

CONFIDENTIALITY AGREEMENT FOR STARTUPS



The Confidentiality Agreement for Startups is geared towards protecting certain sensitive information (financial data, commercial or technological secrets) that is provided between the startup and other types of companies such as customers, suppliers, consultants, licensees, partners or investors, in the course of a negotiation. This **Confidentiality Agreement** is normally used in negotiations prior to executing contracts for this type of operations. Once the identification of the Parties and the definition of what is considered confidential information and the obligations that must be adopted to maintain confidentiality have been determined, as well as the exceptions that may apply, the standard clauses for this type of startups contract are drawn up: no licence or ownership, no warranty, breach and remedies, survival of obligations, applicable law and competent jurisdiction etc.

CONFIDENTIALITY AGREEMENT FOR STARTUPS

DATE:

BY AND BETWEEN:

..... [company name], with registered address at [address, town/city and country] and identification/tax record number (hereinafter, "Party A"),

AND:

..... [company name], with registered address at [address, town/city and country] and identification/tax record number (hereinafter, "Party B"),

PREAMBLE

- I. The Parties
.....
[Describe the relationship between the Parties and the purpose of the activities of the Agreement] (1) ("Purpose").
- II. In relation to the Purpose, information has been or will be disclosed by either or both Parties.

- III. The Parties want to ensure that such information, which each may disclose to the other, is used only for the Purpose and protected from further disclosure.

The Parties enter into the following agreement (“Agreement”):

1. DEFINITIONS

In this Agreement unless the context otherwise requires:

Disclosing Party means the Party disclosing Confidential Information to the Receiving Party.

Permitted Recipients means any director, officer, employee, adviser or auditor (2) of the Receiving Party or any of its Related Companies who reasonably needs to know Confidential Information for the Purpose.

Receiving Party means the Party receiving Confidential Information from the Disclosing Party.

Related Company means any corporation, company or other entity that controls, or is controlled by, one Party or by another Related Company of that Party, where control means ownership or control, direct or indirect, of more than 50% of that corporations, company’s or other entity’s voting capital.

2. DEFINITION OF CONFIDENTIAL INFORMATION (3)

Alternative A.

“Confidential Information” means any information or data, or both, communicated by or on behalf of the Disclosing Party to the Receiving Party, including, but not limited to, any kind of business, commercial or technical information and data in connection with the Purpose, except for information that is demonstrably non-confidential in nature. The information shall be Confidential Information, irrespective of the medium in which that information or data is embedded, and whether the Confidential Information is disclosed orally, visually or otherwise.

Alternative B.

“Confidential Information” means any information or data, or both, communicated by or on behalf of the Disclosing Party to the Receiving Party, including, but not limited to, any kind of business, commercial or technical information and data disclosed between the Parties in connection with the Purpose, provided that:

- a) when disclosed in tangible form or via electronic communication it is marked or otherwise identified as “Confidential” by the Disclosing Party; or
- b) when disclosed orally or visually it is identified as “Confidential” prior to disclosure and subsequently summarized in writing by the Disclosing Party, and that summary is given to the Receiving Party marked or otherwise identified as “Confidential” within [insert number, usually 30] days after that disclosure. In case of disagreement relating to the summary, the Receiving Party must present its objections to the summary in writing within thirty [insert number, usually 30] days of receipt.

Confidential Information shall include any copies or abstracts made of it as well as any products, apparatus, modules, samples, prototypes or parts that may contain or reveal the Confidential Information.

Confidential Information is limited to information disclosed on or after the date of signature of this Agreement (4).

3. OBLIGATION TO KEEP CONFIDENTIAL AND RESTRICTIVE USE

The Receiving Party shall:

- a) not disclose any Confidential Information to anyone except to the Permitted Recipients, who are bound to the same level of confidentiality obligations as set forth by this Agreement;
- b) use any Confidential Information exclusively for the Purpose; and
- c) keep confidential and hold all Confidential Information with no less a degree of care as is used for the Receiving Party's own confidential information and at least with reasonable care.

4. EXCLUSIONS FROM OBLIGATION TO KEEP CONFIDENTIAL AND RSTRICTIVE USEIVE USE

The obligations under Article 3 to keep confidential all Confidential Information shall not apply to the extent that the Receiving Party can prove that any of that information:

- a) was in the Receiving Party's possession without an obligation of confidentiality prior to receipt from the Disclosing Party;
- b) is at the time of disclosure, or subsequently becomes, generally available to the public through no breach of this Agreement by the Receiving Party or any Permitted Recipient;
- c) is lawfully obtained by the Receiving Party from a third party without an obligation of confidentiality, provided that third party is not, to the Receiving Party's best knowledge, in breach of any obligation of confidentiality to the Disclosing Party relating to that information;or
- d) is developed by the Receiving Party or its Related Companies independent of any ConfidentialInformation.

5. COPIES

Unless otherwise specified by the Disclosing Party at the time of disclosure, the Receiving Party may make copies of the Confidential Information to the extent necessary for the Purpose.

This is a sample of Confidentiality Agreement for Startups.

To get more information about this contract click here:



[CONFIDENTIALITY AGREEMENT FOR STARTUPS](#)

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 afterwards 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 full address*].
- Party 2 [*insert full address*].

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.

LEGAL WARNING

Depending upon your particular situation this contract might not meet your needs and requirements. In case of doubt, you should consult a legal advisor.

Global Marketing Strategies, S.L. as publisher and copyright holder of this contract disclaims all warranties, whether express or implied, respecting the legal content of this contract. For any claims arising out or in connection with the use of this contract, Global Marketing Strategies shall be limited to a refund of the purchase price.

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

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