Simple Agreement for Innovation Licensing

A community-driven framework for turning research into impact

Version 3.0
Released May 5, 2025

GUIDANCE: This agreement should be read with Durand & Briggs, 2025 and version 3.0 of the associated SAIL Guidance document entitled "How to SAIL", available at www.howtosail.ca.

USUAL DISCLAIMER: The SAIL framework is intended to provide insight into how licensing professionals assist in commercializing IP arising, in whole or part, from publicly funded research. SAIL is not legal advice. PLEASE SEEK ADVICE FROM AN ATTORNEY LICENSED IN YOUR JURISDICTION BEFORE RELYING ON THIS SAIL TEMPLATE AND RELATED DOCUMENTS, WHICH ARE SOLELY FOR PURPOSES OF EDUCATION AND GUIDANCE.

Nothing in the SAIL framework should be incorporated (directly or by reference) into any licence or similar agreement or instrument without the express written consent of t e parties to the licence, or similar agreement or instrument. The authors of the SAIL framework, Kyle Briggs, David Durand (MVIP Solutions, Inc., and his professional attorney's corporation), Rami Alhamad (Action Potential), and each of their companies and affiliated persons disclaim any responsibility and assume no liability to any person for any consequences of using this or any other version of SAIL, or any related document.

ACKNOWLEDGEMENTS: SAIL is a community-built framework that includes contributions form many individuals and organizations. In particular, we would like to acknowledge the work of Kyle Briggs, David Durand, Rami Alhamad, Robin Ford, and Tai Nahm.

PLEASE SEEK ADVICE FROM AN ATTORNEY LICENSED IN YOUR JURISDICTION BEFORE RELYING ON THIS SAIL TEMPLATE AND RELATED DOCUMENTS, WHICH ARE SOLELY FOR PURPOSES OF EDUCATION AND GUIDANCE.

The **SIMPLE AGREEMENT FOR INNOVATION LICENSING** (the "**Agreement**") is entered into on [________] (the "**Effective Date**"), by the following parties (the "**Parties**"):

"**Licensor**" means an organization existing under the laws of [Province/Territory], with a principal place of business at [________________________________] duly represented by [_____________________] as the individual so declares.

"**Licensee**" means a company existing under the laws of [Province/Territory], with a principal place of business at [________________________________] duly represented by [_____________________] as the individual so declares.

"**Research Institution**" means an organization that conducts publicly funded research existing under the laws of [Province/Territory], with a principal place of business at [________________________________] duly represented by [_____________________] as the individual so declares.

"**Investor**" means an organization existing under the laws of [Province/Territory] with a principal place of business at [________________________________], duly represented by [_____________________] as the individual so declares.

The Licensor, Licensee, Research Institution, and Investor are each referred as a "**Party**" and collectively as the "**Parties**".

Background

The Licensor is the owner or assignee of the Intellectual Property (IP) rights and technology described in Schedule A (the "**Technology**");

The Licensee wants to obtain a licence to use, develop, and commercialize the Technology;

The Investor wants to obtain a minority ownership interest in the Licensee;

The Research Institution seeks economic or social impact through commercialization of the Technology and so wants to be a Party to the Agreement.

THEREFORE, the Parties agree as follows:

Definitions

1. "**Accountable Costs**" means costs of the Licensor or Research Institution in support of the commercialization of the Technology that can be reasonably measured or projected for which the Licensor or Research Institution, as the case may be, is not or will not be reimbursed by a third party, and which have been or will be invoiced by the Licensor or Research Institution to the Licensee including:
   (a) costs incurred by the Licensor or Research Institution to secure and protect the Technology including:
      i. professional fees paid to third party agencies for securing IP (such as filing, prosecution, and registration of IP), and
      ii. related fees and disbursements;
   (b) the cost of leasing laboratory or office space to the Licensee;
   (c) the cost of access to and use of specialized equipment by the Licensee;
   (d) the cost of consumable resources used by the Licensee, such as chemicals and other materials;
   (e) the cost of services provided to the Licensee by the Research Institution including:

i. installation and maintenance of equipment,
ii. shipping and receiving, and
iii. hazardous waste disposal;

(f) fees incurred through any ancillary agreements listed in Schedule C;
(g) other fees agreed by the Parties; and
(h) other fees which the Licensee can be reasonably expected to reimburse the Licensor or the Research Institution.

"**Buyout Price**" means the amount owed by a Licensee to a Licensor on taking ownership of the Technology (a "**Buyout**") specified in section 2.

"**Equity Financing**" means a sale of shares in a company at an agreed-upon valuation.

"**Future Costs**" means the sum of Accountable Costs incurred after the Effective Date.

"**Improvement**" means a change of a Licensed Product or Service by incorporating new technology or finding a new use for the product or service including a modification, addition, extension, or derivative work of or from any relevant Technology.

"**Included Improvement**" means an Improvement:
(a) created by an inventor affiliated with the Research Institution;
(b) created in whole or in part by at least one inventor involved in the creation of any of the Technology; and
(c) with respect to which the Licensor has the right to grant a licence to the Licensee.

"**Gross Sales**" means the sum of revenues received for the sale of Licensed Products and Services, in a specified period, including the fair market value of Licensed Products and Services sold for consideration other than cash.

"**Intellectual Property**" (or "**IP**") means inventions, whether or not patented or patentable, including related commercial and technical information, whether or not constituting trade secrets, and copyrightable works, industrial designs, integrated circuit topographies, trademarks, and distinguishing marks or guises, whether or not registered or registrable.

"**Licensed Products and Services**" means products or services that incorporate, are derived from, or are based on the Technology and are produced by the Licensee or a sublicensee under the Agreement.

"**Licensor Royalty Share**" means the percentage of sublicensee Net Sales during a specified period owed by the Licensee to the Licensor specified in section 2.

"**Net Sales**" means Gross Sales minus:]
(a) discounts and rebates deducted by the Licensee from the sale price of Licensed Products and Services;
(b) taxes, tariffs, duties, and other governmental charges applicable to the sale of Licensed Products and Services and not separately paid or reimbursed by the purchaser;
(c) outbound transportation costs and insurance charges not separately paid or reimbursed by the purchaser; and
(d) invoiced amounts written off as uncollectible, not to exceed 5% of Gross Sales.

"**Past Costs**" means the sum of Accountable Costs incurred before the Effective Date.

"**Primary Field of Interest**" means the market or sector into which Licensee intends to sell Licensed Products and Services from the Effective Date specified in section 2.

"**Unaccounted Support Costs**" means a good faith estimate of the costs of commercialization of the Research Institution or the Licensor not included in Accountable Costs, specified in section 2, including:
(a) the cost of time spent by the staff of the Research Institution and Licensor to:
i. manage the Technology portfolio; and

ii. engage with the Licensee to conduct due diligence on the Technology including patent searches and prior art assessments;

(b) the cost of creating connections to the local ecosystem of mentors, entrepreneurs, and investors;
(c) the cost of delivery of entrepreneurship incubation programs; and
(d) other costs as agreed by the Parties.

"**Upfront Fee**" means the amount to be paid to the Licensor by the Licensee on execution of the Agreement specified in section 2.

Editable Fields

2. **Buyout Price** is $___________.

   Jurisdiction is ________________.

   Licensor Royalty Share is _____%.

   Past Costs is $___________.

   Primary Field of Interest is ____.

   Section 7: Access to Included Improvements is (check one):
   ☐ In force
   ☐ Not in force

   Unaccounted Support Costs is $___________.

   Upfront Fee is $___________.

Licence Grant

3. (1) The Licensor grants to the Licensee an exclusive, worldwide, licence for the Technology, including its corresponding IP, to develop, commercialize, manufacture, market, and sublicense products and services using the Technology subject to the terms of the Agreement.
   (2) The Licensor grants the licence of the Technology "AS IS" without representation or warranty of any kind, express or implied, including warranties of merchantability, fitness for a particular purpose, or non-infringement of third-party rights. The entire risk as to the quality and performance of the Technology is with the Licensee or sublicensee, as the case may be.
   (3) Unless required by law or otherwise agreed, the Licensor will not be liable to the Licensee or a sublicensee for damages, including any general, special, incidental, or consequential damages, arising from the use or inability to use the Technology.

Investor Consideration

4. In partial consideration for the licence granted in section 3, the Licensee and Investor must execute an investment agreement as set forth in Schedule B.

Sublicensing of technology

5. (1) If a third-party expresses interest in licensing some or all of the Technology for use outside the Primary Field of Interest, the Licensee must:

   (a) engage in good faith negotiations for a sublicence with the third party for a reasonable period; or
   (b) submit a commercialization plan for the Licensor's approval and commercialize the product or service approved by the Licensor in the field of interest selected by the third party within the period agreed by the Licensor, not exceeding one year, unless an extension of time is granted by the Licensor.

   (2) If the Licensee does not grant a sublicence for some or all of the Technology or commercialize a product or service under section 5(1), the Licensor must negotiate in good faith with the Licensee to achieve a reasonable sublicence or commercial plan within a reasonable period.

(3) If a sublicence or plan is not executed under section 5(1) or 5(2), the licence granted under section 3 will forthwith become non-exclusive and the Licensor will have the right to grant a licence of the Technology to the third party directly.

(4) If the licence becomes non-exclusive under section 5(3), then section 9 will not apply.

(5) All sublicences granted by the Licensee must:

(a) include reporting requirements compatible with, and equivalent to, section 8;
(b) include indemnity and limitation of liability to the Licensor and Research Institution as required under section 13; and
(c) prohibit further sublicensing.

(6) The Licensee must pay the Licensor annually the Licensor Royalty Share of each sublicensee within [•/, e.g., 30] days of the end of the Licensee's fiscal year, or within [•/, e.g., 30] days of receipt of the Share from a sublicensee, if sooner.

Research Institution retained rights

6. (1) The Research Institution retains the right to use the Technology for non-commercial purposes including research and teaching.

(2) Subject to section 6(3), the Research Institution may publish research using the Technology in any form, after a review period of at least [•/, e.g., 30] days, long enough to enable the Licensee to bring proceedings to prevent disclosure of unprotected IP or Confidential Information (as defined in section 12).

(3) The Licensee may not act under section 6(2) to delay thesis submission or defence, but the Licensee may require that a thesis be kept private (or confidential or under seal) for up to [•/, e.g., 1] year), or that the thesis defence be conducted in camera, or both.

(4) If confidentiality obligations conflict with the Research Institution's retained rights to publish, the latter will prevail.

(5) A Party may not use the name or trademark of another Party or the name of any of its employees or contractors in any publicity or advertising, including endorsements, without the consent of the other Party unless the use is required by law.

Access to Included Improvements

7. (1) The Licensor must notify the Licensee of the creation of an Included Improvement within [•/, e.g., 30] days of its creation.

(2) On receipt of notification of the creation of an Included Improvement under section 7(1), the Licensee may add the Included Improvement to the Technology on payment of a fee to the Licensor equal to the sum of Accountable Costs paid by the Licensor and Research Institution to secure IP protection for the Included Improvement.

(3) If the Licensee decides not to exercise its option within [•/, e.g., 90] days after notification by the Licensor under section 7(1), the Licensor may grant a licence of the Included Improvement to a third party or allow the Included Improvement to enter the public domain.

(4) If an Included Improvement is added to the Technology under section 7(2) before a Triggering Event under section 9, the Licensee may pay the fee directly. Alternatively, if the Licensee and Licensor agree, the fee may be added to Future Costs.

Licensee reporting and data collection obligations

8. (1) The Licensee must keep, and must ensure that each sublicensee keeps, true and accurate accounts and records of:

(a) the fair market value of Licensed Products and Services produced, sold, and in stock;
(b) the Gross Sales prices of Licensed Products and Services;
(c) all other accounting, stock, ordering, purchasing invoicing, and delivery records related to the Technology portfolio and Licensed Products and Services as are required by good accounting practice;

(d) sublicence royalties received and owing;
(e) sublicences granted;
(f) relevant correspondence to and from sublicensees; and
(g) other data agreed by the Parties.

(2) The Licensee must provide to the Licensor within [•/, e.g., 30] days of the end of the Licensee's fiscal year, or within [•/, e.g., 30] days of receipt from a sublicensee, if sooner:

(a) a list of all sublicensees that have or had access to any of the Technology during the Licensee's preceding fiscal year;
(b) a detailed accounting of the Licensee's Gross Sales and Net Sales of the Licensed Products and Services during the fiscal year;
(c) a detailed accounting of Gross Sales and Net Sales of the Licensed Products and Services of each sublicensee during its fiscal year;
(d) a list of the countries where the Licensed Products and Services were sold by the Licensee and sublicensees, and the corresponding revenue attributed to each country during the fiscal year;
(e) reports generated during an audit or inspection of the Licensee's or a sublicensee's accounts and records during the fiscal year; and
(f) other data agreed by the Parties.

(3) The Licensor, at its expense, may appoint a person to inspect the Licensee's accounts and records maintained under section 8(1). The appointed person, on 7 days notice, may, during normal business hours, inspect and copy all accounts and records kept pursuant to section 8(1). The Licensor may initiate only one inspection in any 12-month period. The Licensee must reasonably cooperate with the appointed person to facilitate the inspection and copying of its accounts and records.

(4) If, on an inspection, the Licensor discovers an underpayment of the amounts owed by the Licensee, the Licensee must pay the amount owing forthwith.

Licence buyout and licence back

9. (1) The Licensee may take ownership of the Technology, including the related IP rights, from the Licensor, on or after a Triggering Event and payment of the Buyout Price. A "Triggering Event" means:

(a) agreement of the Licensee and Licensor as specified in the Drafting Guidelines in Schedule D;
(b) an Equity Financing event;
(c) conversion of the convertible debt issued under an agreement executed under section 5 into shares of the Licensee;
(d) an acquisition or similar event that allows the founders of or early investors in the Licensee to realize the value of some or all of their interest in it; or
(e) an event that shows the ongoing viability of the Licensee as a going concern as agreed by the Parties.

(2) If the Licensee and Licensor agree, the Buyout Price may be added to Future Costs.

(3) Subject to section 9(2), the Buyout Price must be paid by the Licensee to the Licensor in full within 30 days of exercising the option for a Buyout. On receipt of the Buyout Price, the Licensor must transfer all rights, title, and interest in the Technology (and all related documentation) to the Licensee within a reasonable period, free and clear of any liens, claims, or encumbrances.

(4) On completion of the transfer of the Technology, the Agreement will terminate. No Party will have any further obligations or liabilities to another, except for obligations that survive the termination of the Agreement under sections 12(5) and 16(9) or as separately agreed.

(5) If the Technology has been assigned to the Licensee as a result of a Triggering Event but the Licensee subsequently stops carrying on its business for any reason, the Licensor may take back an assignment of the Technology, as long as the assignment does not conflict with another agreement or hypothecary rights related to the Technology.

(6) If the Technology is assigned back to the Licensor under section 9(5), the Licensor may offer to provide to sublicensees a licence of the Technology under substantially the same terms as the Agreement or the sublicence. The Licensor and sublicensee will discuss in good faith and agree any appropriate modifications to the licence terms.

IP management, administration, and fees

10. (1) The Licensor is solely responsible for the management of the Technology during the term of the Agreement, including regulatory filing, enforcement, and maintenance of the Technology and related IP, as well as any Included Improvements that form part of the Technology under section 7.

(2) The Licensor will promptly notify the Licensee of any expected fees for the management of the Technology. The Licensee may pay the fees, agree with the Licensor to include the fees in Future Costs, or refuse to pay by notifying the Licensor before costs are incurred by the Licensor, if time permits.

(3) If the Licensee chooses not to pay fees under section 10(2), the Licensee must accept the consequences of the refusal, including any impacts on IP protection; alternatively, the Licensor may pay the fees and remove the relevant IP from the Technology (which will be deemed to be removed from Schedule A and no longer licensed to the Licensee).

(4) If the Licensor fails to manage any of the Technology to a reasonable standard, the Licensee may, at Licensee's expense, decide to take assignment of that Technology and assume responsibility for its management. The Licensor must then assign all rights, title, and interest in the Technology to the Licensee within a reasonable period, free and clear of any liens, claims, or encumbrances.

Infringement

11. (1) A Party must give prompt notice to the other Parties of any suspected or actual infringement by a third party of the Technology that comes to the attention of the Party.

(2) The Licensee will have the first option (but not the obligation) to initiate and pursue proceedings against the third party at the Licensee's expense. The commencement, strategies, termination, and settlement of any action or proceedings relating to the validity or suspected or actual infringement of the Technology will be decided solely by the Licensee who is not required to consult the Licensor.

(3) If the Licensee does not initiate or pursue proceedings within a reasonable period, the Licensor may do so at its expense and, if appropriate, in the name of the Licensee. But if the Licensee reasonably asserts to the Licensor that proceedings may jeopardize any Technology, including its validity, the Licensor may not initiate or pursue proceedings.

(4) The Licensor and Research Institution must make reasonable efforts to assist the Licensee in any proceedings related to claims of invalidity or infringement including providing supporting documents or evidence as reasonably requested by Licensee. If asked or permitted by the Licensee, the Licensor may participate in any proceedings initiated by the Licensee at the Licensor's expense.

Confidentiality

12. (1) "**Confidential Information**" includes any information relating to a Party (the "**Disclosing Party**") received by any means by another Party (the "**Receiving Party**"), including trade secrets, inventions, know-how, technical data, research data, research results, business plans, and strategies, whether marked or expressly disclosed as confidential or not, that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure.

(2) Confidential Information does not include information that:

(a) is or becomes publicly known other than by a breach of the Agreement;
(b) is independently developed without use of or reliance on a Disclosing Party's Confidential Information;
(c) is rightfully received by a Party from a third party without breach of an obligation of confidentiality;
(d) is approved for release by the Disclosing Party; or
(e) is disclosed pursuant to a requirement or request of a governmental agency or by law, as long as the Disclosing Party has provided notice of the requirement or request to a Party that might be negatively affected at least [•/ e.g., 10] business days before disclosure, to allow the Disclosing Party sufficient time to seek a protective order or other remedy.

(3) The Receiving Party must not disclose, use, or permit others to use Confidential Information except as necessary to fulfill its obligations under the Agreement or as required by law.

(4) The Parties must take reasonable measures to protect the confidentiality of Confidential Information, including imposing confidentiality obligations on its employees, contractors, and agents and assuming responsibility for any breach of confidentiality by those persons.

(5) Confidentiality obligations will survive the termination of the Agreement for a period of [•/ e.g. 1 year].

(6) On termination of the Agreement or at a Disclosing Party's request, the Receiving Party must promptly return or destroy all Confidential Information and, if the information is destroyed, provide a certificate of destruction. On a request for return of Confidential Information, the Receiving Party may retain copies of Confidential Information that is essential for operation of the Agreement.

(7) If there is an actual or suspected breach of confidentiality obligations, a Party must immediately notify the other Parties, providing full details of the breach and any steps taken to mitigate its effects. Affected Parties may seek damages, equitable relief including injunctive relief, or indemnification for any resulting claims, liabilities, and expenses, and seek public retractions or corrections.

Limitation of liability and indemnification

13. (1) Unless otherwise specified in the Agreement or in a related agreement, a Party will not be liable for delays in the performance of obligations under the Agreement or for loss of business or profit or indirect or consequential damages due to circumstances beyond its reasonable control.

(2) The Licensee will indemnify and hold harmless the Licensor and Research Institution and their boards of directors, trustees, partners, officers, employees, agents, and representatives, from any claims and liabilities which the Licensee may incur, unless the claims and liabilities arise as a result of the action or inaction of the Licensor or Research Institution related to the terms of the Agreement.

(3) The Licensor and Research Institution will indemnify and hold harmless the Licensee and its board of directors, trustees, partners, officers, shareholders, employees, agents and representatives, from any claims and liabilities which Licensee may incur as a result of the negligence or omissions of the Licensor or Research Institution or their boards of directors, trustees, officers, employees, agents, or representatives.

Dispute Resolution

14. (1) Each Party will cooperate with the others so that each may enjoy all rights conferred under the Agreement.

(2) If a dispute arises under the Agreement, the Parties must first attempt to resolve the dispute amicably in good faith. If the Parties are unable to resolve the dispute within [•/ e.g. 30] calendar days, the Parties must jointly select a mediator and share the costs of mediation equally.

(3) If the Parties cannot agree on a mediator or the mediation does not resolve the dispute within [•/ e.g. 60 calendar days or a reasonable period], or if a Party refuses or fails to participate in mediation, the dispute will be resolved by binding arbitration conducted in the jurisdiction under the rules of the International Centre for Dispute Resolution Canada. The decision of the arbitrator will be final and binding on the Parties and enforceable in a court of competent jurisdiction. The costs of the arbitration, including the arbitrator's fees and administrative fees, will be shared equally by the Parties, unless otherwise decided by the arbitrator.

(4) Pending resolution of a dispute, the Parties must continue to perform their obligations under the Agreement, unless otherwise decided by the arbitrator.

Term and termination

15. (1) This Agreement will take effect on the Effective Date and will remain in effect until the expiry of all registered IP associated with the Technology or its earlier termination.

(2) The Licensee may terminate the Agreement at any time by giving notice at least [•/, e.g., 30] calendar days in advance of termination and by paying all amounts owed to the Licensor at or before the date of termination, as well as any amounts owed by the Licensee to any other Party.

(3) The Licensor may terminate the Agreement by giving notice at least [•/, e.g., 30] calendar days in advance of termination if the Licensee:

(a) takes or is required by any person to take, any of the following actions:

i. an assignment, composition or similar act for the benefit of creditors,
ii. an attachment or receiving of assets,
iii. the filing of a petition for bankruptcy, insolvency or relief of debtors, or the institution of any proceedings relating to bankruptcy, insolvency or relief of debtors,
iv. committing or threatening to commit any act of bankruptcy, or
v. a winding-up, liquidation or dissolution of the business;

(b) ceases its business operations;
(c) fails to reasonably commercially exploit, or ceases to intend to commercially exploit, the Technology for a continuous period of [•/, e.g., 12] months;
(d) acts or fails to act in a way that calls into question its integrity; or
(e) materially breaches any term of the Agreement and fails to correct the breach within a reasonable period after receiving notice from Licensor to do so.

(4) On or soon after receiving notice of termination under section 15(2) or giving notice of termination under section 15(3), the Licensor may offer to provide to sublicensees a licence of the Technology under substantially the same terms as the Agreement or the sublicence. The Licensor and sublicensee will discuss in good faith and agree any appropriate modifications to the licence terms.

General provisions

16. (1) All notices, reports, requests, assertions, consents, agreements, and other communications under or related to the Agreement must be in writing and delivered by regular mail or by electronic mail to the authorized representative of a Party as follows:

	To Research Institution:	To Licensee:	To Investor:	To Licensor:
Name:				
Department:				
Address:				
City, Province/Territory/State:				
Postal/Zip Code, Country:				
Row 6				
Tel:				
Email:				

(2) Except as otherwise provided in the Agreement, no Party may assign any of its rights or delegate any of its obligations without the prior consent of the other Parties, but a Party may assign any of its rights or delegate any of its obligations to a person that acquires substantially all of the Party's business or assets, whether by share sale, merger, asset sale, or other change of control.

(3) No waiver of, or failure by, a Party to enforce a right or insist on strict performance of the Agreement will prevent the Party from subsequently enforcing its rights or insisting on strict performance. No waiver or failure to strictly enforce rights will affect the validity of the Agreement.

(4) The invalidity or unenforceability of a provision of the Agreement will not affect the validity or enforceability of the Agreement as a whole or any other provisions.

(5) If a conflict of interest arises, the Parties:

(a) will subject and avail themselves to and of the Research Institution's procedures and codes of conduct for the resolution of conflicts of interest; but

(b) no Party will have the authority to assume or create any obligation or liability, either express or implied, on behalf of another Party.

(6) Les Parties ont requis que cette entente soit rédigée en anglais. The Parties have requested that this Agreement be drafted in English.

(7) The Agreement is governed by and construed in accordance with the laws of the jurisdiction specified in section 2.

(8) Headings are used for convenience only and do not affect the interpretation of the Agreement.

(9) The provisions of Schedule B, sections 3(2), 8(1), 8(2), 9(5), 9(6), 12, 13, and 14, and all payment obligations, including for outstanding fees, royalties, and cost reimbursements, will survive the termination of the Agreement.

(10) The Agreement may be executed with signatures delivered by facsimile transmission or electronically in optically scanned form. The Agreement may be simultaneously executed by the Parties in multiple counterparts, each of which will be considered to be an original instrument, and all of which taken together will constitute one and the same instrument.

[*Signature page follows*]

The undersigned have caused this Agreement to be duly executed and delivered on the Effective Date.

Licensee:

Name of authorized signatory:

Title:

Date:

Signature:

Licensor:

Name of authorized signatory:

Title:

Date:

Signature:

Research Institution: (If different from Licensor)

Name of authorized signatory:

Title:

Date:

Signature:

Investor: (If different from Research Institution and from Licensor)

Name of authorized signatory:

Title:

Date:

Signature:

SCHEDULE A
Technology

[*Attach a list of all Technology licensed under the Agreement*]

SCHEDULE B
Investment Agreement

[*Attach a copy of the investment agreement concluded between the parties*]

Choice of Financial Model: Understanding that selection of technology transfer and financial model is challenging, SAIL was designed to allow the Parties to use their own investment agreements, favouring convertible debt as the mechanism of institutional benefit, mediated by any one of the SAFE, the KISS, or some form of convertible note. In addition, convertible debt adheres to all of the SAIL axioms discussed in Schedule D and constructed in Durand & Briggs, 2025, with the amount given in the formula below. However, recognizing that "one size does not fit all", there are exceptional situations where institutional reward mechanisms may violate one or more of the SAIL axioms, especially in cases where straight equity, royalties, or a hybrid model are used.

For example, simple equity can be considered, even though it violates the axiom of valuation, if insistence on use of convertible debt for that tech transfer deal would result in a violation of an axiom with higher weight (those being the axioms of benefit, ownership, and value creation). Likewise, royalties can be considered even though they violate the axiom of value creation in cases where non-use of royalties would for some reason violate one or both the axioms of benefit and ownership.

Factors to consider in constructing the investor agreement:

If some mechanism other than convertible debt is used, careful thought should be given as to the rationale for why, considering the 6 SAIL axioms and their relative importance.

- Quantification of the amount of convertible debt, if applicable, which could include:

  Convertible Debt = (Past Costs + Unaccounted Support Costs + Future Costs) - Upfront Fee

- The definition provided for Past Costs and Future Costs is intended to capture only those costs that are already being accounted for in the course of any licensing transaction (Accountable Costs), while Unaccounted Support Costs provides a mechanism for universities to be rewarded for the intangible or unaccounted-for support they provide, thereby ensuring that executing and managing a SAIL agreement is no more administratively complex than any existing licensing process while fairly compensating all Parties for their contributions.

- Use of a nonzero Upfront Fee to be paid upon signing and which reduces the convertible debt, for example as a demonstration of commitment by the founders;

- Perception of the financial model among first-round investors in the startup and the impact of the licensing deal on the ability of the Licensee to attract early capital for pre-revenue development

- Note in particular that angel investors, who often prefer to invest using convertible debt and who are often the primary source of risk-tolerant capital available to pre-revenue startups, are generally resistant to any form of anti-dilution protection on the part of other entities on the Licensee cap table. Use of anti-dilution protected in the agreement may negatively impact the ability of the Licensee to raise further risk-tolerant capital in the early stages, and is discouraged. Instead, SAIL encourages use of valuation caps, discounts, or pro-rata rights in conjunction with convertible debt as a means to secure effective anti-dilution protection without reducing the Licensee's chance of raising early third-party investment, in accordance with the SAIL Guidance Document.

- Additional Triggering Events for conversion of the debt to equity as may be situationally appropriate. Triggering events listed in the convertible debt agreement should be explicitly added to section 9(1) such that conversion of the debt to equity coincides with the option to take assignment of the Licensed Technology.

SCHEDULE C
Ancillary Agreements

[*Attach a copy of any related agreements concluded between the parties under section 4.*]

SCHEDULE D
Technology Transfer Drafting Guidelines and Guiding Principles

These non-binding guidelines may assist the Parties to determine the factors affecting a decision to license IP to a startup. Recognizing that IP ownership is usually of more value if the IP is commercially exploited and that research institutions do not, as a rule, commercialize IP themselves, the guidelines should help them provide sound governance of IP while also supporting the transfer of IP to the private sector to realize its economic benefit or societal value.

The axioms (Durand & Briggs, 2025) are:

1. A licence should not unduly limit innovation or the use of publicly funded research outputs to realize economic or social benefit (*axiom of benefit*);
2. Ownership of the IP should transfer from the academic institution to the licensee when there is sufficient evidence to conclude that the licensee is an economically viable entity (*axiom of ownership*);
3. Every dollar available to a startup should be used to build value in the startup (*axiom of value creation*);
4. Valuation of an IP portfolio should be deferred until the market has been established (*axiom of valuation*);
5. Supporting high-risk commercialization activity should be rewarded with equity proportional to the costs incurred in doing so, providing unlimited potential value in consideration of the risk (*axiom of incentivization*); and
6. License templates should be understandable and usable by someone without legal training (*axiom of simplicity and clarity*).

In addition, the Parties will:

1. Favour ongoing dialogue and prompt communication, before, during, and after a transaction;
2. Recognize that while it is usually too early to accurately assess the value of a commercial opportunity when technology is transferred, this uncertainty should not impede a good faith attempt at commercialization;
3. Recognize the perception or potential of conflict of interest arising from research institution commercialization activity involving active members of the lab that originated the IP, and engage in transparent and active dialog to establish a framework to mitigate any issues in a way that is compatible with research institution policy;
4. Recognize the need for publicly funded institutions to ensure that licensing is fair and equitable for all inventors, including those who may not be directly involved in the commercialization of the research;
5. Identify reasonable criteria or milestones to trigger the sale or assignment of IP to the startup based on the principle that IP generated using public funding should only be transferred to the private sector when there is a reasonable expectation that the transfer will result in economic or social benefit, i.e. that the startup is now economically viable; and
6. Recognize that innovation requires ongoing data-driven development and commit to long-term collection and provision of data in support of this goal.