

This model document is the work product of a coalition of technology transfer professionals, university general counsel and outside counsel. This document is intended to serve as a starting point, and should be tailored to meet your specific requirements. This document should not be construed as legal advice for any particular facts or circumstances.

~~*{Users of the Model IIA (2013) are encouraged to review the accompanying User Guide.}*~~

MODEL INTER-INSTITUTIONAL AGREEMENT (ANNOTATED)

Last updated October 21, 2015

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~~Model IIA (2013) Final~~

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INTRODUCTION

The Model Inter-Institutional Agreement (Model IIA) was developed by a diverse group of U.S. research institutions to create a template as a common starting point for IIA negotiations. It is intended to supplement, not replace, the existing body of IIA templates, although some institutions may choose to use it as their standard template agreement.

The Model IIA has been endorsed by more than ___ research institutions. By endorsing the Model IIA, research institutions express their commitment to use the Model IIA as a starting point for negotiations of an Inter-Institutional Agreement for the management of jointly-owned patents if requested by another endorsing institution. For more information, see www.modeliia.org.

An annotated version of the Model IIA with footnotes explaining many of the provisions, as well as suggestions for the customization of some provisions if desired by the parties, is available at www.modeliia.org. To use the Model IIA, the parties only need to do the following:

- complete the table at the beginning of the document with the identity of the parties and other transaction-specific terms (Part 1),
- customize the signature blocks at the end of Part 2, and
- include Exhibit A furnished by the non-lead institution (its requirements for a license agreement). Each institution using the Model IIA is encouraged to customize the sample Exhibit A provided or create its own Exhibit A to reflect its specific license agreement requirements and institutional policies.

If the parties wish to customize any of the standard terms and conditions (Part 2), they are encouraged to indicate which sections have been changed in the “Changes in General Terms” section of Part 1 and exchange redlines to show the changes. The Model IIA only covers the joint management of patent rights. It does not encompass know how or technology rights, software, materials or other forms of intellectual property. The Model IIA requires customization to accommodate anything beyond patent rights.

The Model IIA can be used for any number of patent co-owners by adding additional co-owners as “Other Institutions” to the table in Part 1 and inserting signature blocks for the additional owners. When there are three or more co-owners, parties may wish to consider whether it would be appropriate for certain rights of the Other Institutions to be exercised by the Other Institutions in concert, and the parties should carefully consider the operational aspects of the designated consequences of a party withdrawing from paying its share of patent expenses (see Part 1 and Section 2.3).

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The preparation and upkeep of the Model IIA is an open process managed by a task force of volunteers. Current members of the task force can be found at www.modeliaa.org. New volunteers are always welcome.

INTER-INSTITUTIONAL AGREEMENT

This Inter-Institutional Agreement (“Agreement”) is made and entered into as of the Effective Date set forth below between the Lead Institution and Other Institution(s) identified below (together, the “Parties”). This Agreement consists of: Part 1 (“Transaction Terms”) which identifies the Parties, the patent rights subject to this Agreement, the economic arrangements between the Parties, and other transaction-specific terms; Part 2 (“General Terms”) which contains the general terms and conditions; and Exhibit A which includes terms to be included in any license ~~agreement~~ of the patent rights subject to this Agreement.

The ~~parties~~Parties hereby agree as follows:

Part 1 – Transaction Terms

<u>Lead Institution</u> <i>[Lead Institution name and address]</i> _____ _____ _____		<u>Other Institution(s)</u> <i>[Other Institution name and address]</i> _____ _____ _____		
Attn: _____ <u>[Email: _____]</u>		Attn: _____ <u>[Email: _____]</u>		
<u>Effective Date</u>	_____, 201 <u>20</u>			
<u>Patent Rights</u>	<i>Internal Reference No.</i>	<i>Serial No./Date of Filing</i>	<i>Title</i>	<i>Inventors (including employer at time of invention)</i>
<u>Share of Net Consideration</u>	[Name of Lead Institution]: ___% [Name of Other Institution]: ___%			
<u>Share of Patent Expenses</u>	[Name of Lead Institution]: ___% [Name of Other Institution]: ___%			
<u>Patent Expense Cap</u> <u>Notice Level</u>	<u>[Insert capthreshold (e.g., \$5,000/calendar year) to trigger advance notice requirement or state “None.” If Lead Institution is paying 100% of Patent Costs, state “Not applicable”]</u>			
<u>Consequences of Withdrawal</u>	<u>[Select one of the following alternatives and delete the others. See §2.3]</u> <ul style="list-style-type: none"> • <u>Not applicable (Lead Party is paying 100% of Patent Expenses)</u> • <u>2.3(a) Reduce Withdrawing Party’s Share of Net Consideration by ___%</u> • <u>2.3(a) Reduce Withdrawing Party’s Share of Net Consideration to 0%</u> • <u>2.3(b) Other Party(ies) recover ___ times the Covered Expenses</u> • <u>2.3(c) Share only with Withdrawing Party’s Inventors</u> • <u>2.3(d) Meet and Confer</u> 			
<u>Past Patent Expenses</u>	[Name of Lead Institution]: \$ _____ [Name of Other Institution]: \$ _____			
<u>Administration</u>	<u>[Specify %, or state “None.” If there is a cap, specify here. If there are</u>			

<i>Fee</i>	special conditions that trigger payment of the Administration Fee, such as paying foreign patent expenses or managing litigation, specify here.]
<i>Third-Party Interests</i>	[Identify specific <u>existing licenses, sponsor rights or other encumbrances by institution and by patent right (if applicable), including U.S. federal funding with agency name(s) and grant numbers, or state “None”]</u>
<i>Governing Law</i>	[Specify “State of _____” or other jurisdiction; or state “None” if the parties Parties wish to remain silent on choice of governing law.]
<i>Changes in General Terms</i>	[State “No changes” or identify the specific Paragraphs Sections that have been changed from the standard template]

Part 2 – General Terms

1. Definitions

The following capitalized terms have the meanings set forth below.

“Administration Fee” means the fee retained by Lead Institution as consideration for acting as lead under this Agreement. The amount of the Administration Fee, if any, is identified in the Transaction Terms and is calculated as a percentage of License Consideration after subtracting Patent Expenses reimbursed therefrom.

~~“Declining Party” means a Party that notifies the other Party(ies) that it elects to abandon particular Patent Rights or elects to not pay or to discontinue paying its Share of Patent Expenses for particular Patent Rights in accordance with Paragraphs 2.2, 2.3, 4.1(b) or 4.1(c), including declining to pay expenses in excess of the Patent Expense Cap set forth in the Transaction Terms, if any.~~

“Covered Expenses” has the meaning given in Section 2.3.

“Extraordinary Patent Expenses” means Patent Expenses that are either (a) in excess of the Patent Expense Notice Level, if any, set forth in the Transaction Terms, or (b) incurred in the defense of a challenge made to the validity of Patent Rights, such as an *inter partes* review, interference or opposition proceeding.

“General Terms” has the meaning given in the first paragraph of this Agreement.

~~“License Agreement” means any agreement entered into by Lead Institution on behalf of both Lead Institution and the Other Institution(s) pursuant to the rights conferred by this Agreement~~ granting Licensee the right to make, have made, import, use, offer to sell ~~and/~~ or sell products or services covered by Patent Rights, or any agreement granting an option for such a license.

“License Consideration” means collectively all money and other items of value (excluding research grants), including up-front license fees (whether cash, equity, or other consideration), annual maintenance fees, patent expense reimbursements, milestone fees, minimum royalties, earned royalties, and other consideration received from a Licensee or its sublicensees, or otherwise received on account of licensing or optioning the Patent Rights.

“Licensee” means a third party ~~who has been~~ granted an interest in the Patent Rights pursuant to a License Agreement with Lead Institution.

“Net Consideration” means the License Consideration less the Administration Fee and unreimbursed Patent Expenses paid by the Parties.

“Patent Expenses” means all reasonable, out-of-pocket expenses incurred relating to the preparation, filing, prosecution, maintenance or defense of Patent Rights, both past and future. For avoidance of doubt, the salaries and overhead costs of each Party’s technology transfer office or legal affairs office are not included as out-of-pocket expenses for purposes of calculating the Patent Expenses.

“Patent Rights” means worldwide rights to the inventions described and claimed in the patents and patent applications identified as Patent Rights in the Transaction Terms; reissues, reexaminations, renewals, extensions, divisionals, continuations (including continuations-in-part (CIPs) only to the extent that the claims in such CIPs are entitled to the priority date of, and fully supported by, another patent or application in the Patent Rights) of the foregoing; and any extensions of or supplementary protection certificates referencing any of the foregoing, foreign counterparts and any other forms of protection directed to the inventions covered by the patents and patent applications identified as Patent Rights in the Transaction Terms.

“Share of Net Consideration” means the respective percentage allocated to each Party of Net Consideration, as set forth in the Transaction Terms.

“Share of Patent Expenses” means the respective responsibility allocated to each Party for Patent Expenses, as set forth in the Transaction Terms.

“Third-Party Interests” means rights of licensees, research sponsors (~~other than~~including the U.S. government) or other third parties in the Patent Rights or in the proceeds of licensing the Patent Rights, other than inventors’ interest under the Parties’ intellectual property policies. The Third-Party Interests, if any, are identified in the Transaction Terms.

“Transaction Terms” has the meaning given in the first paragraph of this Agreement.

“Withdrawing Party” means an Other Institution that either (a) notifies the other Party(ies) that it elects to not pay or to discontinue paying all or some portion of its future Share of Patent Expenses in accordance with Sections 2.2, 4.1(b) or 4.1(c), including declining to pay expenses in excess of the Patent Expense Notice Level set forth in the Transaction Terms, or (b) defaults in its obligation to pay its Share of Patent Expenses and does not cure such default within 30 days of written notice of the default.

2. Patent Prosecution and Protection

2.1 Authority to File Patents. The Lead Institution ~~shall have~~has the responsibility and authority to take all reasonable actions necessary and appropriate to seek patent protection for the Patent Rights in accordance with the terms of ~~the~~this Agreement. The Lead Institution may not delegate this authority to a Licensee, unless stated otherwise in Exhibit A or unless such delegation is approved by the Other ~~Institution~~Institution(s) for a particular Licensee (or deemed approved in accordance with ~~Paragraph~~Section 3.3). Although the Lead Institution ~~shall~~will have the ultimate decision authority in these matters, the Lead Institution ~~shall~~will use reasonable efforts to keep the Other Institution(s) reasonably informed as to all material ~~matters relevant to the~~ patent prosecution ~~process~~actions and ~~decision matters~~decisions, and the Lead Institution ~~shall~~will give due consideration to any recommendations made by the Other Institution(s) concerning the patent prosecution ~~matters~~. Lead Institution will provide, or direct outside patent counsel to provide, Other Institution(s) with all serial numbers and filing dates, together with copies of all applications in the Patent Rights and patents that issue from the Patent Rights, including copies of all office actions, responses and all other communications from the U.S. Patent and Trademark Office and the patent offices in any other jurisdictions.

2.2 Foreign Patent Prosecution. In instances where there is no commitment from a Licensee to reimburse Patent Expenses, Lead Institution ~~shall~~will consult with the Other Institution(s) regarding foreign filings reasonably in advance of the filing deadline. If an Other Institution(s) is not willing to ~~support~~pay its Share of Patent Expenses for any such foreign filing, it ~~shall~~will so notify the Lead Institution in writing in accordance with Section 4.1(c) and the consequences stated under ~~Paragraph 2.4~~Section 2.3 will apply if the Lead Institution elects to proceed with foreign filings.

2.3 Consequences of Other Institution Withdrawing from Paying or Defaulting on Payment of Patent Expenses. If an Other Institution becomes a Withdrawing Party, then the other Party(ies) may elect to either terminate this Agreement by providing 30 days' prior written notice, or to pay the Withdrawing Party's Share of Patent Expenses (the "Covered Expenses"). If the other Party(ies) elect to pay the Covered Expenses, the "Consequences of Withdrawal" indicated in the Transaction Terms will apply, subject to the following:

(a) If the Transaction Terms indicate a reduction in the Withdrawing Party's Share of Net Consideration, that reduction will only be applicable to Net Consideration reasonably attributable to the Patent Rights for which the other Party(ies) are paying Covered Expenses;

(b) If the Transaction Terms indicate a recovery of a multiple of the Covered Expenses, the Party(ies) paying the Covered Expenses will be entitled to recover that amount from the first of any License Consideration reasonably attributable to Patent Rights for which the other Party(ies) are paying Covered Expenses;

(c) If the Transaction Terms indicate "Share only with Withdrawing Party's Inventors," then the Withdrawing Party's Share of Net Consideration for any Net Consideration reasonably attributable to the Patent Rights for which the other Party(ies) are paying Covered Expenses will be reduced to zero, but the paying Party will pay the Withdrawing Party's inventors a share of such Net Consideration in accordance with the paying Party's policy;

(d) If the Transaction Terms indicate “Meet and Confer,” then the Parties will confer and negotiate in good faith a fair accommodation to the other Party(ies) for the additional cost and risk, if any, assumed by paying the Covered Expenses; and

(e) Nothing in this Section 2.3 will eliminate the right of a Withdrawing Party under Section 4.2(b) to reimbursement of Patent Expenses actually paid by the Withdrawing Party.

~~2.3~~ 2.4 Abandonment of Patent Rights— by Lead Institution. The Lead Institution ~~shall~~will not abandon the prosecution of any patent application (except in favor of a continuation, divisional or continuation-in-part application) or the maintenance of any Patent Rights without notifying the Other Institution(s) in writing at least 90 days in advance of any applicable deadline and allowing the Other Institution(s) the opportunity to prosecute or maintain such Patent Rights at its sole expense in the name of Other Institution(s) and Lead Institution ~~in accordance with paragraph 2.4.~~ If the Other Institution(s) wishes to continue prosecution of such Patent Rights, then the Parties will negotiate in good faith an appropriate arrangement to enable the Other Institution(s) to continue prosecution and commercialization of such Patent Rights, which may include the Parties entering into a new agreement that gives an Other Institution the lead in patent prosecution and licensing with appropriate adjustments in the economic arrangements between the Parties.

~~2.4 Consequences of Declining Payment of Patent Expenses. If a Party elects to abandon particular Patent Rights or elects to not pay or discontinue paying its Share of Patent Expenses and thereby become a Declining Party, then the other Party(ies) may elect to (a) pay the Declining Party’s Share of Patent Expenses and the Agreement remains in force, or (b) terminate the Agreement by providing 30 days prior written notice.~~

2.5 Patent Assignments. Lead Institution will record assignments of Patent Rights in the names of the Lead Institution and the Other Institution(s) in the ~~United States~~U.S. Patent and Trademark Office and other government patent offices, as applicable, and will provide Other Institution(s) with a ~~photocopy~~copy of each recorded assignment.

3. Licensing

3.1 Exclusive Right to License. Subject to the terms and conditions of this Agreement and Lead Institution’s compliance therewith, Other Institution(s) hereby grants to Lead Institution (a) the exclusive right and final authority to negotiate, execute, and administer any License Agreement covering Agreements that comply with the requirements of Section 3.6, and (b) except as permitted under Section 3.4, the exclusive license to grant licenses to Other Institution(s)’ rights in the Patent Rights ~~in accordance with the terms of this Agreement.~~ Other Institution(s) will not license the Patent Rights ~~(other than to the U.S. government, if applicable) unless this Agreement is terminated,~~ except as permitted under Section 3.4.

3.2 Efforts to License. Lead Institution will use reasonable efforts, consistent with its usual practices, to seek Licensee(s) for the commercial development of Patent Rights and will administer ~~the all~~ License Agreements for the mutual benefit of the Parties and in the public interest. Lead Institution ~~shall~~will exercise ~~its~~ reasonable efforts to ensure that any

Licensee ~~shall~~ fully ~~comply~~complies with the terms of any License Agreement. Under no circumstances ~~shall~~will Lead Institution be liable to Other Institution(s) for monetary damages for any alleged failure by Lead Institution to meet the obligations stated in this ~~Paragraph~~Section 3.2.

3.3 ~~License Agreement. Lead Institution will have the final authority to enter into negotiations and execute License Agreement(s), subject to compliance with this paragraph and Paragraph 3.6.~~ Lead Institution will provide Other Institution(s) with a substantially final draft of any License Agreement or amendment to a License Agreement prior to execution for the Other Institution(s) to review for compliance with ~~Paragraph~~Section 3.6 of this Agreement. Other Institution(s) agrees that if it does not provide objections or comments within ~~fifteen~~ ~~(15)~~10 business days of its receipt of the substantially final draft of the License Agreement or amendment, Other Institution(s) ~~shall~~will be deemed to have approved it. Other Institution(s) acknowledges that ~~it~~the Other Institution(s) may not withhold approval of a License Agreement or amendment because of its expected financial return (e.g., royalties or equity level). The Lead Institution will provide the Other Institution(s) a copy of any License Agreement or amendment that is executed.

3.4 Reserved Rights. Each Party expressly reserves the right to use the Patent Rights and associated inventions or technology for educational and research purposes, and to grant such educational and research rights to other non-profit institutions. Each Party can also license rights to the U.S. government as required by its obligations related to research funding.

3.5 No Agency Relationship. This Agreement does not create an agency relationship between the Parties.

3.6 Terms of License Agreements. License Agreements must include, ~~without limitation,~~ the terms identified in Exhibit A and be consistent with any policies and requirements of the Other Institution(s) identified in Exhibit A, except to the extent that a License Agreement with deviations therefrom is approved by the Other Institution(s) or deemed approved in accordance with ~~Paragraph~~Section 3.3.

3.7 Equity in Licensees. If the ~~consideration for a grant of a license to the Patent Rights~~License Consideration includes equity in the Licensee, the Lead Institution ~~shall~~will in accordance with its regular practices either (a) allocate the equity among the Parties in accordance with each Party's Share of Net Consideration ~~after~~without giving effect to ~~the any~~ Administration Fee, ~~if any,~~ and promptly distribute to the Other Institution(s) its share of the equity, or (b) hold such equity until it receives cash on account of such equity whether by way of dividend, sale of shares, merger or other transaction or event and then allocate and distribute such cash as License Consideration hereunder. If Exhibit A provides requirements that dictate a particular handling of equity, then that provision will take precedence over this Section 3.7. The Lead Institution will use its reasonable efforts to obtain for the Other Institution(s) information about the Licensee relevant to the equity issuance that is reasonably requested by the Other Institution(s).

3.8 No Implied License. This Agreement grants no express or implied license in any rights of either Party except for the rights explicitly granted in Patent Rights.

4. Financial Terms

4.1 Patent Expenses.

(a) The Patent Expenses invoiced to the Parties prior to the Effective Date are identified as Past Patent Expenses in the Transaction Terms. Within 90 days of the Effective Date, the other ~~Parties shall~~ Party(ies) will pay ~~their~~ its Share of Patent Expenses with respect to the Past Patent Expenses to the Parties that incurred such expenses.

(b) The Lead Institution ~~shall~~ will be solely responsible for reviewing and approving all Patent Expenses incurred after the Effective Date and for ensuring that all Patent Expenses are paid in a timely manner. The Lead Institution ~~shall~~ will furnish to the Other Institution(s) copies of all invoices for Patent Expenses on a regular basis. The Other Institution(s), within 90 days after receipt of the invoices, ~~shall~~ will reimburse to the Lead Institution its Share of Patent Expenses which have been paid by the Lead Institution and not reimbursed by a Licensee. Notwithstanding the foregoing, Lead Institution will notify Other Institution(s) ~~shall not be responsible for reimbursing Patent Expenses in excess of the cap, if any, set forth in the Transaction Terms absent the Lead Institution notifying the Other Institution(s) in advance of incurring expenses in excess of the cap~~ prior to incurring any Extraordinary Patent Expenses. In the event such advance notice is given, the Other Institution(s) may elect to pay its Share of Patent Expenses for such ~~overage~~ Extraordinary Patent Expenses or decline to pay such ~~overage~~ share and have the consequences stated in ~~Paragraph 2.4 apply. Section 2.3 apply.~~ In the event Extraordinary Patent Expenses are incurred and advance notice was not given, Other Institution(s) will not be responsible for reimbursing any portion of such Extraordinary Patent Expenses.

(c) Upon at least 90- days' prior written notice from an Other Institution to the other Party(ies), such Other Institution may decline to pay its Share of Patent Expenses incurred after such notice period for ~~one or more types of anticipated Patent Expenses (e.g., expense for continuing to prosecute a particular patent application, or for maintenance of a particular patent). As a result of such a decision, if~~ either of the following as specified in such notice: (i) all Patent Expenses outside the United States, or (ii) all Patent Expenses. If the other Party(ies) pays such Patent Expenses, then the consequences stated in Section ~~2.4~~ 2.3 will apply.

4.2 License Consideration.

(a) The Lead Institution ~~shall~~ will have the responsibility, obligation and authority to receive and collect the License Consideration payable under the License Agreement, and perform such audits under the License Agreement as the Lead Institution deems appropriate. The Lead Institution ~~shall~~ will keep the ~~other Parties~~ Other Institution(s) informed as to all receipts of the License Consideration in accordance with ~~paragraph~~ Section 5.2. The Lead Institution ~~shall~~ will keep the ~~other Parties~~ Other Institution(s) reasonably informed of any

material delinquencies, deficiencies or defaults by the Licensee in performing the License Agreement.

(b) The Lead Institution shall will deduct from the License Consideration and retain for itself or reimburse the Other Institution(s) the following amounts: first, the Patent Expenses (which shall will be distributed to the Parties in proportion to the Patent Expenses actually paid by each Party and not yet reimbursed, including Past Patent Expenses), and second, the Administration Fee, if any. The Net Consideration shall will be distributed to the Other Institution(s) in accordance with the Share of Net Consideration set forth in the Transaction Terms. Each Party will be responsible for paying out of its Share of Net Consideration any obligations it owes with respect to Third-Party Interests, unless stated otherwise in the Transaction Terms. The Lead Institution may not deduct or retain for itself or reimburse the Other Institution(s) for any costs or expenses other than Patent Expenses, unless otherwise agreed in writing by the Parties.

4.3 Allocation of Proceeds. If the Lead Institution licenses the Patent Rights together with other patent or intellectual property rights controlled by Lead Institution that are not covered by this Agreement, the Parties shall will negotiate in good faith to determine the portion of the gross licensing proceeds received under the License Agreement that are attributable to the Patent Rights.

4.4 Inventors. Each Party will be solely responsible for calculating and distributing to its respective inventors their share of Net Consideration or equity allocated to it under ~~Paragraph~~Section 3.7(a) in accordance with the Party's own policy.

5. Records, Reports and Audits

5.1 Books and Records. Lead Institution shall will keep complete, true and accurate accounts of all Patent Expenses and of all License Consideration received by it from each Licensee of the Patent Rights and shall will permit Other Institution(s) to examine its books and records in order to verify the payments due or owed under this Agreement.

5.2 ~~Payment~~Payments and Reports. ~~The Lead Institution shall make the calculations as to will calculate~~ the allocation of ~~that~~ License Consideration in accordance with the terms of ~~the~~this Agreement and furnish to the Other Institution(s) a written report of ~~such~~ receipts and calculations. ~~With such report, the Lead Institution shall and~~ deliver the Net Consideration due to the Other Institution(s) ~~the Share of Net Income for the Other Institution(s) as shown in said calculations, if any, if any, with the report~~. Such reports and distributions shall will be provided with the same frequency that Lead Institution distributes revenue to its inventors, but no less frequently than once per year. Lead Institution shall will provide the Other Institution(s) copies of reports, sublicense agreements and other material documents received from Licensees.

5.3 Annual Reports. Upon request by Other Institution(s), Lead Institution shall will submit to Other Institution(s) an annual report setting forth the status of all patent prosecution,

commercial development and licensing activity relating to the Patent Rights for the preceding year.

6. Patent Challenge or Infringement

If any Party learns of a claim by a third party challenging the validity of any Patent Rights (such as an *inter partes* review, interference or opposition proceeding) or a potential infringement of the Patent Rights, it will promptly notify the other Parties hereto. Subject to the rights granted to the Licensee in any License Agreement, the Parties agree to discuss the situation and determine in good faith how best to proceed. In the event of a challenge to the validity of any Patent Rights by a third party, the Lead Institution will have the right, but not the obligation, to defend such challenge in the absence of the Parties reaching another agreement on how to respond to such challenge.

7. Notice

Any notice or payment required to be given to ~~either~~ a Party ~~shall~~will be ~~addressed~~sent to the address of that Party ~~included~~specified in the Transaction Terms. ~~Either~~If an email address is included for a Party in the Transaction Terms, then transmission of an email to that email address will constitute valid notice under this Agreement. Any Party may notify the other in writing of a change of address, in which event any subsequent communication relative to this Agreement ~~shall~~will be sent to the last said notified address. All notices and communications relating to this Agreement will be deemed to have been given when received.

8. Confidentiality of Licensee Information

If required by a License Agreement, each Party ~~shall~~will, to the extent permitted by law, keep confidential the terms of such License Agreement and any business information received from the Licensee (e.g., revenues, business development reports, milestones accomplished, sublicensee information and sublicense agreements), except that a Party may report revenue it receives in accordance with its reporting requirements to sponsors and may include such revenue in aggregate licensing revenue reported by such Party.

9. Term and Termination

9.1 Term Duration. This Agreement is effective from the Effective Date and will remain in effect for the life of the last-to-expire patent under Patent Rights, or in the event no patent contained in Patent Rights issues or such patents or patent applications are abandoned, then one year after the last patent or patent application is abandoned, unless otherwise terminated by operation of law or by acts of the parties in accordance with the terms of this Agreement.

9.2 Early Termination for Convenience After Three Years. Any Party may terminate ~~the~~this Agreement without cause at any time after three years have passed from the Effective Date upon 90 days' prior written notice to the other Parties, unless either (a) there is a License Agreement in effect at ~~the~~such time ~~of termination with respect to the Patent~~

~~Rights~~, or (b) the Lead Institution notifies the terminating Party that it is actively engaged in good faith negotiations with a bona fide potential Licensee and the Lead Institution consummates a License Agreement with such potential Licensee within 120 days of the notice of termination. ~~Any Party may terminate this Agreement for cause by written notice in the event another Party breaches this Agreement and does not cure the breach within 30 days of written notice; provided, however, that for a Withdrawing Party to exercise this right of termination, prior to termination it must repay the other Party(ies) the Covered Expenses that have not already been recovered from a Licensee.~~ For the purpose of this ~~Paragraph~~Section, “actively engaged” ~~shall~~will mean that there has been at least one exchange of a draft License Agreement or term sheet between the Lead Institution and the bona fide potential Licensee within 60 days after receipt of the notice of termination.

9.3 Termination for Cause. ~~Any Party may terminate this Agreement for cause by written notice in the event another Party materially breaches this Agreement and does not cure the breach within 30 days of such written notice.~~ In addition, a Party may elect to terminate ~~the~~this Agreement in the circumstances specified in ~~Paragraph 2.4~~Section 2.3.

9.39.4 Effect of Agreement Termination on Patent Rights.

~~After The Parties hereby agree that after effective~~ termination of ~~the~~this Agreement and subject to any previously signed License Agreement and applicable law, each Party may separately license its interest in the Patent Rights on a worldwide basis. ~~There are and no Party will have any~~ ongoing obligations to share Patent Expenses or share or account for revenues under such licenses, ~~except to the extent mandated by the laws of foreign jurisdictions; provided, however, if this Agreement is terminated in circumstances that do not require the Withdrawing Party to repay Covered Expenses in accordance with Section 9.2 and a Withdrawing Party thereafter licenses any Patent Rights, it will be obligated to repay to the other Party(ies) out of the first proceeds of any such license all Covered Expenses to the extent that the other Party(ies) have not already recovered such amounts from a Licensee, such obligation to survive termination of this Agreement.~~

9.49.5 Other Effects of Termination.

(a) Termination ~~shall~~will not affect any previously signed License Agreement or the distribution of License Consideration thereunder if still appropriate, and the applicable provisions of ~~the~~this Agreement ~~shall~~will continue to be applied.

(b) Termination of this Agreement will not relieve any Party of any obligation or liability accrued under this Agreement before termination, or rescind any payments made or due before termination.

(c) Apart from the provisions specifically set forth in this ~~Paragraph~~Section 9, the Parties will have no further rights or obligations under ~~the~~this Agreement.

9.59.6 Surviving Terms. Any termination of this Agreement pursuant to this ~~Paragraph~~Section 9 will not affect the rights and obligations set forth in this ~~Paragraph~~Section 9 as well as the following Sections of the General Terms, all of which

~~shall~~will survive termination: 8 (Confidentiality of Licensee Information), 11 (Disclaimer; Limitations)~~;~~; and 14 (Governing Law).

10. Representations.

10.1 Assignment by Inventors. Each Party represents that its inventors have assigned or are obligated to assign to such Party all of the inventors' rights in the Patent Rights, and that such Party will use diligent efforts to cause its inventors to sign any additional papers as may be necessary to evidence such assignment.

10.2 No Conflict. Except for the ~~rights, if any, of the U.S. government resulting from federal funding for the research which resulted in the Patent Rights or~~ Third-Party Interests identified in the Transaction Terms and any rights granted pursuant to Section 3.4, each Party represents that, to the knowledge of its technology transfer office or other licensing office or department, it has not granted any rights to any entity or person in the Patent Rights.

11. Disclaimers; Limitations.

~~EXCEPT AS SET FORTH IN SECTION 10, NO PARTY EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE PATENT RIGHTS. IN ADDITION, EACH OF THE PARTIES EXPRESSLY DISCLAIMS ANY WARRANTY THAT THE PRACTICE OF THE PATENT RIGHTS WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK, OR OTHER RIGHTS OF THIRD PARTIES~~EXCEPT AS SET FORTH IN SECTION 10, NO PARTY EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE PATENT RIGHTS. IN ADDITION, EACH OF THE PARTIES EXPRESSLY DISCLAIMS ANY WARRANTY THAT THE PRACTICE OF THE PATENT RIGHTS WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK, OR OTHER RIGHTS OF THIRD PARTIES. No Party will make statements, representations, or warranties, or accept liabilities or responsibilities, with respect to or potentially involving the other Party, that are inconsistent with this ~~Paragraph~~Section.

~~TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT WILL ANY PARTY BE RESPONSIBLE FOR ANY INCIDENTAL DAMAGES, CONSEQUENTIAL DAMAGES, EXEMPLARY DAMAGES OF ANY KIND, LOST GOODWILL, LOST PROFITS, LOST BUSINESS AND/OR ANY INDIRECT ECONOMIC DAMAGES WHATSOEVER REGARDLESS OF WHETHER SUCH DAMAGES ARISE FROM CLAIMS BASED UPON CONTRACT, NEGLIGENCE, TORT (INCLUDING STRICT LIABILITY OR OTHER LEGAL THEORY), A BREACH OF ANY WARRANTY OR TERM OF THIS AGREEMENT, AND REGARDLESS OF WHETHER A PARTY WAS ADVISED OR HAD REASON TO KNOW OF THE POSSIBILITY OF INCURRING SUCH DAMAGES IN ADVANCE.~~

TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT WILL ANY PARTY BE RESPONSIBLE FOR ANY INCIDENTAL DAMAGES, CONSEQUENTIAL DAMAGES, EXEMPLARY DAMAGES OF ANY KIND, LOST GOODWILL, LOST

PROFITS, LOST BUSINESS AND/OR ANY INDIRECT ECONOMIC DAMAGES WHATSOEVER REGARDLESS OF WHETHER SUCH DAMAGES ARISE FROM CLAIMS BASED UPON CONTRACT, NEGLIGENCE, TORT (INCLUDING STRICT LIABILITY OR OTHER LEGAL THEORY), A BREACH OF ANY WARRANTY OR TERM OF THIS AGREEMENT, AND REGARDLESS OF WHETHER A PARTY WAS ADVISED OR HAD REASON TO KNOW OF THE POSSIBILITY OF INCURRING SUCH DAMAGES IN ADVANCE.

12. Sponsor Reporting

Each Party will assume responsibility for reporting the Patent Rights to its own government and other research sponsors as may be required, provided that if Lead Institution and the Other Institution(s) both received federal funding for the research that resulted in the Patent Rights, then the Lead Institution will take responsibility for the federal reporting, and provide viewing rights or copies of sponsor reports to the other Party.

13. Use of Names

Each Party agrees that it ~~shall~~will not use the name of any other Party or a Licensee in any advertising or publicity material, or make any form of representation or statement which would constitute an express or implied endorsement by such other Party of any licensed product, and that it ~~shall~~will not authorize others to do so, without having obtained written approval from such other Party or Licensee. Notwithstanding the foregoing, either Party may make factual statements regarding the existence of this Agreement and that Lead Institution is managing commercialization of the Patent Rights. After a License Agreement is executed, the Parties may make factual statements that the Patent Rights have been licensed to a particular Licensee, except to the extent limited by Section 8.

14. Governing Law

~~The~~This Agreement will be governed by and interpreted, and its performance enforced in accordance with the laws of the jurisdiction specified in the Transaction Terms, without giving effect to choice of law and conflicts of law principles, except that the scope and validity of any patent application or patent will be governed and enforced by the laws of the applicable country of the patent application or patent. If no jurisdiction is so specified or the Transaction Terms states “None” or the like, then the Parties have contractually agreed not to designate a particular governing law for ~~the~~this Agreement.

15. Publication

Each Party reserves the right to publish related to the Patent Rights, in accordance with each Party’s own policies and practices. A License Agreement ~~shall~~will not give Licensee the right to review an advance copy of the proposed publication by any of the Parties relating to the Patent Rights unless such Party has specifically agreed in advance to the inclusion of and scope of such provision.

16. Complete Agreement

This Agreement sets forth the complete agreement of the Parties concerning the subject matter hereof. No waiver of or change in any of the terms hereof subsequent to the execution hereof claimed to have been made by any representative of either Party ~~shall~~will have any force or effect unless in writing, signed by duly authorized representatives of the parties.

17. Counterpart Signatures; Electronic Delivery

The Parties may execute this Agreement in one or more counterparts, which may be by electronic signature or transmission, each of which will be deemed an original and all of which, taken together, will constitute one and the same instrument, and will be given the effect of an original signature upon receipt by the other Party of the electronic signature or transmission.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the Effective Date:

[Name of Lead Institution]

[Name of Other Institution(s)]

By _____
Name _____
Title _____
Date _____

By _____
Name _____
Title _____
Date _____



Exhibit A

License Agreement Requirements

[The following is a sample Exhibit A. It can be replaced by the specific license agreement requirements of an Other Institution.]

All License Agreements ~~shall~~will contain terms covering the following:

1. Reservation of rights to all parties to the Inter-Institutional Agreement (“IIA”) and, where possible, the right to ~~sublicense~~license such rights to other non-profit research institutions, to use the Patent Rights in future for research and educational purposes without payment to the Licensee;
2. Reservation of rights to government entities and to private sponsors (to the extent such rights are required under sponsored research agreements and disclosed in the IIA)
3. Payment of earned royalties on net sales by licensee and any sublicensee;
4. Reimbursement of all patent prosecution expenses if the license is exclusive;
5. Product development and commercialization diligence if the license is exclusive;
6. Periodic reports (at least annually) covering development and commercialization efforts and sale of products, including date of first commercial sale for each product;
7. Standard audit rights exercisable by the Lead Institution;
8. Indemnification of all parties to the IIA;
9. Disclaimer on behalf of all parties to the IIA of all warranties, including validity, enforceability and non-infringement of the Patent Rights;
10. Limitation of damages for all parties to the IIA to direct damages only;
11. Prohibition on the use of the names, logos and trademarks of the parties to the IIA;
12. Unfettered right on part of all parties to the IIA to publish in connection with the Patent Rights (with reasonable delays for review for confidentiality and filing for intellectual property protection);
13. Maintenance of general liability insurance as is standard for the business of the Licensee at its various stages of development and commercialization, naming all of the parties to the IIA as additional insureds, or appropriate self-insurance provisions.
14. For start-up companies, annual reporting of business information, including funding, employees, hiring and other information on request.
15. Provision to encourage licensing to address unmet needs.
16. Compliance with laws, including export control laws.
17. ~~16.~~ [Mandatory provisions required if equity granted in consideration for license]

18. ~~17.~~ [If permitted to delegate authority for patent prosecution to a Licensee, state that here.]

19. ~~18.~~ [If an exception to any ~~license-agreement~~ License Agreement confidentiality restriction is required by state open-records laws, state that here.]

20. [Lead Institution will inform the Other Institution(s) prior to signing a License Agreement if either (a) the Licensee and Lead Institution are negotiating a sponsored research agreement or other agreement for the Lead Institution to provide services to the Licensee at the same time as a License Agreement is being negotiated or (b) the Lead Institution's researchers are serving as founders of the Licensee.]