

DEFINITIONS

Background Intellectual Property: any Intellectual Property, other than Foreground Intellectual Property, arising in respect of the [Technology], which is used in performing any Project.

Foreground Intellectual Property: any Intellectual Property that arises or is obtained or developed by, or by a contractor on behalf of, either party in respect of the [Technology] in the course of or in connection with any Project.

Intellectual Property: patents, rights to inventions, copyright and related rights, trade marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

Projects: *[describe as appropriate – definition can also be extended to include projects on any other part of distribution/transmission networks in GB for the purposes of using the IPR for the overall benefit of GB networks] “Territory” also not defined in this clause (although referred to below) and could be used to define scope of GB networks.*

STYLE CLAUSE

1. INTELLECTUAL PROPERTY RIGHTS

- 1.1 [Subject to clause [CONFIDENTIALITY CLAUSE], each party shall give full disclosure to the other of all Background Intellectual Property owned or licensed by it which is relevant to the Project.]
- 1.2 All Background Intellectual Property is and shall remain the exclusive property of the party owning it (or, where applicable, the third party from whom its right to use the Background Intellectual Property has derived).
- 1.3 Subject to clause 1.4, Foreground Intellectual Property shall vest in and be owned absolutely by the party creating or developing the Technology in respect of which it arises. To the extent that either party sub-contracts performance of any Project, that party shall ensure that any Foreground Intellectual Property arising from the work of its sub-contractor shall be assigned to it absolutely.
- 1.4 To the extent that any Foreground Intellectual Property arises or is obtained in respect of Technology developed by the parties jointly or otherwise than solely by either party, it shall be jointly owned in equal and undivided shares by the parties. If any such jointly-owned Foreground Intellectual Property is registrable, [A] shall be

responsible for the filing and prosecution of applications for registration on behalf of the parties and in their joint names in such countries as the parties agree in writing. [A] shall be responsible for the maintenance and renewal of any such registrations in such countries, subject to [B] co-operating in the provision of all necessary assistance, information and instructions and bearing an equal proportion of any fees and costs, including reasonable agents and lawyers fees, in relation to such registrations, provided that:

- (a) if only one party wishes to apply for registration in any country or countries, the party wishing to apply may do so [at its sole cost and expense] on behalf of both parties and in their joint names, and the party not making such an application shall provide the party making the application with all necessary assistance, information, and instruction;
- (b) neither party shall amend or abandon any registration in respect of which the parties are jointly registered without the other party's written consent; and
- (c) the party making an application for registration shall consult with the other party at reasonable intervals concerning the application for and maintenance of such registration.

- 1.5 Each party shall immediately give written notice to the other party of any actual, threatened or suspected infringement of any party's Background Intellectual Property or Foreground Intellectual Property, whether jointly or solely owned, or any unauthorised use of any party's Technology.

2. EXPLOITATION

- 2.1 Subject to, but with immediate effect from issue of, the *[Final Report]* in respect of each Project, A grants to B:

- (a) an irrevocable (subject to clause **Error! Reference source not found.**), royalty-free, [non-transferable,] [worldwide] right and licence under A's rights in any jointly-owned Foreground Intellectual Property arising from or created, produced or developed in the course of any Project, [such right and licence to be exclusive in the Territory,] to exploit [commercially] such jointly-owned Foreground Intellectual Property in connection with the [production, manufacture, distribution, marketing, selling, advertising and promotion of [PRODUCT]] [, and to sub-license any third party to do the same] [, provided that in the event that B has not taken steps to exploit commercially such jointly-owned Foreground Intellectual Property within [NUMBER] years from issue of the Final Report, the exclusive right and licence granted to B under this agreement in respect of the Territory shall become non-exclusive]; and
- (b) an irrevocable (subject to clause **Error! Reference source not found.**), royalty-free, non-exclusive, [worldwide] right and licence under A's Background Intellectual Property and Foreground Intellectual Property to

use the A Technology in the performance of the Projects, and for any purpose relating to the Projects, and to the extent necessary to enjoy the benefits of the right and licence granted by A to B under clause 2.1(a) [, and to sub-license any third party to do the same].

2.2 Subject to, but with immediate effect from issue of, the Final Report in respect of each Project, B grants to A:

- (a) an irrevocable (subject to clause **Error! Reference source not found.**), royalty-free, [non-transferable,] [worldwide] right and licence under B's rights in any jointly-owned Foreground Intellectual Property arising from or created, produced or developed in the course of any Project [such right and licence to be exclusive [outside the Territory,] to exploit [commercially] such jointly-owned Foreground Intellectual Property in connection with the [production, manufacture, distribution, marketing, selling, advertising and promotion of [PRODUCT]] [, and to sub-license any third party to do the same] [, provided that in the event that A has not taken commercial steps to exploit such jointly-owned Foreground Intellectual Property within [NUMBER] years from issue of the Final Report, the exclusive right and licence granted to A under this agreement [outside the Territory] shall become non-exclusive]; and
- (b) an irrevocable (subject to clause **Error! Reference source not found.**), royalty-free, [non-transferable,] non-exclusive, [worldwide] right and licence under B's Background Intellectual Property and Foreground Intellectual Property to use B's Technology in the performance of the Projects, and for any purpose relating to the Projects, and to the extent necessary to enjoy the benefits of the right and licence granted by B to A under clause 2.2(a) [, and to sub-license any third party to do the same].