

**JOINT OWNERSHIP AGREEMENT
BETWEEN
UNIVERSITY OF TEXAS SYSTEM
AND**

THIS Agreement (**AGREEMENT**) is between the Board of Regents (**BOARD**) of The University of Texas System (**SYSTEM**), an agency of the State of Texas, on behalf of the University of Texas Southwestern Medical Center at Dallas (**UT SOUTHWESTERN**), a component institution of SYSTEM whose address is 5323 Harry Hines Blvd., Dallas, Texas 75390-9094, and _____ (**XXXX**), whose address is _____.

RECITALS

A. _____ (**UT INVENTOR(S)**) at the time of conception of INVENTION (as defined below) was an employee [were employees]of UT SOUTHWESTERN.

B. _____ (**XXXX INVENTOR(S)**) at the time of conception of INVENTION was an employee [were employees]of XXXX.

C. In the course of research programs at UT SOUTHWESTERN and XXXX, UT INVENTOR(S) and XXXX INVENTOR(S) (collectively, **JOINT INVENTORS**) jointly made or reduced to practice INVENTION which is included within PATENT RIGHTS (as defined below);

D. BOARD and XXXX (hereinafter the **PARTIES** or **PARTY** as the case may be) have separate agreements with JOINT INVENTORS whereby the JOINT INVENTORS agree to assign all right, title and interest in an invention to their respective institutions, and whereby the JOINT INVENTORS agree to cooperate with and assist their respective institutions in preparing, filing, prosecuting and maintaining patent applications and patents relating to the INVENTION throughout the world;

E. The PARTIES desire to jointly own and jointly exploit INVENTION, all known-how and information relating to INVENTION and PATENT RIGHTS.

NOW, THEREFORE, in consideration of the mutual covenants and premises herein contained, the PARTIES agree as follows:

1. EFFECTIVE DATE

This AGREEMENT is effective _____ (**EFFECTIVE DATE**).

2. DEFINITIONS

2.1 **INVENTION** means the PARTIES respective rights in _____ invented by JOINT INVENTORS, further described in UT SOUTHWESTERN Intellectual Property Questionnaire attached as **Exhibit 1** (UT SOUTHWESTERN file reference UTSD:_____) and XXXX Intellectual

Property Questionnaire attached as **Exhibit 2** (XXXX file reference ____).

2.2 **LICENSE REVENUE** means the actual royalties, fees, payments, equity securities and other sums received in consideration of licenses or other rights granted to, or things of value delivered to, third parties in connection with the INVENTION and/or PATENT RIGHTS.

2.3 **PATENT EXPENSES** means all out-of-pocket expenses, as evidenced by actual invoices, incurred in searching, preparing, filing, prosecuting and maintaining INVENTION and/or PATENT RIGHTS.

2.4 **PATENT RIGHTS** means the PARTIES' respective rights in information or discoveries covered in patents and/or patent applications, whether domestic or foreign, which name [both/all] JOINT INVENTORS as inventors and which relate to the INVENTION, and any patent application(s) claiming the benefit of priority thereof including all divisions and continuations of these applications, all patents issuing from such applications, divisions and continuations, and any reissues, reexaminations, and extensions of all such patents to the extent that JOINT INVENTORS are both/all named as inventors thereon.

3. WARRANTY: SUPERIOR-RIGHTS

3.1 Except for the rights, if any, of the government of the United States of America (**GOVERNMENT**), as set forth below, the PARTIES, to the best of their knowledge, are under no obligation to anyone other than JOINT INVENTORS with respect to INVENTION and PATENT RIGHTS.

3.2 The INVENTION and PATENT RIGHTS may have been developed under a funding agreement with the GOVERNMENT and, if so, the GOVERNMENT may have certain rights relative thereto. This AGREEMENT, any licenses, the INVENTION and PATENT RIGHTS are explicitly made subject to the GOVERNMENT'S rights under any agreement and any applicable law or regulation. If there is a conflict between any agreement, applicable law or regulation and this AGREEMENT, the terms of the GOVERNMENT agreement, applicable law or regulation shall prevail.

4. PATENT PROSECUTION AND PROTECTION

4.1 The PARTIES will be joint and equal owners of INVENTION and PATENT RIGHTS.

4.2 The PARTIES will jointly select and approve outside counsel prior to incurring any PATENT EXPENSES.

4.3 The PARTIES will each use their best efforts to assure that JOINT INVENTORS fully cooperate in the preparation, filing, prosecution and maintenance of PATENT RIGHTS.

4.4 UT SOUTHWESTERN is responsible for preparing, filing, prosecuting and maintaining PATENT RIGHTS and will consult with and keep XXXX fully informed as to the status of PATENT RIGHTS which will be made in the name of both PARTIES. UT SOUTHWESTERN will copy XXXX on all patent related communications, including, but not limited to, patent applications, office actions and responses. The parties each have the right to review and comment upon the wording of specifications, claims and responses to office actions prior to their submission to the appropriate patent office. Prosecution or maintenance of any patent and/or patent applications included in PATENT RIGHTS will not be abandoned without the written consent of both UT SOUTHWESTERN and XXXX. If UT SOUTHWESTERN anticipates any extraordinary expenditures arising from the preparation, filing,

prosecution, or defense of any patent application or patent contemplated by this AGREEMENT, then UT SOUTHWESTERN will provide XXXX with full details and together the parties will determine a mutually acceptable course of action prior to incurring such expenditures.

4.5 Either PARTY may, upon reasonable written notice to the other PARTY, discontinue paying the PATENT EXPENSES associated with any particular patent application or patent within any national jurisdiction. If a PARTY decides to discontinue paying the PATENT EXPENSES for a particular patent application or patent within any national jurisdiction, the other PARTY may continue to pay such expenses in which event, the paying PARTY will own all right, title and interest in and to that patent application or patent within such national jurisdiction and the PARTY discontinuing payment will have no further rights in and to that particular patent application or patent within such national jurisdiction and will execute any assignments necessary to transfer full title to the paying PARTY.

5. LICENSING

The PARTIES will cooperate to commercialize, utilize and exploit INVENTION and/or PATENT RIGHTS and will keep each other informed of all such requests by third parties. Notwithstanding the above, neither PARTY has any right to commercialize, utilize, exploit and/or license INVENTION and/or PATENT RIGHTS without the express written permission of the other PARTY, which will not be unreasonably withheld. All licenses with respect to INVENTION and/or PATENT RIGHTS will be made jointly in the name of and executed by both PARTIES and will be administered by UT SOUTHWESTERN.

6. EXPENSES, PAYMENTS AND REPORTS

6.1 The PARTIES will share PATENT EXPENSES. BOARD through UT SOUTHWESTERN will be responsible for paying ___% of PATENT EXPENSES and XXXX will be responsible for paying ___% of PATENT EXPENSES. Both PARTIES recognize the other PARTY may incur certain legal expenses regarding INVENTION and/or PATENT RIGHTS related to matters pertaining solely to the other institution. In such circumstances, such expenses will not be considered PATENT EXPENSES. UT SOUTHWESTERN will maintain adequate records showing all PATENT EXPENSES incurred, which records will be made available to XXXX for inspection on reasonable notice. When possible, UT SOUTHWESTERN will notify and obtain XXXX'S approval prior to incurring PATENT EXPENSES. In the event that such notification is not provided prior to certain PATENT EXPENSES being incurred, XXXX will have the right to decline to pay for expenses that, in XXXX'S reasonable business judgment, were not incurred in a prudent manner or were not necessary in order to achieve the purposes of this AGREEMENT.

6.2 Within 45 days of the receipt of bills for any PATENT EXPENSES, UT SOUTHWESTERN will provide XXXX with an invoice for PATENT EXPENSES giving an accounting of the amount of PATENT EXPENSES incurred; the purpose of such PATENT EXPENSES being incurred; and the amount of PATENT EXPENSES owed by XXXX. Subject to the provisions of Section 6.1, XXXX will reimburse UT SOUTHWESTERN within 45 days of receiving an invoice for PATENT EXPENSES from UT SOUTHWESTERN.

6.3 Subject to the provisions of Section 4.5 and Article 5, LICENSE REVENUE will be shared by the PARTIES. If, in accordance with Section 4.5, one of the PARTIES discontinues paying PATENT EXPENSES for any patent or patent application, then such PARTY will not receive any additional proceeds from LICENSE REVENUE attributable to such patent or patent application other than the reimbursement of contributed PATENT EXPENSES. Any LICENSE REVENUE will be first applied to any unreimbursed PATENT EXPENSES incurred by XXXX and BOARD. In addition, after

reimbursement of PATENT EXPENSES, XXXX and UT SOUTHWESTERN may mutually agree to hold all or a portion of any remaining LICENSE REVENUE in anticipation of future unreimbursed PATENT EXPENSES. In the event XXXX and UT SOUTHWESTERN designate LICENSE REVENUE for disbursement, ___% of such LICENSE REVENUE will be retained by UT SOUTHWESTERN and ___% of such LICENSE REVENUE will be delivered to XXXX.

6.4 Within 45 days of the receipt of LICENSE REVENUE from any licensee, UT SOUTHWESTERN will provide XXXX with a written report giving an accounting of the total amount of LICENSE REVENUE received from any licensee; the amount of LICENSE REVENUE to be applied to reimbursement of PATENT EXPENSES; the amount of LICENSE REVENUE to be held in anticipation of future unreimbursed PATENT EXPENSES; the amount of LICENSE REVENUE retained by UT SOUTHWESTERN and the amount of LICENSE REVENUE due XXXX. Simultaneously with the delivery of such report, UT SOUTHWESTERN must pay to XXXX the amount due XXXX. All payments to XXXX must be in U.S. Dollars, by check payable to _____ and sent to:

Attn: _____

6.5 XXXX will have the right to cause an independent, certified public accountant reasonably acceptable to UT SOUTHWESTERN to audit financial records relating to LICENSE REVENUE and/or PATENT EXPENSES. Such audits may be exercised during normal business hours upon at least 30 days prior written notice to UT SOUTHWESTERN.

6.6 Each PARTY will be solely responsible for calculating and distributing to its respective JOINT INVENTORS their share, if any, of LICENSE REVENUES as specified under the PARTY'S respective patent policy or royalty policy.

7. TERM AND TERMINATION

7.1 The term of this AGREEMENT is from the EFFECTIVE DATE to the full end of the term or terms for which PATENT RIGHTS have not expired, or the date of termination of the last license agreement for INVENTION and/or PATENT RIGHTS, whichever is longer.

7.2 Either PARTY may terminate this AGREEMENT for any reasons upon 60 days written notice to the other PARTY.

7.3 Nothing herein will be construed to release either PARTY of any obligation matured prior to the effective date of termination.

8. INFRINGEMENT

8.1 When either PARTY becomes aware of a potential infringement of any PATENT RIGHTS, then that PARTY will notify the other PARTY as soon as possible and the PARTIES agree to discuss and determine how best to end such infringement. If the PARTIES agree to begin an action for patent infringement, the PARTIES agree that the reasonable expenses and disbursements paid in connection with such action will be considered PATENT EXPENSES and all monies actually received as a result of the patent infringement action will be considered LICENSE REVENUE. If the PARTIES cannot agree to commence an action for patent infringement, either PARTY will have the right to prosecute a patent

infringement action, and that PARTY will bear all the expense and be entitled to retain all monies received as a result of such action.

8.2 The PARTIES will each use their best efforts to assure that JOINT INVENTORS cooperate with and supply all assistance reasonably requested in connection with any patent infringement action.

8.3 If during a patent infringement action either PARTY decides to discontinue participating in the action, then the continuing PARTY may pay all expenses associated with such action and retain all recoveries from such action after reimbursing any infringement action related expenses incurred by the discontinuing PARTY at a rate equal to the percentage of total expenses contributed by the discontinuing PARTY.

9. CONFIDENTIAL INFORMATION

9.1 Subject to the rights of publication set forth in Sections 9.2 and 9.3 hereof, BOARD, UT SOUTHWESTERN, XXXX and JOINT INVENTORS will retain in confidence, and will not disclose to a third party without the written consent of the other PARTY: (i) INVENTION, or (ii) know-how possessed by JOINT INVENTORS relating to INVENTION, or (iii) all information in documents marked "confidential" forwarded to one by the other, or (iv) all biological materials related to INVENTION, or (v) any patent application included in PATENT RIGHTS. Each PARTY'S obligation of confidence hereunder will be fulfilled by using at least same degree of care with the other PARTY'S confidential information it uses to protect its own confidential information. This obligation will exist while this AGREEMENT is in force and for a period of 3 years thereafter.

9.2 Notwithstanding the provisions of Section 9.1, BOARD, UT SOUTHWESTERN, and XXXX will be free to: (i) publish information relating to INVENTION and/or PATENT RIGHTS in scientific journals, (ii) use INVENTION and/or PATENT RIGHTS in research, teaching and other educationally-related purposes, and (iii) maintain INVENTION and make it available to the nonprofit research community solely for non-commercial research, teaching and other educationally-related purposes, provided however that any transfer of INVENTION will be administered by a suitable agreement providing for non-commercial use of INVENTION (i.e., material transfer agreement, confidentiality agreement, etc.). In furtherance of that publication right, BOARD, UT SOUTHWESTERN and XXXX agree to supply the other with a copy of any manuscript prior to its submission for publication, to permit the other to evaluate such manuscripts in order to determine whether it contains patentable subject matter relating to INVENTION and/or PATENT RIGHTS. At the request of the receiving party, the submitting party agrees to delay publication in order to enable the preparation and filing of a patent application on any patentable subject matter described in the manuscript. In implementing the foregoing, within 30 days after receipt of a manuscript intended for publication, the receiving party will notify the submitting party whether or not a patent application will be filed in accordance with the terms and conditions of this AGREEMENT. If at the end of the 30 day period, the parties are unable to mutually agree to an acceptable date for publication to allow for the filing of a patent application, then the submitting party will notify the receiving party of its intent to submit such manuscript for publication without the receiving party's approval.

9.3 Nothing herein contained will preclude BOARD, UT SOUTHWESTERN or XXXX from making reports or disclosures as required by any organizations which provided funding that resulted in the creation of all or a part of INVENTION and/or PATENT RIGHTS.

10. GENERAL

10.1 Neither PARTY will use the name of the other PARTY, UT SOUTHWESTERN, SYSTEM or

PRELIMINARY DRAFT - For consideration and discussion only. This draft has NOT received final approval of necessary Executives nor the Office of General Counsel.

JOINT INVENTORS without express written consent.

10.2 This AGREEMENT may not be assigned by either PARTY without the prior written consent of the other PARTY.

10.3 This AGREEMENT constitutes the entire and only agreement between the PARTIES for INVENTION and PATENT RIGHTS and all other prior negotiations, representations, agreements, and understandings are hereby superseded. No agreements altering or supplementing these terms may be made except by a written document signed by both PARTIES.

10.4 Any notice required by this AGREEMENT must be given by facsimile transmission confirmed by personal delivery (including delivery by reputable messenger services such as Federal Express) or by prepaid, first class, certified mail, return receipt requested, addressed in the case of BOARD:

UT Southwestern Medical Center at Dallas
Office for Technology Development
5323 Harry Hines Boulevard
Dallas, Texas 75390-9094
ATTENTION: Ray Wheatley
Phone: (214) 648-1888
Fax: (214) 648-1889

with copies to:

Board of Regents
The University of Texas System
201 West 7th Street
Austin, Texas 78701
ATTENTION: Office of General Counsel
Phone: (512) 499-4462
Fax: (512) 499-4523

or in the case of XXXX to:

ATTENTION: _____
Phone: _____
Fax: _____

or other addresses as may be given from time to time under the terms of this notice provision.

10.5 Both PARTIES must comply with all applicable national, state and local laws and regulations in connection with its activities pursuant to this AGREEMENT.

10.6 Failure of a PARTY to enforce a right under this AGREEMENT will not act as a waiver of that right or the ability to later assert that right relative to the particular situation involved.

10.7 Headings are included herein for convenience only and shall not be used to construe this AGREEMENT.

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10.8 If any part of this AGREEMENT is for any reason found to be unenforceable, all other parts nevertheless remain enforceable.

IN WITNESS WHEREOF, the PARTIES hereto have caused their duly authorized representatives to execute this AGREEMENT.

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By _____
John A. Roan
Executive Vice President for Business Affairs
UT Southwestern Medical Center at Dallas

By _____
Name:
Title:

Date _____

Date _____

Approved as to Form:

By _____
BethLynn Maxwell, Ph.D., J.D.
Office of General Counsel
UT System

Date _____

Approved as to Content:

By _____
Dennis K. Stone, M.D.
Vice President for Technology Development
UT Southwestern Medical Center at Dallas

Date _____

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EXHIBIT 1

UT SOUTHWESTERN INTELLECTUAL PROPERTY QUESTIONNAIRE

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EXHIBIT 2

XXXX INTELLECTUAL PROPERTY QUESTIONNAIRE