

Model Agreement SBIR/STTR Programs

Allocation of Rights in Intellectual Property and Rights to Carry Out Follow-on Research, Development, or Commercialization

This Agreement between _____, a small business concern organized as a _____ under the laws of _____ and having a principal place of business at _____, (“SBC”) and The Rockefeller University, a research institution having a principal place of business at 1230 York Avenue, New York, NY, 10065 (“RU”) (hereinafter referred to as the “Parties”) is entered into the date of the last signature below (“Effective Date”) for the purpose of allocating between the parties certain rights relating to an SBIR/STTR Project to be carried out by SBC and RU (hereinafter referred to as the “SBIR/STTR Project”) under an SBIR/STTR funding agreement that may be awarded by the National Institutes of Health (NIH) to SBC to fund a proposal entitled “_____” submitted, or to be submitted, to the NIH by SBC on or about _____, 20__.

1. Applicability of this Agreement.

- (a) This Agreement shall be applicable only to matters relating to the SBIR/STTR Project referred to in the preamble above.
- (b) If a funding agreement for an SBIR/STTR Project is awarded to SBC based upon the SBIR/STTR proposal referred to in the preamble above, SBC will promptly provide a copy of such funding agreement to RU, and SBC will make a sub-award to RU in accordance with the funding agreement, the proposal, and this Agreement. If the terms of such funding agreement appear to be inconsistent with the provisions of this Agreement, the parties will attempt in good faith to resolve any such inconsistencies. However, if such resolution is not achieved within a reasonable period, SBC shall not be obligated to award nor RU to accept the subaward, as the case may be. If a subaward is made by SBC and accepted by RU, this Agreement shall not be applicable to contradict the terms of such subaward or of the funding agreement awarded by the NIH to SBC except on the grounds of fraud, misrepresentation, or mistake, but shall be considered to resolve ambiguities in the terms of the subaward.
- (c) The provisions of this Agreement shall apply to any and all consultants, subcontractors, independent contractors, or other individuals employed by SBC or employed by or faculty of RU for the purposes of this SBIR/STTR Project.

2. Background Intellectual Property.

It is possible that one or both Parties may possess rights in background intellectual property, that is, intellectual property not otherwise subject to this Agreement, which would be useful or essential to the practice or commercialization of the results of this Agreement. For example, the RU might own a patent which would be infringed by the SBC when it attempted to commercialize the results of this Agreement unless a license was obtained from the RU. Where the Parties determine that background technology may exist, consideration should be given to negotiating license rights which will allow the practice and commercialization of the results of this Agreement.

3. Project Intellectual Property.

- (a) “Project Intellectual Property” means the legal rights relating to inventions (including Subject Inventions as defined in 37 CFR 401), patent applications, patents, copyrights, trademarks, mask works, trade secrets, and any other legally protectable information, including computer software, first made or generated during the performance of this Agreement.

- (b) The rights of the Parties to subject inventions made by their employees in the performance of this Agreement shall be as set forth in the Patent rights clause of 37 CFR 401.14. The NIH may obtain title to any subject invention not elected by a party as set forth in the Patent rights clause.

Unless otherwise agreed in writing, Project Intellectual Property shall be owned by the party whose employees make or generate the Project Intellectual Property using their own facilities, equipment and administered funds. Jointly made or generated Project Intellectual Property shall be jointly owned by the Parties unless otherwise agreed in writing. The SBC shall have the first option to perfect the rights in jointly made or generated Project Intellectual Property unless otherwise agreed in writing.

In addition to the Government's rights under the Patent rights clause of 37 CFR 401.14, the Parties agree that the Government shall have an irrevocable, royalty free, nonexclusive license for any Governmental purpose in any Project Intellectual Property.

- (c) The Parties agree to disclose to each other, in writing, each and every Subject Invention, which may be patentable or otherwise protectable under the United States patent laws in Title 35, U.S.C. The Parties acknowledge that they will disclose Subject Inventions to each other within one (1) month after their respective inventor(s) first disclose the invention in writing to the person(s) responsible for patent matters of the disclosing Party. All written disclosures of such inventions shall contain sufficient detail of the invention, identification of any statutory bars, and shall be marked confidential, in accordance with 35 U.S.C. Section 205. Disclosures to the NIH shall be within the time provided in paragraph (c)(1) of the Patent rights clause of 37 CFR 401.14.
- (d) Each party hereto may use Project Intellectual Property of the other nonexclusively and without compensation in connection with research or development activities for this SBIR/STTR Project, including inclusion in SBIR/STTR Project reports to the NIH and proposals to the NIH for continued funding of this SBIR/STTR Project through additional phases.
- (e) SBC will have an option to commercialize the Project Intellectual Property either wholly or jointly owned by RU, subject to any rights of the Government therein. The following terms apply unless other provisions are negotiated:
 - (1) Where Project Intellectual Property of RU is a potentially patentable invention, SBC will have an exclusive option for a sole license to such invention, for an initial option period of two (2) months after such invention has been reported to SBC. SBC may, at its election and subject to the patent expense reimbursement provisions of this section, extend such option for an additional six (6) months by giving written notice of such election to RU prior to the expiration of the initial option period. During the period of such option following notice by SBC of election to extend, RU will pursue and maintain any patent protection for the invention requested in writing by SBC and, except with the written consent of SBC or upon the failure of SBC to reimburse patenting expenses as required under this section, will not voluntarily discontinue the pursuit and maintenance of any United States patent protection for the invention initiated by RU or of any patent protection requested by SBC. For any invention for which SBC gives notice of its election to extend the option, SBC will, within thirty (30) days after invoice, reimburse RU for the expenses incurred by RU prior to expiration or termination of the option period in pursuing and maintaining (i) any United States patent protection initiated by RU and (ii) any patent protection requested by SBC. SBC may terminate such option at will by giving written notice to RU, in which case further accrual of reimbursable patenting expenses hereunder, other than prior commitments not practically revocable, will cease upon RU's receipt of such notice. At any time prior to the

expiration or termination of an option, SBC may exercise such option by giving written notice to RU, whereupon the Parties will promptly and in good faith enter into negotiations for a license under RU's patent rights in the invention for SBC to make, use and/or sell products and/or services that embody, or the development, manufacture and/or use of which involves employment of, the invention. The terms of such license will include: (i) payment of reasonable royalties to RU on sales of products or services which embody, or the development, manufacture or use of which involves employment of, the invention; (ii) reimbursement by SBC of expenses incurred by RU in seeking and maintaining patent protection for the invention in countries covered by the license; and, in the case of an exclusive license, (iii) reasonable commercialization milestones and/or minimum royalties.

- (2) Where Project Intellectual Property of RU is other than a potentially patentable invention, SBC will have an exclusive option for a license, for an option period extending until three (3) months following completion of RU's performance of that phase of this STTR Project in which such Project Intellectual Property of RU was developed by RU. SBC may exercise such option by giving written notice to RU, whereupon the parties will promptly and in good faith enter into negotiations for an appropriate license under RU's interest in the subject matter for SBC to make, use and/or sell products or services which embody, or the development, manufacture and/or use of which involve employment of, such Project Intellectual Property of RU. The terms of such license will include: (i) payment of reasonable royalties to RU on sale of products or services that embody, or the development, manufacture or use of which involves employment of, the Project Intellectual Property of RU and, in the case of an exclusive license, (ii) reasonable commercialization milestones and/or minimum royalties.
- (3) Where more than one royalty might otherwise be due in respect of any unit of product or service under a license pursuant to this Agreement, the parties shall in good faith negotiate to ameliorate any effect thereof that would threaten the commercial viability of the affected products or services by providing in such license(s) for a reasonable discount or cap on total royalties due in respect of any such unit.

4. Follow-on Research or Development.

All follow-on work, including any licenses, contracts, subcontracts, sublicenses or arrangements of any type, shall contain appropriate provisions to implement the Project Intellectual Property rights provisions of this Agreement and insure that the Parties and the Government obtain and retain such rights granted herein in all future resulting research, development, or commercialization work.

5. Confidentiality/Publication.

- (a) Background Intellectual Property and Project Intellectual Property of a party, as well as other proprietary or confidential information of a party, disclosed by that party to the other in connection with this SBIR/STTR Project shall be received and held in confidence by the receiving party and, except with the consent of the disclosing party or as permitted under this Agreement, neither used by the receiving party nor disclosed by the receiving party to others, provided that the receiving party has notice that such information is regarded by the disclosing party as proprietary or confidential. However, these confidentiality obligations shall not apply to use or disclosure by the receiving party after such information is or becomes known to the public without breach of this provision or is or becomes known to the receiving party from a source reasonably believed to be independent of the disclosing party or is developed by or for the receiving party independently of its disclosure by the disclosing party.
- (b) Subject to the terms of paragraph (a) above, either party may publish results of the SBIR/STTR Project. However, the publishing party shall provide the other party a thirty (30)

day period in which to review proposed publications, identify proprietary or confidential information, and submit comments. The publishing party shall not publish or otherwise disclose proprietary or confidential information identified by the other party and the publishing party will give full consideration to all comments before publication. Furthermore, upon request of the reviewing party, publication will be deferred for up to thirty (30) additional days for preparation and filing of a patent application which the reviewing party has the right to file or to have filed at its request by the publishing party.

6. Liability.

- (a) Each party disclaims all warranties running to the other or through the other to third parties, whether express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and freedom from infringement, as to any information, result, design, prototype, product or process deriving directly or indirectly and in whole or part from such party in connection with this SBIR/STTR Project.
- (b) The Parties will indemnify and hold harmless the Government with regard to any claims arising in connection with commercialization of the results of this SBIR/STTR Project. In the event that SBC, any affiliate, licensee or sublicensee thereof, or any third party on behalf of or for the account of the SBC, uses joint Project Intellectual Property for any commercial purpose (“Commercial Use”), including without limitation the development or derivation of a product or service from such joint Project Intellectual Property (collectively, a “Product”) and there is no license agreement in place between RU and SBC with respect to such Project Intellectual Property, RU and its respective trustees, directors, officers, employees, and agents (collectively, “Indemnitees”), will be indemnified, defended by counsel acceptable to RU, and held harmless by SBC from and against any claim, liability, cost, expense, damage, deficiency, loss, or obligation, of any kind or nature (including, without limitation, reasonable attorneys’ fees and other costs and expenses of defense) (collectively, “Commercial Use Claims”), based upon, arising out of, or otherwise relating to any Commercial Use or use of any Product by any person or entity (including any Indemnitee), including without limitation any cause of action relating to product liability. The previous sentence will not apply to any Commercial Use Claim that is determined with finality by a court of competent jurisdiction to result solely from the gross negligence or willful misconduct of an Indemnitee.
- (c) SBC agrees to maintain during the term of this Agreement comprehensive general liability insurance coverage with limits of not less than \$1 million per occurrence and \$3 million annual aggregate (or an equivalent program of self-insurance satisfactory to RU). Upon RU’s request, SBC will provide RU proof of insurance or loss coverage required under the terms of this Agreement. In addition, SBC agrees to notify RU in writing in the event of a material modification or change in such coverage.

7. Termination.

- (a) This Agreement may be terminated by either Party upon ninety (90) days written notice to the other Party. This Agreement may also be terminated by either Party in the event of the failure of the other Party to comply with the terms of this Agreement.
- (b) In the event of termination by either Party, each Party shall be responsible for its share of the costs incurred through the effective date of termination, as well as its share of the costs incurred after the effective date of termination, and which are related to the termination. The confidentiality, use, and/or non-disclosure obligations of this Agreement shall survive any termination of this Agreement.

- (c) This Agreement is effective as of the Effective Date and ends on _____, unless otherwise terminated or amended in accordance with the provision of this section or extended by mutual written agreement of the parties.

8. Survival.

Unless expressly provided otherwise herein, each provision of this Agreement reasonably interpreted as intending to survive after the termination or expiration of this Agreement shall survive any such termination or expiration, including without limitation, section 6 of this Agreement.

9. Notices under this Agreement will be in writing and sent by public courier and addressed as follows:

If to Rockefeller:

The Rockefeller University
1230 York Avenue, Box 138
New York, New York 10065
Attention: Office of Technology Transfer

with a copy to:

The Rockefeller University
1230 York Avenue, Box 82
New York, New York 10065
Attention: Office Sponsored Programs

If to SBC:

10. This Agreement will be construed and governed in accordance with the laws of the State of New York, without giving effect to conflict of law provisions.

11. Neither party will be liable for any failure to perform as required by this Agreement to the extent such failure to perform is due to circumstances reasonably beyond such party's control, including, without limitation, labor disturbances or labor disputes of any kind, accidents, failure of any governmental approval required for full performance, civil disorders or commotions, acts of aggression, acts of God, energy or other conservation measures imposed by law or regulation, explosions, failure of utilities, mechanical breakdowns, material shortages, disease, or other such occurrences.

12. Each party will comply with all laws, regulations and other legal requirements applicable to such party in connection with this Agreement, including but not limited to any legal requirements applicable to the use of the results of the SBIR/STTR Project and laws controlling the export of technical data, computer software, laboratory prototypes, and all other export controlled commodities.

13. This Agreement embodies the entire understanding between the parties relating to the subject matter hereof and supersedes all prior understandings and agreements, whether written or oral. This Agreement may not be varied except by a written document signed by duly authorized representatives of both parties.

14. If any provision of this Agreement or of any other agreement, document or writing pursuant to or in connection with this Agreement, shall be wholly or partially invalid or unenforceable under applicable law, said provision will be ineffective to that extent only, without in any way affecting the remaining parts or provision of said agreement, provided that the remaining provisions continue to effect the purposes of this Agreement.

15. Nonperformance by a party, other than payment of any amounts due hereunder by SBC, shall not operate as a default under or breach of the terms of this Agreement to the extent and for so long any such nonperformance is due to: strikes or other labor disputes; prevention or prohibition by law; the loss or injury to products in transit; an Act of God; or war or other cause beyond the control of such party.

16. Except as otherwise provided herein, no party may assign, subcontract, or delegate any right or obligation under this Agreement, in whole or in part, without the express prior written consent of the other party. This Agreement shall inure to the benefit of and be binding upon each party's successors and assigns.

17. This Agreement may be executed in any number of counterparts or, if mutually agreeable to the undersigned authorized signatories for the parties, through the exchange by facsimile or other electronic means of duly-signed duplicates hereof, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

AGREED TO AND ACCEPTED:

Small Business Concern

By: _____

Date: _____

Print Name: _____

Title: _____

The Rockefeller University

By: _____

Date: _____

Print Name: _____

Title: _____