

Commercial Contract

EMPLOYEE INVENTION AGREEMENT



*Empowered lives.
Resilient nations.*



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

www.smeda.org.pk

HEAD OFFICE

4th Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road,
Lahore

Tel: (92 42) 111 111 456, Fax: (92 42) 36304926-7
helpdesk@smeda.org.pk

REGIONAL OFFICE PUNJAB	REGIONAL OFFICE SINDH	REGIONAL OFFICE KPK	REGIONAL OFFICE BALOCHISTAN
3 rd Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road Lahore, Tel: (042) 111-111-456 Fax: (042) 36304926-7 helpdesk.punjab@smeda.org.pk	5 TH Floor, Bahria Complex II, M.T. Khan Road, Karachi. Tel: (021) 111-111-456 Fax: (021) 5610572 helpdesk-khi@smeda.org.pk	Ground Floor State Life Building The Mall, Peshawar. Tel: (091) 9213046-47 Fax: (091) 286908 helpdesk-pew@smeda.org.pk	Bungalow No. 15-A Chaman Housing Scheme Airport Road, Quetta. Tel: (081) 831623, 831702 Fax: (081) 831922 helpdesk-qta@smeda.org.pk

January 2013

Employee Invention Agreement

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 business protection. 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.

Employee Invention Agreement

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EMPLOYEE INVENTION AGREEMENT

THIS EMPLOYEE INVENTION AGREEMENT (hereinafter referred to as the "Agreement") is made and entered into at [insert place] on this [insert day] day of [insert month], 20__ (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];

(Hereinafter referred to as the "Business", which expression shall, wherever the context so permits, mean and include its assigns, nominees, agents and successors-in-interest)

AND

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

(Hereinafter referred to as the "Employee".)

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

WHEREAS the Business and the Employee have entered into an Employment Agreement dated [insert date] (hereinafter referred to as the "Employment Agreement").

AND WHEREAS, under the Employment Agreement, the Employee shall work in the [insert name of department] department of the Business as [insert title/designation], and shall work towards the development of [insert name/description of product].

NOW THEREFORE the Business and the Employee hereby enter into this Agreement on the terms and conditions hereinafter appearing:

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1. The Employee hereby agrees and undertakes to assign to the Business, without further consideration, its entire rights, title, and interest, free and clear of all liens and encumbrances, in and to all the Employee's creations, research data, ideas, processes, inventions, technology, designs, formulas, discoveries, patents, copyrights, and trademarks, and all improvements, rights, and claims related to the foregoing, that are conceived, developed, or reduced to practice by the Employee alone or with others (hereinafter collectively referred to as the "Inventions") created during the course of the Employee's employment with the Business.
2. Notwithstanding Clause 1, the Business may, in its sole discretion, agree to provide consideration for certain Inventions through a written agreement between the Business and the Employee. In all other cases, the Business shall neither pay, nor be required by the Employee to pay, any consideration to the Employee.
3. The Inventions, invented/created during the course of the Employee's employment with the Business, shall be the sole property of the Business, whether or not copyrightable or patentable.
4. The Employee hereby undertakes and agrees to maintain adequate written records on the development of all Inventions. Such notes shall, at all times, remain the sole property of the Business.
5. Any provision in this Agreement which provides that the Employee shall assign, or offer to assign, any or all of its rights in an invention to the Business shall not apply to an invention that the Employee developed entirely in its own time, without using the Business' equipment, supplies, facilities, or trade secret information, except for those inventions that either:
 - (i) Relate, at the time of conception or reduction into practice of the invention, to the Business, or actual or demonstrably anticipated research or development of the Business.
 - (ii) Result from any work performed by the Employee for the Business.
6. The Employee undertakes and agrees that if, in the course of its employment with the Business, the Employee incorporates into the Business' property an invention owned by the Employee or in which the Employee has an interest, the Employee hereby grants a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license to make, modify, use and sell the Employee's invention as part of and in connection with the Business' property/product/invention.
7. The Employee hereby agrees and undertakes that in the event any Invention shall be deemed by the Business to be copyrightable or patentable or otherwise liable to be registered, the Employee shall assist the Business in obtaining and maintaining letters patent or other applicable registrations, and in vesting the Business with full title. Should the Employee be unable to execute its signatures on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Invention due to any cause whatsoever, the Employee hereby irrevocably designates and appoints the Business and each of its duly

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authorized officers and agents, as the Employee's agent and attorney-in-fact, to do all lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights or protection with the same force and effect as if executed and delivered by the Employee.

8. The Employee hereby agrees and undertakes to disclose promptly to the Business all Inventions and relevant records. The Employee further agrees to promptly disclose to the Business any idea, along with all information and records pertaining to the idea, that the Employee does not believe to be an Invention, but is conceived, developed, or reduced to practice by the Employee, whether alone or with others, during the Employee's employment with the Business, or during the [insert number] year period following termination of the Employment Agreement, and the Business shall examine the disclosure, in confidence, to determine if the idea falls within the purview of an Invention under this Agreement.
9. The Employee hereby undertakes and agrees that any idea, invention, writing, discovery, patent, copyright, or trademark or similar item, or improvement shall be presumed to be an Invention of the Business if it is conceived, developed, used, sold, exploited, or reduced into practice by the Employee or anyone else with the Employee's aid within [insert number] months after the termination of the Employment Agreement. The Employee may, however, rebut the aforementioned presumption if it proves that the idea, invention, writing, discovery, patent, copyright, or trademark or similar item, or improvement is not an Invention covered by this Agreement.
10. The Employee represents and warrants that its performance of the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by the Employee prior to its employment by the Business, and an exhaustive list of any other Agreements concerning confidential information and inventions to which the Employee is a party is attached herewith as Schedule A to this Agreement. The Employee undertakes that to the best of its knowledge, there is no other contract between the Employee and any other person or entity that is in conflict with this Agreement or concerns proprietary information, inventions or assignment of ideas.
11. The Employee undertakes and agrees that during its employment with the Business, it will not disclose to the Business, or use, or induce the Business to use, any proprietary information or trade secrets of others.
12. The Employee agrees to promptly return to the Business upon termination of the employment all Proprietary Information and all personal property furnished to or prepared by the Employee in the course of or incident to the employment. Following the Employee's termination, the Employee agrees not to retain any written or other tangible material containing any Proprietary Information or information pertaining to any Invention.
13. The Employee agrees that after the termination of the Employment Contract, the Employee will not enter into any agreement that conflicts with its obligations

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under this Agreement and will inform any subsequent employers of its obligations under this Agreement.

14. The Employee agrees and recognizes that nothing in this Agreement shall be construed to imply that the Employee's employment with the Business is guaranteed for any period of time.
15. The Employee agrees and recognizes that nothing in this Agreement is intended to limit any remedy of the Business under any law concerning trade secrets. The Employee agrees that its violation of this Agreement could cause the Business irreparable harm, and further agrees that the Business shall have the right to apply to any court of competent jurisdiction for an order restraining any breach or threatened breach of this Agreement.
16. This Agreement shall be governed by and construed in accordance with the laws of the Pakistan.
17. If any provision of this Agreement, or application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be unenforceable, such provision shall be enforced to the greatest extent permitted by law, and the remainder of this Agreement shall remain in full force and effect.
18. The terms of this Agreement are the final expression of the Parties' agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement shall constitute the complete and exclusive statement of its terms and the understanding between the Parties, and the Employee acknowledges that the Business has not made any other representations concerning the subject matter of this Agreement.
19. This Agreement can be amended or terminated only by a written agreement signed by both Parties.
20. The failure of either Party to exercise any right provided in this Agreement shall not be construed as a waiver its right to subsequently enforce such provision or any other provision of this Agreement.
21. This Agreement shall continue to be binding upon the Employee's heirs, executors, administrators, and successors, and shall inure to the benefit of the Business' successors and assigns.

For and on behalf of
The Business

For and on behalf of
The Employee

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Witnesses:

1. _____

2. _____

Name: _____

Name: _____

Address: _____

Address: _____
