Before you sign an intellectual property (IP) contract

Use this checklist to make sure you understand an IP contract and the consequences of signing it.

Be sure to seek help from a legal professional if you are uncertain or have questions.

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| ✓ | **Considerations** |
|  | Is this a transfer of rights (an assignment) or merely a permission to use (a licence)?* If this is a licence, is it exclusive or non-exclusive?
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|  | Do you understand the scope of the rights being granted? Is it all IP rights in the creation/invention, or only some?If the agreement is for a licence, does the licensee have the right to sub-licence? (This is the right to grant permission to other people to use the rights granted to the licensee).Have any conditions or restrictions been placed on the grant of rights? |
|  | What is the term of the grant (how long is it for)?If you are receiving the rights, is the grant long enough to allow you to do what you need to with the IP?If you are granting the rights, beware of terms like ‘perpetual’ or ‘in perpetuity’, which means forever. |
|  | What is the territory of the grant? Is it appropriate for what the parties need to achieve?Many modern licences provide for worldwide rights. This may be necessary for online use. |
|  | Are you being asked to make any warranties, and are you comfortable making them? |
|  | What law applies to this agreement? Does that law make sense for you? |
|  | What consideration is being provided for the grant of IP rights? Is that consideration fair? |
|  | What happens if something goes wrong?Are the expectations on all parties clear?Are there provisions for terminating the contract early?Are there remedies if one of the parties does not fulfil their side of the agreement?Is the licence revocable? |
|  | Is anything missing from the agreement that you should speak about with the other party before signing? |

**Important note**: This is not a complete list.

**Further information**: Contact your state’s Law Society for assistance if you need a referral to an affordable law firm. The Arts Law Centre of Australia (https://www.artslaw.com.au/) offers free or low-cost legal advice for creators who need help managing their IP rights.