

## SPONSORED RESEARCH AGREEMENT

This Sponsored Research Agreement ("Agreement"), effective as of this \_\_\_\_ day of \_\_\_\_\_ ("Effective Date"), is entered into by and between \_\_\_\_\_ ("Institution") and \_\_\_\_\_ ("Sponsor").

### 1. Background

1.1 Institution is the owner, by assignment from Dr. \_\_\_\_\_ ("Principal Investigator"), of his entire right, title, and interest in any and all inventions, discoveries and materials which are created or developed by him as a result of research performed at Institution.

1.2 Principal Investigator has expertise in the study of \_\_\_\_\_ and desires to conduct a Research Program, as hereinafter described, at Institution.

1.3 Sponsor desires to provide support for such Research Program in return for certain rights granted herein, and Institution is willing to grant such rights under the terms and conditions set forth herein.

Institution and Sponsor do hereby agree as follows:

### 2. Definitions

2.1 "Research Program" shall include, and be limited to, the research program to be conducted by the Principal Investigator as described in **Appendix A**; which shall be updated as appropriate, and as mutually agreed by the parties.

2.2 "IPR" shall mean Institution's intellectual property rights in and to any U. S. and foreign patent applications, and patents which issue therefrom, which claim any invention conceived or first reduced to practice in the performance of the Research Program during the term of this Agreement, as well as Institution rights in and to any unpatentable invention, discovery, process, method or Institution Materials conceived or first reduced to practice in the performance of the Research Program during the term of this Agreement.

2.3 "Institution Materials" shall mean biological materials, whether patentable or unpatentable, which are created or discovered as a result of the Research Program during the term of this Agreement.

2.4 "Option" shall mean the exclusive option to negotiate, in good faith, an exclusive, worldwide, royalty-bearing license, with the right to sublicense, for any IPR.

2.5 "License Agreement" means the exclusive license agreement to be negotiated between Sponsor and Institution upon exercise of the Option granted herein.

2.6 "Patent Costs" shall mean any and all expenses incurred by Institution in the filing, prosecution and maintenance of patent applications or patents claiming any IPR for which Sponsor has elected to exercise its Option.

3. Performance of the Research Program. Institution shall undertake the Research Program, which shall be conducted under the direct supervision of Principal Investigator. The Research

Program may be modified upon mutual written agreement of the parties.

4. Funding of the Research Program. Sponsor will pay to Institution all direct and indirect costs associated with performing the Research Program as detailed in the budget attached as **Appendix B. Payment shall be made as follows:**

5. Intellectual Property.

5.1 Inventions. Institution shall promptly notify Sponsor in writing of IPR developed as a result of the Research Program during the term of this Agreement ("Notification").

5.1.1 Any IPR resulting from the Research Program for which Institution employees are the sole inventors under U.S. patent law ("Institution Invention") shall be the exclusive property of Institution.

5.1.2 Any IPR resulting from the Research Program for which Institution employees and Sponsor employees are joint inventors ("Joint Invention") shall be jointly owned by Institution and Sponsor.

5.2 Patents. Institution and Sponsor shall consult with each other and consider the reasonable comments of the non-filing party, on the filing of all U.S. and foreign patent applications which claim Institution Inventions or Joint Inventions. Institution shall file, prosecute and maintain, at its own expense and discretion, all U.S. and foreign patent applications and patents issuing thereon claiming any Institution Invention. Sponsor shall file (on behalf of Institution and Sponsor), prosecute and maintain, at its own expense, all U.S. and foreign patent applications claiming any Joint Invention. Sponsor shall consult with and keep Institution informed of such efforts, and it shall provide Institution with copies of all relevant documentation with respect thereto. Sponsor shall give Institution reasonable time to review and comment upon any draft application, official paper from any patent office requiring a response, and any proposed response thereto. Should Sponsor elect not to file, continue prosecution of, or maintain a patent application or patent claiming a Joint Invention, it will promptly notify Institution and Institution may file, prosecute or maintain such patent application or patent at its own expense and shall have sole rights thereafter to the subject Joint Invention, notwithstanding the provisions of Paragraph 7.2.

6. Option.

6.1 In consideration for Sponsor's funding of the Research Program, Institution hereby grants to Sponsor, and Sponsor accepts the Option for IPR. Sponsor shall have sixty (60) days from the receipt of Notification to provide Institution with written notice of its election to exercise such Option. Failure of Sponsor to so notify Institution within this time period shall be deemed to be an election by Sponsor not to secure a license, in which case Institution shall have the unrestricted right to license IPR to third parties.

6.2 Should Sponsor elect to exercise its Option for any IPR, the parties agree to promptly commence negotiations, in good faith, of a License Agreement to be entered into no later than three (3) months after the date of the exercise of the Option. Such License Agreement shall take into consideration the relative contributions of both parties including the support provided by Sponsor to the Research Program and shall include at least the following provisions: a license fee, royalty payments, reimbursement by Sponsor of past, present, and future Patent Costs, the right

to grant sublicenses, a summary of a commercial development plan for the IPR, the right of Institution to terminate the license should Sponsor not meet specified milestones, and indemnity and insurance provisions satisfactory to Institution's insurance carrier. If the parties are unable to reach an agreement, Institution shall be free to offer the IPR for licensing to third parties but for a period of one (1) year after failure to reach an agreement shall not license the subject IPR to any third party on terms more favorable than those offered to Sponsor without first offering such terms to Sponsor.

6.3 If Sponsor elects not to exercise its Option for any Institution Inventions pursuant to Paragraph 6.1, Sponsor shall have no further rights to such IPR, notwithstanding the provisions of Paragraph 7.2.

## 7. Retained Rights.

7.1 Institution shall retain the right to use any IPR exclusively licensed to Sponsor for internal research and educational purposes only. Institution shall retain the right to transfer any such Institution Materials and related information or technology developed or created by Institution employees during the course of the Research Program to other not-for-profit institutions, solely for internal non-commercial research use and educational purposes. Institution agrees that it will not transfer such Institution Materials and related information or technology to any commercial entity without the prior written approval of Sponsor, nor will it grant to any of the aforementioned not-for-profit institutions the right to so transfer.

7.2 For any IPR covered under this agreement which is made in part using funds or resources obtained from the U.S. Government, the U.S. shall retain certain rights as set forth in the Bayh-Dole Act, 35 U.S.C. §§200 et seq.

7.3 Sponsor shall retain the right to use any IPR developed within the Research Program for internal research purposes.

## 8. Confidentiality and Use of Names.

8.1 "Confidential Information" shall mean any nonpublic information disclosed by one party to the other for the purpose of supporting performance under this Agreement. In the absence of express permission to the contrary, a party in receipt of Confidential information from the other party shall not transfer such information to any third party and will use such information for internal research purposes only.

8.2 Nothing contained herein shall in any way restrict or impair the right of Sponsor or Institution to use, disclose, or otherwise deal with any information or data which:

(a) at the time of disclosure to a receiving party is generally available to the public or thereafter becomes generally available to the public by publication or otherwise through no act of the receiving party; or

(b) the receiving party can show by written record was in its possession prior to the time of disclosure to it hereunder; or

(c) is independently made available to the receiving party as a matter of right by a third party; or

(d) is subject to disclosure by requirements of law.

8.3 Neither of the parties shall use the name of the other party in any public disclosure, publicity or advertising involving the fact of this Agreement or its subject matter without the prior written approval of the other party, unless required to do so by law.

9. Reports. Institution agrees that the Principal Investigator will furnish Sponsor with a final written report summarizing all of the results of the Research Program within sixty (60) days of expiration of this Agreement. Sponsor shall have the unrestricted right to use all of the information included in any such report for internal research purposes only.

10. Publications. Sponsor recognizes that Principal Investigator may wish to publish or otherwise publicly disclose the results of the Research Program. Institution agrees to submit all such intended publications or presentations to Sponsor at least thirty (30) days prior to any submission or other public disclosure and to delete any Confidential Information belonging to Sponsor. If Sponsor determines that the publication or intended presentation contains patentable subject matter related to an Institution Invention or to a Joint Invention, Institution agrees to postpone publication or presentation for an additional sixty (60) days to permit the filing of a patent application or the deletion of such Confidential Information.

#### 11. Term and Termination

11.1 Term. Unless otherwise terminated by operation of law or by acts of the parties in accordance with the terms of this Agreement, this Agreement shall be in full force and effect from the Effective Date and shall expire upon completion of the Research Program, unless otherwise agreed to by both parties in writing.

#### 11.2 Termination.

a) by Institution. If Sponsor fails to meet any of its obligations under this Agreement and fails to remedy these failures within sixty (60) days after receipt of written notice thereof, Institution may terminate this Agreement upon written notice thereof, which shall terminate any further Option granted to Sponsor under this Agreement. Any termination of this Agreement shall not affect the rights or obligations granted to Sponsor under any Option previously exercised, or License Agreement executed, prior to the termination of this Agreement. If this Agreement is terminated by Institution for any reason other than Sponsor's failure to meet its obligations hereunder, Institution shall repay to Sponsor the uncommitted balance, if any, of the Research Program funding which was paid by Sponsor to Institution pursuant to Paragraph 4.

b) by Sponsor. In the event Principal Investigator is unable to continue supervision of the Research Program for a period in excess of sixty (60) days, Institution shall so notify Sponsor and may nominate a replacement. If Institution does not nominate a replacement or if that replacement is unsatisfactory to Sponsor, Sponsor may terminate this Agreement upon thirty (30) days written notice to Institution. In the event Institution fails to meet its obligations under this Agreement and shall fail to remedy these failures within sixty (60) days after receipt of written notification thereof, Sponsor shall have the option of terminating this Agreement upon written notice thereof, and such right to terminate shall be Sponsor's sole remedy at law or in equity. If this Agreement is terminated by Sponsor due to Institution's failure to meet its obligations hereunder, Institution shall repay to Sponsor the uncommitted balance, if any, of the Research Program funding which was paid by Sponsor to Institution pursuant to Paragraph 4. Any other termination of this Agreement by Sponsor shall not relieve Sponsor of its obligation to pay any

monies due or owing to Institution at the time of such termination and shall not impair any accrued right of Institution.

11.3 Survival. Sections 5.2, 6, 7, 8, 9, 10, 11.2, 12, 13 and 15 shall survive any termination of this Agreement.

12. Indemnification. Sponsor agrees to indemnify, defend and hold harmless Institution and its corporate affiliates and Boards of Governors, officers, staff, representatives and agents against all damages, expenses (including without limitation legal expenses), claims, demands, suits or other actions such as product liability claims, arising in connection with this Agreement or the Research Program. Institution shall promptly notify Sponsor of any such claim and shall cooperate with Sponsor and its insurance carrier in the defense of the claim. Sponsor agrees to submit any proposed settlement to Institution in advance of its approval. Upon the first commercial sale of any product developed under the IPR herein, Sponsor agrees to procure and maintain comprehensive general liability insurance against any claims or expenses for which it is obligated to indemnify as provided above, or maintain a comparable program of self-insurance and upon the request of Institution, Sponsor shall provide Institution with a certificate of insurance or letter of self-insurance, evidencing the same.

13. Warranties.

13.1 INSTITUTION MAKES NO WARRANTIES, EXPRESS OR IMPLIED AS TO ANY MATTER WHATSOEVER, INCLUDING WITHOUT LIMITATION THE CONDITION, ORIGINALITY, OR ACCURACY OF THE RESEARCH PROGRAM OR ANY INVENTION(S) OR PRODUCT(S), WHETHER TANGIBLE OR INTANGIBLE CONCEIVED, DISCOVERED, OR DEVELOPED UNDER THIS AGREEMENT; OR THE OWNERSHIP, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE RESEARCH PROGRAM OR ANY SUCH INVENTION OR PRODUCT. INSTITUTION SHALL NOT BE LIABLE FOR ANY DIRECT, CONSEQUENTIAL, OR OTHER DAMAGES SUFFERED BY SPONSOR, ANY SUB-LICENSEE, OR ANY OTHERS RESULTING FROM THE USE OF RESULTS OF THE RESEARCH PROGRAM OR ANY INVENTION OR PRODUCT RESULTING THEREFROM.

13.2 Nothing in this Agreement shall be construed as:

- (a) a warranty or representation by Institution as to the validity or scope of any IPR; or
- (b) a warranty or representation that anything made, used, sold or otherwise disposed of under any license of IPR from Institution is or will be free from infringement of patents of third parties; or
- (c) an obligation to bring or prosecute actions or suits against third parties for patent infringement; or
- (d) conferring by implication or otherwise any license or rights under any patents of Institution other than IPR as defined herein, regardless of whether such patents are dominant or subordinate to IPR; or
- (e) an obligation to furnish any know-how not provided under IPR.

13.3 Institution has the authority and legal right to enter into this Agreement, to perform its

obligations hereunder, and to grant the rights to Sponsor as herein granted. All necessary consents, approvals and authorizations of all governmental authorities and other persons required to be obtained in connection with the execution, delivery and performance of this Agreement have been and shall be obtained. The execution and delivery of this Agreement and the performance of Institution's obligations hereunder do not conflict with or violate any requirement of applicable laws or regulations and do not and shall not conflict with, violate or reach or constitute a default or require any consent under any contractual obligation of Institution.

14. Notices. Notices hereunder shall be deemed sufficient if given by registered mail, postage prepaid, and addressed to the party to receive such notice at the address given herein, or such other address as may hereinafter be designated by notice in writing, or telecopied with a return telecopy confirmation.

To Institution: \_\_\_\_\_

To Sponsor:

15. Title to Equipment. Institution shall retain any equipment purchased and/or fabricated by it with funds provided by Sponsor under this Agreement.

16. Waiver. None of the terms of this Agreement may be waived or modified except by an express agreement in writing signed by both parties. The failure or delay of either party in enforcing any of its rights under this Agreement shall not be deemed a continuing waiver or a modification by such party of such right.

17. Severability. If one or more provisions of this Agreement shall be found to be illegal or invalid, it shall not affect the legality or validity of any of the remaining provisions hereof.

18. Independent Contractors. The relationship created by this Agreement shall be that of independent contractors with neither party having the authority to bind or act as agent for the other party or its employees for any purpose.

19. Amendment. The parties may, from time to time during the term of this Agreement, modify any of the provisions of this Agreement only by an instrument duly executed by both parties.

20. Assignment. This Agreement shall not be assignable by either party without the prior written consent of the other party, except to affiliates or successors in interest to the business to which this Agreement pertains. Any and all assignments not made in accordance with this section shall be void.

21. Governing Laws. This Agreement shall be construed and enforced under the laws of the State of \_\_\_\_\_.

22. Entire Agreement. This Agreement constitutes the entire understanding of both parties with respect to the subject matter herein contained and supersedes any previous agreements on

this subject matter executed by these parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers or representatives on the respective dates indicated below.

Sponsor

Institution

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Agreed to by \_\_\_\_\_  
Principal Investigator

Date: \_\_\_\_\_