Karen Hersey, J.D.

Karen Hersey has recently retired as senior counsel for intellectual property at the Massachusetts Institute of Technology in Cambridge, Massachusetts. While senior counsel at M.I.T., she directed an office of three intellectual property attorneys advising M.I.T. faculty, research scientists and students on matters relating to patents, copyrights, computer software and technology transfer. Ms. Hersey represented M.I.T.'s interests on intellectual property matters with U.S. government agencies, advised the Institute on appropriate positions for non-profit organizations with respect to various tax-related and regulatory matters. She actively contributed to developing university response strategy on intellectual property-related federal legislation and regulations. Ms. Hersey's office provided all computer software license legal review, negotiation and approval for in-coming software purchases as well as providing counsel on the legal issues arising as a result of M.I.T. maintaining a complex web of world-wide computer networks. The office actively supported M.I.T. departments and faculty developing educational materials for electronic distribution, including distance education, through the negotiation of licensing agreements with educational materials distributors. The office also conducted in-house seminars on the application of copyright law to the activities of the academic community.

Ms. Hersey joined M.I.T. as a technology licensing attorney in 1980, just as technology transfer was becoming an important activity for American research universities. In addition to licensing M.I.T.'s patented technology to both U.S. and foreign companies, she had primary responsibility for M.I.T.'s early efforts to commercially license its computer-related technologies. In 1987, Ms. Hersey left M.I.T. to take up the directorship of technology licensing at North Carolina State University in Raleigh. While with North Carolina State, Ms. Hersey expanded the licensing activity of the University, developed educational materials for faculty on patenting and licensing and took a leading role in starting a high-tech small business incubator for the Research Triangle Area, including serving on its Board of Trustees.

In 1990, Ms. Hersey returned to M.I.T. as principal legal advisor on intellectual property matters and policy for M.I.T. and Lincoln Laboratory (M.I.T.'s government-owned, contractor-operated federal laboratory).

In 1992, Ms. Hersey was named as the academic community's representative to a Congressionally-mandated Department of Defense Government-Industry Advisory Committee to study and recommend changes in the Department of Defense Procurement Regulations in the areas of technical data and computer software. The recommendations of that Committee to place more control of proprietary data and computer software in the hands of the contractor-developers became final regulations in June, 1995.

Ms. Hersey holds a bachelor's degree from Goucher College in Towson, Maryland and a law degree from Boston University. While at Boston University, she was a member of the Boston University Law Review. She is a member of the Massachusetts and North Carolina Bars.

An active member of the university technology transfer community, she has chaired and participated in numerous workshops and seminars on technology transfer practice and copyright in association with many national and international organizations. She has served as President of the Association of University Technology Managers and on the Board of Directors and as Chair of the Technology Transfer and Research Ethics Committee of the Council on Governmental Relations.

In addition to extensive lecturing on issues related to the commercialization of university technology, Ms. Hersey will be working on selected projects with universities and private sector companies through her newly-formed company, Partneringworks, Inc. She will also be teaching courses in nonprofit technology transfer, information asset management in the university and copyright at Franklin Pierce Law Center where she is a Visiting Professor of Law.

13th Annual Advanced Licensing Institute

A Primer on University Licensing

Franklin Pierce Law Center

July 12, 2004

Karen Hersey
Visiting Professor

Commercializing University Assets Through Licensing

- University Assets: A Review of the Candidates
  - Knowledge
  - Teaching/curriculum/course content/methodology
  - Innovation in research/discoveries
  - More recently - New systems of knowledge delivery
- Commercializing University Assets: All about finding "*value*"

Finding *Value* in University Assets

- While there is *Value* in the "commons"
  - Pushing new knowledge and discovery along the freely accessible continuum has indisputable value, but . . .
- Incentive to productize requires finding *commercial value to recoup investment and make a profit;*
- Turning research into products - not the university's role

Establishing *Commercial Value* for University Assets

- An asset finds commercial value in what it is worth, i.e. what will someone pay for it *because* there is incentive to productize i.e. make a profit
  - If everyone can use it, money value = 0
  - If some can use it, money value = ~
  - If only one/few can use it, money value = +
- *Value* + user/consumer demand = a candidate for commercialization

Establishing *Commercial Value* for University Assets

- Two ways to "create" or "force" value
  - Limit number of people who **know it**
    - Probably not reasonable in an educational environment
  - Limit number of people who **can use it**
    - By asserting legally enforceable ownership rights to it and deciding who can use it

Establishing *Commercial Value* for University Assets

- Asserting rights of legal ownership – the choices
  - As tangible i.e. personal property . . . limited methods of commercial exploitation available: bailment, lease, sale
  - As intellectual property . . . where associated lawfully applied "intangible rights" provide greater promise for the commercial marketplace: sale, license

Establishing Licensable *Intellectual Property Rights* in University Assets

- Intellectual property law provides the launching pad
  - Monopolistic period of protection afforded under the law permits the owner to maximize value by determining who uses and how
    - For patents – 20 yrs of protection from filing application
    - For copyrights – life of author + 70 or 95/120 if W/F/H
    - Using the IP of others without permission = infringement & unauthorized user can be lawfully stopped without resorting to "out-competing" on the product

Establishing Licensable *Intellectual Property Rights* in University Assets

- Matching university assets with IP rights
  - General Ideas/knowledge = trade secrets
  - Discoveries in research = patents/trp
  - Computer software = patents/copyrights
  - Teaching/curriculum/course content/methodology = copyrights
  - New systems of knowledge delivery = copyrights for software; patents for other

Licensing-out University Assets: A "different kettle of fish"

- University assets come with "wrinkles"
  - The "Ownership" Issues
  - Requirements imposed by funding sponsors
  - Non-profit Tax Considerations
  - University mission (policies)
  - The University "environment" – open campus

Pre-Licensing Challenge I: Sorting Out Who Owns It!

- Potential Owners to consider
  - Inventors/authors
    - University faculty, students, employed staff
    - Visitors
  - University by policy, agreement, work for hire
  - 3rd Party
    - As provider of funding for research
    - As owner of underlying IP such as software, materials used by university and its personnel under agreement
  - Joint owners - co-inventorship/authorship, agreement
  - Public domain – no one owns

Pre-Licensing Challenge I : Sorting Out Who Owns It!

- Ownership depends upon a number of factors:
  - ➢ University policies on ownership
    - Inventors/authors own and assignment to university is voluntary
    - University owns as employer ↳ assignment
    - University owns in consideration of use of funds/facilities ↳ assignment
  - ➢ Who are the inventors/authors? Are they subject to University policy?
    - Faculty
    - Students
    - Staff
    - Visitors

Pre-Licensing Challenge I: Sorting Out Who Owns It!

- Ownership depends upon a number of factors
  - ➢ Whether there is an applicable law or regulation that pre-empts policies
    - Patent, copyright or other applicable law placing original ownership with inventors/authors ↳ will need agreement to assign to university for commercialization
  - ➢ Whether there is an applicable external agreement, that dictates where ownership ultimately resides ↳ no commercialization by university
    - Government as source of funds
    - Industry research sponsor
    - 3rd parties

Pre-Licensing Challenge II: Seeing the "Elephants in the Corner"

- Reviewing potential elephants
  - Limitations imposed by external funding agreements
    - Federally funded (Bayh-Dole requirements)
    - Industrially funded (terms of agreement)
    - Foundation/state funded (terms of agreement)
  - Imposed by other pre-existing factors/agreement
    - Existing licenses granting rights to improvements
    - Applicable material transfer agreements
    - Licenses for electronic products/software
    - Joint development agreements w/universities
    - Visiting scientist agreements
    - Background rights agreements

Commercialization Time Out: Licensing vs. Assignment (University Preference for Licensing)

- Two overriding Legal Reasons for University Preference for Licensing
  1. Bayh-Dole (35 USC 200 et seq.)
     - Prohibits assignment of federally-funded inventions except in limited circumstances
       - Can assign to patent management firm
       - Can assign to the federal government
       - Assignment to inventors - *if* title waived by university & federal agency

Commercialization Time Out: Licensing vs. Assignment (University Preference for Licensing)

- Two overriding Legal Reasons for University Preference for Licensing
  2. <u>IRS Regulations</u>
     - Assignment generally considered a "sale" by the IRS -likely to result in taxable transaction. §512(b)(2), 1986 IRC protects royalties from being taxable as "unrelated business income"
     - Selling of "services" not generally protected from UBIT
     - Sponsored research resulting in assignment of inventions cannot be conducted in bldgs built with tax exempt bonds

The University's Ultimate Commercialization Asset: The License

- Licensing is the preferential transactional mechanism used by universities to transfer (commercialize) technology
- Benefits of Licensing
  - Owner's "rights" monopoly transfers to the licensee
  - But, licensing permits the university to retain some control by imposing limitations, obligations through the terms of the license agreement
    - Of major importance are terms that ensure commercial development

The University as Licensor

- Six Licensing Terms Worth Negotiating
  - Scope of the license
  - Diligence requirements
  - Sublicensing
  - Royalties
  - Rights to Improvements
  - Assignment

Scope of License: Choosing the Best Strategy

- Alternative licensing strategies (scope of rights granted) to consider
  - Exclusive vs. non-exclusive grants
    - A matter of value
    - A matter of the licensee
    - A matter of pre-existing rights
    - A matter of government sponsorship
    - A matter of university interests

Scope of License: Choosing the Best Strategy

- Alternative licensing strategies (rights granted)
  - Field of use
    - Multiple applications
  - Geographic carve-ups
    - Role of regional economic development
  - Time-limited
    - Licensee needs lead-time only
    - If not sure of licensee's staying power
- Universities generally in good position for "mixing it up"

Due Diligence: Ensuring Performance Avoids Wasting an Asset

- Diligence requirements generally "in play"
  - Measured by time – time to development; time to market
  - Measured by number of units sold
  - Measured by annual total sales/use revenues
  - Measured by licensee R&D funding of research
  - Measured by annual minimum payments
  - If licensee is a start-up – measured by ramp-up

Due Diligence: Flexible Terms Provide Useful Options

- Commonly-applied penalties for diligence failures
  - Downgrade of license from exclusive to non-exclusive
  - Financial penalties
  - Restructuring "scope of license"
  - Renegotiation of diligence requirements
  - Termination

Sublicensing: Adding Value

- When granting a licensee sublicensing rights makes good sense
  - Standard under an exclusive license grant
  - Under non-exclusive license, decide whether best returns will result from the licensee's sublicensing or from institution's direct licensing of 3rd parties. Major issue: licensing competition from your own licensee
- Sublicensing royalty alternatives
  - Same royalty rate for licensee/sublicensee revenues
  - Percentage (50%) of licensee's sublicensing revenue

Necessary Factors in Making the Right Royalty Calculation

- Understanding your patent strength
- Understanding your licensee and its market position
- Understanding the value of your licensed product in the marketplace
- Understanding the competition: who and where
- Understanding the future – what's over the horizon
- Understanding your institutional goals

Licensing Improvements: A Risky Business

- May result in financial gain . . . but is risky business for universities
  - Encumbers future research
  - Limits future funding sponsors
    - Industry and government impacted
  - A question of adequate consideration
- Licensing improvements means thinking twice before doing it!

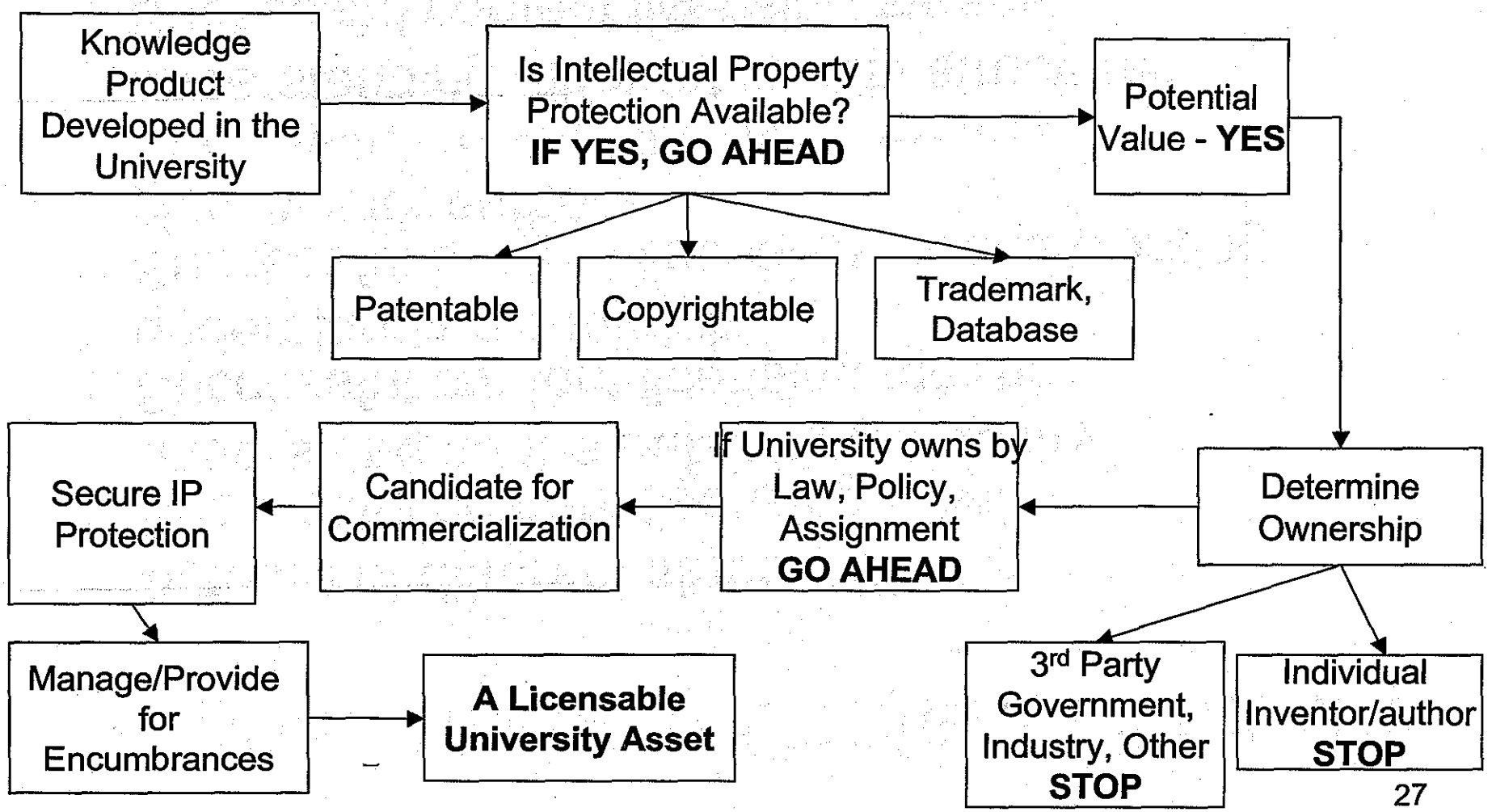
Licensing Improvements

- If you must license improvements . . .
  - "improvement patents dominated by the claims of the license patent to the extent the licensor has the right to grant the license"
  - Non-exclusive license to improvements is less risky but ensure obligation is time-limited
  - Licensing of improvements should be a royalty-bearing event. To what extent is value of initially licensed patent enhanced by the improvement

Right of Assignment

- A Licensee assigning the license means university is gaining a new business partner
- Weighing pros/cons of assignment clause
  - Large company – transfers to subsidiaries, successor of part of the business to which the license relates; joint venture; w/all company assets may be OK.
  - Small company – permitting assignment risky w/out right of approval
  - Assignability of license a problem in bankruptcy – difficult to get license back.

University as Licensor: . . . . . Wrapping Up



A Brief Word on Content Licensing

- A zebra of different stripes ////
- Successful content licensing means understanding the publishing industry
- Successful content licensing means understanding copyright
- Successful content licensing means working closely with authors
- Successful content licensing means understanding different royalty structures
- Successful content licensing means understanding the importance of “retained rights”

Licensing from Universities: Where the Elephants Might Hide

- Ownership
- Encumbered rights
- Background rights
- Paying for patent costs
- Dealing with due diligence
- Rights to know how/improvements
- Indemnification against infringement
- Representations and warranties/limitations of liability

Commercialization of University Assets: 2002 Facts and Figures

- $1.005 Billion in royalty income reported by 222 U.S. and Canadian Universities
- 569 University-licensed new products reached the marketplace during 2002
- 450 new companies formed during 2002
- More detail
  - 15,573 invention disclosures submitted
  - 7,741 U.S. patent applications filed
  - 3,673 U.S. patents issued to universities
  - Estimated: 2,500 products currently on the market would not be but for university licensing

* Source: AUTM Annual Licensing Survey, 2002

EXCLUSIVE PATENT LICENSE AGREEMENT

DRAFT

Offer to continue negotiations based upon this draft agreement open until_____

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EXCLUSIVE PATENT LICENSE AGREEMENT

DRAFT

This Agreement, effective as of the date set forth above the signatures of the parties below (the "EFFECTIVE DATE"), is between _____ a _____ corporation, with a principal office at _____and _____ ("COMPANY"), a _____ corporation, with a principal place of business at _____.

RECITALS

WHEREAS, UNIVERSITY is the owner of certain PATENT RIGHTS (as later defined herein) relating to UNIVERSITY Case No. _____, "_____" by _____ and has the right to grant licenses under said PATENT RIGHTS;

WHEREAS, UNIVERSITY desires to have the PATENT RIGHTS developed and commercialized to benefit the public and is willing to grant a license thereunder;

WHEREAS, COMPANY has represented to UNIVERSITY, to induce UNIVERSITY to enter into this Agreement, that COMPANY shall commit itself to a thorough, vigorous and diligent program of exploiting the PATENT RIGHTS so that public utilization shall result therefrom; and

WHEREAS, COMPANY desires to obtain a license under the PATENT RIGHTS upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, UNIVERSITY and COMPANY hereby agree as follows:

1. DEFINITIONS.

1.1 "AFFILIATE" shall mean any legal entity (such as a corporation, partnership, or limited liability company) that is controlled by COMPANY. For the purposes of this definition, the term "control" means (i) beneficial ownership of at least fifty percent (50%) of the voting

securities of a corporation or other business organization with voting securities or (ii) a fifty percent (50%) or greater interest in the net assets or profits of a partnership or other business organization without voting securities.

1.2 "EXCLUSIVE PERIOD" shall mean the period of time set forth in Section 2.2.

1.3 "FIELD" shall mean **[definition of field].**

1.4 "LICENSED PRODUCT" shall mean any product that, in whole or in part:

(i) absent the license granted hereunder, would infringe one or more claims of the PATENT RIGHTS; or

(ii) is manufactured by using a LICENSED PROCESS or that, when used, practices a LICENSED PROCESS.

1.5 "LICENSED PROCESS" shall mean any process that, absent the license granted hereunder, would infringe one or more claims of the PATENT RIGHTS or which uses a LICENSED PRODUCT.

1.6 "NET SALES" shall mean the gross amount billed by COMPANY and its AFFILIATES and SUBLICENSEES for LICENSED PRODUCTS and LICENSED PROCESSES, less the following:

(i) customary trade, quantity, or cash discounts to the extent actually allowed and taken;

(ii) amounts repaid or credited by reason of rejection or return;

(iii) to the extent separately stated on purchase orders, invoices, or other documents of sale, any taxes or other governmental charges levied on the production, sale, transportation, delivery, or use of a LICENSED PRODUCT or LICENSED PROCESS which is paid by or on behalf of COMPANY; and

(iv) outbound transportation costs prepaid or allowed and costs of insurance in transit.

No deductions shall be made for commissions paid to individuals whether they be with independent sales agencies or regularly employed by COMPANY and on its payroll, or for cost of collections. NET SALES shall occur on the date of billing for a LICENSED PRODUCT or LICENSED PROCESS. If a LICENSED PRODUCT or a LICENSED PROCESS is distributed at a discounted price that is substantially lower than the customary price charged by COMPANY, or distributed for non-cash consideration (whether or not at a discount), NET

SALES shall be calculated based on the non-discounted amount of the LICENSED PRODUCT or LICENSED PROCESS charged to an independent third party during the same REPORTING PERIOD or, in the absence of such sales, on the fair market value of the LICENSED PRODUCT or LICENSED PROCESS

Non-monetary consideration shall not be accepted by COMPANY, any AFFILIATE, or any SUBLICENSEE for any LICENSED PRODUCTS or LICENSED PROCESSES without the prior written consent of UNIVERSITY

1.7 "PATENT RIGHTS" shall mean:

(a) the United States and international patents listed on Appendix A;

(b) the United States and international patent applications and/or provisional applications listed on Appendix A and the resulting patents;

(c) any patent applications resulting from the provisional applications listed on Appendix A, and any divisionals, continuations, continuation-in-part applications, and continued prosecution applications (and their relevant international equivalents) of the patent applications listed on Appendix A and of such patent applications that result from the provisional applications listed on Appendix A, to the extent the claims are directed to subject matter specifically described in the patent applications listed on Appendix A, and the resulting patents;

(d) any patents resulting from reissues, reexaminations, or extensions (and their relevant international equivalents) of the patents described in (a), (b), and (c) above; and

(e) international (non-United States) patent applications and provisional applications filed after the EFFECTIVE DATE and the relevant international equivalents to divisionals, continuations, continuation-in-part applications and continued prosecution applications of the patent applications to the extent the claims are directed to subject matter specifically described in the patents or patent applications referred to in (a), (b), (c), and (d) above, and the resulting patents.

1.8 "REPORTING PERIOD" shall begin on the first day of each calendar quarter and end on the last day of such calendar quarter.

1.9 "SUBLICENSE INCOME" shall mean any payments that COMPANY receives from a SUBLICENSEE in consideration of the sublicense of the rights granted COMPANY under Section 2.1, including without limitation license fees, milestone payments, license maintenance fees, and other payments, but specifically excluding royalties on NET SALES.

1.10 "SUBLICENSEE" shall mean any non-AFFILIATE sublicensee of the rights granted COMPANY under Section 2.1.

1.11 "TERM" shall mean the term of this Agreement, which shall commence on the EFFECTIVE DATE and shall remain in effect until the expiration or abandonment of all issued patents and filed patent applications within the PATENT RIGHTS, unless earlier terminated in accordance with the provisions of this Agreement.

1.12 "TERRITORY" shall mean **[fill-in territory or world-wide.]**

2. GRANT OF RIGHTS.

2.1 License Grants. Subject to the terms of this Agreement, UNIVERSITY hereby grants to COMPANY and its AFFILIATES for the TERM a royalty-bearing license under the PATENT RIGHTS to develop, make, have made, use, sell, offer to sell, lease, and import LICENSED PRODUCTS in the FIELD in the TERRITORY and to develop and perform LICENSED PROCESSES in the FIELD in the TERRITORY.

2.2 Exclusivity. In order to establish an exclusive period for COMPANY, UNIVERSITY agrees that it shall not grant any other license to make, have made, use, sell, lease and import LICENSED PRODUCTS in the FIELD in the TERRITORY or to perform LICENSED PROCESSES in the FIELD in the TERRITORY during the period of time commencing on the EFFECTIVE DATE and terminating with the first to occur of:

(i) the expiration of _____(__) years after the first accrual of NET SALES or SUBLICENSE INCOME for a LICENSED PRODUCT or LICENSED PROCESS; or

(ii) the expiration of _____(__) years after the EFFECTIVE DATE ("EXCLUSIVE PERIOD").

Upon expiration of the EXCLUSIVE PERIOD, the license granted hereunder shall become nonexclusive and shall extend to the end of the TERM, unless sooner terminated as provided in this Agreement.

2.3 Sublicenses. COMPANY shall have the right to grant sublicenses of its rights under Section 2.1 only during the EXCLUSIVE PERIOD. Such sublicenses may extend past the expiration date of the EXCLUSIVE PERIOD, but any exclusivity of such sublicense shall expire upon the expiration of the EXCLUSIVE PERIOD. COMPANY shall incorporate terms and

conditions into its sublicense agreements sufficient to enable COMPANY to comply with this Agreement. COMPANY shall promptly furnish UNIVERSITY with a fully signed photocopy of any sublicense agreement. Upon termination of this Agreement for any reason, any SUBLICENSEE not then in default shall have the right to seek a license from UNIVERSITY. UNIVERSITY agrees to negotiate such licenses in good faith under reasonable terms and conditions.

2.4 U.S. Manufacturing. COMPANY agrees that any LICENSED PRODUCTS used or sold in the United States will be manufactured substantially in the United States .

2.5 Retained Rights.

(a) UNIVERSITY. UNIVERSITY retains the right to practice under the PATENT RIGHTS for research, teaching, and educational purposes.

(b) Federal Government. COMPANY acknowledges that the U.S. federal government retains a royalty-free, non-exclusive, non-transferable license to practice any government-funded invention claimed in any PATENT RIGHTS as set forth in 35 U.S.C. §§ 201-211, and the regulations promulgated thereunder, as amended, or any successor statutes or regulations.

2.6 No Additional Rights. Nothing in this Agreement shall be construed to confer any rights upon COMPANY by implication, estoppel, or otherwise as to any technology or patent rights of UNIVERSITY or any other entity other than the PATENT RIGHTS, regardless of whether such technology or patent rights shall be dominant or subordinate to any PATENT RIGHTS.

3. COMPANY DILIGENCE OBLIGATIONS.

3.1 Diligence Requirements. COMPANY shall use diligent efforts, or shall cause its AFFILIATES and SUBLICENSEES to use diligent efforts, to develop LICENSED PRODUCTS or LICENSED PROCESSES and to introduce LICENSED PRODUCTS or LICENSED PROCESSES into the commercial market; thereafter, COMPANY or its AFFILIATES or SUBLICENSEES shall make LICENSED PRODUCTS or LICENSED PROCESSES reasonably available to the public. Specifically, COMPANY or AFFILIATE or SUBLICENSEE shall fulfill the following obligations:

(a) Within _____ months after the EFFECTIVE DATE, COMPANY shall furnish UNIVERSITY with a written research and development plan describing the major tasks to be achieved in order to bring to market a LICENSED PRODUCT or a LICENSED PROCESS, specifying the number of staff and other resources to be devoted to such commercialization effort.

(b) Within sixty (60) days after the end of each calendar year, COMPANY shall furnish UNIVERSITY with a written report (consistent with Section 5.1(a)) on the progress of its efforts during the immediately preceding calendar year to develop and commercialize LICENSED PRODUCTS or LICENSED PROCESSES. The report shall also contain a discussion of intended efforts and sales projections for the year in which the report is submitted.

(c) COMPANY shall develop a working model on or before _____, 200___, and permit an in-plant inspection by UNIVERSITY on or before _____, 200___, and thereafter permit in-plant inspections by UNIVERSITY at regular intervals with at least _____ ( ) months between each such inspection.

(d) COMPANY shall make a first commercial sale of a LICENSED PRODUCT and/or a first commercial performance of a LICENSED PROCESS on or before _____, 200___.

(e) COMPANY shall make NET SALES according to the following schedule:

_____	$_____;
_____	$_____;
_____ and each year thereafter	$_____.

(f) COMPANY shall sell the following numbers of LICENSED PRODUCTS according to the following schedule:

200___	_____ units;
200___	_____ units;
200___ and each year thereafter	_____ units.

In the event that UNIVERSITY determines that COMPANY (or an AFFILIATE or SUBLICENSEE) has failed to fulfill any of its obligations under this Section 3.1, then UNIVERSITY may treat such failure as a material breach in accordance with Section 12.3(b).

4. ROYALTIES AND PAYMENT TERMS.

4.1 Consideration for Grant of Rights.

(a) License Issue Fee and Patent Cost Reimbursement. COMPANY shall pay to UNIVERSITY on the EFFECTIVE DATE a license issue fee of **[number]** dollars ($#), and, in accordance with Section 6.3, shall reimburse UNIVERSITY for its actual expenses incurred as of the EFFECTIVE DATE in connection with obtaining the PATENT RIGHTS. These payments are nonrefundable.

(b) License Maintenance Fees. COMPANY shall pay to UNIVERSITY the following license maintenance fees on the dates set forth below:

[January 1, year]	**[dollar amount]**
[January 1, year]	**[dollar amount]**
[and each January 1 of every year thereafter]	**[dollar amount]**

This annual license maintenance fee is nonrefundable; however, the license maintenance fee may be credited to running royalties subsequently due on NET SALES earned during the same calendar year, if any. License maintenance fees paid in excess of running royalties due in such calendar year shall not be creditable to amounts due for future years.

(c) Running Royalties. COMPANY shall pay to UNIVERSITY a running royalty of **[number]** percent (#%) of NET SALES by COMPANY, AFFILIATES and SUBLICENSEES. Running royalties shall be payable for each REPORTING PERIOD and shall be due to UNIVERSITY within sixty (60) days of the end of each REPORTING PERIOD.

(d) Sharing of SUBLICENSE INCOME. COMPANY shall pay UNIVERSITY a total of fifty percent (50%) of all SUBLICENSE INCOME received by COMPANY or AFFILIATES, excluding running royalties on NET SALES of SUBLICENSEES. Such amount shall be payable for each REPORTING PERIOD and shall be due to UNIVERSITY within sixty (60) days of the end of each REPORTING PERIOD.

(e) No Multiple Royalties. If the manufacture, use, lease, or sale of any LICENSED PRODUCT or the performance of any LICENSED PROCESS is covered by more than one of the PATENT RIGHTS, multiple royalties shall not be due.

4.2 Payments.

(a) Method of Payment. All payments under this Agreement should be made payable to _____ and sent to the address identified in Section 14.1. Each payment should reference this Agreement and identify the obligation under this Agreement that the payment satisfies.

(b) Payments in U.S. Dollars. All payments due under this Agreement shall be drawn on a United States bank and shall be payable in United States dollars. Conversion of foreign currency to U.S. dollars shall be made at the conversion rate existing in the United States (as reported in the Wall Street Journal) on the last working day of the calendar quarter of the applicable REPORTING PERIOD. Such payments shall be without deduction of exchange, collection, or other charges, and, specifically, without deduction of withholding or similar taxes or other government imposed fees or taxes, except as permitted in the definition of NET SALES.

(c) Late Payments. Any payments by COMPANY that are not paid on or before the date such payments are due under this Agreement shall bear interest, to the extent permitted by law, at two percentage points above the Prime Rate of interest as reported in the Wall Street Journal on the date payment is due.

5. REPORTS AND RECORDS.

5.1 Frequency of Reports.

(a) Before First Commercial Sale. Prior to the first commercial sale of any LICENSED PRODUCT or first commercial performance of any LICENSED PROCESS, COMPANY shall deliver reports to UNIVERSITY annually, within sixty (60) days of the end of each calendar year, containing information concerning the immediately preceding calendar year, as further described in Section 5.2.

(b) Upon First Commercial Sale of a LICENSED PRODUCT or Commercial Performance of a LICENSED PROCESS. COMPANY shall report to UNIVERSITY the date of

first commercial sale of a LICENSED PRODUCT and the date of first commercial performance of a LICENSED PROCESS within sixty (60) days of occurrence in each country.

(c) After First Commercial Sale. After the first commercial sale of a LICENSED PRODUCT or first commercial performance of a LICENSED PROCESS, COMPANY shall deliver reports to UNIVERSITY within sixty (60) days of the end of each REPORTING PERIOD, containing information concerning the immediately preceding REPORTING PERIOD, as further described in Section 5.2.

5.2 Content of Reports and Payments. Each report delivered by COMPANY to UNIVERSITY shall contain at least the following information for the immediately preceding REPORTING PERIOD:

(i) the number of LICENSED PRODUCTS sold, leased or distributed by COMPANY, its AFFILIATES and SUBLICENSEES to independent third parties in each country, and, if applicable, the number of LICENSED PRODUCTS used by COMPANY, its AFFILIATES and SUBLICENSEES in the provision of services in each country;

(ii) a description of LICENSED PROCESSES performed by COMPANY, its AFFILIATES and SUBLICENSEES in each country as may be pertinent to a royalty accounting hereunder;

(iii) the gross price charged by COMPANY, its AFFILIATES and SUBLICENSEES for each LICENSED PRODUCT and, if applicable, the gross price charged for each LICENSED PRODUCT used to provide services in each country; and the gross price charged for each LICENSED PROCESS performed by COMPANY, its AFFILIATES and SUBLICENSEES in each country;

(iv) calculation of NET SALES for the applicable REPORTING PERIOD in each country, including a listing of applicable deductions;

(v) total royalty payable on NET SALES in U.S. dollars, together with the exchange rates used for conversion;

(vi) the amount of SUBLICENSE INCOME received by COMPANY from each SUBLICENSEE and the amount due to UNIVERSITY from such SUBLICENSE INCOME,

including an itemized breakdown of the sources of income comprising the SUBLICENSE INCOME; and

(vii) the number of sublicenses entered into for the PATENT RIGHTS, LICENSED PRODUCTS and/or LICENSED PROCESSES.

If no amounts are due to UNIVERSITY for any REPORTING PERIOD, the report shall so state.

5.3 Financial Statements. On or before the ninetieth (90th) day following the close of COMPANY's fiscal year, COMPANY shall provide UNIVERSITY with COMPANY's financial statements for the preceding fiscal year including, at a minimum, a balance sheet and an income statement, certified by COMPANY's treasurer or chief financial officer or by an independent auditor.

5.4 Records. COMPANY shall maintain, and shall cause its AFFILIATES and SUBLICENSEES to maintain, complete and accurate records relating to the rights and obligations under this Agreement and any amounts payable to UNIVERSITY in relation to this Agreement, which records shall contain sufficient information to permit UNIVERSITY to confirm the accuracy of any reports delivered to UNIVERSITY and compliance in other respects with this Agreement. The relevant party shall retain such records for at least five (5) years following the end of the calendar year to which they pertain, during which time UNIVERSITY, or UNIVERSITY's appointed agents, shall have the right, at UNIVERSITY's expense, to inspect such records during normal business hours to verify any reports and payments made or compliance in other respects under this Agreement. In the event that any audit performed under this Section reveals an underpayment in excess of five percent (5%), COMPANY shall bear the full cost of such audit and shall remit any amounts due to UNIVERSITY within thirty (30) days of receiving notice thereof from UNIVERSITY.

6. PATENT PROSECUTION.

6.1 Responsibility for PATENT RIGHTS. UNIVERSITY shall prepare, file, prosecute, and maintain all of the PATENT RIGHTS. COMPANY shall have reasonable opportunities to advise UNIVERSITY and shall cooperate with UNIVERSITY in such filing, prosecution and maintenance.

6.2 International (non-United States) Filings. Appendix B is a list of countries in which patent applications corresponding to the United States patent applications listed in Appendix A shall be filed, prosecuted, and maintained. Appendix B may be amended by mutual agreement of COMPANY and UNIVERSITY.

6.3 Payment of Expenses. Payment of all fees and costs, including attorneys fees, relating to the filing, prosecution and maintenance of the PATENT RIGHTS shall be the responsibility of COMPANY, whether such amounts were incurred before or after the EFFECTIVE DATE. As of _____, UNIVERSITY has incurred approximately $_____ for such patent-related fees and costs. COMPANY shall reimburse all amounts due pursuant to this Section within thirty (30) days of invoicing; late payments shall accrue interest pursuant to Section 4.2(c). In all instances, UNIVERSITY shall pay the fees prescribed for large entities to the United States Patent and Trademark Office.

7. INFRINGEMENT.

7.1 Notification of Infringement. Each party agrees to provide written notice to the other party promptly after becoming aware of any infringement of the PATENT RIGHTS.

7.2 Right to Prosecute Infringements.

(a) COMPANY Right to Prosecute. So long as COMPANY remains the exclusive licensee of the PATENT RIGHTS in the FIELD in the TERRITORY, COMPANY, to the extent permitted by law, shall have the right, under its own control and at its own expense, to prosecute any third party infringement of the PATENT RIGHTS in the FIELD in the TERRITORY, subject to Sections 7.4 and 7.5. If required by law, UNIVERSITY shall permit any action under this Section to be brought in its name, including being joined as a party-plaintiff, provided that COMPANY shall hold UNIVERSITY harmless from, and indemnify UNIVERSITY against, any costs, expenses, or liability that UNIVERSITY incurs in connection with such action.

Prior to commencing any such action, COMPANY shall consult with UNIVERSITY and shall consider the views of UNIVERSITY regarding the advisability of the proposed action and its effect on the public interest. COMPANY shall not enter into any settlement, consent judgment, or other voluntary final disposition of any infringement action under this Section without the prior written consent of UNIVERSITY.

(b) UNIVERSITY Right to Prosecute. In the event that COMPANY is unsuccessful in persuading the alleged infringer to desist or fails to have initiated an infringement action within a reasonable time after COMPANY first becomes aware of the basis for such action, UNIVERSITY shall have the right, at its sole discretion, to prosecute such infringement under its sole control and at its sole expense, and any recovery obtained shall belong to UNIVERSITY.

7.3 Declaratory Judgment Actions. In the event that a declaratory judgment action is brought against UNIVERSITY or COMPANY by a third party alleging invalidity, unenforceability, or non-infringement of the PATENT RIGHTS, UNIVERSITY, at its option, shall have the right within twenty (20) days after commencement of such action to take over the sole defense of the action at its own expense. If UNIVERSITY does not exercise this right, COMPANY may take over the sole defense of the action at COMPANY's sole expense, subject to Sections 7.4 and 7.5.

7.4 Offsets. COMPANY may offset a total of fifty percent (50%) of any expenses incurred under Sections 7.2 and 7.3 against any payments due to UNIVERSITY under Article 4, provided that in no event shall such payments under Article 4, when aggregated with any other offsets and credits allowed under this Agreement, be reduced by more than fifty percent (50%) in any REPORTING PERIOD.

7.5 Recovery. Any recovery obtained in an action brought by COMPANY under Sections 7.2 or 7.3 shall be distributed as follows: (i) each party shall be reimbursed for any expenses incurred in the action (including the amount of any royalty or other payments withheld from UNIVERSITY as described in Section 7.4), (ii) as to ordinary damages, COMPANY shall receive an amount equal to its lost profits or a reasonable royalty on the infringing sales, or whichever measure of damages the court shall have applied, and COMPANY shall pay to UNIVERSITY based upon such amount a reasonable approximation of the royalties and other amounts that COMPANY would have paid to UNIVERSITY if COMPANY had sold the infringing products, processes and services rather than the infringer, and (iii) as to special or punitive damages, the parties shall share equally in any award.

7.6 Cooperation. Each party agrees to cooperate in any action under this Article which is controlled by the other party, provided that the controlling party reimburses the cooperating party promptly for any costs and expenses incurred by the cooperating party in connection with providing such assistance.

7.7 Right to Sublicense. So long as COMPANY remains the exclusive licensee of the PATENT RIGHTS in the FIELD in the TERRITORY, COMPANY shall have the sole right to sublicense any alleged infringer in the FIELD in the TERRITORY for future use of the PATENT RIGHTS in accordance with the terms and conditions of this Agreement relating to sublicenses. Any upfront fees as part of such sublicense shall be shared equally between COMPANY and UNIVERSITY; other revenues to COMPANY pursuant to such sublicense shall be treated as set forth in Article 4.

8. INDEMNIFICATION AND INSURANCE.

8.1 Indemnification.

(a) Indemnity. COMPANY shall indemnify, defend, and hold harmless UNIVERSITY and its trustees, officers, faculty, students, employees, and agents and their respective successors, heirs and assigns (the "Indemnitees"), against any liability, damage, loss, or expense (including reasonable attorneys fees and expenses) incurred by or imposed upon any of the Indemnitees in connection with any claims, suits, actions, demands or judgments arising out of any theory of liability (including without limitation actions in the form of tort, warranty, or strict liability and regardless of whether such action has any factual basis) concerning any product, process, or service that is made, used, sold, imported, or performed pursuant to any right or license granted under this Agreement.

(b) Procedures. The Indemnitees agree to provide COMPANY with prompt written notice of any claim, suit, action, demand, or judgment for which indemnification is sought under this Agreement. COMPANY agrees, at its own expense, to provide attorneys reasonably acceptable to UNIVERSITY to defend against any such claim. The Indemnitees shall cooperate fully with COMPANY in such defense and will permit COMPANY to conduct and control such defense and the disposition of such claim, suit, or action (including all decisions relative to litigation, appeal, and settlement); provided, however, that any Indemnitee shall have the right to retain its own counsel, at the expense of COMPANY, if representation of such Indemnitee by the counsel retained by COMPANY would be inappropriate because of actual or potential differences in the interests of such Indemnitee and any other party represented by such counsel. COMPANY agrees to keep UNIVERSITY informed of the progress in the defense and disposition of such claim and to consult with UNIVERSITY with regard to any proposed settlement.

8.2 Insurance. COMPANY shall obtain and carry in full force and effect commercial general liability insurance, including product liability and errors and omissions insurance which shall protect COMPANY and Indemnitees with respect to events covered by Section 8.1(a) above. Such insurance (i) shall be issued by an insurer licensed to practice in the Commonwealth of Massachusetts or an insurer pre-approved by UNIVERSITY, such approval not to be unreasonably withheld, (ii) shall list UNIVERSITY as an additional insured thereunder, (iii) shall be endorsed to include product liability coverage, and (iv) shall require thirty (30) days written notice to be given to UNIVERSITY prior to any cancellation or material change thereof. The limits of such insurance shall not be less than One Million Dollars ($1,000,000) per occurrence with an aggregate of Three Million Dollars ($3,000,000) for bodily injury including death; One Million Dollars ($1,000,000) per occurrence with an aggregate of Three Million Dollars ($3,000,000) for property damage; and One Million Dollars ($1,000,000) per occurrence with an aggregate of Three Million Dollars ($3,000,000) for errors and omissions. In the alternative, COMPANY may self-insure subject to prior approval of UNIVERSITY COMPANY shall provide UNIVERSITY with Certificates of Insurance evidencing compliance with this Section. COMPANY shall continue to maintain such insurance or self-insurance after the expiration or termination of this Agreement during any period in which COMPANY or any AFFILIATE or SUBLICENSEE continues (i) to make, use, or sell a product that was a LICENSED PRODUCT under this Agreement or (ii) to perform a service that was a LICENSED PROCESS under this Agreement, and thereafter for a period of five (5) years.

9. NO REPRESENTATIONS OR WARRANTIES.

EXCEPT AS MAY OTHERWISE BE EXPRESSLY SET FORTH IN THIS AGREEMENT, UNIVERSITY MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND CONCERNING THE PATENT RIGHTS, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT, VALIDITY OF PATENT RIGHTS CLAIMS, WHETHER ISSUED OR PENDING, AND THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE. Specifically, and not to limit the foregoing, UNIVERSITY makes no warranty or representation (i) regarding the validity or scope of the PATENT RIGHTS, and (ii) that the exploitation of the PATENT RIGHTS or any LICENSED PRODUCT or LICENSED PROCESS will not infringe any patents or other intellectual property rights of UNIVERSITY or of a third party.

IN NO EVENT SHALL UNIVERSITY, ITS TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES AND AFFILIATES BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL

DAMAGES OF ANY KIND, INCLUDING ECONOMIC DAMAGES OR INJURY TO PROPERTY AND LOST PROFITS, REGARDLESS OF WHETHER UNIVERSITY SHALL BE ADVISED, SHALL HAVE OTHER REASON TO KNOW, OR IN FACT SHALL KNOW OF THE POSSIBILITY OF THE FOREGOING.

10. ASSIGNMENT.

This Agreement is personal to COMPANY and no rights or obligations may be assigned by COMPANY without the prior written consent of UNIVERSITY. UNIVERSITY shall have the right to terminate this Agreement immediately upon written notice to COMPANY upon a purchase of a majority of COMPANY's outstanding voting securities in a single transaction by a third party without UNIVERSITY's prior written consent.

11. GENERAL COMPLIANCE WITH LAWS

11.1 Compliance with Laws. COMPANY shall use reasonable commercial efforts to comply with all commercially material local, state, federal, and international laws and regulations relating to the development, manufacture, use, and sale of LICENSED PRODUCTS and LICENSED PROCESSES.

11.2 Export Control. COMPANY and its AFFILIATES and SUBLICENSEES shall comply with all United States laws and regulations controlling the export of certain commodities and technical data, including without limitation all Export Administration Regulations of the United States Department of Commerce. Among other things, these laws and regulations prohibit or require a license for the export of certain types of commodities and technical data to specified countries. COMPANY hereby gives written assurance that it will comply with, and will cause its AFFILIATES and SUBLICENSEES to comply with, all United States export control laws and regulations, that it bears sole responsibility for any violation of such laws and regulations by itself or its AFFILIATES or SUBLICENSEES, and that it will indemnify, defend, and hold UNIVERSITY harmless (in accordance with Section 8.1) for the consequences of any such violation.

11.3 Non-Use of UNIVERSITY Name. COMPANY and its AFFILIATES and SUBLICENSEES shall not use the name of _____ or any variation, adaptation, or abbreviation thereof, or of any of its trustees, officers, faculty, students, employees, or agents, or any trademark owned by UNIVERSITY, or any terms of this Agreement in any promotional material or other public announcement or disclosure without the

prior written consent of UNIVERSITY. The foregoing notwithstanding, without the consent of UNIVERSITY, COMPANY may state that it is licensed by UNIVERSITY under one or more of the patents and/or patent applications comprising the PATENT RIGHTS.

11.4 Marking of LICENSED PRODUCTS. To the extent commercially feasible and consistent with prevailing business practices, COMPANY shall mark, and shall cause its AFFILIATES and SUBLICENSEES to mark, all LICENSED PRODUCTS that are manufactured or sold under this Agreement with the number of each issued patent under the PATENT RIGHTS that applies to such LICENSED PRODUCT.

12. TERMINATION.

12.1 Voluntary Termination by COMPANY. COMPANY shall have the right to terminate this Agreement, for any reason, (i) upon at least six (6) months prior written notice to UNIVERSITY, such notice to state the date at least six (6) months in the future upon which termination is to be effective, and (ii) upon payment of all amounts due to UNIVERSITY through such termination effective date.

12.2 Cessation of Business. If COMPANY ceases to carry on its business related to this Agreement, UNIVERSITY shall have the right to terminate this Agreement immediately upon written notice to COMPANY.

12.3 Termination for Default.

(a) Nonpayment. In the event COMPANY fails to pay any amounts due and payable to UNIVERSITY hereunder, and fails to make such payments within thirty (30) days after receiving written notice of such failure, UNIVERSITY may terminate this Agreement immediately upon written notice to COMPANY.

(b) Material Breach. In the event COMPANY commits a material breach of its obligations under this Agreement, except for breach as described in Section 12.3(a), and fails to cure that breach within sixty (60) days after receiving written notice thereof, UNIVERSITY may terminate this Agreement immediately upon written notice to COMPANY.

12.4 Effect of Termination.

(a) Survival. The following provisions shall survive the expiration or termination of this Agreement: Articles 1, 8, 9, 13 and 14, and Sections 5.2 (obligation to provide final report and payment), 5.4, 11.1, 11.2 and 12.4.

(b) Inventory. Upon the early termination of this Agreement, COMPANY and its AFFILIATES and SUBLICENSEES may complete and sell any work-in-progress and inventory of LICENSED PRODUCTS that exist as of the effective date of termination, provided that (i) COMPANY pays UNIVERSITY the applicable running royalty or other amounts due on such sales of LICENSED PRODUCTS in accordance with the terms and conditions of this Agreement, and (ii) COMPANY and its AFFILIATES and SUBLICENSEES shall complete and sell all work-in-progress and inventory of LICENSED PRODUCTS within six (6) months after the effective date of termination.

(c) Pre-termination Obligations. In no event shall termination of this Agreement release COMPANY, AFFILIATES, or SUBLICENSEES from the obligation to pay any amounts that became due on or before the effective date of termination.

13. DISPUTE RESOLUTION.

13.1 Mandatory Procedures. The parties agree that any dispute arising out of or relating to this Agreement shall be resolved solely by means of the procedures set forth in this Article, and that such procedures constitute legally binding obligations that are an essential provision of this Agreement. If either party fails to observe the procedures of this Article, as may be modified by their written agreement, the other party may bring an action for specific performance of these procedures in any court of competent jurisdiction.

13.2 Equitable Remedies. Although the procedures specified in this Article are the sole and exclusive procedures for the resolution of disputes arising out of or relating to this Agreement, either party may seek a preliminary injunction or other provisional equitable relief if, in its reasonable judgment, such action is necessary to avoid irreparable harm to itself or to preserve its rights under this Agreement.

13.3 Dispute Resolution Procedures.

(a) Mediation. In the event any dispute arising out of or relating to this Agreement remains unresolved within sixty (60) days from the date the affected party informed the other party of such dispute, either party may initiate mediation upon written notice to the other party ("Notice Date"), whereupon both parties shall be obligated to engage in a mediation proceeding under the then current Center for Public Resources ("CPR") Model Procedure for Mediation of Business Disputes (http://www.cpradr.org), except that specific provisions of this Article shall override inconsistent provisions of the CPR Model Procedure. The mediator will be selected from the CPR Panels of Neutrals. If the parties cannot agree upon the selection of a mediator within fifteen (15) business days after the Notice Date, then upon the request of either party, the CPR shall appoint the mediator. The parties shall attempt to resolve the dispute through mediation until the first of the following occurs: (i) the parties reach a written settlement; (ii) the mediator notifies the parties in writing that they have reached an impasse; (iii) the parties agree in writing that they have reached an impasse; or (iv) the parties have not reached a settlement within sixty (60) days after the Notice Date.

(b) Trial Without Jury. If the parties fail to resolve the dispute through mediation, or if neither party elects to initiate mediation, each party shall have the right to pursue any other remedies legally available to resolve the dispute, provided, however, that the parties expressly waive any right to a jury trial in any legal proceeding under this Article.

13.4 Performance to Continue. Each party shall continue to perform its undisputed obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement; provided, however, that a party may suspend performance of its undisputed obligations during any period in which the other party fails or refuses to perform its undisputed obligations. Nothing in this Article is intended to relieve COMPANY from its obligation to make undisputed payments pursuant to Articles 4 and 6 of this Agreement.

13.5 Statute of Limitations. The parties agree that all applicable statutes of limitation and time-based defenses (such as estoppel and laches) shall be tolled while the procedures set forth in Sections 13.3(a) are pending. The parties shall cooperate in taking any actions necessary to achieve this result.

14. MISCELLANEOUS.

14.1 Notice. Any notices required or permitted under this Agreement shall be in writing, shall specifically refer to this Agreement, and shall be sent by hand, recognized national overnight courier, confirmed facsimile transmission, confirmed electronic mail, or registered or certified mail, postage prepaid, return receipt requested, to the following addresses or facsimile numbers of the parties:

If to UNIVERSITY: _____
_____
_____
_____

Attention: _____
Tel: _____
Fax: _____

If to COMPANY: _____
_____
_____
_____

Attention: _____
Tel: _____
Fax: _____

All notices under this Agreement shall be deemed effective upon receipt. A party may change its contact information immediately upon written notice to the other party in the manner provided in this Section.

14.2 Governing Law. This Agreement and all disputes arising out of or related to this Agreement, or the performance, enforcement, breach or termination hereof, and any remedies relating thereto, shall be construed, governed, interpreted and applied in accordance with the laws of _____ without regard to conflict of laws principles, except that questions affecting the construction and effect of any patent shall be determined by the law of the country in which the patent shall have been granted.

14.3 Force Majeure. Neither party will be responsible for delays resulting from causes beyond the reasonable control of such party, including without limitation fire, explosion, flood, war, strike, or riot, provided that the nonperforming party uses commercially reasonable efforts

to avoid or remove such causes of nonperformance and continues performance under this Agreement with reasonable dispatch whenever such causes are removed.

14.4 Amendment and Waiver. This Agreement may be amended, supplemented, or otherwise modified only by means of a written instrument signed by both parties. Any waiver of any rights or failure to act in a specific instance shall relate only to such instance and shall not be construed as an agreement to waive any rights or fail to act in any other instance, whether or not similar.

14.5 Severability. In the event that any provision of this Agreement shall be held invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any other provision of this Agreement, and the parties shall negotiate in good faith to modify the Agreement to preserve (to the extent possible) their original intent. If the parties fail to reach a modified agreement within thirty (30) days after the relevant provision is held invalid or unenforceable, then the dispute shall be resolved in accordance with the procedures set forth in Article 13. While the dispute is pending resolution, this Agreement shall be construed as if such provision were deleted by agreement of the parties.

14.6 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.

14.7 Headings. All headings are for convenience only and shall not affect the meaning of any provision of this Agreement.

14.8 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior agreements or understandings between the parties relating to its subject matter.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

The EFFECTIVE DATE of this Agreement is _____.

UNIVERSITY	[LEGAL NAME OF COMPANY]
By: **DRAFT**	By: **DRAFT**
Name:_____	Name:_____
Title:_____	Title:_____

APPENDIX A

List of Patent Applications and Patents

I. United States Patents and Applications

II. International (non-U.S.) Patents and Applications

APPENDIX B

List of Countries (excluding United States) for which
PATENT RIGHTS Applications Will Be Filed, Prosecuted and Maintained