## **MODEL OF CONFIDENTIALITY CONTRACT FOR EMPLOYEES**



The Confidentiality Contract for Employees regulates the use that company employees must make of the confidential information which is received as a result of the work undertaken by that employee in said company. The Contract specifies the types of confidential information (both technical and commercial), the intellectual property of the work in which the employee participates, as well as the compensation for losses and damages which the employee shall be held liable for in the event of a breach of the non-disclosure covenant of the confidential information to which the Contract refers.

## **CONFIDENTIALITY CONTRACT FOR EMPLOYEES**

DATE:
BY AND BETWEEN:
AND:
In consideration of employment by Company and disclosure by Company of confidential and trade secret information, the undersigned Employee hereby covenants and agrees as follows:

#### 1. CONFIDENTIAL INFORMATION

Employee acknowledges that in the course of Employee's employment by Company, Employee will be exposed to valuable confidential and trade secret information of Company. Employee agrees to treat all such information as confidential and to take all necessary precautions against disclosure of such information to third parties during and after the term of this Contract.

Employee acknowledges that Confidential Information of the Company will consist of but will not be necessarily limited to:

(a) Technical information: methods, processes, formulae, compositions, systems, techniques, inventions, machines, computer programs and research projects.

(b) Business information: customer lists, pricing data, sources of supply, financial data and marketing, production, or merchandising systems or plans.

Employee understands that this Contract does not and will not prevent him/her from working for any other Company subsequent to the termination of his/her employment with the Company as long as the Employee does not use or disclose any such confidential and proprietary information.

#### 2. USE OF CONFIDENTIAL INFORMATION

Employee shall not use Company's confidential and trade secret information, except to the extent necessary to provide services or goods requested by Company.

#### 3. ENFORCEMENT

The Employee agrees that if he/she commits a breach of any of the provisions of this Contract, the Company shall have the right to enforce this Contract in any court having equity jurisdiction. Employee acknowledges and agrees that any such breach of this Contract will cause irreparable injury to the Company and that money damages will not provide an adequate remedy to the Company. In addition, the Company shall have any other rights and remedies available at law or in equity.

## 4. TERMINATION

All materials furnished to Employee by Company, and all materials prepared by Employee in connection with Employee's employment by Company, including without limitation documents, models, source code, designs, flowcharts and listings, along with all copies made thereof, shall be returned promptly to Company upon termination of Employee's employment by Company.

#### 5. OWNERSHIP

Employee agrees that all developments made and works created by Employee or under Employee's direction in connection with Company assignments shall be the sole and complete property of Company, that any and all copyrights and other proprietary interests therein shall belong to Company, and that the other provisions of this Contract shall fully apply to all such developments and works.

This is a sample of Confidentiality Contract for Employees.

To get more information about this contract click here:



## **USER GUIDE**

Contracts drafted by the legal experts of Global Negotiator cover all relevant aspects that are negotiated and agreed in the different types of business between companies. However, when these contracts are used you should take into account some recommendations common to all of them that are described in this User Guide.

#### **DATE**

The date when the contract comes into force is the one that appears in its header, as mentioned in the final paragraphs of the contract, before signatures (This Contract comes into force on the date written above).

In some contracts -for example in the Supply Contract- the date of coming into force is also mentioned in one of the clauses. In these cases, you have to verify that the two dates inserted in the contract (in the heading and in the corresponding clause) are the same, in order to avoid discrepancies.

#### **PARTIES**

Be sure to insert in the first page of the contract the full details of the Parties:

- When a Party is a company you must insert the following information: legal name, legal form (limited, incorporated, etc.), full address, registration data and fiscal identification number.
- When a Party is an individual that works as independent professional (for example a commercial agent) you must insert the following information: full name, profession, full address and fiscal identification number.

## **CLAUSES**

## Clauses with different alternatives: choose the most favorable

In the most important clauses of each contract (exclusivity, payment terms, applicable law and competent jurisdiction, etc.) several drafting alternatives are proposed so you can choose the most appropriate to each situation. Therefore, the user before submitting the contract to the other Party must choose the alternatives that seem best suited to their interests and eliminate the rest.

## Clauses with blank spaces to be completed

In several clauses of the contract blank spaces appear with dots (......) that the user has to complete inserting text. Following the dots, between brackets, you will see the data and explanations to insert the text.

• When the text between brackets is in normal letters (the same as the contract) and separated by "," or the word "o", the user must insert one of the options suggested.

Example of blank space (......) with options to select between brackets:

Orders handled before completion of the present Contract which produce sales transactions within ......... [1, 2, 3, 6] months shall entitle the Agent to receive the corresponding commission. In this case, the user must choose between options 1, 2, 3 or 6 months and insert one in the blank space (......).

• When the text between brackets is in italics the user has to insert the data and information requested and eliminate the bracketed text.

Example of blank space - (......) to insert text:

Both parties, by mutual consent, resolve to refer any dispute to the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with said Rules. The place of arbitration shall be ........... [city and country]. In this case, the user must insert in the blank space (.........) the city and country chosen to conduct the arbitration and afterward eliminate the bracketed text [city and country].

#### **Notices Clause**

Sometimes it may happen that the official address of the Parties which appear at the beginning of the contract is different from which is to be used for communications between the Parties during the terms of the contract. In this case, the user should include at the end of the contract a Notices Clause.

**Example of Notices Clause:** 

Notices. - In order to comply with their contractual obligations, the Parties establish the following address for the provision of notices related to this contract:

- Party 1	[insert	ful	l ad	dress	].
- Party 2	[insert	ful	l ad	dress	].

#### **ANNEXES**

The contracts incorporate some Annexes, each of them, referenced to the corresponding Clause. Annexes are drafted in commonly used formats, although the user must adapt these formats and the text inserted in them to each particular situation.

## **SIGNATURES**

#### People who sign

Persons signing the contract on behalf of the company must have the authority to do so and preferably, be entitled on the basis of a power of attorney. Below the signature, in addition to the full name of the person that signs his/her position must be inserted. When one of the Parties who signs is a natural person (for example a commercial agent in an Agency Contract) obviously he or she is the person that has to sign the contract.

The laws of some countries require that contracts, to be valid, shall be signed in front of witnesses or a public notary. Therefore, before signing a contract you should be informed about the requirements that may exist in each country.

#### Place and date of signature

Usually, contracts are signed by both Parties on the same date and place. Nevertheless, in international contracts, due to physical distance, it is common that each of the Parties sign in different dates and places. This contract provides for both alternatives so it comes to choosing the most appropriate to each situation.

#### **Number of copies**

Usually, the Parties sign two copies of the contract, each Party retaining one of them, but can also arise the need to sign more copies. In this case, all you have to do is mention explicitly the number of copies to be signed in the paragraph that is included at the end of the contract (Both Parties declare their conformity to the present contract, which is signed in ..... copies, each of which shall be considered an original).

#### GENERAL RECOMMENDATIONS

The Parties must sign all pages of the contract, including Annexes, so they are also valid. It is better to use ball point or pen (not pencil) in a color other than black (e.g.: blue); this makes it easier to distinguish an original document from a photocopy.

It is preferable (although no mandatory) to express sums of money and percentages in words and figures. Of course, the words and figures for a given amount must match exactly. You also must insert the currency in which the amounts are expressed. It is advisable to use the rules establish by ISO that name each currency by three capital letters (EUR for euro, USD for dollar, GBP for sterling pound, JPY for Japanese yen, etc. - you can get the acronyms of every currency in the website www.oanda.com).

Once you have chosen the best alternatives of each clause and have completed the blank spaces you should revise the whole contract to remove remaining paragraphs and correct any errors.

# **BUSINESS CONTRACTS & AGREEMENTS TEMPLATES**

## **BUSINESS CONTRACTS**

- Strategic Alliance Agreement
- Joint Venture Agreement
- Manufacturing Contract
- Supply Contract
- Service Provider Contract
- Consulting Services Contract

# **COMMERCIAL CONTRACTS**

- Exclusive Distribution Contract
- Commercial Agency Contract
- Sales Representative Agreement
- Sales Commission Contract
- Real State Agent Agreement

## **LICENSE & FRANCHISE CONTRACTS**

- Trademark License Agreement
- Technology Transfer Agreement
- Software License Agreement
- Franchise Contract
- Master Franchise Contract

# **CONFIDENTIALITY CONTRACTS**

- Confidentiality Contract between Companies
- Confidentiality Contract for Product or Business Idea
- Confidentiality Contract for Employees
- Confidentiality Contract for Consultants and Contractors

## **Online Purchase**

www.globalnegotiator.com info@globalnegotiator.com

