**MOU BASICS**

**WHAT IS AN MOU?**

An MOU is often used as an ‘agreement to agree’. It generally establishes a framework for further collaboration between the parties and may contemplate the parties later entering into a more comprehensive and formal written agreement after further negotiations. MOUs are not usually intended to be legally binding, but see further below, as the legal effect of the document will ultimately depend on the parties’ intentions and how it is drafted and it is not uncommon for them to be a binding agreement.

The University may wish to enter into an MOU if it is exploring opportunities to collaborate with another organisation and would like to document the intended collaboration but has not yet agreed upon the specific details of what it may involve. For example, to explore opportunities for academic exchange between universities, with a formal, binding exchange agreement entered at a later date.

**WHEN MIGHT AN MOU BE USED?**

An MOU should not be used if important, high-risk or sensitive rights or obligations are intended to apply to the arrangement. For example, if the University is procuring or providing a product or service, exchanging personal information or generating or sharing intellectual property rights.

**WHEN SHOULDN’T AN MOU BE USED?**

Whether an MOU will be legally binding will depend on the parties’ intentions as evidenced by the document. The University’s standard template MOU has been drafted to be non-binding, except in relation to confidentiality and intellectual property. It is important to seek legal advice if you wish to make any changes to the University’s template or there are specific rights or obligations that the University may want to be legally enforceable.

**IS AN MOU A LEGALLY BINDING DOCUMENT?**

It is possible to draft an MOU in a way that provides for only some clauses to be legally binding on the parties. For example, the University’s template MOU expresses the confidentiality and intellectual property clauses to be legally binding with the remainder of the document intended to be non-binding. However, it is important to note that the confidentiality and intellectual property clauses in the University’s template are intentionally drafted to be general in nature and do not provide the University with comprehensive rights or protections.

Please seek further advice from Legal Services or Research Services (for Research collaborations), if the University is likely to exchange or generate sensitive confidential information or intellectual property or otherwise perform obligations that may require the benefit of detailed legally binding provisions.