

Free Non-Disclosure Agreement NDA template to keep your next product idea safe

Posted by Ben Mazur 06.12.2019

keep your idea safe with an NDA

- NDAs protect your vital business interests
- Be specific - ambiguous NDAs are a risk
- Define what is confidential
- Clearly define legal entities
- Make sure your NDA template includes a duration
- Download our free NDA template

Mazur, B, 6th December 2019, *Free Non-Disclosure Agreement template to keep your next product idea safe*, Ignitec - Product Design, Research and Technology Consultancy - Ignitec, Bristol, viewed: 17th February 2020,
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What is a non-disclosure agreement?

A non-disclosure agreement, NDA or confidentiality agreement is a legally binding agreement in the form of a signed contract made between two or more parties that agree not to share confidential or commercially sensitive material. An NDA can cover almost anything, from trade secrets, formulas and recipes to physical samples, hardware and data. Information is



shared between a disclosing party and a receiving party and the receiving party agrees to only use the information for a particular purpose.

Why sign a non-disclosure agreement?

It is very common practice for all parties to sign a non-disclosure agreement before developing new products as it enables companies to freely discuss and share data relating to proprietary processes and technology. Signing an NDA is a wise precaution to help ensure privacy when exchanging commercially sensitive material. They are often signed before entering into further business dealings, for example they help to ensure client confidentiality and protect commercial interests when sharing ideas with investors or designers.

Like any legal agreement, NDAs should be very specific, the more specific yours is, the more likely a court is to find in favour of it should you ever need to take action. NDAs can be difficult to enforce and the more vague they are, the more likely they are to be overturned in court.

Since you are here, you are probably looking for a good NDA template to protect your own confidential information before sharing with a prospective partner. We've put together a list of 3 common mistakes to avoid to make sure your NDAs are watertight or skip to the end for our free template which will help you get it right and make sure your information is safe.

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3 Common mistakes to avoid with your NDA

1. The NDA doesn't define what is confidential

If your NDA doesn't identify what the confidential information is, then it could become unenforceable and a court could throw it out. For example if the confidential information you will be sharing is CAD data or source code make sure that they are clearly included in the confidential information clause. General terms such as "business practices" and "confidential information" are unlikely to stand up to the legal test.



2. The NDA doesn't have a duration

Disclosing parties will want this duration to be as long as possible to limit the risk of sensitive data being disclosed and causing commercial harm. Receiving parties will want it to be lower to reduce the duration that an obligation of confidentiality is placed on them. NDAs normally have a duration of 2-3 years but it can also be longer. It is also common to see NDAs with no duration. It is important that the NDA states how long it will remain in force otherwise it can be interpreted that the agreement lasts indefinitely. If there is no duration already defined on the NDA then this must be negotiated and agreed between the parties.

3. The NDA doesn't properly identify the parties

It is important that all parties are identified with their correct legal name and correct legal entity type whether that is "limited", "Ltd", "LLP" etc. Also include the head office address and even a company number to avoid ambiguity. You should also identify the disclosing and receiving parties.

NDA template

Download this simple NDA template. You can fill out and sign this NDA template digitally using Adobe Acrobat or print it and fill it by hand.



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