

Note: The following form of agreement has been negotiated between the University of Saskatchewan and the University of Saskatchewan Faculty Association (“USFA”) for execution by the University and USFA members in accordance with Section 27.4 of the USFA Collective Agreement.

MEMORANDUM OF AGREEMENT

Respecting Inventions

This Agreement is made effective the _____ day of _____, 2_____

BETWEEN:

(hereinafter the “Faculty Employee”)

- and -

UNIVERSITY OF SASKATCHEWAN,

a body corporate under the laws of the Province of Saskatchewan,
(hereinafter the “University”).

WHEREAS:

- A. The University affirms the principles of freedom of research and free publication of research results acquired through use of University Resources (as hereinafter defined).
- B. The Parties recognize that arrangements with private-sector entities and other third parties, with appropriate protections, can benefit the University and its staff financially, by permitting further research to be undertaken, by encouraging additional innovation for the benefit of the University, its staff, its students and society, and by other benefits.
- C. The Parties acknowledge that innovation can be encouraged through cooperative relationships between the University and its staff, and that both parties benefit when the creative energies of the staff are encouraged and fostered by the University.
- D. The Parties acknowledge that this Agreement has been negotiated between the University and, on behalf of the Faculty Employee, the Faculty Association (as hereinafter defined) as contemplated by Article 27 of the Collective Agreement (as hereinafter defined).
- E. The Parties desire to enter into this agreement to set out their wishes on how innovations should be developed and disseminated and to ensure that the Parties benefit in a manner appropriate to their respective contributions.

NOW THEREFORE in consideration of the employment of the Faculty Employee by the University and the promises and undertakings herein, the sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

1.0 DEFINITIONS

- 1.1 For the purposes of this Agreement, the following capitalized words and grammatical forms thereof shall have the meanings following:
 - (a) “**Commercialization**” means, realizing and attempting to realize monetary and/or other commercial value from Inventions and activities related thereto including, without limiting the generality of the foregoing, marketing, protecting rights, interests and entitlements by preparing, filing and prosecuting applications for statutory protection, issuing, causing to be issued and maintaining grants and registrations of intellectual property, funding reduction-to-practice and development of prototypes, Technology Transfer, creating companies and providing management services and advice to such companies, advising interested parties, and otherwise protecting and/or exploiting interests in Inventions.
 - (b) “**Create**” means conceive, discover, invent, find, design, or otherwise create.
 - (c) “**Collective Agreement**” means and includes the collective agreement made October 30, 2003 between

the University and the University of Saskatchewan Faculty Association (the “**Faculty Association**”), amendments thereto and successors thereof.

- (d) “**Disbursements**” means money actually expended by the University to assist Commercialization but does not include any amounts which would be incurred whether or not a specific Commercialization activity commences or occurs including, but not limited to, overhead charges, pre-existing salaries and wages, rent (except where incurred for the sole purpose of a specific Commercialization activity), utilities or any other indirect costs.
- (e) “**ILO**” means the University’s Industry Liaison Office or any other office or agency of the University charged by the University from time-to-time with discharging the University’s obligations hereunder to undertake Commercialization;
- (f) “**Invention**” means an invention within the meaning of Article 27 of the Collective Agreement and every right, title, and interest of the Faculty Employee in and to any such invention Created in whole or in part by the Faculty Employee during his or her employment by the University, whether before or after the making of this Agreement, that is related, directly or indirectly, to investigation, research, scholarly activity, or other work of the Faculty Employee at the University or that arises therefrom, or from use of University Resources.
- (g) “**Invention Disclosed**” means an Invention described in a Report of Invention delivered to the ILO, and any portion thereof.
- (h) “**Report of Invention**” means a complete and appropriately signed document describing the sole or joint Creation of an Invention, prepared in accordance with a form promulgated and issued by the ILO from time to time as a “Report of Invention” form, attached as Schedule “A”, and a copy of any amended form shall be forthwith provided to the Faculty Association.
- (i) “**Net Consideration**” means gross consideration received by the University from Technology Transfer activities less Disbursements. Net consideration does not include securities in corporations such as shareholdings but does include cash proceeds of sale of such securities. Notwithstanding the foregoing, Net Consideration does not include revenue received by the University as compensation for the delivery of research services or in aid of research or scholarly activity in accordance with usual practices or any overhead component of such compensation to the extent that such overhead is usually charged to purchasers or sponsors of research or scholarly activity.
- (j) “**Other Person**” means any person referred to in subsection 1.1(l);
- (k) “**Party**” and “**Parties**” mean, respectively, each and both of the parties to this Agreement.
- (l) “**Supervisory Role**” means being engaged in a supervisory capacity with a person who is a University graduate student, other University student, other person employed by the University, or other person not employed by the University but engaged in investigation, research or scholarship using University Resources.
- (m) “**Technology Transfer**” means assigning, selling, licensing, or otherwise transferring from the University to a third party: (i) rights, title, or interests in or to an Invention; and/or (ii) materials, wares, or services the making or delivery of which requires the exercise of rights in or to an Invention.
- (n) “**University Resources**” means and includes resources owned, administered, or controlled by the University including, premises, equipment, other facilities, University-employee- (including Faculty Employee) and University-student time, effort and assistance, funds, including gifts, grants and contractually allocated funds received or accessed through the University, and other resources.

2.0 ASSIGNMENT

- 2.1 The Faculty Employee hereby assigns and agrees to assign to the University all Inventions that are at law or in equity assignable.
- 2.2 An assignment given by the Faculty Employee in satisfaction of the covenants of Section 2.1 shall be provided in writing and in a form provided by the University that is concordant with the terms hereof. The

Parties agree that the sample form appended as Schedule "B" hereto is acceptable as such while acknowledging that insubstantial changes to that form will be required in circumstances of joint Creation of an Invention and to account for the nature of the relationship between the University and joint Creators, with the Faculty Employee, of an Invention. The University undertakes to provide to the Faculty Association a copy of any form of such assignment that is substantially amended with reference to the form appended as Schedule "B" prior to presenting the same to the Faculty Employee.

3.0 COVENANTS

- 3.1 The Faculty Employee shall not engage in Commercialization activity except as permitted by this Agreement.
- 3.2 Subject to Section 4.1, the Faculty Employee shall provide to the University a Report of Invention, promptly after Creation and before disclosure to the public, of any and all Inventions in which the University may have an interest arising hereunder or otherwise, and the University shall receive and evaluate such disclosure for the purpose of determining the potential for Commercializing the Invention Disclosed.
- 3.3 The Faculty Employee acknowledges that the University shall require up to ninety (90) days from its receipt of a Report of Invention to complete its said evaluation of the Invention Disclosed and, in the event that, in its sole discretion, the University elects to pursue Commercialization, up to six (6) additional months to prepare and file any applications for statutory protection or to otherwise protect the University's interests in the Invention Disclosed, during which periods neither Party shall publicly disclose the Invention Disclosed without the consent of the other of them.
- 3.4 The University shall, within the above-said 90-day evaluation period, or any longer period agreed between the Parties, advise the Faculty Employee in writing of its election to Commercialize or not Commercialize an Invention Disclosed or a part thereof.
- 3.5 If the University elects, in accordance with Section 3.4, to pursue Commercialization then:
 - (a) The University shall do all things that are in its sole discretion reasonable to do to Commercialize and maximize the potential of such Invention and the University shall be solely responsible for all costs related thereto.
 - (b) The University shall use its best efforts to determine the Creator(s) of such Invention in accordance with pertinent law.
 - (c) In the event that such Invention is determined to have been Created by two or more individuals jointly, those individuals shall be deemed to have contributed equally to such Creation unless they, collectively, present to the University an agreement between or among themselves otherwise.
 - (d) The Faculty Employee will assist the University to Commercialize such Invention to the extent requested by the University and to the extent of his or her ability, which assistance shall not be limited to, but shall include, signing all documents and doing all things reasonably necessary to permit the University to, in its name, register, patent, or otherwise protect its interest in the Invention Disclosed and all reasonable out-of-pocket costs incident to the Faculty Employee's said assistance shall be borne by the University.
 - (e) The University will retain for its own benefit fifty percent (50%) of Net Consideration attributable to Technology Transfer activities in respect of the Invention Disclosed and the remainder of such Net Consideration shall be disbursed to or between or among the Creators of the same in accordance with their proportionate contribution to Creation of the same as determined in accordance with the foregoing.
 - (f) The University will from its receipt of a Report of Invention until its rights, title and interests in the pertinent Invention Disclosed have terminated or expired by operation of law, the University has made an election in accordance with Section 3.4, or the Parties agree otherwise:
 - (i) report to the Faculty Employee in writing regarding its efforts to Commercialize the said Invention Disclosed, which report shall include a financial statement; and

(ii) pay to the Faculty Employee his or her share of Net Consideration received by the University, which report and payment shall be delivered once annually, on or prior to July 15 of each pertinent year in relation to the University's fiscal year ending on the previous April 30.

- (g) The University shall be entitled to, at any time and subject to its sole discretion only, elect to discontinue Commercialization of any Invention Disclosed.
- (h) The University shall sell sufficient of those securities that are received by the University consequent to Technology Transfer activities in respect of the Invention Disclosed to satisfy those of its obligations to the Faculty Employee described in Section 3.5(e), based on valuation of said securities as at the date of such sale, as soon as reasonably possible after such securities become saleable to the public-at-large in compliance with pertinent law. If it becomes possible to do so in compliance with pertinent law the University may sell said securities at any earlier date in accordance with its sole discretion.

3.6 If the University elects, in accordance with Section 3.4, to not Commercialize or, in accordance of Section 3.5(g), to discontinue Commercialization, then the Faculty Employee shall be entitled to receive from the University an assignment back of such Invention earlier assigned to the University hereunder and to Commercialize or otherwise exploit the same to the extent permitted by law in his or her name and at his or her own expense solely, subject to the following:

- (a) If the Faculty Employee refuses such assignment back, the University shall be entitled, in its sole discretion, to abandon or otherwise dispose of the Invention without regard to any potential for consideration therefore and the University shall be discharged of any and all obligations to the Faculty Employee arising hereunder in relation to any Invention Disclosed that was so offered for reassignment.
- (b) If the Faculty Employee accepts such assignment back, the University will assist the Faculty Employee to Commercialize or otherwise exploit the said Invention to the extent requested by the Faculty Employee by signing all documents and doing all things reasonably necessary to permit the Faculty Employee to, in his or her name, register, patent, or otherwise protect the same and all reasonable out-of-pocket costs incident to the University's said assistance shall be borne by the Faculty Employee.

3.7 In the event that the Faculty Employee:

- (a) is engaged in a Supervisory Role; and
- (b) the Other Person claims to have, directly or indirectly, pursuant to the Other Person's association with the University or use of University Resources Created any invention; or
- (c) the Faculty Employee reasonably believes that the Other Person has, directly or indirectly, pursuant to the Other Person's association with the University or use of University Resources, Created an invention;

the Faculty Employee shall advise the University immediately of such claim or belief, notwithstanding any independent right and/or duty of the Other Person to so notify the University.

3.8 The Faculty Employee acknowledges that, subject to the Collective Agreement, only the University is able to enter into agreements with third parties involving any commitments of University Resources and the Faculty Employee covenants that he or she will not attempt or purport to make or authorize such agreements including, without limitation, agreements which would have the effect of transferring to a third party any Invention that is or could in the future be proprietary to University under this Agreement.

4.0 PROVISOS

4.1 Nothing hereinabove shall be interpreted as precluding the Faculty Employee from communicating and disseminating information to the public in a manner that is normal and usual for a member of the faculty of a Canadian university involved in investigation, research or scholarship in the field to which such information pertains.

4.2 Notwithstanding any other provision of this Agreement, Commercialization in relation to any Invention

Created by performance of any research or other scholarly activity of the Faculty Employee that is sponsored by a third party pursuant to an agreement approved by the University shall be determined by the terms of that agreement.

- 4.3 Notwithstanding any other provision of this Agreement, the University shall be under no obligation to institute, prosecute or defend any action, suit, claim, or proceeding referable to any Invention; however, the University shall in all cases defend and indemnify the Faculty Employee from any third-party claims, debts, demands or actions relating to the University's exercise of any right acquired by the University from the Faculty Employee hereunder.

5.0 DISPUTE RESOLUTION

- 5.1 In the event of a dispute between the Parties or between the Faculty Employee and a third party who is an employee, agent or student of the University respecting the subject matter hereof, whether or not the University may also be a party to such dispute, then the parties to the dispute ("disputants") shall be entitled to use the process set out in this Section as follows:

- (a) **STEP 1** – A disputant may offer to all disputants the good offices of the Managing Director of the ILO or his or her designate (the "MD-ILO") for attempted resolution of the dispute by written notice delivered to all other disputants and the MD-ILO. If such offer is accepted by all disputants in writing delivered to the MD-ILO and the other disputants within 10 days after the delivery of such offer (a "notice of consent" which is hereby deemed given by the University), then:
- (i) subject to subsection (ii), following, each disputant shall be entitled to provide to the MD-ILO, by a written submission and in person, a description of the nature of the dispute, any material evidence, and a statement of the redress requested;
 - (ii) in the absence of an agreement to the contrary among all disputants and the MD-ILO, proceedings before the MD-ILO shall conclude within thirty (30) days after the MD-ILO's receipt of a notice of consent from all disputants;
 - (iii) the MD-ILO shall attempt to resolve the dispute fairly; and
 - (iv) except as specifically set forth above, all procedures related to such proceedings shall be determined by the MD-ILO.
- (b) **STEP 2** – Should the dispute not be resolved by Step 1, or in the absence of an offer from a disputant to invoke the process of Step 1:
- (i) A disputant may by written notice setting forth the nature of the dispute and the identity of all other disputants and delivered to the Vice-president (Research) of the University (the "VPR") within thirty (30) days after the conclusion of proceedings under Step 1 if those were earlier invoked (a "notice of appeal"), request that an Inventions Appeal Committee ("IAC", as hereinafter constituted, described and empowered) review of the dispute.
 - (ii) Upon receipt of a notice of appeal the VPR shall in writing notify each disputant of the nature of the dispute and the identity of all disputants, and invite each disputant to respond by provision of a written notice of his or her consent to participate in proceedings before an IAC as described herein ("notice of consent to IAC", which is hereby deemed given by the University). If all disputants respond to the VPR by delivery of a notice of consent to IAC within fifteen (15) days after the date of the VPR's said invitation then an IAC shall be constituted within a further 30 days.
 - (iii) Within ten (10) days after its constitution an IAC shall invite each disputant to provide a written submission setting out the nature of the dispute and any redress requested.
 - (iv) During the 120 days after its constitution an IAC shall conduct an investigation of any matter referred to it by a disputant that is material to the dispute and provide each disputant with a written report of its determinations.
 - (v) Each disputant shall be entitled to appear and testify before an IAC in person.

- (vi) An IAC shall have access to any and all material documents of the University, the Faculty Employee and each other disputant subject to reasonable terms respecting maintenance of confidentiality, shall be entitled to interview all relevant witnesses, and shall have authority to retain the services of such outside experts as it may deem appropriate and necessary to perform a proper review.
- (vii) An IAC may determine that the services of a mediator or facilitator would be of assistance for resolution of the dispute and recommend the retention of such person but, if such determination is made, the IAC shall make no other determination.
- (viii) Determinations of an IAC in respect of a dispute shall be final and binding on all disputants. Except for any applicable rights of appeal to a decision under this Agreement, no Party shall do or permit any act which would nullify or diminish the effects or enforceability of any such determination.

5.2 Inventions Appeal Committee. An Inventions Appeal Committee (“IAC”) shall be constituted and empowered as follows:

- (a) An IAC shall consist of three appointees:
 - (i) a person nominated by the VPR or his or her designate;
 - (ii) a person nominated by the Faculty Association; and
 - (iii) a member of the Law Society of Saskatchewan experienced in the conduct of arbitrations nominated by the other two nominees or, failing agreement between the other two nominees, by the Minister of Labour for the Province of Saskatchewan or his or her designate after consultation with the other two appointees, which person shall be the chairperson of the IAC.
- (b) A nominee to the IAC shall be deemed appointed if within five days of his or her nomination, the nominee delivers to the all disputants a written acknowledgment of his or her undertaking to act impartially in such capacity and a description of any circumstances of which the nominee is aware that may give rise to a reasonable apprehension of bias.
- (c) Subject to subparagraph (d), all costs of an IAC shall be borne by the University except costs associated with the nomination, appointment and service of a person nominated to membership of the IAC by the Faculty Employee if such person is not an employee of the University which costs to be borne by the Faculty Employee. The University shall accommodate any employee of the University who is nominated by a Faculty Employee under subsection 5.2(a) so as to permit the nominee to perform his or her required duties hereunder.
- (d) Prior to commencing any hearing under this Agreement, an IAC shall submit to the University a proposed budget for approval, which approval shall not be unreasonably withheld by the University. Notwithstanding the foregoing, the University may refuse to approve any budget which exceeds Twenty-five thousand dollars (\$25,000.00) unless such budget has been demonstrably justified to the satisfaction of the University.
- (e) An IAC shall make each of its determinations respecting a dispute by a vote of its members made after reviewing any and all material evidence.
- (f) The chairperson of an IAC shall not be entitled to vote on any matter to be decided by the IAC except in respect of a tie vote of the other members, in which case the chair shall cast a deciding vote.
- (g) Except as expressly set forth in this Agreement, an IAC shall determine its own procedures.
- (h) If requested by a party to a dispute hereunder, an IAC shall deliver with its final decision on any matter an order as to the allocation of costs associated with its proceedings in respect of the dispute on a percentage basis between or among the parties to the dispute as it deems appropriate and, notwithstanding the University’s acknowledged obligation to pay all such costs in the first instance, those said costs that are not so allocated by an IAC to the University shall be deemed to be Disbursements, and shall be dealt with accordingly.

- 5.3 The University shall be entitled to elect itself to be deemed a party to any dispute contemplated hereunder.
- 5.4 Disputes Between the Parties. The Parties acknowledge that no term or terms of Sections 5.1 and 5.2 is intended to or shall expand or limit the rights of a Party to utilize the grievance procedures set out in the Collective Agreement.

6.0 GENERAL

- 6.1 Should any provision of this Agreement be determined to be unenforceable or prohibited as a consequence of any applicable law, this Agreement shall be considered severable as to such provision, which shall then be inoperative, but the remaining provisions shall be valid and binding.
- 6.2 The headings and numbers describing and numerating sections of this Agreement are inserted as a matter of convenience only and in no way define, limit, construe, or describe the scope or intent of such sections, and such headings and numbers shall not in any way, other than for reference purposes, affect the interpretation or construction of this Agreement.
- 6.3 This Agreement shall be binding on the Parties from the date first herein above written and its terms shall apply to all Inventions Created before the date of this Agreement, but not yet disclosed to the University, and hereafter.
- 6.4 No termination, cancellation, modification, amendment, deletion, addition, or other change to this Agreement or any provision hereof, or waiver of any right or remedy herein provided, shall be effective for any purpose unless specifically set forth in writing and duly executed on behalf of each Party to be bound thereby. Neither a waiver of or failure to assert any right or remedy in respect of any occurrence, event, act, or omission on one occasion, nor any number of such waivers or failures to assert on multiple occasions, shall be deemed a waiver of such right or remedy in respect of a similar occurrence, event, act, or omission on any other occasion.
- 6.5 The terms of this Agreement shall supercede and replace any equivalent agreement made between the parties heretofore, specifically, any Memorandum of Agreement respecting ownership in and responsibilities for commercializing an Invention created by the Faculty Employee during the course of employment with the University or use of University Resources.
- 6.6 This Agreement shall bind and enure to the benefit of the heirs, executors, administrators and assigns of the Faculty Employee and the successors and assigns of the University.

SIGNED, SEALED AND DELIVERED by the Faculty Employee and by the University, as attested by the signatures of its proper officers on that behalf, on the dates appearing below:

(“seal”)

Faculty Employee

Date

UNIVERSITY OF SASKATCHEWAN

Per: _____
for Chair of Board of Governors

Date

(“seal”)

Per: _____
for Secretary of Board of Governors

Date

Schedule "A"



UNIVERSITY OF SASKATCHEWAN
Innovation Enterprise
OFFICE OF THE VICE-PRESIDENT RESEARCH
RESEARCH.USASK.CA/IE

Invention Report (IR)



Note: An independent link to the current form of this document is accessible from the web page of Innovation Enterprise of the University of Saskatchewan <http://www.usask.ca/research/files/index.php?id=100>.

Schedule “B”

Form of ASSIGNMENT AGREEMENT for execution by the University of Saskatchewan and a member of the University of Saskatchewan Faculty Association who conceives, develops, discovers and/or invents an “Invention” during the course of his or her employment by the University of Saskatchewan and/or through the use of the University’s Resources.

Note: An independent link to the current form of this document is accessible from the web page of Innovation Enterprise of the University of Saskatchewan <http://www.usask.ca/research/files/index.php?id=108>.