

Confidentiality Guide

Have you established a confidentiality agreement with potential clients, partners, team members etc., to protect your novel intellectual property (IP) where needed?

What is this tool?

This guide will help you determine whether you need a Non-Disclosure Agreement (NDA) or a Material Transfer Agreement (MTA), or both. If yes, you will complete a template with the relevant information to assist you in establishing the framework of your agreement/s.



Note

For the purposes of Commercialisation PLUS, confidentiality can be described as: a process of ensuring novel ideas and sensitive information remains private to protect the interest of all the collaborators and partners involved.

Why use this tool?

It can be tricky to have conversations with customers and clients about your technology solution without disclosing the secret formula, novel feature, or new ingredient that makes your solution special. This tool can help you understand which information needs to be protected under confidentiality agreements and what does not need protection.

What is a confidentiality agreement?

A confidentiality agreement can be described as a contract between two or more parties where the subject of the agreement is a promise that the information shared will remain confidential.

Confidentiality agreements can be either mutual (i.e. both parties sharing information) or one-sided (i.e. only one party sharing information).

It is important to note that these documents are legally enforceable contracts which are used to protect sensitive and confidential information and require the signatories to the agreement to guarantee that the information shared remains secret.

Benefits of a confidentiality agreement include:

- Building trust for open discussions between the research institution and a potential customer.
- Allowing for information to be shared, either one-way or by both parties, that will assist during negotiations.
- Deter theft of **intellectual property**.
- Defining ownership on publication rights.
- Defining permitted use of materials and information, and
- Reducing the liability of parties signing the agreement.

Typical situations where you may want to use a Confidentiality Agreement¹ include:

- Presenting your technology solution to a potential partner, investor, manufacturer (i.e. customer or end user), etc.
- Showing your new product or technology to a prospective customer (buyer or licensee).
- Providing potential partners or customers with access to confidential and proprietary information about your technology solution (including financial, technical, health & safety, negative and positive impacts, market research). This could then help you to test, refine, and develop your technology further or to enter into negotiations to commercialise your research.

1. For more information on NDAs refer to: Harrock, 2016. R. Key elements of non-disclosure agreements. March 10, 2016. <https://www.forbes.com/sites/allbusiness/2016/03/10/the-key-elements-of-non-disclosure-agreements/?sh=59303cdd627d>



Tip

It is good to have a confidentiality agreement, read and signed, before you commence discussions with a third party (i.e. customer or end user) when you need to discuss ideas, formulas, or processes and you would like your work to remain a secret to protect your IP.

Two types of confidentiality agreements

1. Non-Disclosure Agreement (NDA):

Describes the terms for how sensitive information, including conversations, will be managed to prevent its dissemination to other parties. In most instances NDAs are mutual (i.e. both parties share information).

2. Material Transfer Agreement (MTA):

Describes the governing process for the transfer of tangible research material(s) from one organisation to another organisation, including how the receiving organisation can use the materials for their own research purposes. The agreement should also indicate when and how the material will be transferred back to the original organisation, if relevant. In most instances MTAs are one-sided, where your research institution shares materials with another institution.

Examples of the materials transferred include biological (e.g. reagents, cell lines, plasmids, and vectors), chemical compounds, animal models, and some software types.

The most common materials transferred are biological.

What is included in this tool?

This tool has three parts:

1. **Confidentiality Needs Assessment**
2. **Non-disclosure Agreement (NDA) Information Collection template**, and
3. **Material Transfer Agreement (MTA) Information Collection template**



Note

Both NDAs and MTAs contain the same essential elements:

- Identification of the parties (the “Providing Organisation” is your institution, and the “Recipient Organisation(s)” is the other institution(s) and not the one to which you belong).
- The duration of the agreement (Note: NDAs can be for an indefinite period unlike patents which have a 20-year life span. While MTAs are created for a short, specific period of time, during which the specified materials will be used).
- Definition of what is considered as confidential.
- The scope of the confidentiality obligation (including return of materials, documents technology prototypes etc.).
- The exclusions from confidential treatment.
- Conflict resolution in the situation of a breach.



Note

These templates will help you collect the information you need to start an informed conversation with your Legal Team and/or TTO about protecting your intellectual property (IP).

Follow these steps:



Step 1

Go to the Confidentiality Needs Assessment and answer the questions to determine your confidentiality needs.



Step 2

If the Confidentiality Needs Assessment suggests that you need an agreement, then complete the relevant information collection template:

- **Non-disclosure Agreement (NDA) Information Collection template**, or
- **Material Transfer Agreement (MTA) Information Collection template**



Step 3:

Contact the Legal department of your university/research organisation to further discuss your confidentiality needs and to develop the appropriate agreement to share with your potential collaborators and/or customers/clients.

Confidentiality Needs Assessment

Answer the following to understand what type of confidentiality agreement you need, if any. Indicate your response in the columns below.

Question	Yes	No	Unsure	Action
<p>Do you need to:</p> <p>a) Present your technology solution to a potential partner, investor, manufacturer, etc?</p> <p>b) Show your new technology solution to a prospective buyer or licensee?</p> <p>c) Allow potential customers/end users to have access to confidential and proprietary information to refine, test or develop your technology solution?</p> <p>d) Provide potential customers/end users with access to confidential and proprietary information to commence negotiations about your commercialisation options?</p>				<p><i>If yes to any of the questions:</i></p> <p>You need to complete an NDA with the recipient organisation (customer/end user). Proceed to template below and then talk to your Transfer Technology Office (TTO) (or equivalent point of contact) and Legal team.</p> <p><i>If no:</i></p> <p>Still check with your TTO and Legal team that you have not missed something that could jeopardise the confidentiality of your IP if you are talking to potential customers/end users.</p> <p><i>If unsure:</i></p> <p>Check with your research team as well as checking with your TTO and Legal team on how to proceed.</p>
<p>Do you need to:</p> <ul style="list-style-type: none"> Exchange any tangible research material (e.g. biological (i.e. reagents, cell lines, plasmids, or vectors), chemical compounds, animal models, or software)? 				<p><i>If yes:</i></p> <p>You need to complete an MTA with the recipient organisation (customer/end user). Proceed to the template below and then talk to your TTO and Legal Team.</p> <p><i>If no:</i></p> <p>Still check with your TTO and Legal team to check that you have not missed something that could jeopardise the confidentiality of your IP if you are talking to potential customers/end users.</p> <p><i>If unsure:</i></p> <p>Check with your research team whether there is any material they think will need to be transferred. Also check with your TTO and Legal team on how to proceed.</p>

Non-Disclosure Agreement (NDA) Information Collection template

Use this template to collect the essential information about your project to inform the NDA that you will need to prepare. These details will provide the basis for discussions with your organisation's Legal team or TTO before developing a legally binding NDA with another organisation.

Who is the NDA with? <i>(Name the parties to the NDA)</i>
Name of recipient organisation <i>[Company/ Research Institution]</i> and contact address
Name and contact details of the primary contact person in recipient organisation who will sign the NDA <i>(Full name, email, telephone/cell phone number)</i>
Duration of agreement
The term of the agreement - start and end date (if applicable) <i>Tip: Durations of NDAs can be for an indefinite period (unlike patents which have a 20-year maximum life span).</i>
Terms of the confidentiality agreement

Non-Disclosure Agreement (NDA) Information Collection template *continued*

Definition of what is deemed confidential

Tip: Oral information is complicated to define and manage because not every part of what is discussed in meetings, phone calls, etc. will be confidential in nature. If you decide that oral information should be considered as confidential, then consider making all oral information regarded as confidential information at the time of the discussion (conversation, meeting, or phone call) to avoid complications and to ensure that both parties are clear regarding the information that is not to be disclosed.

What is the scope of the confidentiality obligation? *Tip: Be as specific as possible to help avoid confusion.*

Non-Disclosure Agreement (NDA) Information Collection template *continued*

What are exclusions or restrictions?

Tip: Consider situations where it would be unfair or too burdensome for a recipient to keep the information confidential. Common exclusions include:

- Information already known to recipient,
- Publicly known information,
- Information that is independently developed by the recipient and not related to your technology solution or the information supplied, or,
- Information supplied by other parties who do not have a confidentiality agreement with the recipient organisation who will sign the NDA.

What is the conflict resolution process in the situation of a breach?

Tip: Contact your organisation's Legal team to help complete this section. Your institution is likely to have a standard process for conflict resolution in the situation of a confidentiality breach and your Legal team can provide advice.

Material Transfer Agreement (MTA) Information Collection template

Use this template to collect the essential information about your project to inform the MTA that you will need to prepare. These details will provide the basis for discussions with your organisation's Legal team or TTO before developing a legally binding MTA with another organisation.

Who is receiving the material?

Name of recipient organisation *[Company/Research Institution]* **and contact address.**

Name and contact details of the primary contact person in recipient organisation who will sign the MTA
(Full name, email, telephone/cell phone number)

Material Transfer Agreement (MTA) Information Collection template *continued*

Material
<p>Which material/s are you transferring?</p> <p><i>Tip: Be as specific as possible to avoid any misunderstanding.</i></p>
<p>What is the delivery date of the materials to the recipient institution?</p> <p><i>Tip: The delivery date may be after the start date to allow time for preparation and transport of the materials to be transferred.</i></p>
Terms of the material transfer
<p>Why are you giving the material(s) to the recipient organisation?</p> <p><i>Tip: Be specific as possible to avoid any misunderstandings.</i></p> <p><i>Examples/reasons include: educational or specific research purposes because the recipient owns technology that you do not.</i></p>

Material Transfer Agreement (MTA) Information Collection template *continued*

What is the recipient organisation allowed to use the material for?

Tip: Be as specific as possible to help avoid confusion.

What are exclusions or restrictions for the use of the material?

Tip: Consider the purpose for which the use of the material is forbidden by the recipient organisation(s), e.g. commercial purposes, sub-contracting, etc.

What are the IP rights?

Tip: Work with your IP and legal teams to ensure what the recipient organisation can and can not do with the IP relating to the materials transferred.

Material Transfer Agreement (MTA) Information Collection template *continued*

What are the publication rights?

Tip: Consider how you want the materials to be referred to in any publication or presentation.

What are the disclaimers?

Tip: Work with your Legal team to determine what disclaimers are needed. For example, does the materials transferred go with any warranties?

What are the disclosures?

Tip: Your legal team should be able to help you identify which disclosures are appropriate. It is common for an MTA to result in the generation of new knowledge that jointly benefits all organisations involved. Therefore it is important that anything the recipient organisation learns or creates is appropriately shared/disclosed.

Material Transfer Agreement (MTA) Information Collection template *continued*

What are the liabilities and indemnification?

Tip: Work with your Legal team to decide which liabilities and indemnification you want the recipient organisation to have. An MTA usually has a clause that states that the recipient organisation assumes all liability for any damages that occur from their use, storage, modification, or disposal of the material. Also consider stipulating if you want the recipient organisation to indemnify the provider against any claims, costs, or other liabilities that may arise as a result of these activities.

Do you know of any applicable laws?

Tip: If you don't know of any, this is not a problem. Your legal team should be able to help with this.

What is the duration of the transfer?

Start Date:

End Date: