

How to SAIL - “Anchors aweigh”

Guidance document - www.howtosail.ca (in construction)

Introduction

The SAIL project responds to historical challenges commercializing academic research and constructs a mechanism for tech transfer out of post-secondary institutions to better facilitate early technology development. There is a need for a differentiated approach to tech transfer and enhanced support of early-stage commercialization efforts in ecosystems characterized by a dearth of private capital for early-stage technologies and lack of access to affordable private sector research resources. *Research institutions*, including universities, are well positioned as potential sources of both. The *Simplified Agreement for Innovation Licensing* (SAIL) framework is predicated on the idea that it is possible to build a licensing agreement on a relatively simple framework that can be adapted to a wide variety of circumstances and will work to align incentives for *research institutions* to provide these resources and fairly reward all parties for their participation in the process of commercializing academic research. SAIL is unique among express license frameworks (Durand & Briggs, 2025) in the way that it does so.

This guide is a companion document to our scholarly work on the subject (Durand & Briggs, 2025), providing a clause by clause review of the purpose of the along with a guide for startups, spinouts, and tech transfer offices (TTOs) using the framework.

The authors acknowledge that SAIL cannot work in a vacuum, and that challenges with under-resourcing of TTOs, tensions between spinouts and TTOs (Fink et al., 2023), and institutional challenges with holding equity in private companies may inhibit use of any express licensing template. Addressing these issues requires active engagement by all stakeholders. SAIL, and the growing number of organizations who support it or have contributed to its ongoing development, serve as a call to action for policy makers, research institutions, and funding agencies to rethink the approach to research and intellectual property (IP) management.

Terms that appear in italics in this document are defined in SAIL v2 or in the Definitions section of this document.

Axioms of tech transfer

SAIL is built on six axioms of tech transfer developed by the authors (Durand & Briggs, 2025). When conflict arises in contract negotiations, the conflicts may be resolved by consulting the axioms, presented below in order of importance from greatest to least:

1. A license should not unduly limit innovation or the use of publicly-funded research outputs from to realize economic benefit (*axiom of benefit*);
2. Ownership of the IP should transfer from the academic institution to the licensee if there is sufficient evidence to conclude that the licensee is an economically viable entity (*axiom of ownership*);
3. Valuation of an IP portfolio should be deferred until the market has been established (*axiom of valuation*);
4. Every dollar available to a startup should be used to build value in the IP portfolio (*axiom of value creation*);

5. The equity taken in consideration of tech transfer activities should be commensurate to the cost of commercialization (*axiom of incentivization*); and
6. License templates should be understandable and usable by someone without legal training (*axiom of simplicity and clarity*).

SAIL-ing Objectives:

The main objectives of the SAIL framework are to:

1. Reduce any tensions between stakeholders (Fink et al., 2023) by:
 - a. accelerating the licensing cycle of *research institution* owned IP onto a startup with guided negotiation to reduce deal friction and increase transparency. In other words, by “hammering out” a license in a shorter period calculated in days, not months (Markman et al., 2005);
 - b. incentivizing *research institutions* to support of research and commercialization (and more accurately capturing its value) in addition to that which is already paid for by taxpayer funding of research (e.g. through access to lab space, mentorship, and professional services);
 - c. enabling inventors who are not involved to benefit from commercialization of their inventions through revenue-sharing as specified in the IP policy of the *research institution* without diverting resources away from the startup in the early stages of operation;
 - d. enabling the transfer of ownership of *licensed technology* to the startup, on a predetermined buyout event (described later in this guide), balancing the need of *research institutions* to see evidence that the startup is a viable business (AUTM, 2007) with the desire of investors and founders to have a clear path to IP ownership;
 - e. enabling *research institutions* or related investment organizations to hold minority shares in startups created using research institution IP while respecting guidelines for the holding of equity in private companies by public institutions.
2. Facilitate not just the transfer of *research institution* owned IP to startups, but also the transition of academic inventors into entrepreneurs, recognizing the importance of inventor involvement in nascent IP portfolio commercialization (Agrawal, 2006; Kenney & Patton, 2009; Park, Goudarzi, et al., 2024; Park, Maine, et al., 2024)
3. Promote innovation and commercialization of IP arising from publicly funded research in line with the AUTM’s best practices for tech transfer and licensing of IP by academic institutions as ratified by many major institutions (AUTM, 2007).
4. Create a fair and equitable framework that aligns the interests of the [university], researchers, startup founders, and investors during the commercialization process.
5. Enable the *research institution* to become the anchor for a local innovation ecosystem that converts IP into economic or social impact and future seed capital for the next generation of startups (e.g., from founders to funders (Stuart & Sorenson, 2003)).
6. Promote long-term creation of economic activity derived from publicly-funded research.

Clause by clause review of SAIL

While SAIL is written in plain language, it is still the basis of a legal document and issues of interpretation may arise. This part clarifies the intention behind each clause.

The parties to SAIL

A SAIL crew consists of 4 roles, although one person can fill more than one role depending on the institutional setup in each case. Each member of a SAIL crew has specific responsibilities in the SAIL framework and an objective to work collaboratively toward delivery of positive economic or social impact.

Licensee

Characteristics

SAIL is an agreement for licensing to startups and so the *Licensee* will in most cases be a new company formed specifically to commercialize the *licensed technology*. Because SAIL may reward the *Licensor* with equity, the *Licensee* must be able to issue equity.

Responsibilities

As the captain of the SAILboat, the *Licensee* role is central to SAIL. *Licensees* will have numerous responsibilities. They include issuing convertible debt to compensate other parties for their support of the commercialization activities, managing both commercialization of the IP portfolio and sublicensing to entities seeking to use that portfolio in other fields, and reporting on activities to stakeholders and in service of broader innovation ecosystem development.

Assuming they are able to secure downstream investment, the *Licensees* will (ideally) at some point have the option to take assignment of title to the *licensed technology*. On exercise of this option, the *Licensee* must continue in good faith to commercialize the IP portfolio and to grow the business. Failure to comply with the license, or failure of the *Licensee* for any reason, may mean the return of the IP to the *Licensor*, barring any impediments.

Research institutions

Characteristics

The *research institution* role is that of the organization where the *licensed technology* was created. It is often, but not always, a university, although it could also be a government lab, a hospital, a mandated agency or research and technology organization, or any organization that has a mandate to conduct and disseminate the results of publicly funded research. SAIL is designed to be used in institutional contexts where the IP arising from research is not solely owned by the inventor, for which no license agreement with the *research institution* is necessary (Kenney & Patton, 2009). As detailed later, the institution may also be the *Licensor* and/or *Investor*, depending in part on the IP policy and institutional rules with respect to equity ownership. Any institution using SAIL should publicly declare such details for transparency in the licensing process.

Responsibilities

As a publicly funded institution, the *research institution* has a mandate to conduct and disseminate the results of research. In recent years, universities have been under pressure to go beyond this and ensure economic or social impact beyond the lab through commercialization activity (Amry et al., 2021; Bouchard et al., 2023; *The Jenkins Report*, 2011). SAIL seeks to bring these potentially conflicting objectives into alignment. One of the unusual aspects of SAIL with respect to tech transfer is that it provides an incentive, but not an obligation, for the *research institution* to play an active role in the commercialization process.

In practice, the institution should seek to provide ongoing support for the commercialization process, which could include IP management services, lab space and specialized equipment access, ensuring improvements to the *licensed technology* are properly documented and communicated, and management of conflicts of interest that may arise in the course of pairing commercialization activity with publicly funded research. The institution is encouraged but not required to defer payment by adding associated costs to the convertible debt that is issued by the *Licensee*. Finally, the institution is responsible for ensuring that any returns arising from liquidation of the equity [liquidation of the licensee or sale of the equity?], or from sublicense royalties, are shared with any uninvolved inventors in accordance with the institution's policy on sharing the proceeds of commercialization activity with inventors.

Licensor

Characteristics

The *Licensor* is the entity that owns or has right to exploit the *licensed technology*. While this will in most cases be the *research institution*, there will be cases where the *Licensor* is a different entity, as noted above.

Responsibilities

Before entering into a SAIL agreement, the *Licensor* is responsible for protecting the *licensed technology* and identifying a *Licensee* that is both capable of bringing it to market and aligned with the goals and values of the *Licensor*.

The *Licensor* is responsible for ensuring it has the legal right to license the IP, including any *included improvements* (if Section 7 of SAIL is used). It is also responsible for ensuring the agreement for convertible debt that is paired with SAIL is compatible with SAIL, and for making the debt agreement public and readily available for, in particular, prospective *Licensees*. The *Licensor* is the primary point of contact for the *Licensee* for reporting obligations under SAIL, and is responsible for: [put the rest in a list] ensuring management of the IP portfolio on behalf of the *Licensee*, including filing of IP, prosecution¹ of IP, policing *Licensee* compliance with its contractual obligations, and collecting, aggregating, and reporting data arising from the commercialization process. While the *Licensee* is sometimes responsible for the costs of IP portfolio management, the *Licensor* may front the costs and may be incentivized, though not required, to absorb as much of the costs as possible by adding them to the convertible debt issued by the *Licensee* to the *Investor*.

¹ The process of obtaining patent protection and rights for an invention by interacting with the patent office.

The *Licensor* also must ensure, through the reporting requirements in SAIL, that the *Licensee* is making a good faith attempt to commercialize the *licensed technology*, and must act to correct any failure to do so. In extreme cases, this could mean termination of the license with cause. The *Licensor* must also take back ownership of the technology if the *Licensee* fails for any reason, and manage any sublicenses in the interim should the *Licensee* no longer be able to do so, barring any impediments.

While not contractually required, the *Licensor* is also incentivized under SAIL to provide as much support as possible to the success of the venture, which could include provision of legal advice and strategic or operational guidance, connections to the broader investment ecosystem, etc.

Investor

Characteristics

The *Investor* is the organization that will hold the convertible debt and eventual equity arising under SAIL. While this will, in most cases, be the *research institution*, it could also be a third party organization, including the *Licensor* (if it is not the research institution), or a dedicated special purpose entity created to hold equity on behalf of a publicly funded research institution.

Many research institutions have relatively recently established pre-seed investment funds that may provide the first investment into startups and other companies that seek to commercialize research institution owned IP (Durand & Mulcair, 2023; Swamidass, 2013). They may also hold any resulting equity in startups, especially where universities may not be set up to directly hold equity in private companies. a VC firm could also be the *Investor*, if empowered to hold the convertible debt issued on behalf of the research institution.

Responsibilities

The *Investor* is responsible for holding and managing the convertible debt and eventual equity issued under SAIL, properly accounting for all contributions to that debt through cost deferral by the *research institution* and the *Licensor*, with the agreement of the *Licensee*. The *Investor* is also responsible for collecting and managing the proceeds of sale of this equity or repayment of the debt by the *Licensee* where the agreement for convertible debt allows for that eventuality. In cases where more than one organization comprises the *Licensor*, *Research Institution*, or *Investor*, the *Investor* must manage dissemination of any proceeds under an appropriate agreement for sharing of revenue. If there are pro-rata rights under the agreement for convertible debt, the *Investor* is also responsible for any further investment in the *Licensee*.

The *licensed technology*

The *licensed technology* is the IP that was produced in the course of publicly funded research that is licensed to the *Licensee* by the *Licensor*. While in most cases it will be a patent or family of patents, SAIL may cover any type of IP (patents, trademarks, software code, data, trade secrets, etc.). SAIL may also operate in any technology sector, as discussed in our review of the literature that gave rise to the SAIL agreement (Durand & Briggs, 2025).

Funding models & securities law

SAIL does not prefer one funding model over another. For instance, one can consider any type of agreement (Coyle & Green, 2018) that allows conversion of debt into equity, such as:

- **SAFE Agreements:** The Y Combinator Simple Agreement for Future Equity (SAFE) is a widely used template for early stage fundraising via convertible debt. It is considered founder friendly, and is the instrument of choice for many angel investors. It involves conversion of a flat amount of debt into equity on realization of a priced round, usually without any time-based triggers for conversion. The most commonly used SAFE template, the post-money SAFE, specifies a valuation cap for calculation of the equity conversion, which sets the minimum equity stake that an investor will hold after conversion. Other template forms use a discounted share value when calculating the conversion of debt to equity.
- **KISS Agreements:** The Keep It Simple Security (KISS) agreement is a less common but still well tested instrument for investment via convertible debt that is considered more investor-friendly than SAFE. The debt may be interest-bearing and, unlike SAFE, KISS may specify a maturity date, after which the investor can unilaterally trigger conversion to equity. KISS may also allow for either conversion or repayment, possible at a multiple of the original investment, again at the sole discretion of the investor.
- **Convertible note:** Convertible notes are a broad class of investment tools that enable conversion of debt into equity, and are not standard agreements per se. For compatibility with SAIL, any customized convertible note paired with SAIL would need to be standardized and publicly available.
- **Crowdfunding:** Crowdfunding is an increasingly popular means of getting early-stage funding. To comply with SAIL, any crowdfunding must be specifically limited to convertible debt.

Note, however, that these templates are typically designed for a fixed amount of debt, and will require some changes to accommodate the variable nature of the debt contemplated by SAIL. In practice we suggest that the template be modified to include a formula for calculating the amount of debt accrued at any given time, rather than a fixed amount, to avoid the need for ongoing amendments as debt accrues.

Moreover, when raising capital, the startup must also comply with all applicable domestic and international law including:

- **Securities law:** Any offering or sale of securities must comply with securities law, probably in more than one jurisdiction, including registration requirements.
- **National security:** The activities of the startup may be subject to review by governmental authorities responsible for national security, including reviews of foreign investment, and export controls.²
- **Research security:** The [startup/spin out] must also be committed to protecting sensitive research and IP. Issues may include data security, privacy, and research security.³

The above are some examples among many, also including competition law, product safety, employment law, and so on. Legal advice is essential.

² See the [Guidelines on the National Security Review of Investments](#) under the Investment Canada Act.

³ See Canada's [Named Research Organizations](#) list

Sections 1 to 16 of SAIL: General principles

1. Definitions are provided to guide interpretation of SAIL.
2. A set of editable fields are provided that correspond to definitions in section 1. These fields need to be filled out before SAIL can be signed. Guidance as to suggested values for these fields is provided throughout this document.
3. SAIL is an exclusive license limited by neither field nor territory. While this may seem like an aggressive starting point, the required sublicensing provisions of Section 5 temper it somewhat. The need for exclusivity is dictated by the axiom of ownership: if there is more than one *Licensee*, then there is no “clean” way to transfer ownership to them without risking legal ownership issues or problematic incentives in choosing which one takes ownership. The fractional assignment of IP assets, or co-ownership, is usually frowned upon by IP counsel.

The primary *Licensee* is the entity to which ownership will transfer in the event of a trigger under Section 9. Sublicensees remain licensees.

No warranty is provided by the *Research Institution*, the *Licensor*, or the *Investor* of the suitability of the IP for the work envisioned by the *Licensee*.

4. Under the license, the *Licensee* provides to the *Licensor* convertible debt, the agreement for which is established between the *Licensee* and *Investor*. SAIL is designed to be compatible with any agreement that converts debt into equity on realization of a specified trigger, and which includes a valuation event such as a priced investment round, so that conversion of the debt to equity can also coincide with activation of the option for the *Licensee* to take an assignment of the *licensed technology* under Section 9.

A formula for calculating the amount of convertible debt is described in SAIL and is calculated as:

- a. **Past costs:** The sum of costs incurred before the effective date to secure or manage the *licensed technology* that have not been reimbursed by other means; plus
- b. **Present costs:** A fee agreed on by *Licensor* and *Licensee*, which the *Licensor* is encouraged to set at \$0 for domestic startups; plus
- c. **Future costs:** Fees incurred by the *Licensor*, *research institution*, or *Investor* to support commercialization that have been agreed between one of the foregoing entities and the *Licensee* to be added to the convertible debt; minus
- d. **Upfront fee:** Any upfront fee paid immediately (i.e. not deferred to the convertible debt) to the *Licensor* by the *Licensee*. The *Licensor* and *Licensee* are encouraged to work together to keep the upfront fee low to minimize financial barriers that might impede tech transfer and value extraction from the academic research, while recognizing that TTOs may not be in a financial position to completely defer costs.

We strongly suggest use of well-established templates for the convertible debt agreement paired with SAIL for the sake of using well-tested legal instruments wherever possible.

Acknowledging the axiom of value creation, SAIL is royalty-free (apart from sales by the primary *Licensee*; discussed below).

5. The *axiom of impact* states that SAIL should not block innovation, but SAIL is an exclusive license (even if without territorial or market limitations). But exclusive control is required to ensure a path to ownership transfer per the axiom of ownership.

Sublicensing is SAIL's attempt to balance these conflicting axioms. SAIL requires that the *Licensee* define a "*primary field of interest*". While defining a field does not restrict its operations in the way field-exclusivity typically found in other express licenses, it does define the "whitespace" in which it will be required to engage interested third parties. If a third party expresses interest in using the licensed technology for an application outside the field of interest, the *Licensee* must either pursue commercialization in that field itself, or issue a sublicense to the third party. The main difference between SAIL and typical field-exclusive express licenses is that it is the *Licensee*, not the *Licensor*, that is responsible for issuing sublicenses.

Licensees have a dual incentive to comply. Failure to issue a sublicense or to commercially exploit the technology in the field of interest in a reasonable time is a breach of contract that allows the *Licensor* to issue a license to that third party directly (5.b), which immediately invalidates the transfer of ownership enabled under Section 9. If so, not only does the *Licensee* forego the royalties they would otherwise collect from a sublicensee, they lose the possibility of ownership. However, this requirement does not survive termination of SAIL after transfer of ownership of the *licensed technology* under section 9. IP ownership assignment to the *Licensee* signals trust that the *Licensee* is a good candidate to carry the technology forward, and so access control is also placed in that entity from that point onward. This also serves as an incentive to the *Licensee* to take ownership of the IP portfolio as soon as the option for assignment arises .

Sublicenses must be royalty-bearing. While this conflicts with the axiom of value creation, preceding axioms take precedence. In any event, sublicenses of this sort are likely going to be granted much later in the commercialization process, and not necessarily to startups, making royalties more appropriate.

There is a flow-through mechanism to ensure that the *Licensor* benefits from sublicenses as well since a percentage of *sublicensee net sales* must be passed on to the *Licensor*. This is money owed to the *Licensor* by the *Licensee* (who must collect it from *sublicensees*).

Sublicenses should not themselves allow sublicensing. The primary *Licensee* is intended to be the single source for all access to the IP.

6. The *research institution* will probably retain rights for non-commercial use of the *licensed technology*, and it is critical that SAIL not prevent a *research institution* from researching or publishing further on the topic. The requirement that thesis defenses not be delayed comes directly from the tri-council agencies as a condition of research funding, so there is little room for negotiation for the parties. This clause is the main reason why the *research institution* role may be better separated from the role of *Licensor*. While the *Licensor* may not need any retained rights, the *research institution* always will.
7. SAIL seeks to avoid new IP originating in a lab that generated *licensed technology* leading to conflicts related to freedom to operate while unfairly encumbering future academic research. To

this end, a subset of improvement generated by the institution falls into the definition of *included improvements*, giving the *Licensee* the option, but not the obligation, to have any IP matching the definition included in the license upon payment (or deferral) of the associated protection costs incurred by any other party in securing it.

SAIL defines *included improvements* narrowly, following a suggestion by AUTM (AUTM, 2007), as improvement to the *licensed technology* originating from the same institution as the, which was created by at least one of the inventors named on the *licensed technology*, and which is owned and controlled by *Licensor*. As noted by AUTM, anything so defined is not usable by any other entity without potentially infringing on rights arising under the *licensed technology* (in AUTM parlance, it is “dominated” by the *licensed technology*), and so there is no incentive to do anything other than to allow the *Licensee* to use it in support of the commercialization effort if the *Licensee* decides it is worth protecting.

In any event, automatic inclusion of *related IP* in the *licensed technology* is limited to a period of three years from date of execution, or until SAIL terminates, whichever is sooner.

Research institutions with inventor-owned IP policies may not be empowered to encumber future IP in this manner, and third-party TTOs may likewise not be empowered to bind institutions, in which case a requirement that related IP be owned or controlled by the **Licensor** would mean that no IP would ever meet the definition. To ensure this is not a source of confusion in SAIL, the requirement is an explicit option to be negotiated before the signing of SAIL.

In either case, automatic inclusion is limited to a period of three years, or until SAIL terminates (including after IP ownership transfer), whichever is sooner. This is in line with AUTM best practices (AUTM, 2007).

8. It is critical to further policy improvements that *Licensees* of academic technology provide data relating to their long-term use of IP generated using public funding. This Section is intended to impose a vital reporting requirement on **Licensees**, ensuring that the **Licensor** remains apprised of all entities that have access to the technology, and has a general idea of the commercial success of the IP portfolio through ongoing reporting of revenues. It also gives the **Licensor** the power to audit the **Licensee** to ensure compliance.

In practice, *research institutions* may not audit or enforce contracts unless they must. SAIL does not require regular audits. However, funding agencies should require audit and reporting by *Licensors* or *Research Institutions* to provide the incentive needed to ensure compliance.

9. Ownership transfer of the *licensed technology* is one of the core elements of SAIL that sets it apart from other express licenses. When the market signals that the startup is a viable entity after closing a priced round (or other *trigger events* as agreed by the parties), the startup acquires the right, but not the obligation, to take ownership of the IP portfolio. If the startup is not in a position to pay an assignment fee or wants to continue to receive the support of the other parties to SAIL, then it should not be forced to take ownership until it is ready. There is still an incentive to acquire ownership since otherwise the *Licensee* can be required to grant sublicenses, and ongoing support is only available by agreement.

The buyout price is a flat, preset fee that is negotiated as part of the editable definitions of SAIL. Some or all of the fee can be absorbed into the convertible debt if assignment is taken

immediately on completion of a trigger event. The *Licensor* may waive the fee in exchange for a larger equity stake on conversion of the debt. We strongly recommend that this fee be set to zero when the *Licensee* is a domestic startup. Regardless, the amount must be agreed before the license is signed.

10. Until ownership is transferred, the *Licensor* should continue to manage the IP portfolio and can, by agreement with *Licensee*, move any associated fees into the convertible debt. In this way, the *Licensor* is rewarded for taking on costs for the *Licensee* in the vulnerable early stages, promoting adherence to the axiom of value creation.
11. In cases of third party infringement of rights conferred related to the *licensed technology*, all parties must inform the others. The *Licensee* decides what, if anything, to do about it, at its own expense, though the other parties can help and can defer associated costs to the convertible debt by mutual agreement. The *Licensor* can initiate proceedings if the *Licensee* does not, and does not oppose such an action, but this is unlikely to occur in practice.
12. This section provides a lightweight non-disclosure agreement applicable to all the parties.
13. *Research institutions* do not usually accept liability or provide indemnities when licensing technology. The *Licensee* will almost certainly have to indemnify the other parties against incurred liabilities to pay or compensate another person for damages or losses.
14. Dispute resolution via arbitration should provide a relatively simple process if things ever get acrimonious.
15. The general provisions are in fairly standard language. Note that the survival clause includes the convertible debt or equity as appropriate, the assign back clause, and the reporting requirements under Section 8.
16. SAIL remains in effect until either all the registered IP associated with the *licensed technology* expires, or the agreement is terminated. Termination can happen in several ways: the *Licensee* can terminate for convenience the *Licensor* can terminate if the *Licensee* breaches a term of the license or fails as a business or, and what will hopefully be the most common reason for termination, when ownership of the IP is transferred. Note, however, that several important clauses survive termination (not all are mentioned here):
 - a. The convertible debt and subsequent equity issued to the *Investor* survives termination. Because of the way SAIL is drafted, the debt will in most cases have been converted to equity before IP ownership transfers (since the trigger for conversion is usually a priced round, which also gives the option but not the obligation for the *Licensee* to unilaterally trigger ownership transfer). The *Licensor* and *Licensee* could agree to an earlier transfer of ownership, in which case the convertible debt agreement survives on its own and the debt converts at later time in accordance with the agreement.
 - b. If the *Licensee* fails after ownership transfer, it must assign the technology back to the *Licensor* (Section 4.d.) unless there is some reason they cannot, subject to any exceptions (e.g., liens, encumbrances, hypothecs on the IP).

Once ownership has transferred, the *research institution* has no further need or obligation to provide support. This timing is intentional: the trigger event of a priced round will coincide with the time when a startup no longer needs support, and should be able to afford to pay for that support itself (for e.g. lab space, IP services, legal, etc.). Accordingly it will no longer require (or have the option) for support payments to be deferred into convertible debt.

Schedule B

This is intended to contain the convertible debt agreement signed between *Licensee* and *Investor* in consideration of SAIL. We encourage use of standard templates, as noted above, with a preference for the SAFE and the KISS. It is the responsibility of the *Licensee* and *Licensors* to ensure compliance with all related securities laws, and to ensure compatibility of the clauses in that agreement with those in SAIL, where applicable. This agreement should provide a formula for calculating the amount of convertible debt at any given time rather than a specific dollar amount, given the variability of the *future costs* component of the convertible debt contemplated in SAIL.

Schedule C

This is intended to contain any ancillary agreements that relate to SAIL in some way, the most common being agreements between the *Research Institution* and the *Licensee* for use of lab space, equipment, or services. Such agreements should, where applicable, explicitly delineate which costs, if any, will be added to *future costs* in SAIL. Other types of agreements that could be contemplated here are Material Transfer Agreements, Sponsored Research Agreements, or Non-disclosure agreements whose scope differs from that included in SAIL. This section provides some lightweight guidance on typical terms that should be considered in such agreements. It is the responsibility of the parties thereto to ensure compatibility of the clauses in that agreement with those in SAIL, where applicable.

Schedule D

This section contains non-binding principles to guide the negotiation process, reminding parties of the various responsibilities and challenges of the other parties so as to foster an understanding dialogue in negotiation of all of these agreements.

Competition Matters

While Rambe et al. suggests that tech transfer agreements enhance competitiveness (Rambe & Khaola, 2023), others indicate that competition or antitrust law issues may arise when adopting standardization activities (de Sousa, 2019) such as: using standard form contracts (Patterson, 2010), standard essential patents (SEP), or FRAND (from a European perspective (Bruzzone & Capozzi, 2019; de Sousa, 2019), among others (ITU, 2024)).⁴

⁴ [Creating a cash runway for your startup](#) and [Extending your Runway](#) (January 12, 2025)

There is no substitute for legal advice - disclaimer

SAIL was created to facilitate tech transfer, but it is not a substitute for legal advice which remains essential to avoid missteps. A qualified lawyer can assist with:

1. developing an IP strategy or roadmap for commercialization with an overview of:
 - a. the jurisdictions in which the IP portfolio is to be prosecuted,
 - b. past, present and future fees relating to the IP portfolio,
 - c. time sensitive deadlines, including national phase entries in one or more jurisdictions;
2. understanding the timeframes required or expected to negotiate licenses and buy-out events (ie, more than you think);
3. Engaging early with the TTO.

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