SIMPLE AGREEMENT FOR INNOVATION LICENSING (SAIL)

A PROPOSED AGREEMENT FOR TRANSFERRING RESEARCH INSTITUTION-OWNED IP TO STARTUPS

(Version 2.0: January 29, 2025)

GUIDANCE: This agreement should be read in conjunction with Durand & Briggs, 2025 and the SAIL Guidance document.

THE USUAL DISCLAIMER: The proposed SAIL framework is intended to provide insight into how licensing professionals assist in commercializing IP arising, in whole or part, from publicly funded research. SAIL is not legal advice. SAIL is not to be used as a substitute for competent advice from a licensed professional in your province, territory, or state. SAIL is provided strictly as an explanatory and illustrative document and guide.

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ACKNOWLEDGEMENTS:

Kyle Briggs

David Durand

Rami Alhamad

Robin Ford

Tai Nahm

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PLEASE SEEK ADVICE FROM AN ATTORNEY LICENSED IN YOUR JURISDICTION BEFORE RELYING ON THIS SAIL TEMPLATE AND RELATED DOCUMENTS, WHICH ARE SOLELY FOR PURPOSES OF EDUCATION AND GUIDANCE.

The **SIMPLE AGREEMENT FOR INNOVATION LICENSING** (the "**Agreement**") is entered into on [________________] (the "**Effective Date**"), by the following parties (the "**Parties**"):

"**Licensor**" means an organization existing under the laws of [Province/Territory], with a principal place of business at [__________________________] duly represented by [__________________________] as the individual so declares.

"**Licensee**" means a company existing under the laws of [Province/Territory], with a principal place of business at [__________________________] duly represented by [__________________________] as the individual so declares.

"**Research Institution**" means an organization that conducts publicly funded research existing under the laws of [Province/Territory], with a principal place of business at [__________________________] duly represented by [__________________________] as the individual so declares.

"Investor" means an organization existing under the laws of [Province/Territory] with a principal place of business at [__________________________], duly represented by [__________________________] as the individual so declares.

The Licensor, Licensee, Research Institution, and Investor are each referred to herein as a "**Party**" and collectively as the "**Parties**".

Background

The Licensor is the owner of certain Intellectual Property (IP) rights and technology described in Schedule A (the "**Technology**"), or all inventors have assigned all of their right, title and interest in and to the Technology to the Licensor;

The Licensee wants to obtain a licence to use, develop, and commercialize the Technology;

The Investor wants to obtain a minority ownership interest in the Licensee;

The Research Institution seeks economic or social impact through commercialization of the Technology; and

THEREFORE, the Parties agree to the following terms of this Agreement:

1. **Definitions**

"Acquisition" means the act of purchasing a good, service or asset in a business transaction or by contract. It can occur through the purchase of shares resulting in control or take-over of a company.

"Buyout Price" means the amount owed by a Licensee to a Licensor on taking ownership of the Licensed Technology (the "**Buyout**").

"Equity Financing" means a sale of shares in a company at an agreed-upon valuation.

"Future Costs" means costs incurred by the Licensor, Research Institution, or Investor to support the commercialization of Licensed Technology that the Licensee agrees may be added to the convertible debt, and for which the relevant Party has not been reimbursed by some other means.

“Improvement” means adding something to an existing product or service by incorporating a new technology, or finding a new use for it including any modification, addition, extension, or derivative work of or from any Licensed Technology IP.

“Included Improvement” means an Improvement

1. created by an inventor affiliated with the Research Institution,
2. created in whole or in party by at least one inventor involved in creation of any of the Licensed Technology IP, and
3. with respect to which Licensor has the right to grant a licence.

“**Gross Sales**” means the sum of cash revenues received for the sale of Licensed Products and Service**s**, in a specified period, plus the fair market value of Licensed Products and Services transferred to a third party for consideration other than cash during that period.

“**Intellectual Property**” **(or “IP”**) means inventions, whether or not patented or patentable, including related commercial and technical information, whether or not constituting trade secrets, and all copyrightable works, industrial designs, integrated circuit topographies, trademarks and distinguishing marks or guises, whether or not registered or registrable.

“**IPO**” means an initial public offering deemed to occur on the effective date of the registration statement filed with the applicable securities regulator for the initial underwritten sale of equity shares of the Licensee to the public.

“Jurisdiction” refers to the jurisdiction the laws of which govern interpretation of this Agreement.

“Licensed Products and Services” means any products or services that incorporate, are derived from, or are based on the Licensed Technology whether by the Licensee or a sublicensee under this Agreement.

“Licensor Royalty Share” means the percentage of sublicensee Net Sales owed by the Licensee to the Licensor.

“Net Sales” means Gross Sales minus:

1. discounts and rebates deducted by Licensee from the sale price of Licensed Products and Services;
2. taxes, tariffs, duties, and other governmental charges applicable to the sale of Licensed Products and Services and not separately reimbursed by the purchaser;
3. outbound transportation costs and insurance charges not separately paid or reimbursed by the purchaser; and
4. invoiced amounts written off as uncollectible, not to exceed 5% of Gross Sales.

“Past Costs” means the sum of costs incurred by the Licensor and Research Institution before the Effective Date to secure the Licensed Technology that have not been reimbursed through other means.

“Primary Field of Interest” means the market or sector into which Licensee intends to sell Licensed Products and Services beginning on the Effective Date.

"Upfront Fee" means the amount to be paid to the Licensor by the Licensee upon signing this Agreement that is not added to the convertible debt.

2. **Editable Fields**

[[*Nota: These values must be agreed between Licensee and Licensor before signing this Agreement*]]

Buyout Price is $___________[[$0 suggested for Canadian Licensees]]

Jurisdiction is ________________ [[Usually the home province/territory/state of Licensor]]

Licensor Royalty Share is _____% [[0% suggested for Canadian Licensees]]

Past Costs is $____________

Present Costs is $____________ [[$0 suggested for Canadian Licensees]]

Primary Field of Interest is ____

Section 7: Access to Included Improvements Is ⬜/ Is Not ⬜ in force

Upfront Fee is $_________ [[$0 suggested for Canadian Licensees]]

3. **Licence grant**

    a. The Licensor grants to the Licensee an exclusive[1], worldwide, licence for the Technology, including its corresponding IP, to develop, commercialize, manufacture, market, and sublicense Products and Services using the Technology (the "**Licensed Technology**") subject to the terms of this Agreement.

    b. The Licensor grants the licence of the Technology "AS IS" without representation or warranty of any kind, express or implied, including warranties of merchantability, fitness for a particular purpose, or non-infringement of third-party IP rights. The entire risk as to the quality and performance of the Licensed Technology is with the Licensee. Unless required by law or agreed in writing, the Licensor will not be liable to the Licensee for damages, including any general, special, incidental, or consequential damages arising out of the use or inability to use the Licensed Technology.

4. **Investor consideration**

    a. In consideration of the licence granted under section 3, the Licensee and Investor must:

        i. execute an investment agreement for convertible debt owed by the Licensee to the Investor as set forth in Schedule B.

        ii. Agree on a fixed initial fee (the "Present Costs") to be specified in section 2 and added to the convertible debt issued under section 4.a.i.

[1] Madl, L., Radebner, T., & Stouffs, R. (2021). Technology transfer for social benefit: Ten principles to guide the process. *Cogent Social Sciences*, *7*(1). https://doi.org/10.1080/23311886.2021.1947560, available at: https://www.tandfonline.com/doi/full/10.1080/23311886.2021.1947560#d1e227.

b. The amount of convertible debt will be variable and will equal the sum of Past Costs, Present Costs, and Future Costs, minus the Upfront Fee.

5. **Sublicensing of Licensed Technology**

a. If there is third-party interest in licensing some or all of the Licensed Technology that falls outside the Primary Field of Interest, the Licensee must:

i. engage in good faith negotiations for a sublicence with the third party for a reasonable period, or

ii. submit a commercialization plan for the Licensor's approval and commercialize the product or service approved by the Licensor in the field of interest selected by the third party within the period agreed by the Licensor, not exceeding one year, unless an extension of time is granted by the Licensor.

b. If the Licensee does not grant a sublicence to some or all of the Licensed Technology or commercialize a product or service under section 5.a., then the Licensor must negotiate in good faith with the Licensee to achieve a reasonable sublicence or commercial plan within a reasonable period.

c. If a sublicence or plan is not effected under section 5.a. or 5.b., then the license granted under section 3 will forthwith become non-exclusive and the Licensor will have the right to grant a licence to the third party directly.

d. If the licence becomes non-exclusive section 5.c., then section 9 ("**Licence Buyout**") will not apply.

e. sublicences granted by the Licensee must

i. include reporting requirements compatible with, and equivalent to, section 8,

ii. include indemnity and limitation of liability to the Licensor and Research Institution as required in section 13, and

iii. exclude the right to further sublicense.

f. The Licensee must pay the Licensor annually a percentage of sublicensee Net Sales equal to the Licensor Royalty Share, due within [•/, e.g., 30] days of the end of the Licensee's fiscal year.

6. **Research Institution retained rights**

a. The Research Institution retains the right to use the Licensed Technology for non-commercial purposes, including research and teaching.

b. Subject to section 6.c. the Research Institution may publish related research in any form, after a review period of at least [•/, e.g., 30] days, sufficient to enable the Licensee to bring proceedings to prevent disclosure of unprotected IP or Confidential Information as defined in section 12.

c. The Licensee may not act under section 6.b. to delay thesis submission or defence, but the Licensee may require that a thesis be kept private (or confidential or under seal) for up to [•/, e.g., 1] year), or that the thesis defence be conducted *in camera*, or both.

d. If confidentiality obligations conflict with the Research Institution's retained rights to publish, the latter will prevail.

e. The Parties may not use the name or trademarks of another Party or the name of any of its employees or contractors in any publicity or advertising, including endorsements, without the prior written consent of the other Party unless the use is required by reporting obligations.

7. **Access to Included Improvements**

a. The Licensor must notify the Licensee in writing of the creation of any Included Improvements within [•/, e.g., thirty (30)] days of their creation.

b. Upon receipt of notification of creation of an Included Improvement under section 7.a., the Licensee has the option to add the Included Improvement to the Licensed Technology on payment of a fee to the Licensor, which shall be equal to the total of amounts paid by the Licensor, Research Institution, or Investor to secure IP protection for the Included Improvements.

c. If the Licensee elects not to exercise its option within [•/, e.g., ninety (90)] days following notification in writing by the Licensor under section 7.a., the Licensor may grant a license to said Included Improvement to a third party or allow the Included Improvement to enter the public domain.

d. If Included Improvements are licensed under 7.b. before the occurrence of a Triggering Event defined under section 9, Licensee may pay the required fee directly. Alternatively, if the Licensee and Licensor agree, the fee may be added to Future Costs and added to the convertible debt.

8. **Licensee reporting and data collection obligations**

a. The Licensee must provide to the Licensor within [•/, e.g., 30] days of the end of the Licensee's fiscal year, or within [•/, e.g., 30] days of receipt from a sublicensee, as the case may be,:

i. a list of all sublicensees that have access to any of the Licensed Technology;

ii. a detailed accounting of Gross Sales and Net Sales of the Licensed Products and Services;

iii. a detailed accounting of Gross Sales and Net Sales of the Licensed Products and Services of each sublicensee;

iv. a list of the countries where the Licensed Products and Services were sold, and the corresponding revenue attributed to each country;

v. any reports generated during an audit or inspection of a sublicensee's accounts, books, and records; and

vi. any other information required under this Agreement.

b. The Licensee must keep, and must ensure that each sublicensee keeps, true and accurate accounts and records of:

i. the fair market value of Licensed Technology (and corresponding Licensed Products and Services) produced, sold, and in stock;

ii. the Gross Sales prices of Licensed Technology (and corresponding Licensed Products and Services);

iii. all other accounting, stock, ordering, purchasing invoicing, and delivery records related to the Licensed Technology as are required by good accounting practice;

iv. sublicence royalties received and owing;

v. sublicences granted;

vi. relevant correspondence to and from sublicensees;

c. The Licensor, at its expense, may appoint a person to inspect the Licensee's books and records maintained under section 8.b. The appointed person, on 7 days prior written notice, may, during normal business hours, inspect and copy all accounts and records kept pursuant to section 8.b. The Licensor may initiate only one inspection in any 12-month period. The Licensee must reasonably cooperate with the appointed person to facilitate the inspection of its books and records.

d. If, on an inspection, the Licensor discovers any underpayment of the amounts rowed by the Licensee and the underpayment exceeds 5% of the amount owed, the Licensee must pay the amount owing forthwith.

9. **Licence buyout and license back**

a. The Licensee has the option to take ownership of the Licensed Technology, including all related IP rights, from the Licensor, on or after the occurrence of a Triggering Event and payment of the Buyout Price. In this Agreement, a “**Triggering Event**” means:

[*<u>Nota:</u> Other Triggering events that indicate the viability of the Licensee can be contemplated for the purposes of this section*]

i. agreement of the Licensee and Licensor as specified in the Non-Binding Guidelines in <u>Schedule D</u>, or

ii. an Equity Financing event, or

iii. conversion of the convertible debt issued under the agreement executed under section 4.a into shares of the Licensee, or

iv. an Acquisition or other similar event that allows founders of and/or early investors in a startup to realize the value of some or all of their share of ownership of the Licensee.

b. If the Licensee and Licensor agree, the Buyout Price may be added to Future Costs and added to the convertible debt.

c. Subject to section 9.b., the Buyout Price must be paid by the Licensee to the Licensor in full within 30 days of exercising the option for a Buyout. Upon receipt of the Buyout Price, the Licensor must transfer all rights, title, and interest in the Licensed Technology (and all related documentation) to the Licensee, free and clear of any liens, claims, or encumbrances.

d. On completion of the transfer of the Licensed Technology, this Agreement will terminate. No Party will have any further obligations or liabilities to the other, except for any outstanding obligations that survive the termination of the Agreement as described in section 16.i.

e. If the Licensed Technology has been assigned to the Licensee as a result of a Triggering Event but the Licensee subsequently stops carrying on its business for any reason, the Licensee must provide the Licensor with an option to take back an assignment of the Licensed Technology, if the assignment does not conflict with another agreement or hypothecary rights related to the Technology.

f. If the Licensed Technology is assigned back to the Licensor under section 9.e., Licensor may provide to each sublicensee the option to license the Licensed Technology under substantially the the same terms as either the prior license to the Licensee or sublicense between the Licensee and the sublicencee, provided that:

    i. Licensor and sublicensee will discuss in good faith appropriate conforming modifications to such terms and conditions to the license between them, and

    ii. Licensor is not obligated to enter into a license agreement having a scope of obligation on the part of Licensor that would exceed those in this agreement or the applicable sublicense.

10. **IP management, administration and fees**

a. The Licensor is solely responsible for the management of the Licensed Technology during the term of this Agreement, including regulatory filing, enforcement, and maintenance of the Licensed Technology and its IP, as well as any Included Improvements that may form part of the licensed portfolio under section 7.

b. The Licensor will promptly notify the Licensee in writing of any expected fees for the administration of the Licensed Technology. The Licensee may either pay the fees or refuse to pay by notifying the Licensor in writing before costs are incurred by the Licensor, if time permits. If the Licensee chooses not to pay optional fees, the Licensee must accept the consequences of the refusal, including any impacts on IP protection, and Licensor will have the option to pay the fees themselves and to remove the applicable IP from the Licensed Technology IP.

c. If the Licensor chooses not to manage any Licensed Technology, the Licensee may, at Licensee's sole expense, take assignment of the Technology and assume responsibility for its management. The Licensor must then assign all rights, title, and interest in the Technology to the Licensee, free and clear of any liens, claims, or encumbrances, within 30 calendar days, or within the longer a period reasonably necessary to meet any related, required deadlines.

11. **Infringement**

a. Each Party must give prompt written notice to the other of any suspected or actual infringement by a third party of any of the Licensed Technology that comes to the attention of the Party.

b. The Licensee will have the first option (but not the obligation) to initiate and pursue proceedings against the third party. The commencement, strategies, termination, and settlement of any action or proceedings relating to the validity or suspected or actual infringement of the Licensed Technology will be decided solely by the Licensee who is not required to consult the Licensor. Any proceedings initiated and pursued by the Licensee will be at the expense of the Licensee. If the Licensee does not initiate or pursue proceedings within a reasonable period, the Licensor may do so at its expense and, if appropriate, in the name of the Licensee. If the Licensee reasonably asserts in writing to the Licensor that proceedings may jeopardize any part of the Licensed Technology, including its validity, then the Licensor may not initiate or pursue proceedings.

c. The Licensor and Research Institution must make reasonable efforts to assist the Licensee in any proceedings related to claims of invalidity or infringement, including providing any supporting documents or evidence as reasonably requested by Licensee. If asked or permitted by the Licensee, the Licensor may participate in any proceedings initiated by the Licensee at the Licensor's expense.

12. **Confidentiality**

a. "**Confidential Information**" includes any information relating to a Party (the "**Disclosing Party**") received by any means by another Party (the "**Receiving Party**"), including trade secrets, inventions, know-how, technical data, business plans, and strategies, whether marked or expressly disclosed as confidential or not, and includes information that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure.

[*<u>Nota:</u> Other definitions of Confidential Information can be contemplated for the purposes of this section*]

b. Confidential Information does <u>not</u> include information that:

i. is or becomes publicly known other than by a breach of this Agreement;

ii. is independently developed without use of or reliance on a Party's Confidential Information;

iii. is rightfully received by a Party from a third party without breach of an obligation of confidentiality;

iv. is approved for release in writing by the Disclosing Party; or

v. is disclosed pursuant to a requirement or request of a governmental agency or by law, as long as the Disclosing Party has provided notice in writing of the requirement or request to a Party that might be negatively effected at least [•/ e.g., 10] business days before disclosure, to allow the Party sufficient time to seek a protective order or other appropriate remedy.

c. The Receiving Party must not disclose, use, or permit others to use Confidential Information except as necessary to fulfill its obligations under this Agreement or as required by law.

d. The Parties must take reasonable measures to protect the confidentiality of Confidential Information, including imposing confidentiality obligations on its employees, contractors, and agents and assuming responsibility for any breach of confidentiality by those persons.

e. Confidentiality obligations will survive the termination of this Agreement for a period of [•/ e.g. 1 year].

f. On termination of this Agreement or at a Disclosing Party's request, the Receiving Parties must promptly return or destroy all Confidential Information and, if the information is destroyed, provide a certificate of destruction. On a request for return of Confidential

Information, the Receiving Parties may retain copies of Confidential Information that is essential for operation of this Agreement.

g. If there is an actual or suspected breach of confidentiality obligations, a Party must immediately notify the other Parties in writing, providing full details of the breach and any steps taken to mitigate its effects. Affected Parties may seek damages, equitable relief including injunctive relief, or indemnification for any resulting claims, liabilities, and expenses, as well as seek public retractions or corrections.

13. Limitation of liability and indemnification

a. Unless otherwise specified in this Agreement or in a related agreement, a Party will not be liable for delays in the performance of obligations under this Agreement or for loss of business or profit or indirect or consequential damages due to circumstances beyond its reasonable control.

b. The Licensee will indemnify and hold harmless the Licensor and Research Institution and their boards of directors, trustees, partners, officers, employees, agents, and representatives, from any claims and liabilities which the Licensee may incur, unless these claims and liabilities arise through the action or inaction of the Licensor or Research Institution with respect to the terms of this Agreement.

c. The Licensor and Research Institution shall indemnify and hold harmless the Licensee and its board of directors, trustees, partners, officers, shareholders, employees, agents and representatives, from any all claims and liabilities which Licensee may incur and which arise out of the negligence and/or omissions of such Parties' board of directors, trustees, officers, employees, agents, or representatives.

14. Dispute resolution

a. Each Party will cooperate with the others so that each may enjoy all rights conferred under the Agreement.

b. If a dispute arises under the Agreement, the Parties must first attempt to resolve the dispute amicably in good faith. If the Parties are unable to resolve the dispute within [•/ e.g. 30] calendar days, the Parties must jointly select a mediator and share the costs of mediation equally.

c. If the Parties cannot select a mediator or the mediation does not resolve the dispute within [•/ e.g. 60 or a reasonable period] calendar days, or if either Party refuses or fails to participate in mediation, the dispute must be resolved by binding arbitration conducted in the jurisdiction under the rules of the International Centre for Dispute Resolution Canada. The decision of the arbitrator will be final and binding on the Parties and enforceable in any court of competent jurisdiction. The costs of the arbitration, including the arbitrator's fees and any administrative fees, will be shared equally by the Parties, unless otherwise determined by the arbitrator.

d. Pending resolution of a dispute, the Parties must continue to perform their obligations under the Agreement, unless otherwise decided by the arbitrator.

15. **Term and termination**

a. This Agreement will take effect on the Effective Date and will remain in effect until the expiry of all registered IP associated with the Licensed Technology, including any Technology licensed under section 7.

b. The Licensee may terminate this Agreement:

   i. At any time by providing written notice at least [•/, e.g., 30] calendar days in advance of termination with payment of all fees owed to the Licensor at the date of termination, as well as any amounts that may be owed by the Licensee to any other Party to this Agreement.

      [*Nota:* *It is important that the terms of the investment agreement do not conflict with this section, in particular the order of repayment of funds, if any*]

   ii. By a Buyout under section 9.

c. The Licensor may terminate this Agreement if the Licensee:

   i. takes or is required by any person to take, any of the following actions: (A) an assignment, composition or similar act for the benefit of creditors; (B) an attachment or receiving of assets; (C) the filing of a petition for bankruptcy, insolvency or relief of debtors, or the institution of any proceedings relating to bankruptcy, insolvency or relief of debtors; (D) committing or threatening to commit any act of bankruptcy; or (E) a winding-up, liquidation or dissolution of the business;

   ii. ceases its business operations;

   iii. fails to reasonably commercially exploit,[2] or intend to commercially exploit, the Licensed Technology for a continuous period of [•/, e.g., 12] months;

   iv. or any of its key personnel is convicted of an indictable offence;

   v. materially breaches any term of this Agreement and fails to correct the breach within a reasonable period of time agreed between Licensee and Licensor after receiving written notice from Licensor.

d. Licensor may provide to each sublicensee the option to license the Licensed Technology under substantially the the same terms as either the prior license to the Licensee or sublicense between the Licensee and the sublicencee, provided that:

   i. Licensor and sublicensee will discuss in good faith appropriate conforming modifications to such terms and conditions to the license between them, and

   ii. Licensor is not obligated to enter into a license agreement having a scope of obligation on the part of Licensor that would exceed those in this agreement or the applicable sublicense.

16. **General provisions**

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[2] Commercial exploitation usually requires that an entity "make, have made, use, have used, import, export, and to sell, offer for sale or have sold a product" and/or solution (see here). In other words, there is an exchange of valuable consideration. Valuable consideration is generally defined as "a necessary element of a contract, which confers a benefit on the other party. Valuable consideration can include money, work, performance, assets, a promise or abstaining from an act" (see here). However, it is plausible that licensed IP may take more than a year of research before revenues are generated. In some cases, technology milestones are used to assess commercialization progress (see here). THe SAIL framework seeks to avoid situations in which payments are triggered by realization of technology-based milestones, and seeks to avoid distorting incentives.

a. All notices, reports, requests, consents and other communications between the Parties under or related to this Agreement must be in writing, delivered by regular mail or by electronic mail, to the authorized representative of a Party, as follows:

	To Research Institution:	**To Licensee:**	**To Investor:**	**To Licensor:**
Name:				
Department:				
Address:				
City, Province/Territory/State:				
Postal/Zip Code, Country:				
Tel:				
Email:				

b. Except as otherwise provided in the Agreement, no Party may assign any of its rights or delegate any of its obligations without the prior written consent of the other Parties, but a Party may assign any of its rights and delegate any of its obligations to a person that acquires substantially all of the Party's assets, whether by share sale, merger, asset sale, or other change of control.

c. No waiver of, or failure by a Party to enforce, a right or failure or insist on strict performance of this Agreement will prevent the Party from subsequently enforcing its rights or insisting on strict performance. No waiver or failure to strictly enforce rights will affect the validity of the Agreement.

d. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the Agreement as a whole or any other of its provisions.

e. If a conflict of interest arises, the Parties:

   i. will subject and avail themselves to and of the Research Institution's procedures and codes of conduct for the resolution of conflicts of interest; but

   ii. no Party will have the authority to assume or create any obligation or liability, either express or implied, on behalf of another Party.

f. Les Parties ont requis que cette entente soit rédigée en anglais. The Parties have requested that this Agreement be drafted in English.

g. This Agreement is governed by and construed in accordance with the laws of the Jurisdiction.

h. Headings are used for convenience only and do not affect the interpretation of the Agreement.

i. The provisions of Schedule B, sections 3.b., 9.e., 9.f., 12, 13, and 14, and all payment obligations, including for outstanding fees, royalties, and cost reimbursements, will survive termination or expiry of this Agreement.

j. This Agreement may be executed by signatures delivered by facsimile transmission or electronically in optically scanned form. The Agreement may be simultaneously executed by the Parties in multiple counterparts, each of which will be considered to be an original instrument, and all of which taken together will constitute one and the same instrument.

[*Signature page follows*]

The undersigned have caused this Agreement to be duly executed and delivered on the Effective Date.

Licensee:

Name of authorized signatory:

Title:

Date:

Signature:

Licensor:

Name of authorized signatory:

Title:

Date:

Signature:

Research Institution: (If different from Licensor)

Name of authorized signatory:

Title:

Date:

Signature:

Investor: (If different from Research Institution and from Licensor)

Name of authorized signatory:

Title:

Date:

Signature:

SCHEDULE A
Technology

[•/ L*ist all licensed Intellectual Property, including patents, trademarks, copyright, plant breeder rights, industrial designs, trade secrets. It can further include*:

1. *trademarks*
2. *service marks*
3. *brand names*
4. *trade dress*
5. *logos*
6. *trade names*
7. *domain names*
8. *corporate names and other indications of origin*
9. *the goodwill associated with Intellectual Property and related registrations in any jurisdiction of,*
10. *applications in any jurisdiction to register Intellectual Property including any*
11. *extension, modification or renewal of registration or application;*
12. *inventions, discoveries, designs and ideas, whether patentable or not, in any jurisdiction;*
13. *patents,*
14. *applications for patents, including*
    a. *divisions,*
    b. *continuations in whole or in part,*
    c. *renewal applications,*
    d. *any renewals, extensions, reexaminations or reissues in any jurisdiction;*
15. *design registrations and applications, in any jurisdiction;*
16. *non-public information (or Confidential information),*
17. *trade secrets and confidential information, including*
    a. *know-how,*
    b. *technical data,*
    c. *manufacturing and production processes and techniques,*
    d. *customer and supplier lists,*
    e. *pricing and cost information,*
    f. *and business and marketing plans and proposals and rights in any jurisdiction to limit use or disclosure by any person;*
    g. *writings,*
    h. *computer software,*
    i. *other works, whether copyrightable or not, in any jurisdiction;*
    j. *registrations or applications for registration of copyrights in any jurisdiction, and*
    k. *renewals or extensions; and*
    l. *any similar Intellectual Property or proprietary rights, including market authorizations, if applicable.*]

SCHEDULE B
Investment Agreement

[*Append a copy of the investment agreement concluded between the parties*]

As noted in Durand & Briggs, 2025, the types of investment agreement contemplated by SAIL can be a SAFE, KISS, convertible note,[3] or other types of agreements in accordance with the six axioms. Samples of investment agreements can be found at:

Investment Agreements:

- SAFE, see: https://www.ycombinator.com/documents/ and the SAFE User Guide, and the SAFE.
- KISS
- Crowdfunding
- Convertible debt

Factors to consider:

- Quantification of the amount of convertible debt, which could include:
    - Costs incurred by Licensor or Research Institution in securing and protecting the Licensed Technology that were not have been spent in the normal course of publicly funded research, e.g. patent filing fees.
    - An Upfront Fee; and
    - Additional costs incurred by Licensor, Research Institution, or Investor in support of the Licensee after the Effective Date but before conversion of the convertible debt. These costs must be agreed by the Licensee and the other Party to be added to the convertible debt. They could include:
        - Costs incurred by Licensor or Research Institution to secure and protect the Licensed Technology.
        - Legal or IP portfolio management services,
        - The value of lab space or access to specialized equipment.

[3] Coyle, J. F., & Green, J. (2018). The SAFE, the KISS, and the Note: A Survey of Startup Seed Financing Contracts. Minnesota Law Review Headnotes, 103(42), 42–66. https://doi.org/10.2139/ssrn.3230352

SCHEDULE C
Ancillary Agreements

FOR INFORMATION ONLY:

Other/Ancillary agreements the Parties may consider include:

1. Service agreements for services provided by the Research Institution or Licensor to the Licensee (e.g., laboratory technicians.)

2. Lease for research space in Research Institution premises

   a. See: Space Guidelines | Environment Faculty and Staff Resources | University of Waterloo

3. Research and collaboration agreement, e.g.:

   a. Sponsored Research and Collaboration Agreement – University of Toronto

   b. Collaboration Agreement – McGill University.

4. Material transfer agreements

5. Non-disclosure or confidential disclosure agreements (NDAs/CDAs)

6. There are other examples on the World Intellectual Property Organization's website here.

SCHEDULE D
Non-Binding Technology Transfer Guidelines or Guiding Principles

These non-binding guidelines may assist the Parties to determine the factors affecting a decision to license IP to a startup. Recognizing that IP ownership is usually of more value if the IP is commercially exploited and that research institutions do not, as a rule, commercialize IP themselves, the guidelines should help them provide sound governance of IP while also supporting the transfer of IP to the private sector to realize its economic benefit or societal value.

The six axioms (Durand & Briggs, 2025) are:

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).

In addition, the Parties will:

1. Favour ongoing dialogue and prompt communication, before, during, and after a transaction;

2. Recognize that while it is usually too early to accurately assess the value of a commercial opportunity when technology is transferred, this uncertainty should not impede a good-faith attempt at commercialization;

3. Recognize the perception or potential of *conflict of interest*[4] arising from research institution commercialization activity involving active members of the lab that originated the IP, and engage

[4] For more information on conflicts of interest in research, please consult:
- (PDF) Managing Conflict of Interest in Research: Some Suggestions for Investigators
- Conflicts of interest in research: looking out for number one means keeping the primary interest front and center - PMC
- July 12 2022 GCP Lecture Conflicts of Interest - Managing and Preventing Research Risk.pdf
- A question of method. The ethics of managing conflicts of interest - PMC
- Further insights on institutional conflicts of interest in research settings - Yew Long Lo, 2020
- Conflicts of interest and Scientific Societies | Neurological Sciences
- Sponsorship, conflict of interest, risk of bias, and reporting of participant's flow and baseline demographic information in studies applicable to the federal law to post the results in clinicaltrials.gov - ScienceDirect
- A framework is proposed for defining, categorizing, and assessing conflicts of interest in health research - ScienceDirect

in transparent and active dialog to establish a framework to mitigate any issues in a way that is compatible with research institution policy;

4. Recognize the need for publicly-funded institutions to ensure that licensing is fair and equitable for all inventors, including those who may not be directly involved in the commercialization of the research;

5. Identify reasonable criteria or milestones to trigger the sale or assignment of IP to the startup based on the principle that IP generated using public funding should only be transferred to the private sector when there is a reasonable expectation that the transfer will result in economic or social benefit, i.e. that the startup is now economically viable; and

6. Recognize that innovation requires ongoing data-driven development, and commit to long-term collection and provision of data in support of this goal.