

Innovative Energy Technologies Program (IETP)
Summary of IP Key Agreement Terms – December 19, 2005

1. Intellectual property in a wide variety of forms

The definition of “technology” under the program is extremely broad and includes technical knowledge, inventions, documentation, computer software, and copyrights.

2. Background technology

Technology that is owned or created prior to the project by a participant, operator or third party will remain the property of that person (section 2(1)).

3. Licensing, commercial opportunities or publication

The Government will publish reports and materials on the project technology received from the operator or developed by the Government (section 6) at the end of the confidentiality period unless the operator submits a technology transfer plan for approval.

To ensure that the technology created under the program can be usefully disseminated and used for the benefit of the industry, the participants and operator must be willing to disclose the nature of participant or operator owned technology that is required for the project, technology that is developed during the project (new technology) and the basis on which that technology is available to prospective licensees as part of a license or as part of the pursuit of commercial opportunities on commercially reasonable terms set out in a technology transfer plan (sections 3, 4 and 8).

4. Technology created during the project

Technology arising from the program will belong to the operator or participant that created it or that employs the creator. The owner will be entitled to file for statutory protection of that technology (section 2).

There are a number of conditions surrounding this ownership. For instance, if a party that owns technology wishes to assign ownership or provide an exclusive license for new technology to third parties, it must meet certain conditions set out in the IP Agreement (section 15).

5. Reporting to Government

Each June 30th, the operator is to provide a disclosure to the Government with respect to the prior calendar year, including background technology necessary for performing the new technology, commercial technology available in the market or projected for use with the new technology, the new technology developed during the project, whether it will be protected by statutory protection, the terms and conditions on which the project technology will be made available and a report on the implementation of a technology transfer plan (section 4).

6. Two year confidentiality period

This period runs from June 30th each year when technology is disclosed to the earlier of (i) 2 years of the date of disclosure to the Government, (ii) publication by the operator, or (iii) 2 years from the date the operator should have provided the information to the Government. The operator consents to disclosure of the project technology, unless the operator decides to submit a technology transfer plan.

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The operator is able to mark as confidential that part of the technology that meets the multi-part test set out in the IP Agreement (section 5).

7. Technology transfer plan

The operator may submit a technology transfer plan at any time during the term of the IP Agreement (section 8). The plan must indicate if the operator is undertaking statutory protection or pursuing commercial opportunities on commercially reasonable terms. Commercial opportunities include licensing and the distribution of project technology by subscription (data sharing agreements).

The operator must not apply for statutory protection until the technology transfer plan has been approved. The Government has 30 days to provide approval of a technology transfer plan or revisions to it.

If the operator does not pursue the technology transfer plan within the time set out in the plan, on 90 days notice to the operator, if the operator fails to show some evidence of pursuit of the technology transfer plan, at the Government's discretion, the Government may disclose by publishing the project technology, require a license to the project technology, or both.

8. Transfer of the project or project technology

If the operator or the participants transfer the project, the project technology, or both to a new owner, the operator must give prior notice to the Government and ensure the Government is a party to an agreement transferring these assets, including an assignment of the IP Agreement (sections 2 and 15). The operator has a duty to assist the Government in this process.

9. Operator's duties

The operator is responsible for identifying participants including corporations affiliated with operator. The operator is responsible for ensuring that the participants comply with the IP Agreement (sections 2, 3 and 4).

The operator has duty to assist the Government in licensing, statutory protection, analysis of project technology, and preparation of reports for publication (sections 10 and 14).

10. Government to undertake statutory protection

The operator may request that the Government undertake statutory protection in the Government's name (section 9).

If the Government undertakes statutory protection, the operator and participants have a perpetual worldwide royalty free license without the ability to sublicense. Participants include affiliates of the operator.

11. Government's license to foreign non-commercial use

The Government has a license to the project technology for non-commercial use on a perpetual worldwide royalty-free basis.

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12. Site visits, inspections, audit

The Government may appoint a person to view the activities regarding the project, have access, examine and inspect. The Government is to be able to view processes that are undertaken in the project.

13. Assignment of substantially all of the operator's assets

If the operator transfers substantially all of the operator's assets or is involved in a corporate reorganization, the Government is not required to consent to the assignment of the IP agreement.

13. General

The agreement includes a number of other sections respecting confidentiality, events of default, records, indemnities, and dispute resolution.

This summary is not to be relied on or intended as legal advice. Prospective operators are responsible for reviewing the contents of the intellectual property agreement, and obtaining their own legal advice.