



“Alone at the grant office” - Survival Kit – LEGAL - PART 1

Checklist and tips for a Non-Disclosure Agreement for Horizon 2020 Actions

WORKING GROUP LEGAL (WG3)
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This checklist and tips are aimed at assisting participants in H2020 EU-funded projects, in particular TN 1302: BESTPRAC participants, to identify issues that may arise before or during the Action and which may be subject to non-disclosure agreement (NDA). This document is provided for information purposes only and its content is not intended to replace consultation of any applicable legal sources or the necessary advice of a legal expert, when appropriate. Neither the author(s) of this checklist and tips or any BESTPRAC WG Legal member contributing to the preparation of this deliverable¹ by sharing their knowledge, experience or best practices while discussing NDA issues during WG3 meetings or ex-post can be held responsible for the use made of this document.

¹ Primarily based on the outcome of analysis of the 15 samples of NDAs used by different institutions participating in the European research programmes and the TN 1302: BESTPRAC, **prepared and presented by Niina Mikkonen, Aalto University, FI**, at the WG3 meeting in Bratislava, Slovakia, September 16, 2014.

| Things to consider | Tips – Check these! |
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| Definition | <p>Definition of Confidential Information is one of the core provisions of NDA and can be defined in many different ways, therefore:</p> <ul style="list-style-type: none"> - Read it carefully – parties can always agree among themselves its specific meaning depending on the situation and the purpose of NDA - If “Confidential Information” is a term written in capital letters but no definition is included in NDA, make sure that sufficient reference to the definition in question is given (e.g. (...)) as defined in Art. ... GA/CA/Rules of Participation (of the specific programme) - Whenever you find the definition of Confidential Information inadequate for the Purpose of NDA – negotiate <p>E.g. “Confidential Information” shall mean any information, including but not limited to any kind of research, business, commercial or technical information and data as well as any apparatus, modules, samples, prototypes or parts thereof disclosed by one of the Parties”</p> |
| Purpose | <p>Identify the subject matter, Purpose, that parties may disclose Confidential Information</p> <ul style="list-style-type: none"> - Sets out the limits of forbidden and permissible - Not too wide, not too restricted – the biggest challenge is to find the right scope of Confidential Information to be disclosed and, therefore, it should be done carefully - Confidential Information is provided only for the Purpose and use of it is strictly limited to the Purpose <p>All other use is subject to a separate written agreement</p> |
| Scope | <p>Options:</p> <ul style="list-style-type: none"> - Marking requirement (=when disclosed in tangible form, information has to be marked “Confidential”; when disclosed orally or visually, information has to be identified confidential and later confirmed as such in written summary marked “Confidential”) - All information is confidential - Information that by its nature is unmistakably assumed confidential |
| Only one party is sharing Confidential Information | <p>Unilateral NDA</p> <ul style="list-style-type: none"> - Often used when the disclosing party is in need of sharing Confidential Information with the receiving party but wants prevent its unauthorized revealing or use by the receiving party e.g. in order not to lose the |

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| | novelty feature of an invention (a prerequisite for seeking patent protection) |
| Both/several parties sharing Confidential Information | Bilateral/multilateral/mutual NDA <ul style="list-style-type: none"> - Most commonly used by the cooperating institutions, e.g., while working together on the project proposal |
| Document | Options: <ul style="list-style-type: none"> - Separate document, NDA, (usually used at the pre-proposal level) - A part of Memorandum of Understanding (MoU)/Letter of Intent (LoI) (at proposal level) - A part of Grant Agreement - A part of Consortium Agreement |
| Parties | Organisations or individuals? <ul style="list-style-type: none"> - Usually only organisations - Usually researcher is not authorized to make commitments on behalf of university - Sometimes single researchers sign on their own behalf NDAs or a simple declaration to keep Confidential Information secret at the pre-proposal stage (before the first often informal meeting) – such documents are not binding for the institutions represented by the researchers - However, the individual researcher are the ones who has to comply with the NDA – therefore they has to be aware of it |
| Role of Parties | Disclosing party: party disclosing the Confidential Information Receiving party: party receiving the Confidential Information |
| The list of exceptions to Confidential Information | The confidentiality obligation shall not apply to information which: <ul style="list-style-type: none"> - at the time of the disclosure is in the public domain - after disclosure, becomes part of the public domain by publication or otherwise than by breach of NDA - has already been in the possession of the receiving party prior to the disclosure hereunder - the receiving party receives from a third party without confidentiality obligation - is released for disclosure by prior written consent of the disclosing party - has been independently conceived or developed by the receiving party without exploiting the other party's Confidential Information - is required to be disclosed under law or by order of a court |
| Burden of proof | Receiving party |
| The most important obligation | To keep the Confidential Information confidential |
| Other obligations | To return/destroy the Confidential Information (on request) |

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| Other obligations | Disclosing Confidential Information permitted only to the minimum number of party's employees, officers, contractors, students, and to the extent it is necessary in order to carry out the Purpose (need to know basis) |
| Other obligations | To use at least the same level of care to prevent any unauthorised use or disclosure of the Confidential Information as party exercises in protecting its own information of similar nature (at least reasonable degree of care) |
| Other obligations | No copies/duplicates unless it is necessary for the Purpose and permitted by the disclosing party |
| Other obligations | No disclosure to any third party without the prior written consent of the disclosing party |
| Other obligations | Employees of the signatory organisation must be bound by the confidential obligations no less stringent than set out in NDA |
| Confidential Information furnished "as is" –basis | <ul style="list-style-type: none"> - No warranties - User's risk |
| Define the term of NDA | <ul style="list-style-type: none"> - Effective date: On the date it has been signed by parties - Remains in effect for X year(s) from the signatures/deadline of the call - Obligations set forth in NDA in respect of each disclosure of Confidential Information shall survive any expiry of this Agreement for X years from the date of the disclosure (varies with the field of research) |
| Limitation of financial liability | <p>Options:</p> <ul style="list-style-type: none"> - The parties' liability shall not in any event exceed X euros - The parties' liability shall be restricted to the amount of future share of the project budget (if applicable) <p>Does not apply to damages based on gross negligence or willful act</p> |
| Non-competition clause: Are you allowed to submit several proposals to same call? (when NDA as a part of MoU/Lol) | <ul style="list-style-type: none"> - Consider carefully whether this restriction applies only to the PI or his/her team or to the whole organisation - Do not limit your rights unnecessary |
| Governing law | <p>Options:</p> <ul style="list-style-type: none"> - Laws of your own country - Country that other party comes from - Impartial country (e.g. Belgium law) - Country of a party who is sued |
| Dispute resolution | <p>Options:</p> <ul style="list-style-type: none"> - Arbitration: the rules (e.g. ICC), the place and the language |

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| | - Public/national courts |
| Filing a patent | Disclosure of Confidential Information is not considered a publication (does not prevent filing a patent) |
| Ownership of Confidential Information | Remains property of the disclosing party |
| Are you exchanging information that needs to be kept confidential? | <ul style="list-style-type: none"> - Do not receive/disclose information that is confidential unless it is necessary - Signing NDA means no obligation to receive/disclose information - Consider carefully the necessity of exchanging Confidential Information (risk of collaboration becoming too inflexible and formal) |

This check-list with tips may be used along with an institutional model NDA or, in absence thereof, e.g. IPR helpdesk model Mutual Non-Disclosure Agreement can be used to be adjusted accordingly to the specific needs of the user as a rule “one size fits all” does not apply.

The IPR helpdesk model Mutual Non-Disclosure Agreement is available under this link:
<https://www.iprhelpdesk.eu/Mutual%20Non%20Disclosure%20Agreement>