the project builds on significant Pre-existing IPR, the Standard Research Agreement may be more appropriate • If it is agreed that the Collaborator owns the Project IP, ensure it takes agreed steps to commercialise the Project IP and that the University is granted the rights to use the Project IP for research and teaching purposes • If the Collaborator owns the Project IP, and the Collaborator has not taken adequate steps to commercialise the Project IP, decide if it is appropriate that you take over commercialisation via a licence 	<ul style="list-style-type: none"> • Ensure the industry partner has the rights it needs to fully use the Project IP internally • Ensure the industry partner is aware of any restrictions to this use where this is dependent on Pre-existing IPR • Where the industry partner is not the owner, have a right to negotiate further commercialisation rights if these are likely to be important/needed • Ensure you understand the University's rights to negotiate a licence to commercialise the Project IP you own should you not commercialise these in an agreed period of time

This table sets out the key points each party needs to consider when using the Accelerated Research Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Accelerated Research Agreement Provision	University	Collaborator
<p>Project Funding</p> <ul style="list-style-type: none"> • A detailed breakdown of the funding that will be provided by the Collaborator and when payments will be made • Details of any in-kind contributions • The parties will need to take their own tax advice with respect to the tax status of the funding 	<ul style="list-style-type: none"> • Ensure all costs and contingencies in the research are covered through the funding • Ensure all in-kind contributions are documented and you can deliver these 	<ul style="list-style-type: none"> • Be clear on your financial liability and when payments will be due • Ensure all in-kind contributions are documented and you can deliver these
<p>Liability</p> <ul style="list-style-type: none"> • The financial limit of liability that each party will have arising from the Project, except for those situations that are specifically uncapped or cannot be limited by law • The template does not include an indemnity. If this is important, for example, for the University where the industry partner owns the Project IP and is commercialising these, the parties should consider using the Standard Research Agreement 	<ul style="list-style-type: none"> • Generally, this should be limited to the level of project funding received or a multiple of that funding – or might be agreed to align with the organisation’s insurance limits • The limit will usually be the same for both parties except where it is agreed that one party is taking on a higher risk than the other • If a liability cap above \$250,000 is required, the Standard Research Agreement may be more appropriate 	<ul style="list-style-type: none"> • Generally, this should be limited to the level of project funding paid or a multiple of that funding – or might be agreed to align with the organisation’s insurance limits • The limit will usually be the same for both parties except where it is agreed that one party is taking on a higher risk than the other

5.4 Standard Research Agreement

The Standard Research Agreement is for research and development projects between a collaborator and a university where it is not appropriate to use the Accelerated Research Agreement.

When should it be used?

- The collaborator and university wish to undertake a specific research project using the university's expertise
- The collaborator is funding the project (in full or in part)
- The collaborator is either a private sector entity or a Commonwealth Entity
- **The project is agreed by the parties as higher risk**

The template assumes both parties are Australian entities and it can also be used when one party is a foreign entity. If you wish to use the template for a research project with a foreign entity, you should seek legal advice as to any changes that may be needed.


When should it not be used?

- For low/medium risk projects where the [Accelerated Research Agreement](#) is more appropriate
- For projects where there are multiple academic and/or commercial partners, use the [Multi-party Collaboration Agreement](#) instead
- For projects where the University is leasing equipment or providing contract technical (consulting) services, which do not involve basic research (please refer to the [Providing Services and Equipment](#) guidance)
- For commercialisation of any results
- Where the university already has an over-arching agreement with the collaborator as part of a long-term strategic partnership

When is a project higher risk?

The factors the parties should consider when deciding to use this template and not the [Accelerated Research Agreement](#) template include:

- **Is the value of the project more than \$250,000?** If so, then this would generally be considered higher risk
- **What has your internal risk assessment returned?** Before starting a research project, each party should carry out their own risk assessment. Factors to consider include:
 - what is the potential legal exposure the project may create?

- 
- could this project lead to a breach of intellectual property rights, including patent or copyrights?
 - will this project involve significant physical or environmental risks?
 - is one party a foreign entity?
 - is the project complex (for example, in terms of the technical work being performed)?
 - does the project involve licences to significant Pre-existing IP owned by either party and/or Third Party IP?
 - is the proposed liability cap higher than \$250,000?

If the risk assessment indicates a higher risk, then the Standard Research Agreement should be used.

- **Are indemnity or warranty provisions needed?** If one or both parties require indemnity and/or warranty provisions, then a Standard Research Agreement is recommended

Key considerations when completing the template

The following table is provided as a guide to help the parties appreciate the key considerations that each party will have when negotiating a Standard Research Agreement.

Discussing and understanding each party's needs and concerns up front will help you reach an agreement more quickly and will help you apply the template to reach a fair agreement. A research agreement may take up to three months to negotiate and sign, often longer, depending on the complexity of the proposed project. It is, therefore, important the parties start these discussions as early as possible.

For organisations, particularly SMEs, that do not have any experience of working with universities, this table will help you understand what the key provisions of a research collaboration are and what you need to discuss and agree in order to finalise the agreement from the template.

Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of the template.

This table sets out the key points each party needs to consider when using the Standard Research Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Standard Research Agreement Provision	University	Collaborator
Details of the Project		
<ul style="list-style-type: none"> • A clear plan for the research project describing the aims, what work will be undertaken, by whom, and the expected results, including any reports (defined as Project IP) • The template does not envision that the Collaborator will be carrying out research as part of the Project beyond the provision of ideas, information and materials for use by the University. If outputs from the Project will be further researched by the Collaborator, a Material Transfer Agreement can be used • Where milestones are agreed to be included, a clear definition of what these are and what is needed to meet each milestone and the associated timelines. Careful consideration also needs to be given to the Project's governance and how decisions are made • Who the key personnel are that will manage and deliver the Project • What confidential information will be exchanged • The frequency for meetings 	<ul style="list-style-type: none"> • Be clear and realistic in what can be achieved, when and what the expected Project IP is • Ensure that any risks and uncertainties are clearly articulated • Ensure any agreed milestones are realistic and achievable, particularly if continued funding is contingent on achieving these milestones. For higher-risk research projects, technical development milestones linked to progress may be appropriate • Ensure the governance arrangements for the project are clear, particularly how decisions will be made • Be clear on what information is considered confidential to each party • Ensure the collaborator is kept appropriately informed of progress and involved in all major decisions relating to the Project, without this becoming over burdensome 	<ul style="list-style-type: none"> • Ensure you know what will be delivered through the Project and what the risks and uncertainties are • Ensure that continued funding is linked to suitable progress with the research and there are stop/go decision points if these are required • Be clear on what information is considered confidential to each party • Ensure you are kept appropriately informed of progress and involved in all major decisions relating to the Project, whilst not becoming unnecessarily over burdensome to the academic party • Ensure the governance arrangements for the project are clear, particularly how decisions will be made

This table sets out the key points each party needs to consider when using the Standard Research Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Standard Research Agreement Provision	University	Collaborator
Project Funding		
<ul style="list-style-type: none"> • A detailed breakdown of the funding that will be provided by the Collaborator and when payments will be made, and if these future payments are contingent on meeting earlier milestones • Details of any in-kind contributions • The parties will need to take their own tax advice with respect to the tax status of the funding 	<ul style="list-style-type: none"> • Ensure all costs and contingencies in the research are covered through the funding • Be clear on your funding position if an agreed milestone is not delivered • Ensure all in-kind contributions are documented and you can deliver these 	<ul style="list-style-type: none"> • Be clear on your financial liability and when payments will be due • Ensure all in-kind contributions are documented and you can deliver these • Understand what your financial responsibilities may be if the project terminates earlier than anticipated

This table sets out the key points each party needs to consider when using the Standard Research Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Standard Research Agreement Provision	University	Collaborator
Ownership of IP Rights (IPRs) in the Project IP		
<ul style="list-style-type: none"> Who will own the Project IP generated by the Project How these results will be protected and who is responsible for this 	<ul style="list-style-type: none"> You should expect to retain ownership of the Project IP from the Project if the research plan is directed by the University and/or builds on significant Pre-existing IPR owned by the University If the Project IP incorporate significant Pre-existing IPR owned by the Collaborator, and/or the Collaborator has directed the research plan and the Collaborator is fully funding the Project at a commercial rate, it would be reasonable for the parties to agree that the Collaborator owns and protects the Project IP Agree and document how any Project IP will be protected if formal registration (e.g., via a patent application) is expected. For example, who is responsible for filing the applications and who will pay the costs. Generally, the owner would expect to do this. It may be appropriate for the Collaborator to contribute to the costs, especially if they have a right to negotiate commercialisation rights 	<ul style="list-style-type: none"> Be confident the Project IP will be properly managed and protected when these are owned by the University Ensure the industry partner secures all the rights it needs to use the Project IP, either through the default right to negotiate a commercialisation licence, or through ownership of the Project IP if the circumstances indicate this is reasonable and/or the parties agree that the industry partner is better placed to manage this process

This table sets out the key points each party needs to consider when using the Standard Research Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Standard Research Agreement Provision	University	Collaborator
Use of the Project IP (for internal use)		
<ul style="list-style-type: none"> Defining the scope of the internal uses the Collaborator or the University has rights to the Project IP for (defined as the Purpose in Schedule 3) Where the University is the owner, the Collaborator will have a non-exclusive, free licence to use the Project IP internally for the activities that fall within the Purpose 	<ul style="list-style-type: none"> When the University is the owner, be clear on what rights the Collaborator will have to use the Project IP of the Project internally Ensure any restrictions to your Pre-existing IPR and the rights you can grant to them are clear to the Collaborator before the Project starts If it is agreed that the Collaborator owns the Project IP, ensure it takes agreed steps to commercialise the Project IP and that the University is granted the rights to use the Project IP for research and teaching purposes 	<ul style="list-style-type: none"> Ensure the industry partner has the rights it needs to fully use the Project IP internally Ensure the industry partner is aware of any restrictions to this use

This table sets out the key points each party needs to consider when using the Standard Research Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Standard Research Agreement Provision	University	Collaborator
Use of the Project IP (for commercialisation)		
<ul style="list-style-type: none"> Where the University owns the Project IP, the Collaborator would expect to have a first right to negotiate a licence to commercialise the Project IP in addition to its licence to use the Project IP internally Where the Collaborator is the owner, the University will have a right to take over commercialisation via a licence subject to any agreements the Collaborator has signed that are on an arms-length basis i.e. agreements at market rates and not on favourable terms, for example to a connected company or affiliate 	<ul style="list-style-type: none"> Be clear whether the Collaborator will have a right to negotiate further rights to commercialise the Project IP you own and how this will be negotiated If the Collaborator owns the Project IP, ensure it takes adequate steps to commercialise the Project IP and decide if it is appropriate that you take over commercialisation via a licence 	<ul style="list-style-type: none"> Ensure the industry partner has a right to negotiate further commercialisation rights if these are likely to be needed Ensure you understand the University's rights to negotiate a licence to commercialise the Project IP you own should you not commercialise these in an agreed period of time

This table sets out the key points each party needs to consider when using the Standard Research Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Standard Research Agreement Provision	University	Collaborator
Use of Pre-existing IPR	<ul style="list-style-type: none"> • Ensure the Collaborator is aware of your Pre-existing IPR that you will be using in the Project • Ensure you do not introduce any Pre-existing IPR into the Project if you are unwilling or unable to grant the Collaborator a licence for them to use the Project IP. This should be listed in the Agreement. This is very important as the Collaborator otherwise could have a free licence to your Pre-existing IPR for it to use the Project IP internally • If the Collaborator is providing access to its Pre-existing IPR, be clear that you will only be able to use this for the specified Project, and not for any future independent research 	<ul style="list-style-type: none"> • Ensure the industry partner knows what restrictions might impact on its freedom to use the Project IP and what additional licences might be needed either for internal research use or for commercialisation
Use of Research Tools	<ul style="list-style-type: none"> • Ensure you list any important Research Tools that the Project will use so that it is clear to the Collaborator that it will have no rights to these 	<ul style="list-style-type: none"> • Ensure the industry partner knows what Research Tools are planned to be used in the Project and that you will not have rights to these

This table sets out the key points each party needs to consider when using the Standard Research Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Standard Research Agreement Provision	University	Collaborator
Use of Third Party IPR		
<ul style="list-style-type: none"> • Details of any IPR owned by third parties that will be used within the Project • The restrictions that apply to the third party IPR 	<ul style="list-style-type: none"> • Ensure the Collaborator is aware of any restrictions that might apply to the outputs from the Research if you are using Third Party IPR and that you are aware of any restrictions from Third Party IPR made available by the Collaborator 	<ul style="list-style-type: none"> • Ensure the industry partner knows what restrictions might impact on its freedom to use the Project IP before the Project starts
Liability		
<ul style="list-style-type: none"> • The financial limit of liability that each party will have arising from the Project, except for those situations that specifically uncapped or cannot be limited by law 	<ul style="list-style-type: none"> • Generally, this should be limited to the level of project funding received or a multiple of that funding – or it might be agreed to align with the organisation’s insurance limits • The limit will usually be the same for both parties unless it is agreed that one party is taking on a higher risk than the other 	<ul style="list-style-type: none"> • Generally, this should be limited to the level of project funding received or a multiple of that funding – or another agreed limit in accordance with the organisation’s insurance limits • The limit will usually be the same for both parties unless it is agreed that one party is taking on a higher risk than the other
Indemnity		
<ul style="list-style-type: none"> • The template includes an indemnity from the University that the Collaborator’s use of the Project IP for the Purpose will not infringe any IPR of a third party • The parties may agree to remove this indemnity or agree alternative indemnities 	<ul style="list-style-type: none"> • Very carefully consider whether the University can give an indemnity to cover the industry partner’s use of the Project IP. For many projects this will not be fair or reasonable given the uncertainties of what the research project may generate as Project IP • If the Collaborator owns the Project IP and is commercialising this, it is reasonable to ask that they indemnify the University from liabilities that arise from these activities 	<ul style="list-style-type: none"> • If the Project IP and your use of the Project IP can be clearly defined and are known prior to the Project starting, and the industry partner is fully funding the Project at a commercial rate, then asking for an indemnity from the University may be fair and reasonable • You should be prepared to indemnify the University where you own the Project IP and you are undertaking the commercialisation

This table sets out the key points each party needs to consider when using the Standard Research Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Standard Research Agreement Provision	University	Collaborator
Dispute Resolution	<ul style="list-style-type: none"> • Select the approach that works best for both parties. Most organisations will have a preferred approach • Be aware that some dispute resolution mechanisms may not be enforceable with a foreign entity • In the absence of agreement, escalation to court proceedings should be the default 	<ul style="list-style-type: none"> • Select the approach that works best for both parties. Most organisations will have a preferred approach • In the absence of agreement, escalation to court proceedings should be the default
Insurance	<ul style="list-style-type: none"> • Ensure your insurance levels meet the proposed levels • A lower level of insurance, particularly for professional indemnity may be appropriate if the company is a SME 	<ul style="list-style-type: none"> • Ensure your insurance levels meet the proposed levels • You may need to ask for the limits to be lowered

5.5 Multi-party Collaboration Agreement

The Multi-party Collaboration Agreement is for multi-party research and development projects between universities and companies.

When should it be used?

- For research and development projects of any value or risk between multiple (three or more) collaborators and universities
- Where one or more parties are providing funding for the project
- Where one or more parties are either private sector entities or Commonwealth Entities

When should it not be used?

- For research collaborations between only two parties – either the [Accelerated Research Agreement](#) or the [Standard Research Agreement](#) should be used
- For projects where the University is leasing equipment or providing contract technical (consulting) services, which do not involve basic research (please refer to the [Providing Services and Equipment](#) guidance)
- For commercialisation of any results

Key considerations when completing the template

The following table is provided as a guide to help the parties appreciate the key considerations that each party will have when negotiating a Multi-party Collaboration Agreement.

Discussing and understanding each party's needs and concerns up front will help you reach an agreement more quickly and will help you apply the template to reach a fair agreement. A multi-party research agreement may take at least three months to negotiate and sign, often longer, depending on the complexity of the proposed project and the number of parties. It is, therefore, important the parties start these discussions as early as possible.

For organisations, particularly SMEs, that do not have any experience of working with universities, this table will help you understand what the key provisions of a research collaboration are and what you need to discuss and agree in order to finalise the agreement from the template.

Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of the template.

This table sets out the key points each party needs to consider when using the Multi-party Collaboration Agreement. Understanding your own key considerations, as well as those of the other parties, will help you to negotiate a fair and reasonable agreement that works for all parties

Multi-party Collaboration Agreement Provision	University/Universities	Collaborator/Collaborators
Details of the Project		
<ul style="list-style-type: none"> • A clear plan for the research project describing the aims, what work will be undertaken, by whom, and the expected Project IP (including any reports) • Where milestones are included, a clear definition of what these are and what is needed to meet each milestone and the associated timelines • What confidential information will be exchanged 	<ul style="list-style-type: none"> • Be clear and realistic in what can be achieved, when and what the expected results are • Ensure that any risks and uncertainties are clearly articulated • Ensure any milestones are realistic and achievable, particularly if funding is contingent on achieving these milestones. • Be clear on what information is considered confidential to each party 	<ul style="list-style-type: none"> • Ensure you know what will be delivered through the Project and what the risks and uncertainties are • Ensure that the funding is linked to suitable progress with the research • Be clear on what information is considered confidential to each party
Project Funding		
<ul style="list-style-type: none"> • A detailed breakdown of the funding that will be provided by the parties and when payments will be made, and if these future payments are contingent on meeting earlier milestones • Details of any in-kind contributions • Identify any third party funding being used for the Project and any associated obligations 	<ul style="list-style-type: none"> • Ensure all costs and contingencies in the research are covered through the funding • Be clear on your liabilities if a milestone is not delivered • Ensure all in-kind contributions are documented and you can deliver these 	<ul style="list-style-type: none"> • Be clear on your financial liability and when payments will be due • Ensure all in-kind contributions are documented and you can deliver these • Understand what your financial responsibilities may be if the project terminates earlier than anticipated

This table sets out the key points each party needs to consider when using the Multi-party Collaboration Agreement. Understanding your own key considerations, as well as those of the other parties, will help you to negotiate a fair and reasonable agreement that works for all parties

Multi-party Collaboration Agreement Provision	University/Universities	Collaborator/Collaborators
Project Management		
<ul style="list-style-type: none"> • Having a clear project management structure is critical in multi-party research projects • A Governance Committee structure is used in the template to ensure all appropriate parties have the ability to direct the project and be kept informed of progress • Check that any third party funding terms that relate to the project are reflected in the project's governance to ensure that this complies with those funding obligations • Unless specified in the Project Plan, decisions by the Governance Committee need to be unanimous (other than when one party is in default) 	<ul style="list-style-type: none"> • Ensure the membership and remit of the Governance Committee is clear and that you understand how decisions relating to the project and reporting will work • The aim should be to keep all parties appropriately informed of progress and involved in all major decisions relating to the Project, without this becoming over-burdensome 	<ul style="list-style-type: none"> • Ensure the membership and remit of the Governance Committee is clear and that you understand how decisions relating to the project and reporting will work • The aim should be to keep all parties appropriately informed of progress and involved in all major decisions relating to the Project, without this becoming over-burdensome

This table sets out the key points each party needs to consider when using the Multi-party Collaboration Agreement. Understanding your own key considerations, as well as those of the other parties, will help you to negotiate a fair and reasonable agreement that works for all parties

Multi-party Collaboration Agreement Provision	University/Universities	Collaborator/Collaborators
Ownership of IP Rights (IPRs) in the Project IP		
<ul style="list-style-type: none"> • Who will own the Project IP generated by the Project • How these results will be protected and who is responsible for this • The agreement provides two models for IP ownership: <ul style="list-style-type: none"> ○ Model 1 – one party owns all Project IP generated or selected parties own specific components of the Project IP generated ○ Model 2 – all parties own the Project IP they generate. This may give rise to joint IP if more than one party works to create the same component of the Project IP. It is recommended that Model 1 be used in most instances, in order to identify the owner(s) of the IPRs in the Project IP. 	<ul style="list-style-type: none"> • Each of the proposed models for IP ownership has their advantages and disadvantages and each party should carefully consider which model works best and will best support commercialisation of the Project IP • If one party is agreed to be best placed to lead commercialisation then that party owning the Project IP would be the preferred option 	<ul style="list-style-type: none"> • Each of the proposed models for IP ownership has their advantages and disadvantages and each party should carefully consider which model works best and will best support commercialisation of the Project IP • If one party is agreed to be best placed to lead commercialisation then that party owning the Project IP would be the preferred option

This table sets out the key points each party needs to consider when using the Multi-party Collaboration Agreement. Understanding your own key considerations, as well as those of the other parties, will help you to negotiate a fair and reasonable agreement that works for all parties

Multi-party Collaboration Agreement Provision	University/Universities	Collaborator/Collaborators
Use of the Project IP (for internal use)		
<ul style="list-style-type: none"> Defining the scope of the internal uses the Collaborators have rights to the Project IP for (defined as the Purpose in Schedule 3). As a default position, each party will have a non-exclusive, free licence to use the Project IP internally for the activities that fall within their specific Purpose Different collaborators may have different Purposes 	<ul style="list-style-type: none"> Be clear on a suitable field of use for each of the Collaborators to use the Project IP of the Project in their respective internal research. This is usually confined to their active or expected research areas and may be different for different Collaborators Ensure any restrictions to your Pre-existing IPR and the rights that you can grant to them are clear to the other parties before the Project starts 	<ul style="list-style-type: none"> Ensure you have the rights you need to fully use the Project IP internally Ensure any restrictions to your Pre-existing IPR and the rights that you can grant to them are clear to the other parties before the Project starts
Use of the Project IP (commercialisation)		
<ul style="list-style-type: none"> As a default, each party has the first right to commercialise the Project IP that it owns unless the parties agree otherwise The parties have an option to negotiate a licence to commercialise Project IP owned by another party(ies) 	<ul style="list-style-type: none"> Be clear that the agreed IP ownership model and the mechanism to commercialise the Project IP will ensure that the University's Project IP is commercialised through the most appropriate party(ies), including through licensing to third parties if required If a Collaborator owns the Project IP, ensure it takes adequate steps to commercialise the Project IP 	<ul style="list-style-type: none"> Ensure you have a right to negotiate further commercialisation rights if these are likely to be needed to commercialise Project IP owned by other parties

This table sets out the key points each party needs to consider when using the Multi-party Collaboration Agreement. Understanding your own key considerations, as well as those of the other parties, will help you to negotiate a fair and reasonable agreement that works for all parties

Multi-party Collaboration Agreement Provision	University/Universities	Collaborator/Collaborators
Use of Pre-existing IPR	<ul style="list-style-type: none"> • Ensure the Collaborators are aware of your Pre-existing IPR that you will be using in the Project • Ensure you do not introduce any Pre-existing IPR into the Project if you are unwilling or unable to grant the Collaborators a licence for them to use the Project IP. This should be listed in the table in Schedule 3, section 5.3. This is very important as the Collaborators otherwise could have a free licence to your Pre-existing IPR for them to use the Project IP internally • If a Collaborator is providing access to its Pre-existing IPR, be clear that you will only be able to use this for the specified Project, and not for any future independent research 	<ul style="list-style-type: none"> • Ensure you know what restrictions might impact on your freedom to use the Project and what additional licences might be needed either for internal research use or for commercialisation • Ensure the Collaborators are aware of your Pre-existing IPR that you will be using in the Project
Use of Third Party IPR	<ul style="list-style-type: none"> • Ensure all parties are aware of any restrictions that might apply to the outputs from the Research if you are using Third Party IPR and that you are aware of any restrictions from Third Party IPR made available by the Collaborators 	<ul style="list-style-type: none"> • Ensure you know what restrictions might impact on your freedom to use the Project IP before the Project starts
Use of Research Tools	<ul style="list-style-type: none"> • Ensure you list any important Research Tools that the Project will use so that it is clear to the other parties that it will have no rights to these 	<ul style="list-style-type: none"> • Ensure you know what Research Tools are planned to be used in the Project and that you will not have rights to these

This table sets out the key points each party needs to consider when using the Multi-party Collaboration Agreement. Understanding your own key considerations, as well as those of the other parties, will help you to negotiate a fair and reasonable agreement that works for all parties

Multi-party Collaboration Agreement Provision	University/Universities	Collaborator/Collaborators
<p>not be required to gain rights to the Project IP</p> <ul style="list-style-type: none"> No rights are granted to Research Tools 		
Liability		
<ul style="list-style-type: none"> The financial limit of liability that each party will have arising from the Project, except for those situations that are specifically uncapped or cannot be limited by law 	<ul style="list-style-type: none"> Generally, this should be a multiple of the Fee paid – for example twice the Fee – or might be agreed to align with the organisation’s insurance limits The limit may be different for different parties 	<ul style="list-style-type: none"> Generally, this should be a multiple of the Fee paid – for example twice the Fee – or might be agreed to align with the organisation’s insurance limits The limit may be different for different parties
Indemnity		
<ul style="list-style-type: none"> The template includes an indemnity from each party to the other parties that use of their IPR for the Project and/or the Project IP for the Purpose will not infringe any IPR of a third party The parties may agree to remove this indemnity or agree alternative indemnities 	<ul style="list-style-type: none"> Very carefully consider whether you can give an indemnity to cover the other parties’ use of your IPR or your Project IP. For many projects this will not be fair or reasonable given the uncertainties of what the research project may generate as Project IP 	<ul style="list-style-type: none"> Very carefully consider whether you can give an indemnity to cover the other parties’ use of your IPR or your Project IP. For many projects this will not be fair or reasonable given the uncertainties of what the research project may generate as Project IP
Dispute Resolution		
<ul style="list-style-type: none"> The agreement includes a number of alternative standard approaches to dispute resolution 	<ul style="list-style-type: none"> Select the approach that works best for both parties. Most organisations will have a preferred approach In the absence of agreement, escalation to court proceedings should be the default 	<ul style="list-style-type: none"> Select the approach that works best for both parties. Most organisations will have a preferred approach In the absence of agreement, escalation to court proceedings should be the default

This table sets out the key points each party needs to consider when using the Multi-party Collaboration Agreement. Understanding your own key considerations, as well as those of the other parties, will help you to negotiate a fair and reasonable agreement that works for all parties

Multi-party Collaboration Agreement Provision	University/Universities	Collaborator/Collaborators
Insurance		
<ul style="list-style-type: none"> The agreement includes standard levels of insurance that are appropriate for most situations 	<ul style="list-style-type: none"> Ensure your insurance levels meet the proposed levels A lower level of insurance, particularly for professional indemnity may be appropriate if the company is a SME 	<ul style="list-style-type: none"> Ensure your insurance levels meet the proposed levels You may need to ask for the limits to be lowered
Governing law State or Territory		
<ul style="list-style-type: none"> The agreement allows the parties to decide on the most appropriate governing law and also the venue for any alternative dispute resolution This recognises that different parties may be in different States 	<ul style="list-style-type: none"> If the choice of governing law is not your home State/Territory, ensure you are aware of any additional costs/obligations that agreeing to another State or Territory law may impose 	<ul style="list-style-type: none"> If the choice of governing law is not your home State/Territory, ensure you are aware of any additional costs/obligations that agreeing to another State or Territory law may impose

5.6 Equipment Licence Agreement

The Equipment Licence Agreement is for a party to access equipment from another party for a specified use and time period, for example when a company wishes to use equipment owned by the University for a specific project on its premises.

When should it be used?

- When one party wishes to share proprietary equipment with another party; and
- The parties are Australian entities

The agreement is also suitable when one of the parties is a Commonwealth Entity.

Whilst it will generally be the University providing equipment to an industry partner, the agreement is structured so that either party could be the Licensor.

An Equipment Licence Agreement can be used to provide equipment for use in a project or other collaboration. It can also be used for other situations requiring the exchange of equipment, for example, where an industry partner wishes to test a prototype to decide whether to sign a commercialisation licence or purchase agreement.

The template may need to be amended if the Equipment will be used to create any IP.

When should it not be used?

- When the equipment could pose significant environmental or health and safety risks. Further assessment of risks should be undertaken in these circumstances and a bespoke agreement may be required
- When one party is not an Australian entity

Key considerations when completing the template

The following table is provided as a guide to help the parties appreciate the key considerations that each party will have when negotiating an Equipment Licence Agreement using the template.

The template is provided in the Standard track. Discussing and understanding each party's needs and concerns up front will help you reach an agreement more quickly.

For organisations, particularly SMEs, that have not previously been asked to enter this type of agreement, this table will help you understand what the key provisions are and what you need to discuss and agree in order to finalise the agreement from the template.

Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of the template.

This table sets out the key points each party needs to consider when using the Equipment Licence Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Equipment Licence Agreement Provision	University (Licensor)	Collaborator (Licensee)
Details of the Equipment being licensed		
<ul style="list-style-type: none"> A clear description of the Equipment being licensed including its technical specifications If the intention is that the Equipment will be used to generate new IP, the template may need to be amended to include provisions for ownership and rights to this IP 	<ul style="list-style-type: none"> Descriptions should have enough detail to make it clear what Equipment will be shared 	<ul style="list-style-type: none"> Ensure you understand what Equipment is being received and that it will meet your requirements
Restrictions on use		
<ul style="list-style-type: none"> A clear description of whether there are any restrictions on how the Equipment can be used, for example, if the Equipment cannot be used in a particular manner or using particular products This should be defined as clearly as possible 	<ul style="list-style-type: none"> Ensure that the Equipment is not used for any purpose that may impact on it or its safe use 	<ul style="list-style-type: none"> Understand the restrictions (if any) on how you can use the Equipment and ensure this covers all of your intended uses
Use & Care Instructions		
<ul style="list-style-type: none"> Standard terms relating to how the company needs to use the equipment and care for it 	<ul style="list-style-type: none"> Ensure the Collaborator properly uses and looks after the Equipment so as to minimise damage and loss 	<ul style="list-style-type: none"> Ensure you understand your obligations to use and look after the Equipment Ensure you have appropriate insurance to cover any damage or liabilities

This table sets out the key points each party needs to consider when using the Equipment Licence Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Equipment Licence Agreement Provision	University (Licensor)	Collaborator (Licensee)
<p>Fees</p> <ul style="list-style-type: none"> • If a Fee is being charged for the Equipment licence, this needs to be discussed and agreed • The Fee may be a one-off payment or a monthly fee 	<ul style="list-style-type: none"> • Decide whether a Fee is appropriate and discuss this with the Collaborator as early as possible. 	<ul style="list-style-type: none"> • If a Fee is being charged, this is usually negotiable and will depend on the value of the Equipment (including costs incurred by the University to make it) • Ensure you understand the delivery and return costs as you will be responsible for these
<p>Confidential Information exchanged</p> <ul style="list-style-type: none"> • A clear and concise description of scope of the information that each party intends to share with the other and which that party considers to be confidential • How long this information must be kept confidential should also be included. Often this time period will be 5-7 years, although longer periods may be appropriate. In most cases the term will be the same for both parties 	<ul style="list-style-type: none"> • Ensure if confidential information is exchanged with the Equipment that this is clearly identified • Ensure this information is kept confidential long enough so as not to impact on your research and commercialisation activities. For example, so that others cannot use this information before the University has published it or filed patent applications • Understand what restrictions apply to confidential information shared with you by the Collaborator. This will usually include information about their work with the Equipment 	<ul style="list-style-type: none"> • Ensure you understand what information you receive from the University needs to be kept confidential • Ensure it is clear what information you will share that you consider to be confidential information and that this is kept confidential long enough so as not to impact on your commercial activities • For example, so that the University does not publish the information and competitors do not benefit from this confidential information whilst it still provides a competitive advantage

This table sets out the key points each party needs to consider when using the Equipment Licence Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Equipment Licence Agreement Provision	University (Licensor)	Collaborator (Licensee)
Liability Cap		
<ul style="list-style-type: none"> • An agreed financial limit of liability for risks arising under the Agreement • This cap will not apply to those liabilities that are commonly excluded, or specifically uncapped or which cannot be capped by law • The level of the cap should be linked to the value of the fees being charged or a multiple of these fees 	<ul style="list-style-type: none"> • The agreed cap should represent a level appropriate for the fee being charged, the value of the Equipment and is consistent with your liability insurance limits 	<ul style="list-style-type: none"> • Ensure the cap is consistent with your liability insurance limits

5.7 Technical (Consulting) Services Agreement

The Technical (Consulting) Services Agreement is for the provision of support services, for example when an industry partner wishes to purchase certain testing services from a university and this is being charged on a commercial/market rate basis.

When should it be used?

- When an industry partner (the Collaborator) and a university have, or are developing, an ongoing relationship in a specific area of research, or the industry partner requires the expertise of a specific research team or other assistance from the university. This may be a one-time service or part of an ongoing relationship in a specific area of research
- The support is agreed by the parties as being routine (not involving research), clearly defined, low impact and generally of low to medium risk
- The industry partner is fully funding the support on a commercial/market rate basis
- The parties are Australian entities

The Collaborator can be a private sector entity or a Commonwealth Entity.

When should it not be used?

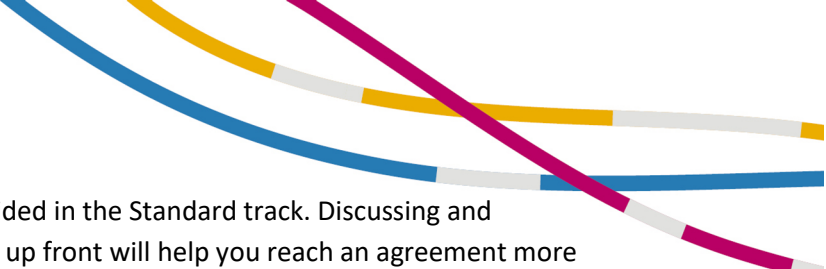
- When the proposed work involves investigative research where the end result is not known at the outset but could lead to a new process or product or just scientific knowledge – use either the [Accelerated Research Agreement](#) or the [Standard Research Agreement](#)
- For research based projects with an uncertain outcome
- For leasing or licensing equipment – use the [Equipment Licence Agreement](#)
- As a licence or assignment agreement solely for access to (and use of) the University's or the Collaborator's Pre-existing intellectual property rights (IPR)
- For commercialisation of any IPR

The HERC IP Framework provides separate licence and assignment agreements for IPR and these should be used where any significant IPR will be [licensed](#) or [assigned](#) between the parties. There are also separate templates for the conduct of [research projects](#).

Key considerations when completing the template

The following table is provided as a guide to help the parties appreciate the key considerations that each party will have when negotiating a Technical (Consulting) Services Agreement using the template.

The template is appropriate for the delivery of services to the Collaborator where these are being charged in a commercial / market rate basis. The template can be adapted for services that are being provided at less than commercial / market rates. However, in these situations the University's obligations would not be expected to be as onerous and appropriate changes on the template will



be required to reflect this. The template is provided in the Standard track. Discussing and understanding each party's needs and concerns up front will help you reach an agreement more quickly. A technical (consulting) services agreement may take up to a few months to negotiate and sign, depending on the complexity of the proposed arrangements. It is, therefore, important the parties start these discussions as early as possible.

For organisations, particularly SMEs, that have not previously been asked to enter this type of agreement, this table will help you understand what the key provisions of a technical (consulting) services agreement are and what you need to discuss and agree in order to finalise the agreement from the template.

Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of the template.

This table sets out the key points each party needs to consider when using the Technical (Consulting) Services Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Technical (Consulting) Services Agreement Provision	University	Industry Partner (Collaborator)
Details of Services		
<ul style="list-style-type: none"> • A clear description of the Services and tasks/activities that the industry partner (Collaborator) is asking the university (University) to undertake • The key personnel at the University responsible for performing the Services also needs to be agreed • If the University intends to use students for delivery of the Services, they are treated the same as other Personnel unless expressly agreed by the parties • If material and support are being provided by the industry partner, this should be discussed and included in the Details Schedule • Key deliverables in terms or Milestones and outputs from the Services (called Contract Material) need to be agreed and listed in Schedule 1 • If the University intends to use subcontractors the template can be updated to allow the parties to pre-agree any subcontractors up front 	<ul style="list-style-type: none"> • Ensure you are clear what services you are expected to provide and that the required internal resources are available from the nominated key personnel • Ensure you have appropriate arrangements in place with any students that you intend to use to deliver the Services • Ensure the reporting and meeting requirements are appropriate for the nature of the Services being delivered • Ensure that Milestones and Contract Materials are realistic and achievable, particularly if payment is dependent on you meeting these • If the Services are not being provided at a full commercial/market rate, you should expect to have more flexibility in how and when the work is delivered 	<ul style="list-style-type: none"> • Ensure you understand what services you need and that the agreed scope of the work meets this • Ensure the agreed Milestones and final deliverables meet your needs and you are aware any risks • Ensure the agreed work and deliverables is appropriate to the fees being charged

This table sets out the key points each party needs to consider when using the Technical (Consulting) Services Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Technical (Consulting) Services Agreement Provision	University	Industry Partner (Collaborator)
<p>Fee</p> <ul style="list-style-type: none"> The agreement is structured so that the rates and agreed charging principles can be inserted in the Details Schedule The intent of the agreement is to provide services on a full commercial/market rate basis and the obligations/rights of each party reflect this 	<ul style="list-style-type: none"> Ensure you are clear how your Fees will be charged and that this is reasonable given the nature of the agreement, the support being requested and the context of your wider relationship with the industry partner The fees should reflect a commercial / market rate, including an appropriate profit margin over your direct costs 	<ul style="list-style-type: none"> Ensure you are clear how the Fees will be charged and that you can meet your financial liabilities

This table sets out the key points each party needs to consider when using the Technical (Consulting) Services Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Technical (Consulting) Services Agreement Provision	University	Industry Partner (Collaborator)
<p>Confidential Information exchanged</p> <ul style="list-style-type: none"> • A clear and concise description of scope of the information that each party intends to share with the other and which that party considers to be confidential • How long this information must be kept confidential should also be included. Often this time period will be 5-7 years, although longer periods may be appropriate. In most cases the term will be the same for both parties 	<ul style="list-style-type: none"> • Ensure if confidential information is exchanged with the services that this is clearly identified • Ensure this information is kept confidential long enough so as not to impact on your research and commercialisation activities. For example, so that others cannot use this information before the University has published it or filed patent applications • Understand what restrictions apply to confidential information shared with you by the Collaborator. This will usually include information about how your services are supporting their business activities 	<ul style="list-style-type: none"> • Ensure you understand what information you receive from the University needs to be kept confidential • Ensure it is clear what information you will share that you consider to be confidential information and that this is kept confidential long enough so as not to impact on your commercial activities • For example, so that the University does not publish the information and competitors do not benefit from this confidential information whilst it still provides a competitive advantage
<p>Intellectual Property Rights (IPR)</p> <ul style="list-style-type: none"> • Any Pre-Existing IPR that is being used in the Services should be documented by both parties, along with any restrictions on its use. This is important particularly for the Collaborator as additional rights may need to be negotiated if rights to any University Pre- 	<ul style="list-style-type: none"> • Ensure you document any Pre-existing IPR and any Third Party IPR that will be required to deliver the Support. This is important so that the industry partner knows what additional licences it may need to commercialise the outputs from the Services 	<ul style="list-style-type: none"> • Ensure you document any material and assistance that you are providing to the University, particularly if this material represents valuable company IPR • Ensure you have the rights to provide the University with any material and other Pre-Existing IPR that it needs from you to provide you with the Services

This table sets out the key points each party needs to consider when using the Technical (Consulting) Services Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Technical (Consulting) Services Agreement Provision	University	Industry Partner (Collaborator)
<p>Existing IPR is required for the Collaborator to commercialise the outputs from the Services</p> <ul style="list-style-type: none"> The Collaborator will own any new IPR created through the Services and the University will have no right to use this in the future except as part of the delivery of the Services If any Third Party IPR (including software) is proposed to be used for the Services, this needs to be identified along with any restrictions on its use 	<ul style="list-style-type: none"> Ensure you document any restrictions to use of your Pre-existing IPR or Third Party IPR by the industry partner, particularly in the context of the licences you grant For new IPR owned by the company, you should not expect to be granted a licence to use this for your academic research and teaching purposes unless the industry partner is not paying a full commercial/market rate If the company is not paying a full commercial/market rate, it may be appropriate that the University owns certain of the new IPR from the Services 	<ul style="list-style-type: none"> Ensure you understand whether you can commercially use the outputs from the Services or whether additional licences will be required from the University for its Pre-Existing IPR or for Third Party IPR used in the Services
<p>Additional right of the University</p> <ul style="list-style-type: none"> If the industry partner is paying a full commercial/market rate, the University would not expect to have any rights to use the new IPR created through the Services (for example, for academic or research purposes), or to have any rights to publish the results 	<ul style="list-style-type: none"> Be clear that you will not have any rights to use the outputs from the Services unless these are included in the Details Schedule Ensure appropriate rights are included where the industry partner is not paying a full commercial/market rate for the Services or where this is otherwise agreed by the parties 	<ul style="list-style-type: none"> Ensure any additional rights agreed for the University are appropriate for the circumstances of the Services and do not impact on your commercial activities

This table sets out the key points each party needs to consider when using the Technical (Consulting) Services Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Technical (Consulting) Services Agreement Provision	University	Industry Partner (Collaborator)
<ul style="list-style-type: none"> Unless agreed otherwise, the University must obtain the agreement of the industry partner to transfer its obligations under the Agreement 	<ul style="list-style-type: none"> Consider whether you need to change the no assignment clause if the University anticipates that it may want to transfer its rights and obligations under the Agreement to any new spin off entity or affiliate (for example, under the Australian Economic Accelerator Program) 	

This table sets out the key points each party needs to consider when using the Technical (Consulting) Services Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Technical (Consulting) Services Agreement Provision	University	Industry Partner (Collaborator)
<p>Limit of Liability and Indemnity</p> <ul style="list-style-type: none"> In recognition of the commercial nature of the support, the university should be expected to give certain guarantees and accept a high level of liability The University is also expected to indemnify the Collaborator. The parties can agree to remove this indemnity or modify it 	<ul style="list-style-type: none"> Be clear that the approach to liability is appropriate for the support you are giving, the rates being charged and the industry partner’s application of this support If a liability cap is agreed in the Details Schedule, this would normally be a multiple of the Fees paid for the Services or it might be agreed to align with the organisation’s insurance limits Be clear that the indemnity is appropriate in the circumstances and if not, ensure the agreed changes are recorded in the Details Schedule. For example, for certain Services the University may not be able to agree to an indemnity for IPR infringement The University should not expect to accept a level of liability in excess of the Fees, nor to fully indemnify the Collaborator, if the Fees being charged for the Services are not at a full commercial/market rate 	<ul style="list-style-type: none"> Be clear that the approach to liability and indemnity is appropriate for the Services you are receiving, the rates you are paying and the company’s application of the results from the Services

5.8 Accelerated Licence Agreement (inc low risk Commercialisation)

A licence agreement for an IP owner to licence IP Rights (IPR) (including IPR developed as part of a project) on a non-exclusive basis to the other party, either for non-commercial use or for low-risk commercialisation.

When should it be used?

- To allow non-commercial use of the IP; or
- For commercial transactions valued at less than \$100,000 or agreed by the parties to be low risk; and
- The parties are Australian entities

Whilst it will generally be the university licensing IPR to an industry partner, the agreement is structured so that either party could be the Licensor. The agreement is also suitable when a party is a Commonwealth Entity.

When should it not be used?

- An Accelerated Licence Agreement (inc low risk Commercialisation) is only recommended when both parties decide that the Accelerated agreement is appropriate. If you cannot agree, and the licence is for commercialisation, use of the Licence Agreement (Non-exclusive Commercialisation) is recommended
- For the grant of an exclusive commercial licence to IPR (the [Licence Agreement \(Exclusive Commercialisation\)](#) **must be used**)
- As a licence arrangement for equipment (use [the Equipment Licence Agreement](#))
- When one party is not an Australian entity

Should I use the Accelerated or Standard Non-Exclusive Licence?

The university and the industry partner should consider the following factors to decide whether to use the Accelerated or Standard licence template for a non-exclusive licence. Independent advice or further information from the other party may be needed to make an informed judgement.

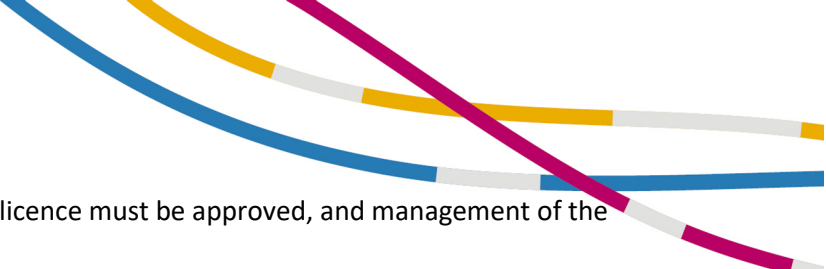
- **Will the licence be for uses that do not involve commercialisation?** If the licence is for internal use only, then the Accelerated Licence Agreement (inc low risk Commercialisation) **must be used**. The Research Agreement templates already include a licence to the industry partner for internal use, which will normally be sufficient and in these cases there is no requirement to use this Agreement. If additional coverage is required by the industry partner, the parties should enter into a separate licence agreement using this template
- **Are indemnity or warranty provisions needed?** If one or both parties require indemnity and/or warranty provisions, then it is recommended that a Standard Licence Agreement is used, as these include standard warranty and indemnity provisions that can be customised as required

- **Are the Fees payable expected to be less than \$100,000?** For many lower value agreements, the Accelerated Licence Agreement (inc low risk Commercialisation) will be appropriate, and will streamline the process of negotiating and finalising an agreement, which can otherwise be costly and time consuming for both parties. Each form of agreement allows for flexibility in how the parties set the Fees - including for royalty payments. However, if the risks in the agreement are high and/or specific risks are identified, the Standard Licence Agreement will be more suitable, for example if:
 - one party is a foreign entity
 - the licence structure or Fees are complex
 - the proposed intellectual property arrangements are complex (for example, multiple types of intellectual property being licensed with different licensing approaches)
 - there are existing arrangements in place between the parties
- **What has the internal risk assessment returned?** Before starting a commercialisation project, each party should carry out their own risk assessment. Factors to consider include:
 - what is the potential legal exposure that the activity may create?
 - could this activity lead to a breach of intellectual property rights, including patent or copyrights?
 - will this activity involve significant physical or environmental risks?

If the internal assessment indicates a low risk, then the Accelerated Licence Agreement (inc low risk Commercialisation) would be appropriate

This risk assessment may also be used to determine an appropriate liability cap for the agreement. For the Accelerated Licence Agreement (inc low risk Commercialisation), the liability cap would generally not exceed \$100,000. If the proposed liability cap is higher than \$100,000, the Standard Licence Agreement may be more appropriate

- **Are additional arbitration or mediation systems needed:** While the parties can always agree to refer their dispute to mediation, there is no mandated mediation or arbitration in the Accelerated Licence Agreement (inc low risk Commercialisation). If this is required, the Standard Licence Agreement should be considered
- **Will the licensee be paying a royalty?** Either the Accelerated Licence Agreement (inc low risk Commercialisation) or the Standard Licence Agreement can be used with a royalty model. The method for calculating the royalty must be agreed by the parties. If the method is complex, the Standard Licence Agreement is preferred, as it provides more guidance on audit rights and a template that can be adapted for calculation of royalty amounts. In each case parties should obtain independent financial and taxation advice
- **Is sublicensing allowed?** In most commercialisation arrangements a licensee may wish to be permitted to sublicense the licensed IP rights to enable commercial exploitation. For example, the licensee may wish to outsource some aspects of manufacturing, service provision or sales. While this is consistent with options in both the Accelerated Licence Agreement (inc low risk Commercialisation) and the Standard Licence Agreements, it indicates a higher level of complexity and risk. If sublicensing is allowed for these types of activities, then the Standard Licence Agreement is recommended, as this includes template provisions regulating sublicensing, such as provisions which must be included in the



sublicence agreement, whether the sublicence must be approved, and management of the risks associated with sublicensing

- **Other factors to consider are:** whether the agreement is required to address the ownership and/or licensing of any improvements back to the licensor, and whether there are any product safety requirements that need to be addressed. In general, these factors increase risk and make the Standard Licence Agreement more appropriate

Key considerations when completing the template

The following table is provided as a guide to help the parties appreciate the key considerations that each party will have when negotiating an Accelerated Licence Agreement (inc low risk Commercialisation) using the template.

The template is provided in the Accelerated track and it is expected that it can be used with minimal negotiation between the parties. Nevertheless, discussing and understanding each party's needs and concerns up front will help you reach an agreement more quickly. A licence agreement may take three to six months or more to negotiate and sign, often longer, depending on the complexity of the proposed licence. It is, therefore, important the parties start these discussions as early as possible.

For organisations, particularly SMEs, that have not previously been asked to enter this type of agreement, this table will help you understand what the key provisions of a licensing agreement are and what you need to discuss and agree in order to finalise the agreement from the template.

Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of the template.

This table sets out the key points each party needs to consider when licensing IP on a non-exclusive basis using the Accelerated Licence Agreement (inc low risk Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
<p>Term</p> <ul style="list-style-type: none"> The time period of the licence Generally, this covers the life of any registered IPR or a defined number of years for copyright or software licences 	<ul style="list-style-type: none"> Clarity over how long the licence will last and what happens when it expires 	<ul style="list-style-type: none"> Ensure the industry partner has the rights it needs for long enough, and that this matches their business model and the level of investment needed to get to market
<p>Licensed IPR & Technology</p> <ul style="list-style-type: none"> A clear definition of what IPR is being licensed and its technology field and intended applications Details of any Materials being transferred as part of the licence and how they need to be treated Where the Licensed IPR includes Confidential Information, the Licensee must not disclose it unless the parties have agreed otherwise 	<ul style="list-style-type: none"> Be clear on exactly what is being licensed and what is not Check that you have the right to grant the rights to the IPR 	<ul style="list-style-type: none"> Be clear on exactly what is being licensed to ensure the industry partner has access to everything it needs to commercialise the IPR Ensure you understand any restrictions in terms of Confidential Information that forms part of the Licensed IPR
<p>Licence Scope</p> <ul style="list-style-type: none"> The scope of the licence and whether this is for internal use only or whether it also includes commercialisation rights 	<ul style="list-style-type: none"> The granted rights should match the needs, capabilities and commitment from the industry partner 	<ul style="list-style-type: none"> Ensure the industry partner has the rights it needs and that this matches your business model and the level of investment needed to get to market

This table sets out the key points each party needs to consider when licensing IP on a non-exclusive basis using the Accelerated Licence Agreement (inc low risk Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
<p>Limitations on Use</p> <ul style="list-style-type: none"> A clear definition of the specific field of use or application that the licence is granted for 	<ul style="list-style-type: none"> Ensure that the licence is to those fields of use where the industry partner has expertise This is particularly important with IPR that can be applied in many different applications (so called platform technologies) 	<ul style="list-style-type: none"> Ensure the industry partner has the rights it needs and that this matches your business model and the level of investment needed to get to market
<p>Derivatives</p> <ul style="list-style-type: none"> Improvements (Derivatives) to the Licensed IPR made by the Licensee will be owned by them If the Licensor also wants to use these improvements, this will need to be agreed and included in the agreement 	<ul style="list-style-type: none"> Where the University is the Licensor, it may be appropriate to ask for a licence to Derivatives created by the company for research and teaching purposes. This will need to be agreed by the parties and set out in the agreement 	<ul style="list-style-type: none"> Where the industry partner is the Licensor, it can be important to have access to Derivatives made by the Licensee to enable the industry partner to use these themselves. This will need to be agreed and set out in the agreement
<p>Third Party IPR</p> <ul style="list-style-type: none"> Details of any IPR owned by third parties within the scope of the rights being licensed - for example third party software or hardware If Third Party IPR is relevant, no rights are granted to the Licensee unless this is specifically inserted 	<ul style="list-style-type: none"> Ensure that the Licensee is clear what other licences it may need to use Third Party IPR (if any) For most licences this would not be expected to be relevant 	<ul style="list-style-type: none"> Ensure the industry partner is aware of any Third Party IPR restrictions and any further licences it may need to obtain from others

This table sets out the key points each party needs to consider when licensing IP on a non-exclusive basis using the Accelerated Licence Agreement (inc low risk Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
<p>Further assurances</p> <ul style="list-style-type: none"> If the licence includes commercialisation rights, details of any additional obligations the Licensee may have – for example to provide a Technology Roadmap or agree to development milestones The template includes very limited assurances for the licensed IPR and no indemnities from either party. Whilst the template can be varied to include these, the Standard Licence templates may be more appropriate to use 	<ul style="list-style-type: none"> Ensure that the impact of the licensed IPR is maximised and the industry partner does not take a licence and then does not develop the technology This is less of a concern as this licence is non-exclusive. However, agreeing a development plan and milestones can still be important If the company is seeking additional warranties relating to the licensed IPR, carefully consider if these are appropriate and that you can give them If the licence includes commercialisation rights and an indemnity from the company for these activities is required, this will need to be added to the template or the parties should use the Standard Licence templates 	<ul style="list-style-type: none"> Ensure the industry partner has the freedom to take commercial decisions and adopt development timelines that are realistic Ensure any diligence requirements reflect technical and commercial realities and are achievable Consider whether additional warranties and indemnities are required / being asked for and if so whether to include them in this template or use the Standard Licence templates
<p>Fee</p> <ul style="list-style-type: none"> Details of any fees or if the licence is royalty-free If a Fee is payable, details of whether this is paid upfront, or against milestones and/or a royalty on sales 	<ul style="list-style-type: none"> Ensure a fair return for the IPR if a Fee is appropriate The template does not include obligations for the reimbursement of patent or other IPR costs. If this is important, ensure this is taken into account in the fees being charged 	<ul style="list-style-type: none"> Ensure the fair value being paid for the licence matches the value it gains from access to the IPR, and any additional risks it may be taking to get the technology to market

This table sets out the key points each party needs to consider when licensing IP on a non-exclusive basis using the Accelerated Licence Agreement (inc low risk Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
Confidential Information		
<ul style="list-style-type: none"> • Details of any confidential information exchanged under the licence should be recorded • A period agreed for how long this information needs to be kept confidential. Often this will be 5-7 years, although longer periods may be appropriate in some circumstances • A perpetual term is sometimes appropriate, subject to the receiving party being confident they can manage this long-term obligation • In most cases the term will be the same for both parties • Where the Licensed IPR includes Confidential Information, the Licensee must not disclose it unless the parties have agreed otherwise 	<ul style="list-style-type: none"> • Ensure a clear description of any confidential information relating to the Licensed IPR is recorded • Ensure you understand your obligations with respect to confidential information shared with you • If you are asked to accept a perpetual term, ensure you have the systems and processes to manage these obligations into the future 	<ul style="list-style-type: none"> • Ensure details of any confidential information arising from your use of Licensed IPR are recorded • For example, you would usually expect progress and payment reports that you share with the Licensor will be kept confidential • If you are asked to accept a perpetual term, ensure you have the systems and processes to manage these obligations into the future

This table sets out the key points each party needs to consider when licensing IP on a non-exclusive basis using the Accelerated Licence Agreement (inc low risk Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
Liability cap		
<ul style="list-style-type: none"> The financial limit agreed for all liabilities under the licence except for those that are specifically uncapped or cannot be limited by law 	<ul style="list-style-type: none"> Ensure the agreed liability cap is in line with the value being captured by the licence Where a cap is agreed, this can be limited to the fees payable or a multiple of these fees The liability cap would generally not exceed \$100,000. If the proposed liability cap is higher than \$100,000, the Standard Licence Agreement may be more appropriate 	<ul style="list-style-type: none"> Ensure the agreed liability cap is in line with the value being captured by the licence and the risks the Licensee is taking to develop the licensed IPR

5.9 Licence Agreement (Non-exclusive Commercialisation)

A licence agreement for an IP owner to licence IP Rights (IPR) (including IPR developed as part of a project) on a non-exclusive basis to the other party for commercialisation

When should it be used?

- For licensing transactions that include commercialisation rights; and
- The parties have agreed that the [Accelerated Non-Exclusive Licence](#) is not appropriate

Whilst it will generally be the university licensing IPR to a company, the agreement is structured so that either party could be the Licensor. The agreement is also suitable when a party is a Commonwealth Entity.

The template assumes both parties are Australian entities. If you wish to use the template for a licence to a foreign entity, you should seek legal advice as to any changes that may be needed.

When should it not be used?

- If the licence does not include commercialisation rights, the [Accelerated Licence Agreement \(inc low risk Commercialisation\)](#) should be used
- For the grant of an exclusive licence to IPR (the [Licence Agreement \(Exclusive Commercialisation\)](#) **must be used**)
- As a licence arrangement for equipment (use [the Equipment Licence Agreement](#))

Should I use the Standard or Accelerated Non-Exclusive Licence?

The university and the industry partner should consider the following factors to decide whether to use the Standard or Accelerated licence template for a non-exclusive licence. Independent advice or further information from the other party may be needed to make an informed judgement.

- **Will the licence be for uses that do not involve commercialisation?** If the licence is for internal use only, then the Accelerated Licence Agreement (inc low risk Commercialisation) **must be used**
- **Are indemnity or warranty provisions needed?** If one or both parties require indemnity and/or warranty provisions, then the Standard Licence Agreement should be used, as it incorporates standard warranty and indemnity provisions that can be customised as required
- **Are the Fees payable expected to be more than \$100,000?** For higher value agreements, the Licence Agreement (Non-exclusive Commercialisation) should be used
- **What has the internal risk assessment returned?** Before starting a commercialisation project, each party should carry out their own risk assessment. Factors to consider include:
 - what is the potential legal exposure that the activity may create?
 - could this activity lead to a breach of intellectual property rights, including patent or copyrights?
 - will this activity involve significant physical or environmental risks?

- is the proposed liability cap higher than \$100,000?

If the internal assessment indicates a higher risk, then the Licence Agreement (Non-exclusive Commercialisation) should be used

- **Are additional arbitration or mediation systems needed:** While the parties can always agree to refer their dispute to mediation, there is no mandated mediation or arbitration in the Accelerated Licence Agreement (inc low risk Commercialisation). If this is required, the Standard Licence Agreement should be used
- **Will the licensee be paying a royalty?** Either the Accelerated Licence Agreement (inc low risk Commercialisation) or the Standard Licence Agreement can be used with a royalty model. The method for calculating the royalty must be agreed by the parties. If the method is complex, the Standard Licence Agreements are preferred, as they provide more guidance on audit rights and a template that can be adapted for calculation of royalty amounts
- **Is sublicensing allowed?** In most commercialisation arrangements a licensee may wish to be permitted to sublicense the licensed IP rights to enable Commercial exploitation. For example, the licensee may wish to outsource some aspects of manufacturing, service provision or sales. While this is consistent with options in both the Accelerated Licence Agreement (inc low risk Commercialisation) and the Standard Licence Agreements, it indicates a higher level of complexity and risk. If sublicensing is allowed for these types of activities, then the Standard Licence Agreements are recommended, as they include template provisions regulating sublicensing, such as provisions which must be included in the sublicense agreement, whether the sublicense must be approved, and management of the risks associated with sublicensing
- **Other factors to consider are:** Whether the agreement is required to address the ownership and/or licensing of any improvements back to the licensor, and whether there are any product safety requirements that need to be addressed. In general, these factors increase risk and make the Standard Licence Agreements more appropriate

Key considerations when completing the template

The following table is provided as a guide to help the parties appreciate the key considerations that each party will have when negotiating a licence using the Licence Agreement (Non-exclusive Commercialisation) template.

The template is provided in the Standard track and understanding each party's needs and concerns up front will help you reach an agreement more quickly. A licence agreement may take three to six months or more to negotiate and sign, often longer, depending on the complexity of the proposed licence. It is, therefore, important the parties start these discussions as early as possible.

For organisations, particularly SMEs, that have not previously been asked to enter this type of agreement, this table will help you understand what the key provisions of a licensing agreement are and what you need to discuss and agree in order to finalise the agreement from the template.

Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of the template.

This table sets out the key points each party needs to consider when licensing IP on a non-exclusive basis using the Licence Agreement (Non-exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
Term / Period (Schedule 1)		
<ul style="list-style-type: none"> The time period of the licence Generally, this covers the life of any registered IPR or a defined number of years for copyright or software licences In some cases, there may be limits on the ability to licence IPR beyond the term of its registration and this is reflected in the template, with the intent that the Term applies to the fullest extent practical/permitted 	<ul style="list-style-type: none"> Clarity over how long the licence will last and what happens when it expires 	<ul style="list-style-type: none"> Ensure the industry partner has the rights it needs for long enough, and that this matches your business model and the level of investment needed to get to market
Licence Scope and Sublicensing (Schedule 1)		
<ul style="list-style-type: none"> The licence scope is for commercialisation. If the licence is only for research purposes, the Accelerated Non-Exclusive Licence template should be used The Agreement provides a limited right for the Licensee to on-license its rights to third parties – as this is usually required in the case of Commercialisation. These provisions could be removed if the Licensee will only be directly manufacturing and selling products, or using the technology to provide services to end users 	<ul style="list-style-type: none"> The granted rights should match the needs, capabilities, and commitment from the company Consider what level of sub-licensing rights are required for the industry partner to meet its business plan 	<ul style="list-style-type: none"> Ensure the industry partner has the rights it needs and that this matches your business model and the level of investment needed to get to market

This table sets out the key points each party needs to consider when licensing IP on a non-exclusive basis using the Licence Agreement (Non-exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
Licence Application & Territory (Schedule 1)		
<ul style="list-style-type: none"> • A clear definition of the specific application fields of use or application that the licence is granted for • The geographical territories of the licence e.g., Australia 	<ul style="list-style-type: none"> • Ensure that the licence is to those application fields of use where the industry partner has expertise and, in those territories where the company plans to commercialise the licensed IPR • This is particularly important with IPR that can be applied in many different applications (so called platform technologies) 	<ul style="list-style-type: none"> • Ensure the industry partner has the rights it needs and that this matches your business model and the level of investment needed to get to market, and the countries you operate in

This table sets out the key points each party needs to consider when licensing IP on a non-exclusive basis using the Licence Agreement (Non-exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
Licensed IPR & Technology (Schedule 2)		
<ul style="list-style-type: none"> • A clear definition of what IPR is being licensed and its technology field and intended applications • The template provides tables in Schedule 2 to detail registered IPR, know-how and other forms of IPR (e.g., software) within the licence scope as well as details of any Materials being transferred as part of the licence and how they need to be treated • This template does not provide for technology transfer services (e.g., instruction and training, maintenance services, show-how, help desk or personnel support etc). If the Licensee requires such services the simplest approach is to use a separate agreement. The parties could also agree such arrangements as optional clauses to be added to this template • The default position is that the Licensor bears the cost of prosecutions and maintenance of registered IPR and is able to recoup some portion of those costs from the Licensee (for example, with the costs to be shared equitably among multiple licensees). The costs can be agreed to be recovered from the Licensee as part of the Fee in Schedule 3. This model for management of IPR can also be amended by the parties within Schedule 2 	<ul style="list-style-type: none"> • Be clear on exactly what is being licensed and what is not • Check that you have the right to grant the rights to the IPR and that all relevant information on each type of IPR under the licence is captured in the tables • Consider whether a separate technology transfer agreement is appropriate • Be clear of your ongoing obligations with respect to IPR maintenance costs and ensure these are covered by licensees where appropriate 	<ul style="list-style-type: none"> • Be clear on exactly what is being licensed to ensure the industry partner has access to everything it needs to commercialise the IPR • Consider whether a separate technology transfer agreement is appropriate • Be clear of any obligations with respect to IPR prosecution and maintenance costs

This table sets out the key points each party needs to consider when licensing IP on a non-exclusive basis using the Licence Agreement (Non-exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
<p>Confidential Information (Schedule 2)</p> <ul style="list-style-type: none"> • Details of any confidential information exchanged under the licence should be recorded in Schedule 2 and the period for which this information needs to be kept confidential 	<ul style="list-style-type: none"> • Ensure a clear description of any confidential information relating to the Licensed IPR is recorded • Ensure you understand your obligations with respect to confidential information shared with you • Ensure your confidential information is kept confidential by the industry partner for as long as needed so as to impact on the value of the licensed IPR. For some information a perpetual term may be appropriate 	<ul style="list-style-type: none"> • Ensure details of any confidential information arising from your use of Licensed IPR are recorded • For example, you would usually expect progress and payment reports that you share with the Licensor to be kept confidential

This table sets out the key points each party needs to consider when licensing IP on a non-exclusive basis using the Licence Agreement (Non-exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
Improvements (Schedule 1)		
<ul style="list-style-type: none"> Any Improvements (that the Licensee creates under the Licence) will be owned by the Licensee by default, but can be amended to the Licensor if identified and agreed in the Details Schedule If the Licensor also wants to use these improvements, this will need to be agreed and included in the Details Schedule There may be occasions where it is appropriate that the Licensor owns any Improvements made by the Licensee- for example where it is appropriate that these are made available to all licensees as part of the licence package There are a range of alternative approaches to dealing with Improvements, depending on the context of the transaction. This template should be regarded as a starting point for negotiations on these aspects 	<ul style="list-style-type: none"> Where the University is the Licensor, it may be appropriate to ask for a licence to Improvements created by the company for research and teaching purposes Carefully consider whether it is appropriate that the University owns Improvements the Licensee makes in certain circumstances 	<ul style="list-style-type: none"> Where the industry partner is the Licensor, it can be important to have access to Improvements made by the Licensee to enable the company to use these themselves If there are multiple licensees and there are advantages in the company being able to access rights to improvements made by other licensees as part of the licence, then it may be more appropriate that the University owns Improvements you and other licensees make

This table sets out the key points each party needs to consider when licensing IP on a non-exclusive basis using the Licence Agreement (Non-exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
Warranties (Schedule 1)		
<ul style="list-style-type: none"> The default position is that the Licensor provides warranties as to non-infringement of IPR that is not required to be registered and based on their knowledge for registered IPR, but that otherwise the Licensee exploits the licensed technology at its own risk The precedent states that the Licensor has not conducted exhaustive patent searches and gives no warranty that the patent does not infringe the rights of a third party. The Licensee must make its own "freedom to operate" searches At times, there may have been specific searches conducted / required and the parties may need to further negotiate the types of warranties that should be included and set out in the Details Schedule 	<ul style="list-style-type: none"> Ensure you understand the warranties that are required to be given and that you can give these Agree with the industry partner if specific patent or other searches need to be undertaken and recorded in the agreement 	<ul style="list-style-type: none"> Consider whether additional warranties or searches are appropriate to the particular licence situation and agree these with the university prior to entering the licence

This table sets out the key points each party needs to consider when licensing IP on a non-exclusive basis using the Licence Agreement (Non-exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
Royalties & Licence Fees (Schedule 3)		
<ul style="list-style-type: none"> • Details of the agreed Fees and/or Royalties should be listed in Schedule 3. The template provisions allow for a basic Fee to be payable on entry into the Agreement, and/or milestone payments, plus the option of an ongoing royalty calculated based on Net Sales • The definition of Net Sales is indicative only and the parties need to seek their own commercial and tax advice for their circumstances to ensure the most appropriate fee and royalty structure for the likely product or service • The template also allows for adjustments to the Royalty if appropriate – for example where registered rights are not granted 	<ul style="list-style-type: none"> • Ensure a fair return for the IPR which balances your investment in the IPR and the value being captured by the company 	<ul style="list-style-type: none"> • Ensure the fair value being paid for the licence matches the value you gain from access to the IPR, and any additional risks you may be taking to get the technology to market

This table sets out the key points each party needs to consider when licensing IP on a non-exclusive basis using the Licence Agreement (Non-exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
<p>Performance criteria (Schedule 4)</p> <ul style="list-style-type: none"> • There is provision for minimum performance criteria to be met each year from a nominated commencement date in order for the Licence to remain in force • Performance criteria may take the form of minimum royalties or licence fees; however other criteria may be more appropriate in the circumstances of the transaction and should be considered • Each licence is different and will require appropriate performance criteria to be agreed between the parties. Where the University is granting multiple non-exclusive licences for the same IPR, it would be usual for the performance criteria to be similar across all licences 	<ul style="list-style-type: none"> • Ensure appropriate steps are taken by the licensee to develop and commercialise the IPR • Any performance criteria need to be appropriate for the scope of licence granted and need to recognise that the licence is non-exclusive 	<ul style="list-style-type: none"> • Ensure the agreed performance criteria are appropriate for the scope of the licensed rights and that these are realistic given the stage of development of the IPR
<p>Liability cap (Schedule 1)</p> <ul style="list-style-type: none"> • The financial limit agreed for all liabilities under the licence except for those that are specifically uncapped or cannot be limited by law 	<ul style="list-style-type: none"> • Ensure the agreed liability cap is in line with the value being captured by the licence • Be aware that certain important potential liabilities are not subject to the cap 	<ul style="list-style-type: none"> • Ensure the agreed liability cap is in line with the value being captured by the licence and the risks the Licensee is taking to develop the licensed IPR • Be aware that certain important potential liabilities are not subject to the cap

This table sets out the key points each party needs to consider when licensing IP on a non-exclusive basis using the Licence Agreement (Non-exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
Insurances (Schedule 1)		
<ul style="list-style-type: none"> The Licensee is required to hold certain insurances to cover liabilities that may arise under the licence 	<ul style="list-style-type: none"> Ensure the agreed insurance levels are appropriate for the size of the company and the nature of its commercialisation under the licence 	<ul style="list-style-type: none"> Ensure your insurances meet the required minimum levels agreed with the university
Dispute Resolution (Schedule 1)		
<ul style="list-style-type: none"> The agreement includes a number of alternative standard approaches to dispute resolution 	<ul style="list-style-type: none"> Select the approach that works best for both parties. Most organisations will have a preferred approach Legal advice should be sought as to the best mechanism when the other party is a foreign entity In the absence of agreement, escalation to court proceedings should be the default 	<ul style="list-style-type: none"> Select the approach that works best for both parties. Most organisations will have a preferred approach In the absence of agreement, escalation to court proceedings should be the default

5.10 Licence Agreement (Exclusive Commercialisation)

A licence agreement for an IP owner to licence IP Rights (IPR) (including IPR developed as part of a project) on an exclusive basis (e.g., by field of use or territory) to the other party for commercialisation

When should it be used?

- For all exclusive commercialisation IPR licences, whether exclusive by field, territory or other term
- For commercialisation licences where a combination of exclusive and non-exclusive rights is required to different IPR

Whilst it will generally be the university licensing IPR to an industry partner, the agreement is structured so that either party could be the Licensor. The agreement is also suitable when a party is a Commonwealth Entity.

The template assumes both parties are Australian entities. If you wish to use the template for a licence to a foreign entity, you should seek legal advice as to any changes that may be needed.

When should it not be used?

- If the licence does not include commercialisation rights, the [Accelerated Licence Agreement \(inc low risk Commercialisation\)](#) should be used
- If the licence is non-exclusive, either the [Accelerated Licence Agreement \(inc low risk Commercialisation\)](#) or the [Licence Agreement \(Non-exclusive Commercialisation\)](#) should be used
- As a licence arrangement for equipment (use [the Equipment Licence Agreement](#))

Key considerations when completing the template

The following table is provided as a guide to help the parties appreciate the key considerations that each party will have when negotiating a licence using the Licence Agreement (Exclusive Commercialisation) template.

The template is provided in the Standard track and understanding each party's needs and concerns up front will help you reach an agreement more quickly. A licence agreement may take up to six months to negotiate and sign, often longer, depending on the complexity of the proposed licence. It is, therefore, important the parties start these discussions as early as possible.

For organisations, particularly SMEs, that have not previously been asked to enter this type of agreement, this table will help you understand what the key provisions of a licensing agreement are and what you need to discuss and agree in order to finalise the agreement from the template.

Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of the template.

This table sets out the key points each party needs to consider when licensing IP on an exclusive basis using the Licence Agreement (Exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
<p>Term / Period (Schedule 1)</p> <ul style="list-style-type: none"> The time period of the licence Generally, this covers the life of any registered IPR or a defined number of years for copyright or software licences In some cases, there may be limits on the ability to licence IPR beyond the term of its registration and this is reflected in the template, with the intent that the Term applies to the fullest extent practical/permitted 	<ul style="list-style-type: none"> Clarity over how long the licence will last and what happens when it expires 	<ul style="list-style-type: none"> Ensure the industry partner has the rights it needs for long enough, and that this matches your business model and the level of investment needed to get to market
<p>Licence Scope and Sublicensing (Schedule 1)</p> <ul style="list-style-type: none"> The scope of the licence and the breadth of the exclusivity in term of commercialisation rights. Careful consideration should be given when granting any exclusive licence The Agreement provides a limited right for the Licensee to on-license its rights to third parties – as this is usually required in the case of Commercialisation. These provisions could be removed if the Licensee will only be directly manufacturing and selling products, or using the technology to provide services to end users 	<ul style="list-style-type: none"> The granted rights should match the needs, capabilities and commitment from the company Consider what level of sub-licensing rights are required for the industry partner to meet its business plan and to ensure the market for the licensed IPR is maximised It is usual in an exclusive licence that the university would want rights to continue to use the licensed IPR for academic research and teaching purposes. If this is required, there should be a licence granted back to the university for this purpose 	<ul style="list-style-type: none"> Ensure the industry partner has the rights it needs and that this matches your business model and the level of investment needed to get to market

This table sets out the key points each party needs to consider when licensing IP on an exclusive basis using the Licence Agreement (Exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
Licence Application & Territory (Schedule 1)		
<ul style="list-style-type: none"> • A clear definition of the specific application fields of use or application that the exclusive licence is granted for • The geographical territories of the licence e.g., Australia 	<ul style="list-style-type: none"> • Ensure that the licence is to those application fields of use where the industry partner has expertise and, in those territories, where the company plans to commercialise the licensed IPR • This is particularly important with IPR that can be applied in many different applications (so called platform technologies) where separate exclusive licences by application could be granted 	<ul style="list-style-type: none"> • Ensure the industry partner has the rights it needs and that this matches your business model and the level of investment needed to get to market, and the countries you operate in

This table sets out the key points each party needs to consider when licensing IP on an exclusive basis using the Licence Agreement (Exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
Licensed IPR & Technology (Schedule 2)		
<ul style="list-style-type: none"> • A clear definition of what IPR is being licensed and its technology field and intended applications • The template provides tables in Schedule 2 to detail registered IPR, know-how and other forms of IPR (e.g., software) within the licence scope as well as details of any Materials being transferred as part of the licence and how they need to be treated • It may be appropriate to grant non-exclusive rights to certain IPR which is required for commercialisation of the exclusively licensed IPR. For example, where the University has a first patent that covers multiple products/applications and the licensee needs a non-exclusive licence to this IPR in order to commercialise a second University patent that it has exclusively licensed • This template does not provide for technology transfer services (e.g., instruction and training, maintenance services, show-how, help desk or personnel support etc). If the Licensee requires such services, the simplest approach is to use a separate agreement. The parties could also agree such arrangements as optional clauses to be added to this template 	<ul style="list-style-type: none"> • Be clear on exactly what is being licensed and what is not • Check that you have the right to grant the rights to the IPR and that all relevant information on each type of IPR under the licence is captured in the tables • Consider whether a separate technology transfer agreement is appropriate 	<ul style="list-style-type: none"> • Be clear on exactly what is being licensed to ensure the industry partner has access to everything it needs to commercialise the IPR • Consider whether a separate technology transfer agreement is appropriate

This table sets out the key points each party needs to consider when licensing IP on an exclusive basis using the Licence Agreement (Exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
<p>IPR management and costs</p> <ul style="list-style-type: none"> The parties will need to agree an IP Management Plan for how they will cooperate in the management of registered IPRs and how costs will be divided. This plan should also detail how income from successful infringement actions will be dealt with It is usual in an exclusive licence that the licensee is able to direct (at their cost) the prosecutions and maintenance of registered IPR 	<ul style="list-style-type: none"> Ensure you understand your obligations under the IP Management Plan and that the licensee is involved in all major decisions as agreed in the plan Ensure the licensee reimburses all agreed costs 	<ul style="list-style-type: none"> Ensure you can direct the prosecution and maintenance of licensed IPR as needed to support your commercial activities Be clear of your obligations with respect to IPR prosecution and maintenance costs
<p>Confidential Information (Schedule 2)</p> <ul style="list-style-type: none"> Details of any confidential information exchanged under the licence should be recorded in Schedule 2 and the term that this will be kept confidential 	<ul style="list-style-type: none"> Ensure a clear description of any confidential information relating to the Licensed IPR is recorded Ensure you understand your obligations with respect to confidential information shared with you Ensure your confidential information is kept confidential by the industry partner for as long as needed so as to impact on the value of the licensed IPR. For some information a perpetual term may be appropriate 	<ul style="list-style-type: none"> Ensure details of any confidential information arising from your use of Licensed IPR are recorded For example, you would usually expect progress and payment reports that you share with the Licensor to be kept confidential

This table sets out the key points each party needs to consider when licensing IP on an exclusive basis using the Licence Agreement (Exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
Improvements (Schedule 1)		
<ul style="list-style-type: none"> Any Improvements (that the Licensee creates under the Licence) will be owned by the Licensee by default, but can be amended to the Licensor if identified in the Details Schedule If the Licensor also wants to use these improvements, this will need to be agreed and included in the Details Schedule Although rare in an exclusive licence, there may be occasions where it is appropriate that the Licensor owns any Improvements made by the Licensee There are a range of alternative approaches to dealing with Improvements, depending on the context of the transaction. This template should be regarded as a starting point for negotiations on these aspects 	<ul style="list-style-type: none"> Where the University is the Licensor, it may be appropriate to ask for a licence to Improvements created by the industry partner for research and teaching purposes 	<ul style="list-style-type: none"> The industry partner would expect to own the Improvements it makes Where the industry partner is the Licensor, it can be important to have access to Improvements made by the Licensee to enable the industry partner to use these themselves

This table sets out the key points each party needs to consider when licensing IP on an exclusive basis using the Licence Agreement (Exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
Warranties (Schedule 1)		
<ul style="list-style-type: none"> The default position is that the Licensor provides warranties as to non-infringement of IPR that is not required to be registered and based on their knowledge for registered IPR, but that otherwise the Licensee exploits the licensed technology at its own risk The precedent states that the Licensor has not conducted exhaustive patent searches and gives no warranty that the patent does not infringe the rights of a third party. The Licensee must make its own "freedom to operate" searches Often there may have been specific searches conducted / required and the parties may need to further negotiate the types of warranties that should be included and set out in the Details Schedule 	<ul style="list-style-type: none"> Ensure you understand the warranties that are required to be given and that you can give these Agree with the industry partner if specific patent or other searches need to be undertaken and recorded in the agreement 	<ul style="list-style-type: none"> Consider whether additional warranties or searches are appropriate to the particular licence situation and agree these with the university prior to entering the licence

This table sets out the key points each party needs to consider when licensing IP on an exclusive basis using the Licence Agreement (Exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
Royalties & Licence Fees (Schedule 3)		
<ul style="list-style-type: none"> Details of the agreed Fees and/or Royalties should be listed in Schedule 3. The template provisions allow for a basic Fee to be payable on entry into the Agreement, and/or milestone payments, plus the option of an ongoing royalty calculated based on Net Sales The definition of Net Sales is indicative only and the parties need to seek their own commercial advice and tax advice for their circumstances to ensure the most appropriate fee and royalty structure for the likely product or service The template also allows for adjustments to the Royalty if appropriate – for example where registered rights are not granted 	<ul style="list-style-type: none"> Ensure a fair return for the IPR which balances your investment in the IPR and the value being captured by the industry partner Consider whether it is appropriate to have parent/financial guarantees to balance the risk of non-payment of fees under the licence. The agreement would need to be amended to provide for this 	<ul style="list-style-type: none"> Ensure the fair value being paid for the licence matches the value you gain from access to the IPR, and any additional risks you may be taking to get the technology to market

This table sets out the key points each party needs to consider when licensing IP on an exclusive basis using the Licence Agreement (Exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
<p>Performance criteria</p> <ul style="list-style-type: none"> • There is provision for minimum performance criteria to be met each year from a nominated commencement date in order for the Licence to remain in force • Performance criteria may take the form of minimum royalties or licence fees; however other criteria may be more appropriate in the circumstances of the transaction and should be considered (Schedule 4) • The Licensee is also under further performance guarantees in terms of agreeing not to abandon commercialisation • The Licensor also has a right to terminate the licence if the Licensee challenge their registered IPRs 	<ul style="list-style-type: none"> • Ensure appropriate steps are taken by the licensee to develop and commercialise the IPR. This is very important in an exclusive licence • Any performance criteria need to be appropriate for the scope of licence granted and need to recognise that the licence is exclusive • Recognise that in some countries the commercial restrictions on the licensee may be anti-competitive and will need to be amended or removed 	<ul style="list-style-type: none"> • Ensure the agreed performance are appropriate for the scope of the licensed rights and that these are realistic given the stage of development of the IPR • Consider carefully whether it is appropriate or legally possible to agree to the commercialisation restrictions in the licence
<p>Liability cap (Schedule 1)</p> <ul style="list-style-type: none"> • The financial limit agreed for all liabilities under the licence except for those that are specifically uncapped or cannot be limited by law 	<ul style="list-style-type: none"> • Ensure the agreed liability cap is in line with the value being captured by the licence 	<ul style="list-style-type: none"> • Ensure the agreed liability cap is in line with the value being captured by the licence and the risks the Licensee is taking to develop the licensed IPR

This table sets out the key points each party needs to consider when licensing IP on an exclusive basis using the Licence Agreement (Exclusive Commercialisation). Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Licence Provision	University (Licensor)	Industry partner (Licensee)
Insurances (Schedule 1)		
<ul style="list-style-type: none"> The Licensee is required to hold certain insurances to cover liabilities that may arise under the licence 	<ul style="list-style-type: none"> Ensure the agreed insurance levels are appropriate for the size of the company and the nature of its commercialisation under the licence 	<ul style="list-style-type: none"> Ensure your insurances meet the required minimum levels agreed with the university
Dispute Resolution (Schedule 1)		
<ul style="list-style-type: none"> The agreement includes a number of alternative standard approaches to dispute resolution 	<ul style="list-style-type: none"> Select the approach that works best for both parties. Most organisations will have a preferred approach Legal advice should be sought as to the best mechanism when the other party is a foreign entity In the absence of agreement, escalation to court proceedings should be the default 	<ul style="list-style-type: none"> Select the approach that works best for both parties. Most organisations will have a preferred approach In the absence of agreement, escalation to court proceedings should be the default

5.11 Assignment Agreement

The Assignment Agreement is for use to legally transfer ownership of intellectual property (IP) from one party to another, for example when a party is the owner of IP developed by the other party under a joint research collaboration.

When should it be used?

- When one party wishes to assign an IP right (IPR) to another party to formalise the sale and purchase of the IP
- When a university has concluded that the best route to commercialise its IPR is to sell this to an industry partner rather than the more usual route of granting a licence

While it would normally be the university (Assignor) that is providing the IP to an industry partner (Assignee), the agreement has been structured so that either party could be the Assignee or Assignor. The agreement is also suitable when a party is a Commonwealth Entity.

When should it not be used?

- When a licence is a more appropriate mechanism to grant rights to an industry partner (refer to the [Licensing IP](#) guide to decide which licence template to use)
- When it is important that the university retains certain rights to the IP (e.g., for academic research and teaching purposes), unless a separate licence agreement is used to grant back these rights
- The template is not intended to cover the assignment of student IP

Key considerations when completing the template

The following table is provided as a guide to help the parties appreciate the key considerations that each party will have when negotiating an Assignment Agreement using the template.

The template is provided in the Standard track to reflect the importance of a decision to assign IPR. Discussing and understanding each party's needs and concerns up front will help you reach an agreement more quickly and decide if an assignment or a licence is the best mechanism to use. Simple assignments can be completed very quickly. However, if this involves agreeing a fair price for the IPR, an assignment agreement may take up to six months to negotiate and sign, often longer, depending on the complexity of the proposed transaction. It is, therefore, important the parties start these discussions as early as possible.

For organisations, particularly SMEs, that have not previously been asked to enter this type of agreement, this table will help you understand what the key provisions of an Assignment are and what you need to discuss and agree in order to finalise the agreement from the template.

Additional plain English guidance on the meaning of key clauses is provided in a separate annotated version of the template.

This table sets out the key points each party needs to consider when using the Assignment Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Assignment Agreement Provision	University (Assignor)	Collaborator (Assignee)
Details of the IPR being assigned		
<ul style="list-style-type: none"> • A clear description of the IPR being assigned • Schedule 1 is provided to list the specific IPR being assigned • Additional considerations (including taxation) and amendments may be required if the agreement is to be used for assigning foreign registered and/or created IPR • The agreement includes an option to include goodwill or not if trademarks are being assigned 	<ul style="list-style-type: none"> • It is very important that the assigned IPR is clearly described, and where there are registered rights that the correct filing details are given • Seek advice from your patent attorney if the assignment relates to foreign registered and/or created IPR • Seek advice from a stamp duty expert if an assignment of goodwill is required 	<ul style="list-style-type: none"> • It is very important that the assigned IPR is clearly described, and where there are registered rights that the correct filing details are given • Seek advice from your patent attorney if the assignment relates to foreign registered and/or created IPR • Seek advice from a stamp duty expert if an assignment of goodwill is required
Fees		
<ul style="list-style-type: none"> • The agreed fee payable for the IPR • If this is a confirmatory assignment a Fee of \$1 should be inserted • If the Fee reflects the value of the IPR, this needs to be discussed and agreed up front 	<ul style="list-style-type: none"> • Decide whether a Fee is appropriate and discuss this with the Collaborator as early as possible. Be prepared to justify the Fee, for example, based on the costs incurred by the University in developing and protecting the IPR, or its future value to the Collaborator • If the Fee is not taken in full as a one-off payment, there may be financial risks if the company is unable to meet future payment obligations 	<ul style="list-style-type: none"> • Be clear on what your financial liabilities will be for accessing the IPR • If a Fee is being charged, this should reflect the future value to the company, as well as the costs incurred by the University in developing and protecting the IPR

This table sets out the key points each party needs to consider when using the Assignment Agreement. Understanding your own key considerations, as well as those of the other party, will help you to negotiate a fair and reasonable agreement that works for both parties

Assignment Agreement Provision	University (Assignor)	Collaborator (Assignee)
<p>Retained Rights</p> <ul style="list-style-type: none"> The template does not include a licence back to the Assignor. If this is important, the parties should discuss the Assignee providing a licence back to the Assignor 	<ul style="list-style-type: none"> Consider seeking rights under a separate licence agreement to use the assigned IPR for academic research and teaching if this is important 	<ul style="list-style-type: none"> Consider whether to provide a licence to the other party to continue to use the IPR
<p>Warranties</p> <ul style="list-style-type: none"> The template includes standard warranties from the Assignor relating to its ownership of the IPR, and its knowledge of any issues relating to the IPR, including whether any rights have been granted to a third party 	<ul style="list-style-type: none"> Ensure you can give the warranties described and that you are not aware of any information that would breach these warranties If any rights to the IPR have been granted previously, ensure these do not restrict your ability to assign the IPR and that these prior grants of rights are notified to the Assignee and listed in the Agreement 	<ul style="list-style-type: none"> Ensure you understand any restrictions that might apply to the IPR being assigned, particularly any licences that have been granted previously Be clear that if any prior rights have been granted that these do not impact on your ability to take assignment of the IPR

5.12 Variation Agreement

The Variation Agreement is for use to alter the terms of any agreement previously signed by a University and Collaborator under the HERC IP Framework, for example to vary the terms of a licence or research agreement.

Two templates are provided – one to vary any of the two-party agreements and one to vary the Multi-party Collaboration Agreement.

When should it be used?


- When all parties have agreed to amend part of an agreement and wish to record this
- Common uses of a Variation Agreement include:
 - Amending research agreements to update the research plan, funding or term of the collaboration
 - Amending a licence agreement to record a re-negotiation of terms such as agreed changes to payment schedules or reporting obligations
- The variation can be to the wording of an existing clause(s) in the agreement (including any Project Plan), to add new clauses, or to remove existing clauses
- The variation needs to be clearly defined and include a date for when the variation will take effect
- Other than the clause(s) being varied, the rest of the agreement will continue to apply

When should it not be used?

- Some changes can be agreed within the scope of the existing agreement, for example, in a Multi-party Collaboration Agreement the Governance Committee can agree to changes to the project plan and a Variation Agreement is not required
- A Variation Agreement should not be used to change the form of an agreement. For example, it should not be used to:
 - add terms for a commercialisation licence to a research agreement (a separate [Licence Agreement](#) should be negotiated)
 - include technical (consulting) services that are not part of a research project (a separate [Technical \(Consulting\) Services Agreement](#) should be negotiated)

Key considerations when completing the template

Any changes to an agreement need to be discussed and agreed between the parties first. These discussions should be held as soon as you realise that that the change will be required. You need to think about the effect of any changes on your obligations or potential liabilities. Depending on the nature of the changes, independent legal advice may be needed.



The wording and description of the agreed changes need to be clear, and unambiguously identify the existing clauses in the agreement that they are varying or replacing. All clause references should be correctly numbered based on the original agreement.

The parties also need to agree when the changes will take legal effect. The Variation Agreement should be agreed and signed before this date.

Glossary

Agreement: a negotiated and legally binding arrangement between parties as to a course of action.

Assignment: a contract transferring ownership of rights in IP to a third party, including start-ups or other entities.

Background IP: see Pre-existing IP.

Chief Investigator: the senior academic within a university who takes responsibility for delivery of a specific research project or technical (consulting) service.

Collaboration: co-ordinated activity across different parties to address a jointly defined problem, with all partners contributing. Collaboration requires the explicit definition of common objectives, and may include agreement over the distribution of inputs, risks, and potential benefits. Collaboration can create new knowledge, but it does not need to result in innovation.

Collaborative research: a research project undertaken between two or more parties. The project may be fully funded by a company, or funded partly by government, and partly in cash and/or in-kind, including a company participating in the research itself. As a research project, there would be an expectation of academic publication. The work would be covered by a collaborative research agreement.

Confidentiality agreement (CDA): a contract governing the disclosure of confidential information from one party to another – the disclosure may be mutual (i.e., both/all parties disclosing confidential information) (referred to as a Mutual Confidentiality Agreement or MCA), or there may be just disclosure by one party to the other(s).

Contract: a written or spoken agreement that is intended to be enforceable by law.

Contract research: an arrangement under which an external organisation can formally access the knowledge and expertise of university academics to improve or create strategies, organisational processes, products and services. The work will generally result in a report that will be owned by the contracting organisation. Scholarly publication from the work is usually only permitted if the contracting organisation agrees.

Derivative: see Improvement

DESE: Department of Education, Skills and Employment

Foreground IP: see Project IP

HERC IP Framework: Higher Education Research Commercialisation IP Framework

Improvement: any improvement in, variation of, modification to or adaptation of existing IPR


Indemnity: generally, provides that the assignor of IPRs being licensed or assigned will indemnify the assignee if the IP infringes a third party's IPRs.

Innovation: a new or improved product or process (or a combination thereof) that differs significantly from previous products or processes and that has been made available to potential users (a product or service) or brought into use by the unit (process).

Intellectual property (IP): refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce. IP is protected in law by patents, trade marks, designs, plant breeder's rights and copyright (including the copyright in software in any code), which enables people to earn recognition or financial benefit from what they invent or create. Although not protected by formal IP rights, other forms of IP include business ideas, database rights, know-how, trade secrets and other confidential information, and goodwill.

IPRs: IP rights

Joint venture (JV): a commercial agreement between two or more parties that otherwise retain their distinct identities, to achieve specific outcomes from a commercialisation collaboration.



Licence: a contract under which the use of IPRs is transferred from one party to another for the purpose of commercialisation.

Material transfer agreement (MTA): a contract governing the transfer of materials between researchers. The researchers might be employed by universities, research institutions or commercial companies or be private individuals. The supplier/provider of the materials is usually the organisation owning the materials but may sometimes be an authorised licensee.

Multi-party collaboration: a collaboration in which one or more industry parties and one or more universities are parties in a program. It is funded partly by government and partly in cash and/or in kind, including participation in the research itself, by the industry partners.

Mutual Confidentiality Agreement (MCA): an agreement to cover the exchange of confidential information between parties where both/all parties are disclosing and receiving confidential information.

Option: an agreement that permits a company to reserve a right to acquire technology later, without committing itself to do so, for a period during which the company can further evaluate its potential, or raise funding for product development, without committing itself or a university to the obligations of a licence agreement. Options are usually six months to one year in duration and typically require both an upfront fee and patent prosecution reimbursement during the option term.

Party: an organisation that is entering into an agreement with another organisation. Together these are known as the Parties.

Pre-existing IPR: any IP, including in any material, that is owned or controlled by either party and which is brought into a project by that party for use during the project.

Project IP: all IP, including in any material, created or developed in the course of and as a result of carrying out a project.

Royalties: legally binding payments made by a licensee to a licensor in exchange for the use of the licensor's IP. They are usually a percentage of the net or gross revenue made by the IP, paid on a regular basis (often monthly, quarterly, or annually).

Results: see Project IP.

SME: a small to medium enterprise.

Spin-out company: a new incorporated business based primarily on knowledge and/or IP originating from the university, in which the university holds equity and/or has a licence to the IP.

Start-up company: a company formed by staff or students from a university not based on knowledge or IP generated by the university and where there is no formal IP licence or equity share with the university.

Technology readiness level (TRL): TRLs measure the maturity level of a technology throughout its research, development and implementation phase progression. TRLs are based on a scale from 1 to 9, with 9 being the most mature technology.

Term sheet: a document where parties in negotiations agree certain key terms of their proposed agreement before they engage in detailed negotiations over the wording of the final contract. These key terms are recorded in a document that is given a variety of names, including: heads of agreement; heads of terms; term sheet; memorandum of understanding; letter of intent.

Warranty: an IP warranty generally provides that the IPRs being licensed or assigned constitute all IPRs owned or controlled by a party prior to the effective date of the transaction. A warranty may also go on to say such IP does not infringe third-party IPRs.

WIPO: World Intellectual Property Organisation.