

INTELLECTUAL PROPERTY POLICY

Introduction

The Rockefeller University (“*University*”) recognizes that inventions may be made and copyrightable works may be created in the course of research supported by facilities, equipment or funds of or administered by the University. The University desires that such inventions and works be brought into use for the public benefit at the earliest possible time. The University recognizes that this objective may be best accomplished through the patenting of such inventions and the licensing of such inventions and works consistent with the public interest. The University also desires to foster the creation and publication of scholarly works by authors at the University. This policy seeks to reconcile these interests on behalf of the public, the University and the inventors and authors.

Effect and Incorporation by Reference

This Intellectual Property Policy, as it may be amended from time to time (this “*Policy*”), supersedes the Patent Policy of January 1, 1994 and the Copyright Policy of January 18, 1984 (collectively, the “*Prior Policies*”) and shall be deemed to be incorporated by reference in existing agreements referencing either of the Prior Policies, except as noted below. In the event there are inconsistencies between this Policy and existing agreements referencing either of the Prior Policies or this Policy, the terms of this Policy shall control.

Summary of Policy

All Inventions as defined in Paragraph 1 below are owned by the University. The copyright in Scholarly Works and Individual Works (as those terms are defined in Paragraph 2 below) will be owned by the author. All other copyrightable works that are Commercial Works as defined in Paragraph 2 below are owned by the University. Net cash proceeds from licensing transactions, after the University recovers all costs and fees as described below, will be paid thirty-three and one-third percent (33-1/3%) to the inventors or authors as a group and sixty-six and two-thirds percent (66-2/3%) to the University. Any equity or other class of securities derived from a license transaction will be held by the University and managed by the University’s Office of Technology Transfer (“*OTT*”) or its designee. Such equity or other class of securities will be liquidated as soon as reasonably practicable, with cash proceeds distributed as described above.

Policy

1. Ownership of Inventions. All inventions, discoveries and improvements, whether patentable or not, that are conceived, reduced to practice, or generated by employees of the University or by others, using the facilities, equipment or funds of or administered by the University (each, an “*Invention*”) are hereby assigned by the Inventors to, and are the sole property of, the University. Inventions, discoveries and improvements may be, for example, data, tangible materials and know how. The term “*Inventor*” under this Policy means an individual who is or could reasonably be determined to be an inventor under applicable Federal patent law of an Invention that is claimed or described in a patent or patent application and/or an individual who has substantially contributed to the conception, design or development of an Invention that is not claimed in a patent or patent application.

2. Ownership of Works. The University acknowledges that copyrightable works that are submitted and accepted for scholarly publication, such as a journal article or a text book (each, a “*Scholarly Work*”), will be owned by the Author. The University further acknowledges that copyrightable works that are created outside of the scope of employment or engagement by the University and without using the

facilities, equipment or funds of or administered by the University, such as a novel or a painting (each, an "*Individual Work*"), will be owned by the Author. All copyrightable works that (a) are neither Scholarly Works nor Individual Works and (b) are created by employees of the University or others using the facilities, equipment or funds of or administered by the University (each, a "*Commercial Work*") are hereby assigned by the Authors to, and are the sole property of, the University. Where applicable, Commercial Works are treated as works for hire under Federal copyright law. Examples of Commercial Works would include: the text of an invention disclosure written by an Author to be used in a patent application, courseware, databases, and the source code and documentation for a new computer software program created by an Author. The term "*Author*" under this Policy means an individual determined to be an author of a Scholarly Work, Individual Work or Commercial Work under applicable Federal copyright law.

3. Exceptions. The University reserves a royalty-free, non-exclusive right for itself and other non-profit institutions to use all Inventions, Scholarly Works and Commercial Works for academic and research purposes. With respect to Inventions, Scholarly Works or Commercial Works, the University may choose to modify the disposition of its ownership under this Policy. With respect to joint invention or authorship with entities or individuals not covered by this Policy, the University will seek to resolve any ownership questions by contract in a timely manner.

4. Disclosure Process. At the commencement of his or her employment or engagement, each employee or other person who uses the facilities, equipment or funds of or administered by the University is required to sign an Agreement Concerning Intellectual Property (Appendix A, as may be amended from time to time) and to be bound by this Policy. Any failure of an individual to sign such Agreement shall not affect the applicability of this Policy or relieve any individual who is subject to this Policy from the obligations imposed by it. An Inventor or Author must promptly disclose to OTT each Invention or Commercial Work conceived or made using funds from an entity that requires disclosure of any such Invention or Commercial Work. Additionally, an Inventor or Author must disclose an Invention or Commercial Work for which he or she wishes to seek commercialization. Each Inventor or Author will cooperate with OTT at all times in the implementation of this Policy (including executing assignments and other documents as requested by OTT) in connection with each Invention or Commercial Work, which includes applying for, obtaining, maintaining and enforcing patents or copyrights anywhere in the world; licensing or other transactions; and cooperating in any litigation, other proceedings or any dispute resolution, such as mediation, arbitration, etc. Such cooperation is a condition of receiving a share of the Net Proceeds

5. Role of OTT. OTT will be the primary office at the University responsible for managing this Policy. OTT will, for example:

- a. determine whether or not to seek patent or copyright protection for an Invention or Commercial Work and implement the selected strategy;
- b. determine whether or not releasing an Invention to the Inventor or Commercial Work to the Author is in the best interests of the University;
- c. market Inventions and Commercial Works to potential licensees;
- d. structure, close and administer license and sponsored research transactions;
- e. facilitate the distribution of cash proceeds from license transactions consistent with the terms of Paragraph 6 of this Policy; and
- f. develop and administer procedures that are consistent with this Policy.

6. Allocation of Cash Proceeds.

- a. The Author will retain any cash proceeds from Scholarly Works and/or Individual Works.
- b. The use of proceeds from sponsored research transactions for Inventions and Commercial Works will be governed by applicable contracts, this Policy and any other applicable University policy.

c. Cash proceeds (including proceeds from the liquidation of Equity as described in Paragraph 8 below) arising from an Invention or Commercial Work will be divided as follows: (i) first, the University will recover all patenting, licensing, transactional, and other costs and fees (including e.g., fees and costs of litigation, arbitration, mediation or other proceedings) relating to the Invention or Commercial Work; and (ii) second, the remaining cash proceeds (“*Net Proceeds*”) will be divided thirty-three and one-third percent (33-1/3%) to the Inventors of the Invention or the Authors of the Commercial Work, as a group, after recovery of fees and costs, if any, under Paragraph 6(e) and sixty-six and two-thirds percent (66-2/3%) to the University.

d. If there is more than one Inventor of an Invention or Author of a Commercial Work, then the Inventors’ or Authors’ shares of the Net Proceeds will be divided as unanimously agreed among such Inventors or Authors according to a written share allocation agreement, a copy of which will be provided to OTT as soon as possible.

e. The University has no obligation to resolve disagreements among Inventors or Authors as to share allocation. However, in the event of an impasse, in the interest of fairness, OTT reserves the right to intervene, at its discretion, to facilitate a determination of the share allocation using an internal University process or external dispute resolution process, such as mediation or binding arbitration. The external dispute resolver may determine the shares of the individual Inventors or Authors and the share of dispute resolution fees and costs to be borne by each of them. All of the fees and costs of external dispute resolution will be borne by the Inventors or Authors. To the extent the University incurs any fees and costs (other than internal costs) in connection with determination of share allocation, such fees and costs will be recovered by the University only from the Inventors’ or Authors’ share of Net Proceeds. This Policy will not affect any existing share allocation agreements among Inventors or Authors.

f. If an Inventor or Author who is a Head of Laboratory elects to contribute any or all of his or her share of the Net Proceeds to his or her laboratory for the purposes of supporting ongoing research at the University, then the University will contribute a matching sum from the University’s share of the Net Proceeds to such laboratory to support such research.

7. Distribution of Net Proceeds. Net Proceeds from licensing transactions for Inventions and Commercial Works will be distributed by the University in its ordinary course of business to Inventors or Authors according to the share allocation agreement described in Paragraph 6(d). No interest will be paid on Net Proceeds. The University will use reasonable efforts to distribute any Net Proceeds due to an Inventor or Author who is no longer associated with the University, provided that it is the sole obligation of such Inventor or Author or his or her estate to provide current contact information to OTT. In the event of the death of an Inventor or Author, any Net Proceeds due to the Inventor or Author will be distributed to his or her estate in accordance with this Policy and applicable law. Payment of Net Proceeds to an Inventor or Author will be reported by the University as payment of “other income” or “royalties” and not as “salary”. Distribution of Net Proceeds to an Inventor or Author may have tax consequences for the Inventor or Author, which tax consequences will be the sole responsibility of the Inventor or Author. Each Inventor or Author should consult his or her tax advisor to determine his or her tax consequences.

8. License-Derived Securities. If the University receives any equity or other class of securities (“*Equity*”) of a licensee as consideration in a license transaction for Inventions or Commercial Works, then the Equity will be held by the University and managed by its designee. It is the policy of the University to liquidate such Equity as soon as reasonably practicable, usually in the public market, rather than seek to maximize the return on the Equity by trying to time the sale of the Equity. The University does not act as a fiduciary for any Inventor or Author concerning such Equity, and no Inventor or Author will have any right to vote or direct the disposition of such Equity. The University has no obligation or duty to an Inventor or Author regarding the value realized upon liquidation of such Equity, or regarding any personal tax consequences that may arise as a result of an Inventor’s or Author’s receipt of Net Proceeds from the disposition of such Equity. Once the Equity is liquidated, the proceeds will be treated as cash proceeds and distributed under the terms of this Policy. For a more detailed explanation of the

considerations involved in Equity transactions, see the attached Appendix B on Guidelines for License Transactions Involving Securities, which is incorporated by reference into and made a part of this Policy.

9. Inventor or Author Compensation. All Inventors and Authors are required to submit to OTT existing and proposed agreements, including proposed amendments to existing agreements, with any entity that is or becomes involved with the University in a license transaction concerning the Inventor's or Author's Invention or Commercial Work. Should any Inventor or Author receive or have a right to receive compensation directly or indirectly (except for an Inventor's or Author's share under Paragraph 6 above) from such an entity, OTT will determine whether the existing or proposed agreement would be inconsistent with the interests of the University. If, in its sole discretion, OTT determines that such an agreement would be inconsistent with the University's interests, the agreement may be disclosed by OTT to the Technology Transfer Committee of the University's Board of Trustees. This Committee may then recommend to the University President appropriate action, including adjustment of the University's and the Inventors' or Authors' shares of Net Proceeds based on the particular circumstances of the situation. The President's decision will supersede any inconsistent provisions set forth in Paragraphs 6 and 8.

Effective Date

This Policy became effective on June 4, 2003 upon approval by the Board of Trustees of the University, was amended on October 7, 2005 and March 15, 2010, and is further amended, effective on November 17, 2010.

APPENDIX A
AGREEMENT CONCERNING INTELLECTUAL PROPERTY

In consideration of my employment or engagement by The Rockefeller University (the "*University*") or my use of the facilities, equipment or funds of or administered by the University, I make this agreement with the University:

1. I hereby agree:

- (a) to be bound by the University's Intellectual Property Policy, as it may be amended from time to time (the "*Policy*");
- (b) to make prompt and full written disclosures in accordance with the Policy, including disclosure of certain Inventions and/or Commercial Works (as those terms are defined in the Policy) and of existing and proposed agreements that I may have with an entity that is or becomes involved with the University in a license transaction concerning my Inventions or Commercial Works;
- (c) to assign and do hereby assign to the University all of my right, title and interest in, to and under the Inventions and/or Commercial Works of which I am an Inventor or Author; and
- (d) that all right, title and interest in and to the Inventions and/or Commercial Works discovered or created by me are the property of the University under the terms of the Policy.

2. At the request of the University at any time and in accordance with the Policy, I will execute, without charge, all documents relating to the Inventions and/or Commercial Works, including those reflecting the assignment herein and assist the University in applying for, obtaining, maintaining and enforcing associated patent and copyright applications, patents and copyrights anywhere in the world.

3. At the request of the University, I agree to assist the University, without charge (except for reasonable compensation for extraordinary work, if I am no longer employed or engaged by the University) in the following:

- (a) Preparation, filing, prosecution of applications and maintaining patents or copyrights anywhere relating to any Invention or Commercial Work;
- (b) Licensing or other transactions relating to any Invention or Commercial Work; and
- (c) Any litigation, other proceedings (in courts, patent offices, copyright offices or elsewhere), or any dispute resolution process, including mediation, arbitration or negotiation, relating to any Invention or Commercial Work.

4. This Agreement will inure to the benefit of the University and its nominees and their respective legal representatives, successors and assigns. This Agreement will be binding now and in the future on me and my heirs, legal representatives, executors, administrators and assigns. Except with the prior, written consent of an authorized official of the University, no attempt by me to assign or transfer any rights in Inventions or Commercial Works will relieve me of any of my obligations under this Agreement or the Policy.

5. This Agreement, together with the Policy, supersedes any prior agreements or understandings I may have signed or to which I may be bound with respect to the subject matter of this Agreement. I represent and warrant that I have not entered into any agreement, understanding or obligation with any person, organization or corporation that is in conflict with my obligations under this Agreement or the Policy.

Signature: _____

Dated: _____, 20__

Printed Name: _____

APPENDIX B
GUIDELINES FOR LICENSE TRANSACTIONS INVOLVING SECURITIES

One category of potential licensees for an Invention or Commercial Work that is evaluated by OTT is a start-up company. Typically, a start-up company's survival will be tied to the development of the technology licensed to it by the University, and the company's research and development efforts will be focused on that technology. Often, a start-up company can represent the best opportunity for the development of an early-stage technology. In some cases, a start-up company may represent the only licensing alternative available.

Most start-up companies, whether just formed or in existence for a few years, have little cash and no revenues. Under these circumstances, the heavy cash burden on the company of a traditional license transaction would divert cash needed for research and development efforts and diminish the company's ability to attract initial investors. In such a licensing transaction, equity or other class of securities ("*Equity*") is issued to the University at the commencement of the license, and most of the company's cash obligations to the University are postponed until milestones are reached and sales and sublicense fees are generated. Equity is not preferred to cash by the University. Rather, in the absence of sufficient cash compensation available from the company and in lieu of all or part of the initiation fees, in addition to future fees and royalties, Equity may be accepted as compensation by the University. Thus, the issuance of Equity in a license transaction is a reasonable business solution that enhances the overall potential financial return to the University and remains acceptable to the start-up company and its investors.

OTT uses the following list, which must be read in context of the entire Policy, as a guideline in negotiating license transactions with start-up companies:

- The company should be legally formed, managed by executives experienced in the company's industry, and have the potential for credible investors.
- The University, its officers, its employees, and the Inventors or the Authors should not hold management or fiduciary positions in the company.
- If an Inventor or Author receives or has a right to receive Equity in the company, the requirements of the University's Policy on Conflict of Interest and Commitment in Research must be followed.
- In the event that an Inventor or Author holds or will hold Equity in a company on an individual basis, the distribution of Net Proceeds may be determined according to Paragraph 9 of the Policy.
- The University should hold a minority Equity position, generally not more than fifteen percent (15%) of all outstanding Equity on a fully-diluted basis of the company post financing.
- The University should not invest cash directly in the formation of the company or in follow-on rounds of financing. This does not preclude, for example, investments in the company by venture capital funds in which the University has invested or the exercise of warrants or options held by the University.
- Once Equity is received by the University, the Equity will be held, managed and liquidated in accordance with the Intellectual Property Policy and other applicable policies and procedures of the University.