ZA-IPipp33

Intellectual property rights security agreement: contractor

This agreement is dated [date] [redacted]:

ABC Pty Ltd, a company incorporated in South Africa [under company registration number [number] and] whose registered office is [redacted] [[redacted]] (“[redacted]” [redacted] “[redacted]”); [redacted]

[Name in full], of [address, Inc [redacted]] (“[redacted]”)

Background:

A. We have agreed that you will undertake certain specified work for us. It is possible that we may wish [redacted].

B. We have agreed that your work is extremely sensitive and its [redacted].

C. You have agreed to enter into this agreement so as to enable us to give you access to [redacted] [[redacted]].

It is now agreed as follows:

1. Definitions

“Confidential Information” means all information about us, including information:

given or received in any medium [redacted], [redacted];
of any description, whether recorded or unrecorded;
whether protected by law or not;
which may give a commercially competitive advantage [redacted].

It includes among other things:

information about staff, their performance and [redacted],
data or information relating to suppliers, product plans, marketing strategies, finance, performance, operations, customer [redacted], [redacted], [redacted], [redacted];
information about the Intellectual Property, the Know-how [redacted];

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information owned by a third party and in respect of which we [redacted] - [redacted] ;
information, comment or implication published on [redacted] .

"Intellectual Property"	means intellectual property of every sort, whether or not registered or registrable in any country, including intellectual property of kinds coming into existence after today; and including, among others, patents, trade marks, unregistered marks, designs, copyrights, software, domain names, discoveries, Know-[redacted] , [redacted] , [redacted] .
“Know-how”	means scientific or technical information, and other procedures and ways of working and organising [redacted] .
“New IP”	means Intellectual Property created by you while you are engaged by us as a contractor, agent or any other [redacted] .
“Project”	means every project you have worked on for us and every future [redacted] .

2. Interpretation

In this agreement unless the context otherwise requires:

2.1. a reference to a person includes reference to that person’s successors, legal representatives, [redacted] , [redacted] , [redacted] - [redacted] .

2.2. any agreement by any party not to do or [redacted]

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[redacted].

3. Entire agreement

3.1. So far as it relates to its subject matter, this agreement contains the entire agreement between us. It does not [redacted], [redacted], [redacted]. [redacted].

3.2. Each party acknowledges that, in entering into this agreement, [redacted], [redacted], [redacted].

3.3. Conditions, warranties or other terms implied by [redacted].

4. Confidential Information

4.1. All Confidential Information and other data, supplied by us to you, [redacted], [redacted].

4.2. We both are aware that in the course of the Project you [redacted]. [redacted], [redacted], [redacted]:

4.2.1 except as provided in this [redacted], [redacted], [redacted];

4.2.2 not use the Confidential [redacted].

4.2.3 not store, copy, or use the Confidential [redacted] [[redacted] . . . .]

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4.2.4 keep all records of [redacted];

4.2.5 keep all records only at the address [redacted] ([redacted]);

4.2.6 use your best endeavours to keep confidential (and [redacted]) [redacted].

4.2.7 not to commence or continue any business or activity [redacted].

4.3. You now undertake to make all relevant employees, agents and sub-contractors aware [redacted].

4.4. You now undertake for yourself and every employee or sub-contractor whose services you may use, [redacted] ([redacted]) [redacted].

4.5. When any Project terminates, you will [redacted].

5. "Work made for hire"

5.1. You acknowledge that all Intellectual Property [redacted].

5.2. You agree that you have been fully compensated [redacted].

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5.3. You agree that we are [redacted].

6. Prior IP

In this paragraph the term “Prior IP” means all the [redacted].

6.1. You have attached to [redacted].

6.2. You warrant that the list identifies every item of Prior IP [redacted].

6.3. You agree to maintain written records of all Prior IP during [redacted].

6.4. You agree not to remove such records [redacted].

6.5. If, in the course of any Project, you incorporate into any product or service of ours, any Prior IP, you [redacted].

7. New IP

7.1. Whenever you create, [redacted]:

7.1.1 immediately describe it to us in writing;

7.1.2 [redacted];

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7.1.3 [redacted];

7.2. [redacted].

7.3. [redacted].

7.4. [redacted].

7.5. [redacted]:

"[redacted]."

8. Use of sub-contractors

[redacted]:

8.1. [redacted].

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8.2. [redacted]

8.3. [redacted]

8.4. [redacted]

8.5. [redacted]

9. Undertaking not to compete unfairly

9.1. [redacted]

9.1.1 [redacted]

9.1.2 [redacted]

9.1.3 [redacted]

9.2. [redacted]

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10. Damages not adequate

[redacted], [redacted], [redacted], [redacted], [redacted], [redacted].

11. Miscellaneous matters

11.1. [redacted].

11.2. [redacted], [redacted].

11.3. [redacted], [redacted], [redacted], [redacted]. [redacted], [redacted].

11.4. [redacted].

11.5. [redacted].

11.6. [redacted], [redacted].

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11.7. [redacted].

11.8. [redacted], [redacted].

11.9. [redacted].

11.10. [redacted], [redacted].

Signed on our behalf by [name] who personally accepts liability for the proper authorisation to enter into this agreement [name of company/ business].

Signed by [Name]

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Explanatory notes

Intellectual property rights security agreement: contractor

Paragraph specific notes:

Drafting notes, using the document paragraph numbers:

1. Definitions

Definitions are always important. In this agreement they are more important than usual. Why? Because if your counter party breached the agreement, you would need to be able to [redacted]. [redacted].

2. Interpretation

Leave these items in place unless there is a good reason to edit or remove. Each of these items has been carefully considered in the context of this agreement and has been included for a purpose. [redacted].

3. Entire agreement

One possible defence to a claim for breach of this agreement is that your contractor signed it under duress. You cannot stop him trying, but such a defence would be far weaker if [redacted].

The remainder of this paragraph prevents a party from later saying he was relying on some other document or what was said. If other documents are to be relied on, let them be listed [redacted], [redacted].

4. Confidential Information

This paragraph is about management of confidential information, including of course, intellectual property. You may need [redacted].

5. "Work made for hire"

There is a fundamental principle of law that I own whatever original work I create. This is easy to apply to copyright, but far harder when it comes to items of intellectual property [redacted]. [redacted]

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, [redacted] , [redacted] , [redacted] “ [redacted] ” [redacted] . [redacted] .

This concept is inconvenient for you when you pay someone specifically to write code, draft maps or produce ideas. Different countries have taken different approaches to the subject. In the USA, “Work made for hire” is the name given in the United States Copyright Act 1976, for work to be treated as owned by the person who paid for [redacted] , [redacted] . [redacted] “ [redacted] ” [redacted] . [redacted] . [redacted] , [redacted] .

An important point of contract law also appears in this paragraph. For hundreds of years the maxim “Past consideration is no consideration” has applied. It means you cannot make a contract on the basis that one side has already paid. Both sides [redacted] “ [redacted] ” [redacted] . [redacted] . [redacted] “ [redacted] ” [redacted] , [redacted] .

The importance of “consideration” here is that the agreement purports to bind the inventor in respect of what he has done in the past. To be clearly binding, you would have to pay him for that. However, we think [redacted] , [redacted] . [redacted] , [redacted] .

6. Prior IP

The purpose of this paragraph is to obtain a list of what your counter party thinks is his. By deduction, everything else is yours. This is a [redacted] . [redacted] .

7. New IP

These provisions are very strict. It may be inappropriate or impractical to expect compliance to this [redacted] . [redacted] . [redacted] , [redacted] .

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8. Use of sub contractors

This important issue should be covered carefully. Your counter party may sub contract his work. The sub-contractor is not a party to this agreement, so he can [redacted].

If your counter party [redacted].

9. Undertaking not to compete unfairly

We have intentionally used a strong word. This is an area of confidentiality not often covered, but [redacted].

10. Damages not adequate

A judge will usually try to award money damages as a simple way to make good to the successful [redacted].

11. Miscellaneous matters

A number of special points. We have identified each of these as [redacted].

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End of notes

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