



United Technologies

# Intellectual Property Agreements



## Information for UTC Job Applicants Concerning Intellectual Property Agreements

United Technologies is a broad-based designer and manufacturer of high-technology products and a provider of technology based services. Headquartered in Hartford, Connecticut, the company's best-known products include Pratt & Whitney aircraft engines, Sikorsky helicopters, Carrier air conditioners, and Otis elevators.

The company produces many other products, as well. They range from the astronauts' space support systems to aircraft propellers, from rocket boosters to fire suppression systems, and more. Virtually all of these products have one characteristic in common: they embody high levels of technology, in either the product itself or in the process by which it is made or in the services provided to support the product.

Capability in technology — creating, managing, advancing, applying it — is at the heart of everything United Technologies does. This capability enables the Company to develop and manufacture products and provide services that command acceptance in the competitive marketplace. In UTC's case, that marketplace spans the world.

The inventions and innovations, the technical and confidential business information, the trade secrets, the writings and other works of authorship of the Company's employees are the key to the Company's ability to sustain and strengthen its leadership as a business enterprise.

These ideas and concepts are essential to the Company's long-term health. They enable UTC to improve competitiveness, expand job opportunities, and forge advances in technology, develop new products embodying such advances, improve existing products, and manufacture them in better, more efficient ways. In many cases they are meant to yield returns not immediately, but years hence. They put UTC in a competitive position with technology and products before they are actually needed in the marketplace.

The people of the Company, their ideas and concepts, the skills they bring to their work and the knowledge they gain from the job, are major appreciable assets of the Company. Building on the Company's technology base, the employees generate and exchange the ideas and concepts. The Company provides the means, the opportunity, the framework and the support to foster the ideas and turn them into reality.

These ideas and concepts are the intellectual property of the Company. Every employee must understand that the personal use or unauthorized disclosure of this information can seriously damage the Company's competitive edge and may be illegal. As a result, UTC has to make every effort to protect its intellectual property.

Much of our business with the U.S. Government and other major customers depends on our ability to grant them rights to our inventions.

It is equally important that the Company's ability to compete in the marketplace not be compromised by unauthorized use of the private information or patented inventions belonging to others.

UTC's Intellectual Property Agreement defines your rights and responsibilities regarding your ideas and concepts relating to our business and conceived or created while employed by UTC or any of its business units or subsidiaries. As you see from the Agreement, it is the obligation of each employee:

- not to use or disclose the proprietary information of others in their work, without authorization;
- not to use or disclose the Company's private information except for the benefit of the Company; and
- to assign to the Company their rights to inventions and works of authorship which are related to the Company's business or research.

At the time you are hired you will be required to sign an Agreement. Samples of two forms of the Agreement (one of which applies to your work location) are part of this brochure. **Read this Agreement carefully.** If you have any questions, call your employment office contact or personnel representative.

## Some Questions About UTC's Intellectual Property Agreement

Q: What is intellectual property?

A: The ideas or concepts developed by you or other employees, whether in the form of a patented invention, manufacturing know-how, financial information, a marketing report, computer software, or even a drawing, are all examples of intellectual property.

Q: What are the purposes behind the Intellectual Property Agreement?

A: One purpose is to keep within the corporation the ideas gained by employees through experience or acquired through research and development efforts. Failure to protect this information from disclosure outside the Company could jeopardize our competitive edge, reducing profitability and growth and affecting job opportunities.

Another is to assure that we do not improperly use the ideas and concepts owned by others, which could affect our right to market our products or require excessive payments to others.

United Technologies encourages innovation by providing our employees with access to information and opportunities to freely exchange ideas with other employees. By providing the environment and tools needed to generate and develop these ideas, UTC acquires a stake in the outcome and reasonably expects to protect those ideas as a corporate asset.

Q: What happens if I come up with something on my own time that relates to the Company?

A: While employees are only at work a certain number of hours per day, it is not uncommon for them to continue thinking about work-related problems in their spare time. This is a normal problem-solving process, and so the fact that an idea comes while at home or some other place away from the company property may not affect the Company's right to ownership of that idea.

Q: Do all companies require such agreements?

A: Nearly all technology-based U.S. companies require similar agreements.

Q: What happens if an applicant for employment refuses to sign the Intellectual Property Agreement?

A: Signing the Agreement is a condition of being hired. In a few, rare instances, Legal Counsel may determine that there is a valid reason to change part of the Agreement before signing.

Q: What happens if I sign the Agreement but do not abide by it?

A: The Agreement can be, and in appropriate cases will be, enforced by legal process.

Failure to abide by Company rules and policies is a disciplinary matter which may result in dismissal.

Moreover, theft of the Company's intellectual property may justify criminal prosecution in some circumstances.

Q: How do I benefit when I contribute ideas?

A: People who generate useful ideas generally benefit through merit raises, promotion, and other forms of recognition. In addition, for those individuals whose ideas warrant the filing of a U.S. Patent Application, a cash award of up to \$1,000 is given at filing, with an additional \$200 awarded if the patent is granted, and most business units of the Company provide other forms of special recognition to inventors.

Q: Why provide additional compensation and recognition for patented inventions?

A: Patents don't just express the good ideas that may be part of a product. They also form tangible assets which may be used to preclude competitors from using an invention we developed first, and may be licensed, sold, or traded to acquire other patent rights. Because of this added value, the Company believes inventors should be rewarded with additional compensation and recognition for their creative efforts.

Q: What is involved in assigning an invention?

A: An assignment transfers all rights in an invention to the Company and obligates the inventor to assist in obtaining and enforcing any patent rights. This may include disclosing facts concerning the invention, providing testimony or signing legal documents. Of course, the Company assumes the expenses for such assistance.

Q: I'm not an engineer or scientist. Why do I need to sign the Agreement?

A: You don't have to be an engineer or scientist to have ideas or have knowledge of them. Every employee who provides an idea that improves a product or manufacturing process contributes to keeping the corporation competitive. The collection of all these ideas form the foundation of our intellectual property base which we seek to protect.

Q: I'm not working with the Company's private or proprietary information. Why should I have to sign the Agreement?

A: Nearly everyone in the Company has access to the private or proprietary information of the Company — maybe you haven't thought about it before. While you may not be exposed to such information now, your responsibilities may require you to have access to such information in the future. You need to understand your rights and responsibilities before that occurs.

Q: Why does UTC have this concern for intellectual property protection?

A: Pressures from increased competition and stronger patent laws prompted us to renew our emphasis on the protection of our intellectual property. This is not a new concern, however. Rather, it is an effort to increase awareness throughout the Company's intellectual property and to add consistency to the existing policy across division and subsidiary boundaries.

## Intellectual Property Agreement

### **Sample form for general use in U.S. and Canada (except California, Delaware, Illinois, Kansas, Minnesota, North Carolina, Utah and Washington).**

As a condition and in consideration of my employment by UNITED TECHNOLOGIES CORPORATION, or any of its direct or indirect subsidiaries, their successors or assigns (hereinafter referred to collectively as the EMPLOYER), I, the employee named below, agree as follows:

1. Unless the EMPLOYER has acquired specific authorization, I will not disclose to or use in my work with the EMPLOYER any proprietary information of others, including any of my prior employers.

2. I will not, either during or after my employment, use, publish or otherwise disclose, except for the EMPLOYER'S benefit in the course of such employment, any technical or business information developed by, for or at the expense of the EMPLOYER, or assigned or entrusted to the EMPLOYER by me or anyone else, unless such information is generally known outside of the EMPLOYER; and I will deliver to or leave with the EMPLOYER all written and other materials containing such information upon termination of my employment.
3. I agree that all trade secrets, all inventions, all works of authorship (including illustrations, writings, mask works, software and computer programs), and all other business or technical information created or conceived by me, either alone or with others, while employed by the EMPLOYER and related to the existing or contemplated business or research of the EMPLOYER or resulting from my work with the EMPLOYER, belong to the EMPLOYER. Until proven otherwise, any invention shall be presumed to have been conceived during such employment if within one (1) year after termination of such employment it is disclosed to others, or it is completed, or it has a patent application filed thereon.
4. I will promptly disclose to the EMPLOYER all trade secrets, inventions, works of authorship, and information which belongs to the EMPLOYER under paragraph 3 above; and I will assign to the EMPLOYER, or to others as directed by the EMPLOYER, all of my interest in such inventions and works of authorship, and I will execute any papers and do any acts which the EMPLOYER may consider necessary to insure to it any and all rights relating to such inventions and works of authorship, including all patents and copyrights (and renewal thereof) in any country.
5. I understand that the EMPLOYER agrees to pay to me, in addition to my salary and wages, the sum of Two Hundred Dollars (\$200.00) upon the granting of a (U.S. or Canadian) Patent on an invention assigned under the provisions of paragraph 4.

This Agreement supersedes all prior oral or written agreements and is effective with respect to the subject matter hereof subsequent to the date executed. This Agreement does not alter nor shall it be deemed to alter, the employment relationship, whether at-will or contractual, between the EMPLOYER and the EMPLOYEE.

I acknowledge receipt of an executed copy of this Agreement.

**Sample form for general use in California, Delaware, Illinois, Kansas, Minnesota, North Carolina, Utah and Washington.**

As a condition and in consideration of my employment by (capitalize name of hiring corp.), or any direct or indirect subsidiary of any of them, their successors or assigns (hereinafter referred to collectively as the EMPLOYER), I, the EMPLOYEE named below, agree as follows:

1. Unless the EMPLOYER has acquired specific authorization, I will not disclose to or use in my work with the EMPLOYER any proprietary information of others, including any of my prior employers.
2. I will not, either during or after my employment, use, publish or otherwise disclose, except for the EMPLOYER's benefit in the course of such employment, any technical or business information developed by, for or at the expense of the EMPLOYER, or assigned or entrusted to the EMPLOYER by me or anyone else, unless such information is generally known outside of the EMPLOYER; and I will deliver to or leave with the EMPLOYER all written and other materials containing such information upon termination of my employment.
3. I agree that all trade secrets, all inventions except those excluded from any obligation to assign to the EMPLOYER as a matter of law existing at the time such invention is made, all works of authorship (including illustrations, writings, mask works, software and computer programs), and all other business or technical information created or conceived by me, either alone or with others, while employed by the EMPLOYER and related to the existing or contemplated business or research of the EMPLOYER or resulting from my work with the EMPLOYER ("EMPLOYER's Intellectual Property"), belong to the EMPLOYER. Until I provide substantial evidence otherwise, any invention based on EMPLOYER's Intellectual Property shall be presumed to have been conceived during such employment if within one (1) year after termination of such employment it is disclosed to others, or it is completed, or it has a patent application filed thereon.

4. I will promptly disclose to the EMPLOYER all trade secrets, inventions, works of authorship, and information which belongs to the EMPLOYER under paragraph 3 above; and I will assign to the EMPLOYER, or to others as directed by the EMPLOYER, all of my interest in such inventions and works of authorship, and I will execute any papers and do any acts which the EMPLOYER may consider necessary to insure to it any and all rights relating to such inventions and works of authorship, including all patents and copyrights (and renewal thereof) in any country.
5. I will promptly report to the EMPLOYER, without disclosure of technical details, all inventions and improvements which I conceive alone or with others during my employment which I claim to be excluded from any obligation to assign to the EMPLOYER; if specifically requested by the EMPLOYER, I shall disclose the invention so reported, and such disclosure shall be received in confidence by the EMPLOYER for the purpose of evaluating respective rights thereto; and I will not use in my work with the EMPLOYER any invention or improvement which I conceive alone or with others which I claim is not included in the obligation to assign to the EMPLOYER without prior written permission from the employer to do so.
6. I understand that the EMPLOYER agrees to pay to me, in addition to my salary and wages, the sum of Two Hundred Dollars (\$200.00) upon the granting of a United States Patent on an invention assigned under the provisions of paragraph 4.

This Agreement supersedes all prior oral or written agreements and is effective with respect to the subject matter hereof subsequent to the date executed. This Agreement does not alter nor shall it be deemed to alter, the employment relationship, whether at-will or contractual, between the EMPLOYER and the EMPLOYEE.

I acknowledge receipt of an executed copy of this Agreement and a copy of the current inventor law of (appropriate state).

United Technologies Corporation  
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