

Employment Agreement—Intellectual Property-Related Provisions

L. M. Brownlee, Intellectual Property Due Diligence Checklist, IP Due Diligence in Corp. Transactions, Form 24

1. Confidentiality

1.1 During the course of the Employee's employment with Target Company and, as indicated, thereafter, the Employee acknowledges and agrees that he/she will have access to Confidential Information.

1.2 He/she will not:

1. use or disclose any such Confidential Information for his/her own benefit or for the benefit of third parties, and will not at any time, during or after his/her employment with Target Company, disclose any Confidential Information to any third party, and shall not permit or facilitate any third party to access or use Confidential Information;
2. disclose any Confidential Information to any Employee of Target Company not also having access to such information and not confidentially bound to Target Company; or
3. lecture upon, publish articles, or give interviews concerning Confidential Information, unless Target Company expressly grants advance written consent.

2. Intellectual Property

2.1 By operation of law, all Intellectual Property that he/she conceives of, develops, creates, or reduces to practice and/or publishes, and/or contributes to the foregoing, within the scope of his/her employment and/or with the use of Target Company's materials, equipment, facilities, and/or labor of other Target Company Employees, is owned by, and is part of the Intellectual Property and Confidential Information of, Target Company.

2.2 To the extent that operation of law holds otherwise pertaining to § 2.1, above, he/she hereby assigns, and agrees if and as necessary to assign, to Target Company all of his/her right, title and interest to Intellectual Property, whether or not such Intellectual Property is reduced to practice or published during his/her employment by Target Company. He/she agrees that Target Company shall have the royalty-free right to Exploit all Intellectual Property conceived of or created or made by him/her, whether or not patentable or copyrightable or otherwise protectable under law.

2.3 He/she agrees, during his/her employment with Target Company, and as necessary (in Target Company's sole discretion) thereafter, to sign all documents and perform all other such acts necessary or desirable (in Target Company's sole discretion) for Target Company to obtain title to, registration or other protection for and/or enforce or otherwise protect Intellectual Property and, to the extent he/she is unable, unwilling, or unavailable to do so, irrevocably appoints power of attorney to Target Company (and all authorized representatives thereof) to sign all documents on his/her behalf.

2.4 He/she has been informed in writing, and Target Company agrees, that the foregoing assignment does not apply to any Intellectual Property for which no equipment, supplies, facility, or Confidential Information of Target Company was used and which was developed entirely on his/her own time, unless:

1. the Intellectual Property relates (i) directly to Target Company's business, or (ii) to Target Company's actual or demonstrably anticipated research or development; or

2. the Intellectual Property results from any work performed by him/her for Target Company.

2.5 Notwithstanding the foregoing § 2.4, he/she shall, at the time of employment or thereafter, disclose to Target Company all Intellectual Property being developed by him/her, for the purpose of determining Target Company's or his/her rights. Target Company or he/she may disclose such Intellectual Property to the department of employment security, and the department shall maintain a record of such disclosures for a minimum period of five years.

3. Former Obligations

During his/her employment with, and performance of intended duties for, Target Company, he/she will not breach any agreement or duty which he/she has to third parties, including former employers, which such former employer(s) and agreements pertaining thereto are specified below, concerning Confidential Information or Intellectual Property, and he/she has disclosed all such relevant former employer(s) and duties to Target Company (including, if available, provided a copy of relevant agreements), as specified below:

| <u>Employer</u> | <u>Dates of Employment</u> | <u>Position</u> |
|-----------------|----------------------------|-----------------|
|-----------------|----------------------------|-----------------|

4. Noncompetition

4.1 He/she hereby acknowledges and confirms that he/she has an obligation not to compete with Target Company during the term of his/her employment with Target Company, and thereafter, for [*the maximum period allowable under relevant law*]. Without prejudice to the foregoing, he/she is not permitted to accept any employment which in Target Company's reasonable belief will threaten Target Company's Confidential Information or other Intellectual Property.

5. Other Obligations

5.1 He/she will disclose promptly to Target Company in writing, and comply with all other lawful Target Company policies and procedures pertaining to, all Intellectual Property that he/she conceives of and/or creates during his/her employment with Target Company.

5.2 He/she acknowledges and agrees that he/she may, if and when departing from Target Company, be required to attend an exit interview and sign an Employee Exit Acknowledgement, which such acknowledgement will reaffirm his/her acceptance and acknowledgement of the obligations provided for herein and contain such other terms and provisions as Target Company may reasonably deem to be necessary or desirable to protect its Confidential Information or other Intellectual Property. He/she will be required to disclose the name and address of his/her future employer or other post-Target Company employment plans.

6. Governing Law

6.1 This Agreement shall be governed under and construed in accordance with the laws of [*jurisdiction*], without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than [*jurisdiction*], and the Employee consents to the irrevocable designation of [*secretary of state or such other entity authorized to accept service*] for acceptance of service of process, hereby waives any and all right to object to suit in such jurisdiction and, subject to § 6.2, below, consents to the exclusive jurisdiction of such courts.

6.2 Notwithstanding the foregoing, Target Company is entitled to seek equitable remedy (including, without limitation, immediate injunctive relief), as well to seek enforcement of any equitable or monetary relief granted in a court pursuant to § 6.1, above, in any court competent to render such relief or enforcement.

6.3 Whistleblower protection

Pursuant to 18 U.S.C.A. § 1831 et seq, the Defend Trade Secrets Act of 2016 (“DTSA”), an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

Dated: this _____ (day) of _____ (month), _____(year)

by _____ (Employee’s signature)

Witnessed by: _____ (Witness signature)