

Commercial Contract

CO-OWNERSHIP AGREEMENT FOR INTELLECTUAL PROPERTY



*Empowered lives.
Resilient nations.*



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

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January 2013

Co-ownership Agreement for Intellectual Property

Pro-Gole (Right to do Business)

Legal Services, B&SDS

LEGAL SERVICES, SMEDA

The Legal Services (LS) department is a part of Business & Sector Development Services Division of the Small Medium Enterprises Development Authority and plays a key role in providing an overall facilitation and support to the small businesses. The LS believes that information dissemination among the small businesses on the existing legal & regulatory environment and business to business and business to client contracting is of paramount importance and plays a pivotal role in their sustainable development.

In order to facilitate small businesses, the LS, under the Pro-GOLE (Right to do business) project, a joint SMEDA-UNDP initiative for supporting the small businesses, has developed user-friendly contract templates.

Pro-GOLE, (Right to do Business)

The UNDP has partnered with the Small and Medium Enterprises Development Authority to initiate and execute the Pillar 4 (Right to do business) component of the UNDP PRO-GOLE project which seeks to enhance the legal awareness and mobility of marginalized/ informal businesses. Under the project legal services outreach shall be extended to small businesses including home based enterprises, small shopkeepers, growers, women entrepreneurs, hawking vendors etc. In addition, small business shall be mobilized to access legal services.

The Need for Commercial Contracts Templates

In an increasingly complex and competitive industry, it is vital that suppliers and purchasers are fully protected against legal and commercial risks. To counter such risks, a viable solution; available as- of the shelf commercial contract templates- will provide the users with first class ready to use support. With obligations properly set out and liabilities accurately defined, the users will be in a far better position to look after their rights and interests and move forward from their marginalized positions to being active players of the economy. The Legal Service Providers can equally take benefit of these templates for their professional and business development.

Disclaimer

The information contained in this template is meant to facilitate the businesses in documenting transactions with reference to IP matters. However, SMEDA, UNDP or any of their employees or representatives accept no responsibility and expressly disclaim any and all liabilities for any and all losses/shortfalls caused by or motivated by recommendations from the information contained within this document. Although SMEDA's ambition is to provide accurate and reliable information; yet, the document is not an alternative to expert legal advice and should ideally be used in conjunction with the same. Any person using this document and or benefiting from the information contained herein shall do so at his/her own risk and costs and be deemed to have accepted this disclaimer. All information contained in this document may be freely used provided that relevant acknowledgement is accurately quoted with each usage.

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8. CO-OWNERSHIP OF INTELLECTUAL PROPERTY

THIS AGREEMENT FOR CO-OWNERSHIP OF INTELLECTUAL PROPERTY (hereinafter referred to as the "Agreement") made and entered into at _____ (insert place) on this ____ (insert date) day of _____ (insert month) 20__ (insert year),

BY AND BETWEEN:

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

OR

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

OR

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

OR

Mr/Mrs/Ms [insert Name], son/wife/daughter of [insert Name], r/o [insert Address] CNIC # [insert Number]

(hereinafter referred to as the "Inventor", which expression shall, wherever the context so provides, include its successors, nominees and agents)

AND

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

OR

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

OR

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

OR

Mr/Mrs/Ms [insert Name], son/wife/daughter of [insert Name], r/o [insert Address] CNIC # [insert Number]

(hereinafter referred to as the "Developer", which expression shall, wherever the context so provides, include its successors, nominees and agents)

(The Inventor and the Developer are hereinafter collectively referred to as the "Parties", and individually as the "Party").

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WHEREAS the Inventor is the original creator, inventor and developer of [insert description of invention(s)] known as [insert name(s)] (hereinafter collectively referred to as the "Inventions").

AND WHEREAS the Developer has undertaken to contract with the Inventor to manage and to undertake the ongoing improvements and necessary redevelopment of the Inventions.

AND WHEREAS the product of the joint efforts of the Inventor and the Developer will result in more improved versions of the Inventions on an ongoing basis.

AND WHEREAS the Parties hereto are desirous of establishing the respective ownership of the Inventions and to provide for the orderly use and licensing of the Inventions to third parties.

NOW THEREFORE in consideration of these presents, and other good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, the Parties agree as follows:

1. TITLE TO THE INVENTIONS

- (1) As of the date hereof, the Inventor represents and warrants to the Developer that the Inventor is the sole creator, developer, and legal and beneficial owner of the Inventions, and that all title and interest in and to the said Inventions vests in the Inventor alone, free and clear from any claims or interest of any third party.
- (2) Effective on the date of execution of this Agreement, the Inventor does hereby transfer to the Developer a [insert percentage]% undivided interest in the Inventions; and the Inventor hereby declares the Invention as they exist at the date of execution hereof to be owned by the Inventor and the Developer in the shares mentioned hereinbefore.

2. FUTURE DEVELOPMENT OF THE TECHNOLOGY

- (1) The Parties hereto shall jointly develop and improve the Inventions in order to increase their usefulness, and to make the Inventions suitable for licensing to third parties.
- (2) The Parties hereto acknowledge that unless otherwise mutually agreed, the joint use of the Inventions shall be limited to the following:
 - i. Independent Contracting – Each Party may use the Inventions for their own purposes, including, without limitation, the use of the Inventions in conjunction with any consulting contract each of them may enter into with third parties, without obligation to the other Party except under the terms and conditions entailed in this Agreement;
 - ii. Joint Contracting – The Parties may, in accordance with a written Agreement between themselves, enter jointly into contracts with third parties whereby

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both Parties together shall provide services employing the Inventions;

- iii. The Parties may, by mutual agreement, license the Inventions to any third parties upon such terms and conditions as agreed between the Parties.
- (3) No Restriction: It is hereby expressly agreed that the Parties shall not be restricted to use the Inventions in any manner whatsoever, including but not limited to written publications, public speaking engagements, books, seminar handouts etc., and neither Party shall be entitled to receive any fees or royalties for the other Party's use of the Intellectual Property.

3. TERMINATION

- (1) The Agreement may be terminated by either Party, with or without cause, by giving a [insert number] days notice to the other Party, intimating its desire to terminate the Agreement.
- (2) Upon the receipt of the notice of termination under Clause 3 (1), the receiving Party may offer to purchase the interest of the other Party at a mutually agreed, reasonable price. In case the receiving Party is not desirous to purchase the interest of the other Party, the same shall then be offered to a third Party with the mutual consent of the Parties.
- (3) Once the Agreement is terminated, the Parties shall be absolved of their duties and obligations under the Agreement.

4. INDEPENDENT BUSINESS RELATIONSHIP

- (1) The Developer and the Inventor are independent contractors, and nothing contained in this Agreement shall be construed to be a relationship of joint venturers, partners, employer/employee, or agency between the Parties except to the extent of co-ownership in the Inventions.
- (2) Neither Party shall have the power to bind or obligate the other, except as set forth in this Agreement.

5. INDEMNIFICATION

If either party is found to be in breach of this Agreement, the offending Party will indemnify the offended Party for any losses accrued as a result of the breach. Lost profits incurred as a result of any such breach shall be repaid by the offending Party to the offended Party.

6. ASSIGNMENT

Neither Party hereto may assign, convey or otherwise transfer any of its rights, obligations, or interest herein without prior express written consent of the other Party.

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7. FORCE MAJEURE

- (1) Force Majeure shall mean any event that is beyond the reasonable control of a Party, or the effects of which adversely affect the performance by such Party of its obligations under this Agreement, including, but not limited to, acts of God, sabotage, insurrection, terrorism, riots, hostilities or war (whether declared or not), acts of the public enemy, civil disturbances, any kind of fire, explosion, flood or accidental damage, epidemics, landslides, washouts, lightening, storms, earthquakes, lockouts, blockades, shortage of labor or material, major equipment failure, or other causes beyond the control of the Party affected.
- (2) Notwithstanding anything contained hereinabove, neither Party shall be liable to the other if it is unable to perform any of its obligations under this Agreement due to the occurrence of Force Majeure.
- (3) The Party affected by the Force Majeure event shall be entitled to suspend performance of its obligations under the Agreement to the extent that such performance is impeded or made impossible by the events of Force Majeure.
- (4) Each Party shall give a notice within [insert number] days of the occurrence of the event of Force Majeure and shall promptly thereafter consult the other Party for the purpose of finding a mutually acceptable solution to the Force Majeure event.

8. GOVERNING LAW AND EXCLUSIVE JURISDICTION

This Agreement in all respects be read and construed and shall operate as a contract, in conformity with the laws of Pakistan, and the courts at [insert place] shall have exclusive jurisdiction for adjudicating any dispute arising hereunder.

9. SETTLEMENT OF DISPUTE

Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Pakistan Arbitration Act, 1940, subject to the exclusive jurisdiction of the Courts of [insert place].

10. MISCELLANEOUS

- (1) This Agreement represents the complete agreement between the Parties with regard to the subject matter and supersedes any prior understanding or agreements, oral or written.

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- (2) This Agreement may be amended or revised only by an instrument in writing signed by either the Parties or their duly authorized representatives.
- (3) No provision hereof or breach of any provision may be waived except by a written waiver, signed by the waiving Party. No waiver of any right under or breach of this Agreement shall be construed to be a waiver of any other right or breach under the Agreement.
- (4) Any provision of this Agreement which is prohibited or unenforceable under any law, rule or regulation applicable in Pakistan for the time being shall be ineffective only to the extent of such prohibition or lack of enforceability, and shall not invalidate the remaining provisions hereof.

IN WITNESS WHEREOF, the Parties have set their respective hands on this Agreement at the place, and on the date, mentioned hereinabove.

For and on behalf of
The Developer

For and on behalf of
The Inventor

WITNESS NO. 1

WITNESS NO. 2

Signature: _____

Signature: _____

Name: _____

Name: _____

Designation: _____

Designation: _____

Date: _____

Date: _____