



Legal Guide:
***Non-Disclosure &
Confidentiality Agreement***
(for use with an Invention)

A Beginners Step-by-Step Guide for
Business Owners, Beginners, and
Non-Lawyers

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NOTICE TO READER: The information in this article is a brief summary for informational purposes only. It is not meant to be legal advice. If you require information or advice as it relates to your individual circumstances you are advised to consult with a lawyer.

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- [USA: Confidentiality / Non-Disclosure Agreement](#)
- [Canada: Confidentiality / Non-Disclosure Agreement](#)



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1. Introduction

In business matters, it is often necessary to disclose certain information to another party to facilitate business. However, as an inventor, it is important that certain information regarding your invention be kept confidential.

However, you may be reluctant to disclose the information without some form of written agreement to protect the legal rights of the parties.

In addition, you may want certain information about your invention to be kept confidential to preserve any potential patent or other intellectual property rights that you may have for the invention.

The legal document used to protect your legal rights is called a “Non-Disclosure Agreement” (also known simply as an “NDA”) or a “Confidentiality Agreement”. All these titles refer essentially to the same type of document.

2. When Is an NDA / Confidentiality Agreement Used?

An NDA / Confidentiality Agreement is useful under any situation where you will need to disclose information to a third party that you consider as

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confidential. This may include information about your business methods, client information, financial information, business proposals, potential business ideas, new product ideas, or anything else you consider is confidential and you would like the recipient to not disclose to anyone else.

For example a NDA/Confidentiality Agreement would be useful in any of the following situations.

If you are an inventor, you may need to disclose information for a variety of reasons including and discussions you may have with:

- (a) potential investors
- (b) potential business partners
- (c) manufacturers
- (d) distributors or retail stores
- (e) other industry players
- (f) potential customers
- (g) marketing / promotional companies

3. Basics of an NDA / Confidentiality Agreement

An NDA / Confidentiality Agreement usually contains provisions with the following basic elements:

1. Name of the parties
2. Date of the Agreement and the time period for the confidentiality
3. Obligation of recipient not to disclose the confidential information
4. Definition or description of what will be considered as “confidential” (e.g.: client list, or product, or potential business relationship)
5. Exceptions for certain information that is not considered confidential (e.g.: information that is already in the public domain and easily obtainable is generally not considered to be confidential)



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- 6. Legal rights and remedies available to the disclosing party in the event that the recipient party discloses Confidential Information (e.g.: the disclosing party will have the right to obtain a court order to stop the recipient party from disclosing the information).
- 7. General legal provisions

4. Prepare an NDA / Confidentiality Agreement Now

You can easily prepare an NDA / Confidentiality by filling in an online form. Click one of the following links then follow the instructions below when filling out the online form:

- [USA: NDA form](#)
- [Canada: NDA form](#)

Section in online form:	Subsection	Additional Notes:
Governing Law		Generally, State / Province selected is the where the disclosing party is located
Form of Agreement	Choose form of agreement	You can choose “Confidentiality Agreement” or “Non-Disclosure Agreement”. Practically, there is no difference between the two. Choose the label that you feel most comfortable using.
	Type of Agreement:	You have several options to choose from. Select: 2. Invention. Use this option if you have invented a product or process. Proceed to Step 2b below.

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Section in online form:	Subsection	Additional Notes:
Parties Providing Information	Number of Inventors Providing Invention	<p>Generally, you should only select 1 unless there are multiple inventors, or there is an individual inventor and a corporation that has some rights in the invention.</p> <p>If there are multiple inventors, select the number of parties here. Alternatively, use a separate agreement for each party.</p>
	Person Providing Confidential Information (usually the inventor)	<p>Enter the name of each party providing or disclosing confidential information – usually this is the “inventor”.</p> <p>Under certain circumstances, you may wish to include a company name and an individual name depending on the nature of the confidential information and who owns the invention.</p> <p>It is important to enter in the full proper legal name of the party and to make sure that the name is spelled properly without spelling errors.</p> <p>(a) For an individual: reference should be made to a legal document such as a birth certificate, passport, driver’s license, or other government issue identification. The name on a credit card is usually not sufficient. If the person usually multiple names, you may wish to enter the name in a</p>

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Section in online form:	Subsection	Additional Notes:
		<p>format as follows:</p> <p>“Bill Smith also known as William Smith”</p> <p>(b) For a corporation: reference should be made to the corporation’s official incorporation certificate to obtain to proper full legal name of the corporation.</p> <p>Be sure to enter the address of the disclosing party. Try to avoid using a Post Office box. An actual address is preferable. If an individual is reluctant to use their residential address, use their business address instead. Specify the type (individual or corporation) and for individual, also enter the gender.</p>
Parties Receiving Information	Number of parties evaluating the invention	<p>Select the number of parties who will be evaluating the invention.</p> <p>Even if the party evaluating is a corporation, you may also wish to include the individuals who will be evaluating the invention.</p>
	Person Receiving Confidential Information	<p>Enter the name of each party who will be receiving confidential information.</p> <p>Under certain circumstances, you may wish to include a company name and also any individual names depending on the nature of the confidential information. The purpose</p>

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Section in online form:	Subsection	Additional Notes:
		<p>is to prevent the individuals from disclosing the information under their capacity as individuals.</p> <p>It is important to enter in the full proper legal name of the party and to make sure that the name is spelled properly without spelling errors.</p> <p>(a) For an individual: reference should be made to a legal document such as a birth certificate, passport, driver's license, or other government issue identification. The name on a credit card is usually not sufficient. If the person usually multiple names, you may wish to enter the name in a format as follows:</p> <p>“Bill Smith also known as William Smith”</p> <p>(b) For a corporation: reference should be made to the corporation's official incorporation certificate to obtain to proper full legal name of the corporation.</p> <p>Be sure to enter the address of the receiving party. Try to avoid using a Post Office box. An actual address is preferable. If an individual is reluctant to use their residential address, use their business address instead.</p> <p>Specify the type (individual or corporation) and for individual, also</p>

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Section in online form:	Subsection	Additional Notes:
		enter the gender .
Duty of Confidentiality	Duties of Confidentiality continue after termination	This section should be completed. Select the lowest time frame that is reasonably necessary to protect the interests of the Inventor. The longer the period chosen, the more likely that the period will not be enforceable. As such, you need to select a reasonable period depending on the nature of your invention.
Additional Clauses		If there are any special obligations, promises, or text you want inserted, use this section. For example, the parties may want to include a provision that specifies the procedure for disclosure: For example: “access to Invention will be provided only during business hours at the offices of the Inventor” or other provisions such as: “recipient shall be permitted to examine the invention at its offices provided it is not disassembled or reverse engineered and provided no photographs, notes or recordings are made.”
Execution Date	Signing date	If you know the date the document will be effective, select it from the options,

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Section in online form:	Subsection	Additional Notes:
		otherwise select “unsure” and fill in the date at the time it is signed.
	witnesses required	Select “Yes” here, unless you have a reason to dispense with a witness. In the event that a party to the agreement denies that they signed the document, a witness can serve the purpose to testify that they in fact they were present and saw the document signed. A witness should be present and see the party signing the document. If the parties are not signing the document at the same time or in the same room, then separate witnesses should be used for each party.

5. Next Steps

One you have completed the form, print out 2 copies and have 2 originals signed and witnesses. One original should be kept in your records and the other original should be given to the other party.

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6. Other Useful Resources Online

Downloadable Legal Forms:

- Incorporate a company: • [USA](#) • [Canada](#)
- Joint Venture Agreement: • [USA](#) • [Canada](#)
- Partnership Agreement: • [USA](#) • [Canada](#)
- Shareholders Agreement: • [USA](#) • [Canada](#)
- Employee Agreements: • [USA](#) • [Canada](#)
- Services Related Agreements: • [USA](#) • [Canada](#)