IP Produced under a Contract: Steps to take

When you request a procurement contract that produces new intellectual property (or IP), you must take certain special steps, as follows. These steps apply if the Contractor will create **new** IP as a deliverable – for example, writing a report, preparing a new training program, developing software, or similar new creation for ESDC.

**For help with any of these steps, visit the** [**IP Centre of Excellence**](http://iservice.prv/eng/finance/ip/ip_centre_excellence.shtml) **(IPCOE).**

**Keep this form in the Procurement file (at CFOB, with the accompanying e-mail from the requisitioner) and the** [**Requirement file**](http://iservice.prv/eng/finance/purchasing/contract-mgt-toolkit.shtml) **(contract file at the funds center).**

# Step 1: What is the Requisition (PREQ) Number?

**REQUISITION NUMBER: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

# Step 2: Is there Potential to Commercialize the IP?

The [Policy on Title to Intellectual Property (IP) Arising under Crown Procurement Contracts](http://www.ic.gc.ca/eic/site/068.nsf/eng/home) requires ESDC to track the potential to commercialize\* IP produced by contractors (\*defined as “any use, modification, transformation and/or dissemination…intended to generate revenues.”)

This means that Innovation Canada and the Treasury Board want to know:

Is the new IP something that the contractor could sell? Is it of interest to the market? Does ESDC expect that this new IP would be of interest for commercial purposes?

The choice is a yes or no choice. It is for reporting purposes, not contractual ones.

(For instance, your choice does not change whether the contractor is *allowed* to commercialize the IP.)

Innovation Canada offers [online guidance on the commercialization question](http://www.ic.gc.ca/eic/site/068.nsf/eng/h_00001.html#p6).

**SELECT THE APPROPRIATE OPTION FOR YOUR CONTRACT AND THEN PROCEED TO STEP 3.**

|  |  |
| --- | --- |
|  | YES, there is real potential to commercialize the new IP produced under this contract |
|  | NO, there is no real potential to commercialize the new IP produced under this contract |

**NOTE: YOU MUST PROCEED TO STEP 3 (NEXT PAGE) IN EITHER CASE.**

# Step 3: Who will own the IP?

The Policy on Title to IP Arising under Crown Procurement Contracts indicates **contractors will own** the IP rights to work produced under contract, except in certain cases where the Crown *may* own (these exceptions are listed under Crowned Owned IP below, as per Annex A of the Policy). Innovation Canada has [online guidance on this ownership question](http://www.ic.gc.ca/eic/site/068.nsf/eng/h_00001.html#p4a).

**BASED ON THE ABOVE, SELECT THE APPROPRIATE OPTION FOR YOUR CONTRACT.**

**Contractor Owned IP – choose option 1 or 2 below:**

|  |  |
| --- | --- |
|  | 1. The Contractor will own the IP rights to new work made under the contract. Procurement will add Contractor-owned IP clauses to the contract, **granting ESDC a *broad* permission to use the new IP**. |
|  | 2. **The Contractor will grant ESDC a *limited* IP permission (license) to use new IP**. The requisitioner must include wording in the Statement of Work to state exactly what permissions are required (i.e. the planned use of the IP). |
|  | **OR,**  **Crown Owned IP – choose from exceptions 1 to 5 below:** In this case, procurement will add the Crown-owned IP clauses to the contract. If none applies, [contact the IPCOE](http://iservice.prv/eng/finance/ip/ip_centre_excellence.shtml). |
|  | 1. National security. **Note**: Rare at ESDC and requires senior management approval. |
|  | 2. Where statutes, regulations, or prior obligations of the Crown to a third party or parties preclude Contractor ownership of the Foreground IP. **Note: You must indicate which statute, regulation or prior obligation applies: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
|  | 3. When the Contractor declares in writing that he/she is not interested in owning the Foreground IP. **Note**: You must provide the Contractor’s written statement. |
|  | 4.1 Where the main purpose of the Crown Procurement Contract, or the deliverables contracted for, is *to generate knowledge and information for public dissemination*. |
|  | 4.2 Where the main purpose of the Crown Procurement Contract, or the deliverables contracted for, is *to augment an existing body of Crown Background as a prerequisite to the transfer of the expanded Background to the private sector, through licensing or assignment of ownership (not necessarily to the original Contractor),* ***for the purposes of Commercial Exploitation*** (commercialization). **Note**: You must select “Yes” for the question on Potential for commercialization. |
|  | 4.3 Where the main purpose of the Crown Procurement Contract, or the deliverables contracted for, is *to deliver a not-yet fully developed component or subsystem that will be incorporated into a complete system at a later date, as a prerequisite to the planned transfer of the complete system to the private sector, through licensing or assignment of ownership,* ***for the purposes of Commercial Exploitation*** (commercialization)**.****Note**: You must select “Yes” for the question on Potential for commercialization. |
|  | 5. Where the Foreground consists of material subject to copyright, **with the exception of computer software and all documentation pertaining to that software**. **Note**: Highlighted because this exception is available for most contracts at ESDC, if needed. |