

# EMPLOYEE CONFIDENTIALITY AND PROPRIETARY RIGHTS AGREEMENT

THIS AGREEMENT made effective as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**BETWEEN:**

[NAME OF EMPLOYER]

[address]  
("Employer")

- and -

[NAME OF EMPLOYEE]

[address]  
("Employee")

**WHEREAS:**

- A. Employer has employed or is about to employ the Employee in a position of trust and confidence where the Employee has or will have access to confidential and secret information with respect to the business, affairs, and operations of the Employer;
- B. Employer is the sole and absolute legal and beneficial owner of such confidential and secret information;
- C. Employee recognizes that as part of the duties of employment all inventions, discoveries, ideas, suggestions, and improvements of interest to Employer, conceived, made or developed by the Employee while the Employee is employed by Employer shall be assigned to Employer;
- D. Employer desires to receive from the Employee covenants relating to non-disclosure of the confidential and secret information, assignment of inventions, discoveries and improvements and non-competition, and the employment of the Employee by Employer is conditional on Employer receiving the covenants.

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT**, in consideration of the premises, the employment of the Employee or the continuation thereof, and the payment by Employer to the Employee of the remuneration agreed on between the Employer and Employee, the parties hereto agree as follows:

## ARTICLE ONE - INTERPRETATION

### 1.1 Definitions

Wherever used throughout this Agreement, unless there is something in the subject matter or context inconsistent therewith:

- (a) "Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any Agreement or instrument supplemental or ancillary hereto and the expression "paragraph", "Section" or Article" followed by a number means and refers to the specified paragraph, Section or Article of this Agreement;
- (b) "Confidential Information" means the following materials and information (whether or not reduced to writing or whether or not patentable or protectable by copyright which the Employee receives, received access to, conceived or developed in whole or in part, directly or indirectly, the connection with the Employee's employment with Employer or in the course of the Employee's

employment with Employer in any capacity or through the use of any of Employer's facilities or resources:

- (i) the Intellectual Property;
- (ii) such information as a director, officer or employee of Employer may from time to time designate to the Employee as being included in the expression "Confidential Information";
- (iii) production processes, marketing techniques and arrangements, mailing lists, purchasing information, pricing policies, quoting procedures, financial information, customer and prospect names and requirements, employee, customer, supplier and distributor data and other materials or information relating to Employer's business and activities and the manner in which Employer does business;
- (iv) discoveries, concepts, and ideas including, without limitation, the nature and results of research and development activities, processes, formulas, inventions, technology, techniques, "know-how" designs, drawings and specifications;
- (v) any other materials or information related to the business or activities of Employer which are not generally known to others engaged in similar businesses or activities;
- (vi) all ideas which are derived from or related to the Employee's access to or knowledge of any of the above enumerate materials and information.
- (vii) all computer programs including algorithms, specifications, flow charts, listings, source and object codes either owned by Employer or to which Employer has access and wishes to keep confidential;
- (viii) all information relating to computer programs now existing or currently under development; and
- (ix) customer lists and records.

The Employee acknowledges that the foregoing is intended to be illustrative and that other Confidential Information may currently exist or arise in the future and that the failure to mark any of the Confidential Information as confidential, proprietary or "Confidential Information" shall not affect its status as part of the Confidential Information under the terms of this Agreement.

- (c) "Intellectual Property" means all registered and unregistered patents, copyrights, industrial designs and trade marks and all trade names, secret processes, trade secrets, engineering, design, process and operating information, inventions, developments, patent, trade mark, industrial design and copyright applications, technical data and other scientific and technical information relating to any process or method now owned or controlled by Employer relating in any way to electronic bulletin board services and electronic mail services;
- (d) "Person" means an individual, a corporation, a partnership, a trustee or an unincorporated organization; and words importing persons have a similar meaning.

## 1.2 Extended Meanings

Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

**1.3 Headings**

The division of this Agreement into Articles, Sections and paragraphs and the insertion in this Agreement of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

**1.4 Applicable Law**

This Agreement shall be interpreted in accordance with the laws of the Province of \_\_\_\_\_.

**1.5 Time of Essence**

Time shall be of the essence in this Agreement.

**1.6 Entire Agreement**

This Agreement constitutes the entire agreement between the parties and contains all of the representations, undertakings and agreements of the respective parties concerning the subject matter hereof. There are no verbal representations, undertakings or agreements between the parties of any kind concerning the subject matter hereof.

**ARTICLE TWO - TREATMENT OF INFORMATION**

**2.1 Acknowledgements**

- (a) Employer and the Employee acknowledge and agree that the relationship between them is one of mutual trust and reliance.
- (b) The Employee acknowledges that, in and as a result of the Employee's employment by Employer, the Employee shall have access to, be making use of, acquiring or adding to information and knowledge, including the Confidential Information, relating to all aspects of the business of Employer, which are confidential to and the exclusive property of Employer, the disclosure of any of which to Employer's competitors, customers, or the general public will be highly detrimental to the best interests of Employer.
- (c) The Employee acknowledges that the business of Employer cannot be properly protected from adverse consequences of the actions of the Employee other than by the restrictions set forth in this Agreement.

**THIS IS A 7-PAGE AGREEMENT.**