

INNOVATION FACTORY INTELLECTUAL PROPERTY POLICY

Revision History

Version/Revision	Date	Notes	Modified by
Draft	April 28, 2021		A. Muggah & K. Linseman
V1	June 18, 2021	Board Approved with minor revisions completed – addition: defined Control Period.	K. Linseman

V1 June 18, 2021

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INNOVATION FACTORY
REGIONAL INNOVATION ECOSYSTEM PROJECT
INTELLECTUAL PROPERTY MANAGEMENT PLAN

Each IP management relationship within the Southern Ontario Pharmaceutical and Health Innovation Ecosystem (SOPHIE) project, supported by the Federal Development Ontario Regional Innovation Ecosystem program (Stream 2), will be managed in the context of Background Intellectual Property (“Background IP”, and as hereinafter defined) and Foreground Intellectual Property (“Foreground IP”, as hereinafter defined);

1. When a participating company enters a relationship with a hospital or academic partner, it owns everything it comes to the table with (“Background IP”); any new intellectual property, or enhancements to the Background IP, that come as a result of the partnership is considered Foreground IP.
2. If the company produces Foreground IP, the IP agreement among the relevant parties will take into account and reflect how best to manage that IP to the mutual benefit of all parties involved, whether through revenue sharing, licensing agreements, or some other means.
3. For the purposes of proactively managing Intellectual Property relationships, Innovation Factory will work with the industry partner and academic / hospital partner (“Collaborator”), adhering to the principle of “creator-owned” on intellectual property, which grants ownership to the inventor.
4. Options for ownership of new Intellectual Property created as a direct result of activities under the Regional Innovation Ecosystem project shall be determined by Innovation Factory and may include, among other things:
 - a. IP solely owned by the company;
 - b. IP jointly owned by the company and one or more of the relevant Collaborators;
5. Innovation Factory shall, as part of its regular business, ask its clients about their IP strategy and shall report the status of client IP to FedDev Ontario as part of its regular reporting. Further guidance on the appropriate management of Intellectual Property may be found in FedDev Ontario’s policy (see Appendix A), and in the terms of individual Collaborator agreements.
6. Innovation Factory will, among other things, consider title to any Foreground Intellectual Property created in the context of this Agreement to be determined by this policy and any applicable Canadian law.

APPENDIX A – FedDev Ontario Intellectual Property guidelines

Definition of Project Intellectual Property

Project Intellectual Property includes, without limitation, all technical data, designs, specifications, software, data, drawings, plans, reports, patterns, models, prototypes, demonstration units, practices, inventions, methods and related technology, processes or other information conceived, produced, developed or reduced to practice in carrying out the Project, and all rights therein, including, without limitation, patents, copyrights, industrial designs, trade-marks and any registrations or applications for the same and all other rights of intellectual property therein, including any rights which arise from the above items being treated by the Recipient as trade secrets or confidential information.

Federal Government Policies

1. The Recipient shall retain title to, and ownership of any assets (excluding any Project Intellectual Property), the cost of which has been contributed to by the Minister under this Agreement and shall not sell, assign, transfer, encumber, pledge, grant a security interest or otherwise dispose of same, without the prior written consent of the Minister. As a condition of such consent, the Minister may require the Recipient to repay Her Majesty the whole or any part of the Contribution paid to the Recipient hereunder.
2. Ownership of Project Assets by Collaborators. Notwithstanding Subsection 1 of this Agreement, the Minister agrees that assets (excluding Project Intellectual Property) to which the Minister has contributed may be owned by one or more Collaborator provided that the Recipient ensures that such Collaborator does not, for the duration of the Agreement and the Control Period¹, sell, assign, transfer, encumber, pledge, grant a security interest or otherwise dispose of same other than in a manner set out in Subsection 1.
3. Notwithstanding Subsection 1 or 2 of this Agreement, after Project completion, any assets (other than any Project Intellectual Property) with a residual value of \$10,000 or less may be sold, assigned, transferred or otherwise disposed of without the Minister's consent.

¹ Control Period means the period of time following the end of the contract under which this Intellectual Property policy is being applied. The default time period will be set at 6 years, unless otherwise agreed to by all parties in the contract.

4. Ownership and exploitation of the Project Intellectual Property to which the Minister has contributed, and the ownership of Project Intellectual Property rights therefor, shall remain in Canada for the duration of this Agreement unless otherwise agreed to by the Minister.
5. Title to any Project Intellectual Property created in the context of this Agreement will be determined by the Recipient's policy on intellectual property and any applicable Canadian law, provided that the Recipient's policy on intellectual property or any agreement entered into with respect to Project Intellectual Property encourages:
 - a. timely exploitation of the Project Intellectual Property within Canada;
 - b. respect for confidentiality of any background intellectual property;
 - c. includes a dispute resolution mechanism between the Recipient and Collaborators;
 - d. retention of all rights in background intellectual property by the Recipient and/or Collaborator(s); and
 - e. fair licensing agreements that reflect market value.
6. Her Majesty will not have an ownership interest in the Project Intellectual Property nor will Her Majesty acquire new rights in any background intellectual property by virtue solely of having provided the Contribution. Rights attributed to Her Majesty in any other way including under the Public Servants Inventions Act are not in any way affected by this Agreement.