

Project Participant Agreement: Frequently Asked Questions

General Questions

1. What is a “PPA” and why do I have to sign one?

The Project Participant Agreement (“PPA”) is an agreement between you as an individual (referred to as the “Undersigned”) and UVic. This agreement is required because UVic has signed (or has been asked to sign) a research agreement in which UVic has assumed contractual obligations to another organization (referred to as the “Project Sponsor” in the PPA). The PPA is designed to confirm that each individual project participant understands the terms of the research contract and agrees to do the things that have to be done so that UVic can perform the contractual commitments it has made to the Project Sponsor. If you have signed a number of PPAs you may have noticed the terms are not always the same – the specific content of each PPA depends on what the Project Sponsor has set out in its contract with UVic. This FAQ includes a brief summary of the various obligations you might see in a PPA.

2. What is the different between a contract and an agreement?

The terms ‘contract’ and ‘agreement’ are often used interchangeably (and are used interchangeably in this document). However, the term *agreement* is broader than *contract*. A contract is always intended to be legally enforceable whereas an agreement may or may not be intended to be legally enforceable. A contract should meet the various conditions necessary to ensure that an agreement can be legally enforced whereas an agreement includes not only legally enforceable contracts but also a meeting of the minds or a shared view or intention which is not intended to be legally binding. If you are asked to sign an “agreement” you should assume that it may contain legally binding obligations and consult with Contracts staff (if it relates to research) or the other appropriate area of the University (if it is not research). The UVic policy on signing authority (online at http://www.uvic.ca/universitysecretary/assets/docs/policies/FM5100_1002_.pdf) has a list of who is authorized to sign contracts so you will want to ensure if you are signing an “agreement” that you are either signing in your personal capacity as an individual (as is the case with a PPA) and **not** on behalf of UVic, that you have authority to sign under the UVic signing policy, or that what you are signing is not a legally binding agreement.

3. Why is this extra paperwork necessary? I read the research contract and agreed to it so why do I have to sign a PPA too?

There are a number of reasons we use a PPA as set out below. As you will note, some of the obligations apply only to certain terms in a PPA:

- a) When IP rights are being assigning or licensed, the PPA is used to confirm that researchers are aware that this is happening. Research contracts vary and some are clear that rights are being transferred but sometimes it is difficult to wade through pages of legal language to clarify who owns IP. As well, sometimes there is confusion over what it means when a contract says IP is to be owned by UVic – some researchers assume this means that UVic’s creator-owned IP policy applies and they own the IP. The PPA makes it clear when the creator does not retain rights to the IP they are producing or acquiring.
- b) Sometimes contracts are poorly drafted and have inconsistent terms – e.g., contracts which require UVic to provide a Project Sponsor with rights in arising IP but also state that Arising IP will be owned by the creator. Often a Project Sponsor will refuse to change the terms, even if

they don't make sense, or the PI will not want to try and negotiate changes because it will delay the start of the project. In such circumstances, UVic will require an assignment of the IP to the extent necessary for UVic to perform the obligations it has assumed under the contract. The PPA ensures that this process is clear to the researchers involved. [See **What if I want my IP back?** For additional information]

- c) Most communication about a research contract is with the faculty Principal Investigator, not with the research team as a whole. Requiring other project participants to sign the PPA provided a written record that other researchers were aware of the terms and agreed to them.
- d) Sometimes the contract requires that UVic obtain from all project participants a written agreement to the terms.

4. What is the significance of the capitalized words in the PPA?

In contracts it is very common to create 'defined' terms whereby a long description is replaced by a single word or acronym to simplify and reduce the length of the contract. Also, when you are using a standard agreement form, a defined term allows you to avoid having to make multiple changes each time you want to use the agreement form. Sometimes you will see phrases which explicitly state this is being done, for example "_____ hereinafter referred to as _____". More often you will see the defined term appear in parenthesis and quotation marks after the description appears. So for example in the PPA, the defined term "Project Agreement" is used instead of the phrase "the agreement with the Project Sponsor governing the project including any and all applicable award or program terms or conditions and any and all policies, procedures, conditions and other schedules, annex, appendix or other documentation attached to or incorporated by reference into the agreement with the Project Sponsor that governs the project". Defined terms are capitalized to flag for the reader that this is a defined term. Contract readers should read the definition of a capitalized term carefully to ensure they understand how this word/phrase is being used in the contract – the definition used in the contract may be broader or narrower than in ordinary conversation.

5. This document references arising IP as well as background and historical IP. What do these terms mean?

"Arising IP" (also sometimes called foreground IP) typically means IP that arises from the performance of a research project – i.e., it is developed, first reduced to practice, or acquired in the course of performing the project. "Background IP" (or "Historical IP") typically means IP that is not Arising IP. Sometimes but not always Background or Historical IP will be defined so that it covers only IP in existence before the start of the Project Agreement; other times it can include IP that was not developed as a result of the project but is to be used to perform the project or is to be incorporated into Arising IP.

To know what these terms mean in a specific PPA you need to consult the specific Project Sponsor agreement to determine how these terms are defined in that specific contract. The above is just a description of what is usually meant by these terms and is not necessarily consistent with what has been done in a specific contract.

6. What is meant by a 3rd (third) party?

A third party is an individual or entity that is not a party to a contract. In the context of a PPA when we are talking about the Project Sponsor agreement, a third party is an entity or individual other

than UVic and the Project Sponsor. Individuals working on the project who are associated with UVic or with the Project Sponsor are associated with their employer and are not considered 'third parties'.

7. Who is the Undersigned and why is this phrase used?

Whoever is signing the PPA is the undersigned. This defined term is used because the reference to you (the "Undersigned") is used multiple times in the PPA. If we use a defined term such as 'the Undersigned' we don't have to type in your name multiple times in the agreement – you can simply write in your name at the top and every time "Undersigned" is used in the PPA it refers specifically to you.

Intellectual Property: Assignment of IP

8. Assignment of IP – What is it and why am I being asked to sign it?

This clause means that you are transferring to UVic your entire interest in the intellectual property ("IP") arising from your work on the research project covered by the contract between UVic and the Project Sponsor. This includes IP you create and, for faculty members, IP you might obtain as the employer of grant-funded personnel or other creators who work for you. UVic requires an assignment when the terms of a Project Sponsor contract:

- a) Require or state that IP arising from a project is to be owned by UVic;
- b) Require or state that the IP will be owned by or transferred to the Project Sponsor; or
- c) Require UVic to commit to providing significant or complicated rights to the Project Sponsor in the IP – e.g., contracts which require UVic to agree to negotiate a commercial license to the IP at the option of the Project Sponsor.

In some instances an assignment or transfer of rights is not necessary and instead you will be asked to authorize UVic to provide the necessary license (see "**License Authorization - What is it and why am I being asked to sign it?**" below).

For more information on commercialization of assigned IP and circumstances where rights can be assigned back to you see "**What if I want my IP back?**" and "**Will I be entitled to share in revenue realized from commercialization if I am required to assign IP to UVic?**"

9. Assignment of Copyright - What is it and why am I being asked to sign it?

This clause means that you are transferring to UVic your entire interest in the copyrighted material produced in a project. This includes material you author and, for faculty members, copyright you obtain as the employer of grant-funded personnel or other authors who work for you. UVic requires an assignment of copyright when the terms of an Agreement:

- a) Require or state that copyright be owned by UVic;
- b) Require or state that the copyright will be owned by or transferred to the Project Sponsor; or
- c) Require UVic to commit to providing significant or complicated rights to the Project Sponsor – e.g., contracts which require UVic to agree to negotiate a commercial license at the option of the Project Sponsor.

For more information on commercialization of assigned IP and circumstances where rights can be assigned back to you see **“What if I want my IP back?”** and **“Will I be entitled to share in revenue realized from commercialization if I am required to assign IP to UVic?”**

10. If the research contract says that the IP will be owned by the Project Sponsor, why am I being asked to assign my IP to UVic?

Sometimes a Project Sponsor will have a specific transfer or assignment contract they want inventor/creators to sign. More frequently the Project Sponsor will rely on the contract between UVic and the Project Sponsor to evidence their ownership. When this is the case, UVic uses the PPA to establish UVic ownership of the IP so that UVic, as the entity contracting with the Project Sponsor, can transfer the IP.

Having IP assigned to UVic at the start of the project is also helpful when the Project Sponsor decides after the research project is over that it requires additional contracts to establish their ownership. As some projects involve multiple participants who are not UVic employees (e.g., students, grant-funded personnel, postdocs) it can sometimes be difficult to locate researchers after the project is over. Having additional paperwork signed by the researcher creators at the end of the project can often be avoided if the IP has already been transferred to UVic.

11. What if I want my IP back?

The purpose of the PPA is to provide UVic with the rights UVic needs to fulfill UVic’s contractual obligations to the Project Sponsor. Once these obligations have been completed, a researcher can ask that their IP be transferred back to them. **However**, UVic will only be able to transfer back what it still has. So, if a research contract provided that the Project Sponsor **own** the IP, UVic will not have an interest to assign back to the researcher. If a research contract requires that the Project Sponsor have a license to the IP, then when UVic assigns the IP back to the researcher it will be subject to this license.

It is important to note that assignment of IP back to the researcher will not be possible when the Project Agreement requires that UVic retain ownership. As well, UVic will not be able to assign back the IP until it has fulfilled its obligations to the Project Sponsor. For example, if the Project Sponsor contract includes the option to negotiate a license UVic will not be able to transfer the IP back to the researcher until this option has expired.

The PPA includes a section detailing the process for a researcher to request assignment of IP back at the conclusion of an agreement. These requests are coordinated through UVic’s General Counsel to determine whether such an assignment is feasible in the context of a specific research project and Project Sponsor agreement.

12. Will I be entitled to share in revenue realized from commercialization if I am required to assign IP to UVic?

It is important to note that an assignment under the PPA is different from assigning IP to UVic Industry Partnerships Inc. (formerly IDC). Under the UVic IP policy, a researcher may assign IP to UVic Industry Partnerships Inc. if the researcher wants UVic’s technology transfer services to be utilized for commercialization of the IP.

The PPA assignment is done as a requirement of the contract made with the Project Sponsor. This means that the terms of the project agreement will govern the commercialization of IP. Sometimes this requires that revenue be split with the Project Sponsor or creates a specific structure for commercialization. All arrangements to share revenue with a researcher will be subject to the structure in the Project Agreement. Subject to this, net revenue received by UVic from commercialization of IP assigned under a PPA will be shared with the researcher in a manner consistent with UVic's IP policy that reflects the resources UVic is required to invest in the commercialization process. Consistent with UVic policy it is the expectation that these arrangements will ensure that the UVic member creators of IP will share in the revenue received by UVic from the commercialization of their IP.

Intellectual Property: No Inclusion of 3rd Party IP and No Knowledge of Infringement

13. What is meant by infringement?

Infringement means trespassing on the rights of others. In the context of the PPA and IP, it means engaging in an activity that is not permitted by the owner of IP. The term is most commonly used in the context of patents and copyrighted material. In the context of patents an infringement occurs when someone engages in behaviour which is covered by a patent held by a third party. In the context of copyright it means you are duplicating or distributing material which is owned by someone else without the necessary permissions.

14. No Inclusion of 3rd Party IP & No Knowledge of Infringement - What is it and why am I being asked to sign it?

Sometimes a Project Sponsor will require UVic to provide a warranty that the IP used in the project or arising from the project does not infringe anyone else's IP rights. This sounds like an easy assurance or promise to make. However, it is not always obvious or clear when IP is infringing. UVic does not have systems (or resources) to conduct searches of existing patents to determine if seemingly "new" IP coming out of a research project infringes an existing patent. We also do not have systems or processes to search text to see if it includes copyrighted material (this is a service often used by software companies). Therefore, UVic will usually refuse to provide warranties covering IP and confirm that it is the responsibility of the Project Sponsor to conduct their own due diligence to ensure that if they are using project IP, their use of the IP does not infringe anyone else's rights. However, in certain circumstances UVic can agree to IP warranties. Usually these warranties are limited to assurances that 3rd party IP will not be included in deliverables and that UVic will not knowingly provide infringing IP. Because the researchers are the ones UVic relies on to fulfill these obligations, the PPA ensures that the researchers are aware of and agree to the restrictions. Please note that the obligation regarding infringement is to the best of the researcher's knowledge. Researchers are not expected to do a patent or copyright search and can rely on their existing knowledge.

15. Why is background or historical IP included in the section that deals with 3rd party IP? Can't UVic provide the necessary rights to its IP?

The reason the PPA includes a restriction on including background or historical IP is that background or historical IP may have strings attached to it. It may have been developed under a research contract or with research funding that has restrictions on how it can be used. It also may be creator-owned under the UVic IP policy so that the consent of the creators (including students or grant-funded personnel who are no longer at UVic) would be required to permit this new Project Sponsor

to use it. This provision ensures that background or historical IP doesn't get included unless and until an investigation has been done to determine if it can be included in this new project given the terms required by the Project Sponsor and that the necessary consents/licenses/transfers have been obtained.

If you are asked to sign a PPA with this clause and you think the project will or should include background or historical IP, contact us and we can assist you in determining what steps need to be taken to allow this to happen.

Intellectual Property: License Authorization

16. License Authorization - What is it and why am I being asked to sign it?

The license authorization provides UVic with the authority to provide a Project Sponsor with specific rights to use (a license to) IP arising out of the project and, infrequently, to background or historical IP which the researcher owns. Usually the license authorization is used instead of an assignment when the Project Sponsor sets out that arising IP vests in the creators or UVic, with specific limited rights to the Project Sponsor.

17. What is meant by license?

A license is simply permission or authorization to do something. When it is used in the context of IP it almost always means a written agreement when an owner of IP specifies how someone else is authorized to use their IP.

Intellectual Property: Waiver of Moral Rights

18. Waiver of Moral Rights - What is it and why am I being asked to sign it?

Moral rights are defined in the Canada Copyright Act as rights which intrinsically belong to the author/creator of copyrighted material. Moral rights include the right to be associated with a copyrighted work (or to remain anonymous) and to protect the integrity of the work (this can include objecting to editing or altering the work). Moral rights are **not** property the way that copyright or patent rights are. This means that these rights cannot be transferred the way that copyright can and always stay with the author. They can, however, be waived which means that the author is agreeing not to enforce his or her moral rights.

UVic is most frequently asked to obtain a waiver of moral rights in instances where the Project Sponsor wants to be able to use the content of a report freely, excerpting portions, potentially incorporating portions into internal or external documentation and not having to worry about identifying the author(s) when an excerpt is used. The Project Sponsor does not want to risk the author(s) objecting to how the Project Sponsor is using the copyrighted material.

19. What if I don't want to waive my moral rights?

Waiver of moral rights are in a PPA **because it is a requirement of the Project Sponsor**. The Principal Investigator can ask UVic to request that the requirement for creators to waive their moral rights be removed from a research contract. UVic cannot guarantee that the Project Sponsor will agree to this. If the Project Sponsor is not willing to remove the requirement for a waiver of moral rights, upon request by the Principal Investigator we can ask that the Project Sponsor amend their requirement to provide a clause stating that the Project Sponsor cannot change or excerpt the

research results in a way that would materially misrepresent the original findings – as with all negotiations we cannot guarantee that the Project Sponsor will agree to a specific request for change.

Confidentiality

20. Confidentiality - What is it and why am I being asked to sign it?

Many research agreements require that certain information be kept confidential. This term ensures that individuals who have access to confidential information understand that they are dealing with confidential information and will maintain the confidentiality of the information.

Some contracts also require that UVic obtain from researchers with access to the confidential information an agreement that they will be bound by the specific confidentiality terms in a contract. This term is the means by which UVic fulfills this obligation.

21. Why am I being asked to follow UVic’s instructions with regard to confidential information? Why can’t I decide how to handle the confidential information?

Because the contract is between the Project Sponsor and UVic, not the Project Sponsor and you as an individual researcher, UVic is legally responsible for complying with the contract. Therefore, if there is a disagreement between you and UVic over what the contract requires, UVic needs to be able to decide what the contract requires. If you do not want to agree to this provision, researchers can sign confidentiality agreements in their personal capacity. This means they are personally responsible to the Project Sponsor for complying with the agreement. In such instances it is imperative that the contract be between the individual and the Project Sponsor and that it is clear that the researcher is **not** signing on behalf of UVic. UVic does not encourage this practice because, if there is a complaint or dispute, the individual researcher has to deal with it personally without the support of UVic. If you wish to discuss alternative arrangements which will not require you to comply with UVic’s directions with regard to confidential information you should direct your issues to UVic General Counsel.

22. What is the difference between the PPA and the form I sign for an NDA?

The non-disclosure agreement (NDA) templates UVic developed all have a “PPA” attached as a schedule. The terms are essentially the same as the PPA confidentiality terms.

Resources for Further Information

If you are interested in copyright and moral rights additional information is available at:

<http://www.uvic.ca/copyright/home/primer/index.php#moral> and
<http://publications.gc.ca/site/eng/ccl/aboutCopyright.html>

For more information about PPAs and UVic research contracting processes, contact Contracts staff at contract@uvic.ca, or call the Office of Research Services at 250-721-7968.