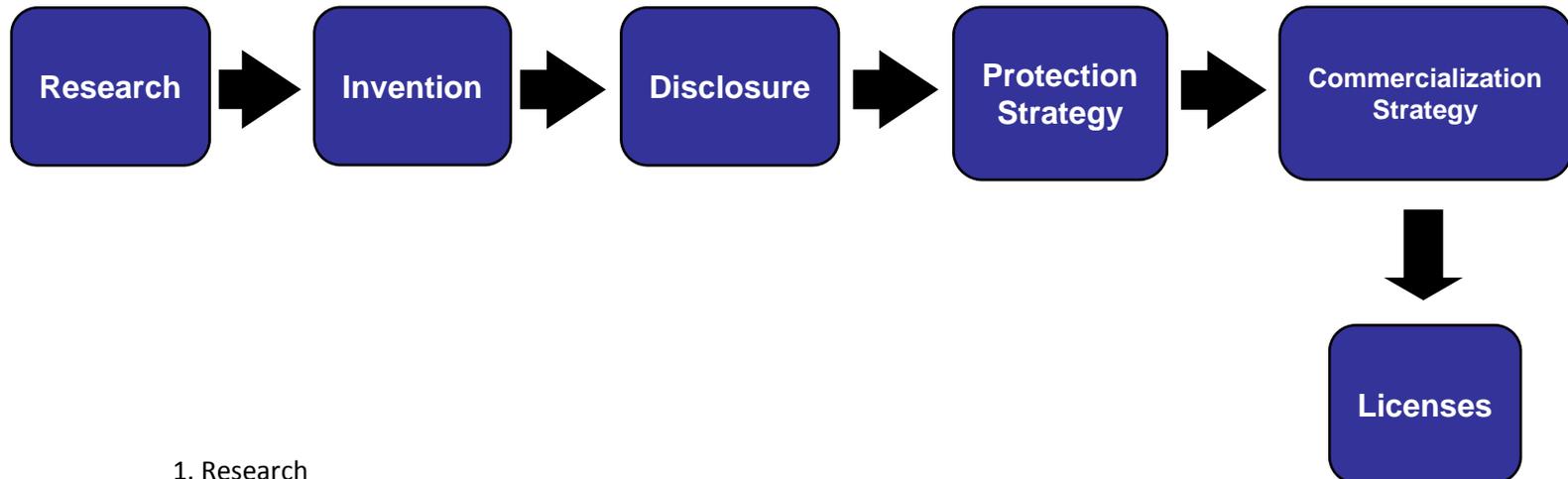


Technology Transfer Process



1. Research

Intellectual property may be developed in the course of a research project. Due to the inextricable linkage between research (scholarship) and invention, nationwide university technology transfer is a function of university research offices. A research project may or may not be a sponsored research project. UW Sponsored Research Agreements originate with the Office of Research and Economic Development and typically include patent and invention clauses, governing how intellectual property developed under the project is owned and may be licensed. (See [Attachment 1 – UW Template Sponsored Research Agreement](#)) These clauses may be negotiated between UW and the Sponsor.

2. Invention

Intellectual property, in an academic research context, usually consists of patentable inventions and/or methods, new materials (such as biological materials), and software or computer programs. Patentable inventions, computer programs, and intellectual property that is considered “works made for hire” that are developed in the course of research carried out at UW, or that are developed with the aid of UW facilities, equipment, or employees, or with funds administered by UW are owned by UW as outlined in University Regulation 3-641. (See [Attachment 2 – UW Regulation 3-641](#); see also [Office of General Counsel: Intellectual Property](#)) Intellectual property (with the exception of most University trademarks) is managed by the Research Products Center (RPC), UW’s technology transfer office under and reporting directly to the Office of Research and Economic Development. The RPC handles approximately 20-50 new UW disclosures each year. (See [UW Research Products Center](#))

3. Disclosure

Under University Regulation 3-641, all UW students and employees have a duty to promptly disclose new intellectual property to UW. The RPC regularly attends New Faculty Orientation and other faculty and student workshops to provide information about this duty. Disclosure is a simple process and the forms can be found on the RPC website. (See [Attachment 3 – UW Invention Disclosure Form and UW Software Disclosure Form](#); see also [RPC: Information for UW Inventors](#) and [UW Online Invention and Software Disclosure Forms](#)) Each disclosure received by the RPC is given a unique docket number and is tracked using a technology transfer database/accounting system.

4. Protection Strategy

Every new piece of intellectual property is unique and must be evaluated and handled individually. Once a new disclosure is received, a protection strategy is developed. Information is gathered regarding the following:

1. Identify Inventors/Authors/Creators
2. Identify sponsorship if applicable (i.e. grant or contract), and sponsorship terms/obligations
3. Identify ownership in accordance with University Regulation 3-641
4. Identify reporting requirements if applicable
5. Conduct patent and “prior art” search as applicable

New technologies conceived or first actually reduced to practice with federal government support or funding must also be disclosed to the applicable government agency under a federal law known as the Bayh-Dole Act. The Bayh-Dole Act permits UW to elect to pursue ownership of federally-funded inventions, but requires certain reporting duties and patenting activities and provides the federal government with some rights in the inventions. (See [35 US Code Chapter 18: The Bayh-Dole Act](#)) The reporting duties are managed by the RPC in conjunction with the Office of Sponsored Programs and the Office of Research and Economic Development.

UW protects novel inventions, methods, software, and computer algorithms with patents or copyrights, depending on the subject matter. The RPC often files provisional patent applications and copyright registrations, but uses outside patent counsel for the preparation, filing and prosecution of all full utility patent applications. Patent counsel is selected based on the individual attorney’s scientific background and technical expertise. Engagement with outside patent counsel is the responsibility of the RPC and is coordinated with the Office of General Counsel.

5. Commercialization Strategy

The RPC works closely with UW inventors and authors (of software) to evaluate the status of intellectual property and works closely with the Office of Research and Economic Development and the Office of General Counsel to develop a strategy for commercialization. The analysis usually includes:

1. Identify Inventor/Author/Creator interest in involvement in commercialization
2. Identify any sponsor rights if applicable
3. Identify current stage of development
4. Identify existing or potential commercialization partners

6. Licensing

The RPC conducts the above analysis in each unique case and works closely with the Office of Research and Economic Development and the Office of General Counsel to develop and complete the necessary agreements to protect the inventor(s) and UW’s intellectual property while allowing outside companies (spin-out, start-up companies, or already existing companies) to commercialize the protected technologies into marketable products and/or services. These agreements may include:

1. Confidentiality Agreements
2. Research Collaboration Agreements
3. Material Transfer Agreements
4. License Option Agreements
5. License Agreements

Discussions may include the inventor's interest in spin-out or start-up companies. The RPC works closely with the Wyoming Technology Business Center and the Wyoming Small Business Innovation Research (SBIR) and Small Business Technology Transfer Research (STTR) Programs (offices under and directly reporting to the Office of Research and Economic Development) to refer potential companies to business start-up assistance, workshops, resources, and incubator programs to help evaluate commercialization opportunities, including definition of the commercialization and business plans. (See [Wyoming Technology Business Center](#) and [Wyoming SBIR/STTR Initiative](#))

Licensing negotiations depend on many factors. Even the simplest intellectual property license agreement can involve a lengthy number of provisions and clauses. (See *Attachment 5 – 10 Key Licensing Provisions to Consider and Negotiate*) Complete license agreements are typically very complex and can be subject to lengthy negotiations. (See *Attachment 6 – [Licensing Terminology, OSU](#)*) The RPC is the first point of contact for license negotiations. For spin-out companies, typical negotiations begin with a discussion of UW's basic requirements, including such things as royalties, fields of use, equity or ownership considerations, and diligence requirements. (See *Attachment 7 – Company & UW Term Sheet Basics*, *Attachment 8 – [Association of University Technology Managers, In the Public Interest: Nine Points to Consider in Licensing University Technology](#)*, and *Attachment 8 – UW Template Patent License Agreement*). Once negotiations begin, the RPC promptly works closely with the Office of Research and Economic Development to advance a licensing strategy. The Office of Research and Economic Development then works closely with the Office of General Counsel to develop a conflict of interest management plan, as applicable. (See [UW Conflict of Interest Policies](#))

Sometimes a company may need access to UW facilities or equipment in order to begin the commercialization process, and in such a case, the company works closely with the Office of Real Estate Operations and the Office of General Counsel to develop a Facilities Use Agreement to appropriately compensate UW for such uses. (See *Attachment 9 – UW Template Facilities Use Agreement*) Income from such rental funds is managed and administered by the Office of Real Estate Operations.

Due to potential conflict of interest issues, UW technology transfer processes do not allow university personnel, other than inventors, to be on boards of directors for UW spin-out companies and this is placed into action as a component of the license agreement. Furthermore the process does not allow any UW personnel who may be in an administrative position that has supervisory influence over a UW inventor involved in a spin-out company to be in an ownership, management or investment position in the spin-out. If other ethical or conflict of interest issues arise regarding a UW spin-out company, the Office of Research and Economic Development and the Office of General Counsel will appoint a special panel of university personnel familiar with management of ethical issues to assist in decision-making regarding those potential issues.

Once a license agreement is complete, typically all commercialization efforts shift to the company. The RPC is responsible for managing all intellectual property agreements and collecting and distributing licensing income in accordance with University Regulation 3-641. License agreements usually include certain diligence requirements and periodic progress and royalty reports so that the RPC and UW can ensure our technologies are developed in a commercially reasonable manner so that they ultimately reach the market in the public interest, for the benefit of the State of Wyoming and the progress of science and technology for society in general.

Resource Summary (attachments and references):

1. UW Template Sponsored Research Agreement
2. UW Regulation 3-641
3. Office of General Counsel, intellectual property information
<http://www.uwyo.edu/generalcounsel/intellectual-property/>
4. UW Research Products Center <http://www.uwyo.edu/rpc/>
5. UW Invention Disclosure Form and UW Software Disclosure Form
6. UW Research Products Center Information for UW Inventors <http://www.uwyo.edu/rpc/for-uw-inventors/index.html>
7. UW Disclosure Forms (online) <http://www.uwyo.edu/rpc/for-uw-inventors/invention-disclosure-uw-inventors.html>
8. Bayh-Dole Act <http://www.law.cornell.edu/uscode/text/35/part-II/chapter-18>
9. Wyoming Technology Business Center <http://www.uwyo.edu/wtbc/>
10. WSSI Program <http://www.uwyo.edu/sbir/about.html>
11. 10 Key Licensing Provisions to Consider and Negotiate
12. Licensing Terminology, OSU
13. Company & UW Term Sheet Basics
14. Association of University Technology Managers, In the Public Interest: Nine Points to Consider in Licensing University Technology
15. UW Template Patent License Agreement
16. UW Conflict of Interest Policy
<http://www.uwyo.edu/research/compliance/conflict%20of%20interest/>
17. UW Template Facilities Use Agreement

**RESEARCH AGREEMENT
UNIVERSITY OF WYOMING AND INDUSTRY SPONSOR**

This agreement is entered into by and between _____, whose address is _____, hereinafter referred to as the SPONSOR, and the UNIVERSITY of Wyoming, an institution of higher education of the State of Wyoming, at 1000 E. University Avenue, Department 3355, Laramie, Wyoming 82071, hereinafter referred to as the UNIVERSITY.

WHEREAS the SPONSOR desires research services in accordance with the scope of work outlined within this agreement, and

WHEREAS the performance of such research is consistent, compatible and beneficial to the academic role and mission of the UNIVERSITY as an institution of higher education.

NOW THEREFORE, in consideration of the mutual premises and covenants contained herein, the parties hereto agree as follows:

ARTICLE I. SCOPE OF WORK

Subject to the terms and conditions of this agreement, the UNIVERSITY agrees to perform for the SPONSOR the research activities described in the Scope of Work, *Attachment A* hereto, under the direction and supervision of _____, principal investigator.

ARTICLE II. CONTRACT PERIOD

This agreement shall become effective on _____ and shall be completed on _____, unless an extension, supplement, addition, continuation or renewal of this agreement is mutually agreed upon in writing between the parties.

ARTICLE III. FINANCIAL

The SPONSOR agrees to reimburse the UNIVERSITY for services performed under this agreement in the amount of \$ _____ in accordance with the budget itemized in *Attachment B* and to provide payment in accordance with the following schedule:

[Specify monthly billings or other schedule and invoice contact for SPONSOR.]

The UNIVERSITY reserves the right to reallocate funds between approved budget categories. SPONSOR approval, however, shall be obtained for transfer to categories not in the original budget.

ARTICLE IV. REPORTING REQUIREMENTS

The UNIVERSITY will provide reports on the progress of the research as outlined or required in the Scope of Work (*Attachment A*) or as designated as follows:

A final report will be furnished at the completion of the contract period.

ARTICLE V. CONFIDENTIALITY

It may be necessary for the parties to disclose proprietary information to each other in connection with performance of the work described in Article I. of the agreement. At the time of disclosure, the disclosing party must declare which information is proprietary. Proprietary information will not include information which: 1) at the time of disclosure or subsequent to that time is generally available to the public; 2) is known by the receiving party at the time of disclosure; 3) is made known to the receiving party by a third party with no

obligation of confidence with respect to the disclosed information; or, 4) is independently developed by the receiving party. The receiving party agrees: 1) to receive and hold the information in confidence; 2) not to use it for any purposes other than in furtherance of the work under this agreement; and 3) not to disclose it to anyone except on a need to know basis.

ARTICLE VI. PUBLICATION

The UNIVERSITY, as a state institution of higher education, engages only in research that is compatible and consistent with and beneficial to its academic role and mission and, therefore, results of research activities must be reasonably available for publication. During the term of this agreement and thereafter, the UNIVERSITY shall have the right to publish data and otherwise disclose information generated in connection with the research under this agreement. Prior to publication, the SPONSOR shall have thirty (30) days to review any proposed publication. The UNIVERSITY agrees that any SPONSOR proprietary information supplied to it by the SPONSOR during the course of research performed by the UNIVERSITY will not be included in any published material without prior approval by the SPONSOR, which will not be unreasonably withheld.

ARTICLE VII. EQUIPMENT

All equipment purchased and/or fabricated for use in connection with research under this agreement shall be the property of the UNIVERSITY, provided that it shall be dedicated to such research while this agreement is in effect.

ARTICLE VIII. INDEMNIFICATION

SPONSOR agrees to indemnify and hold harmless UNIVERSITY, its officers, agents, and employees from and against any liability, loss or damage they may suffer as a result of claims, demands, costs or judgments against them arising out of activities under this agreement, including but not limited to the use by SPONSOR of the results obtained from the research under this Agreement. The following shall be excluded from SPONSOR's obligation to indemnify and hold harmless: 1) the negligent failure of UNIVERSITY to substantially comply with any applicable governmental requirements, and 2) the negligent or willful malfeasance of UNIVERSITY.

ARTICLE IX. INSURANCE

The UNIVERSITY agrees to maintain insurance coverage as limited by the statutes of the State of Wyoming and/or by its insurance. SPONSOR will maintain adequate liability insurance for the protection of itself and its officers, employees, and agents for actions taken pursuant to this agreement.

ARTICLE X. COMPLIANCE WITH LAWS, INTERPRETATION AND GOVERNMENTAL CLAIMS

The parties agree to comply with all applicable Federal, state and local laws, codes, regulations, rules and orders in connection with their performance of this agreement.

The parties agree that the laws of the State of Wyoming shall govern this agreement, that any questions arising hereunder shall be construed according to such laws, and that this agreement has been negotiated and executed in the State of Wyoming and is enforceable exclusively in the courts of the State of Wyoming.

Any actions or claims against the University under this agreement must be in accordance with and are controlled by the Wyoming Governmental Claims Act, W.S. 1-39-101 et seq. (1977) as amended. The UNIVERSITY does not waive its sovereign immunity or its governmental immunity by entering into this agreement and fully retains all immunities and defenses provided by law with regard to any action based on this agreement.

ARTICLE XI. ASSIGNMENT

Neither party shall assign or transfer any interest in this agreement, nor assign any claims for money due or to become due under this agreement, without the prior written approval of the other party.

ARTICLE XII. INVENTIONS AND DISCOVERIES

BACKGROUND IP. UNIVERSITY background intellectual property (“UNIVERSITY BIP”) means all inventions, discoveries, software, computer programs, and other intellectual property that is, prior to the effective date of this agreement, either a) owned by the UNIVERSITY, or b) licensed to or otherwise in the control of the UNIVERSITY. All right and title in and to UNIVERSITY BIP is reserved to the UNIVERSITY unless a license or other transfer of rights is expressly granted by the UNIVERSITY to the SPONSOR. Nothing in this agreement shall be construed as a grant of rights or license from the UNIVERSITY to the SPONSOR to any third party’s intellectual property or intellectual property rights, and the SPONSOR shall obtain or secure any licenses, rights, or permissions required for any use it wishes to or is required to make of third party information or intellectual property, including computer programs.

UNIVERSITY IP. UNIVERSITY intellectual property (“UNIVERSITY IP”) means all inventions, discoveries (whether or not patentable), software, computer programs and other intellectual property that are conceived or discovered solely by one or more employees or representatives of the UNIVERSITY in performance of the Scope of Work (*Attachment A*) under this agreement. Inventorship and authorship of UNIVERSITY IP shall be determined according to United States patent, copyright and other intellectual property laws. The UNIVERSITY shall retain all right, title and interest in and to UNIVERSITY IP, regardless of where it is made. The UNIVERSITY agrees to take appropriate steps to cause all personnel assigned to the research under this agreement to disclose inventions, discoveries, software, and computer programs first conceived by any such personnel in the performance of the Scope of Work (*Attachment A*) under this Agreement to the UNIVERSITY and the UNIVERSITY agrees to further disclose to the SPONSOR the existence of any such UNIVERSITY IP. The UNIVERSITY shall have the right, but not the obligation, to file patent applications on or otherwise protect UNIVERSITY IP in its sole discretion. The UNIVERSITY hereby grants to the SPONSOR a limited, exclusive option to negotiate a world-wide, royalty-bearing license to UNIVERSITY IP. Notice of the exercise of the option must be given by the SPONSOR to the UNIVERSITY, in writing, within sixty (60) calendar days of the date of the disclosure of the UNIVERSITY IP by UNIVERSITY to SPONSOR. If the SPONSOR exercises its option within the prescribed time period, the parties agree to enter into good faith negotiations of an agreement on mutually satisfactory terms. The terms of the license agreement will depend on and be dictated by UNIVERSITY policies regarding intellectual property and the nature of the inventions, discoveries, applications and patents. Under any such license agreement, the UNIVERSITY will retain the right to practice the subject matter of the license for educational and research purposes. During the period of negotiation of the license agreement and during the term of the agreement, the SPONSOR shall reimburse the UNIVERSITY for its related, reasonable patent costs and expenses.

If such license agreement between the UNIVERSITY and the SPONSOR is not executed in final form within ninety (90) days of written notice to the UNIVERSITY of SPONSOR’s exercise of the above option, the UNIVERSITY shall be free to commence negotiations with any third party to license the same intellectual property or any portion thereof without further obligation to the SPONSOR.

SPONSOR IP. SPONSOR intellectual property (“SPONSOR IP”) means all inventions, discoveries (whether or not patentable), software, computer programs and other intellectual property that are conceived or discovered solely by one or more employees or representatives of the SPONSOR under this agreement. Inventorship and authorship of SPONSOR IP shall be determined according to United States patent, copyright and other intellectual property laws. The SPONSOR shall retain all right, title and interest in and to SPONSOR IP. Sponsor IP shall not include Background IP or University IP.

JOINT IP. Jointly developed intellectual property (“Joint IP”) means all inventions, discoveries (whether or not patentable), software, computer programs and other intellectual property that are conceived or

discovered jointly by one or more employees or representatives of the UNIVERSITY and one or more employees or representatives of the SPONSOR. Joint IP will be jointly owned by both parties. Both parties agree to take appropriate steps to cause all personnel assigned to the research project under this agreement to disclose inventions, discoveries, software, and computer programs conceived by them to the UNIVERSITY or the SPONSOR, as the case may be, and both parties agree to further disclose to each other the existence of any such Joint IP. Either party may use Joint IP without the consent of, or without having to make any accounting or contribution to, the other party, and any obligation arising under to law to make such accounting or contribution is hereby knowingly waived by the parties; provided, however, that neither party shall make any use of or grant of rights with respect to Joint IP that is inconsistent with the rights of the other party. Inventorship and authorship of Joint IP shall be determined according to United States patent and copyright laws.

ARTICLE XIII. PUBLICATION BY SPONSOR

The SPONSOR will not include the name of UNIVERSITY in any advertisement, sales promotion or other publicity matter without the prior written approval of the Vice President for Research of the UNIVERSITY and the principal investigator.

ARTICLE XIV. EQUAL EMPLOYMENT OPPORTUNITY

The UNIVERSITY's policy is one of equal opportunity for all persons in all facets of the UNIVERSITY's operations. Equal opportunity is offered to all officers, faculty and staff members, and applicants for employment on the basis of their demonstrated ability and competence and without regard to such matters as race, color, national origin, sex, religion, political belief, age, veteran status, or handicap.

ARTICLE XV. TERMINATION

This agreement may be terminated by either of the parties hereto upon written notice delivered to the other party at least ninety (90) days prior to the intended date of termination. Termination shall not affect the rights or nullify obligations of either party that have accrued prior to termination. Upon termination, SPONSOR shall pay UNIVERSITY all reasonable expenses incurred or committed to be expended as of the effective date of termination. Any provisions of this agreement which by their nature are intended to survive this agreement, including without limitation Articles III, V, VI, VIII and XII, shall survive termination of this agreement for any reason.

ARTICLE XVI. CHANGES AND AMENDMENTS

This agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. All amendments and/or changes shall be by written instrument executed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed as of the date set forth herein by their duly authorized representatives.

UNIVERSITY OF WYOMING

SPONSOR

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment A
[Scope of Work]

Attachment B
[Budget]

UW REGULATION 3-641

Patents and Copyrights

I. GENERAL INFORMATION

The Vice President for Research and Economic Development is the University of Wyoming officer responsible for articulating policy and procedures concerning patentable inventions and copyrightable works in which the University may have or assert an interest.

II. POLICY

The University is dedicated to instruction, research, and the extension of knowledge to the public. It is the policy of the University to carry out its scholarly work in an open and free atmosphere, and to freely publish results obtained from this work. Research done primarily in anticipation of profit is incompatible with the aims of the University. However, the University recognizes that patentable inventions and copyrightable materials are conceived or created during the course of research conducted by faculty and students using University facilities. These policies have been established to ensure that inventions and materials in which the University may have an interest are utilized in a manner consistent with the public good.

III. OBJECTIVES

The principal objectives of the University patent and copyright policies set forth herein include the following:

- a.** To provide incentive to creative intellectual effort by University employees, students, and others associated with the University;
- b.** To establish principles for determining the respective interests of the inventors or authors, the University, and sponsors with respect to inventions, discoveries, or other creative works;
- c.** To enable the University to develop procedures by which the significance of inventions, discoveries and other creative works may be determined and, if practicable, commercially utilized;
- d.** To provide the means for placing in the public realm the results of research, while safeguarding the interests of the inventor or author, the University, and the sponsor; and
- e.** To recognize the right of the inventor or author to financial benefits, when applicable, from an invention, discovery, or other creative work.

IV. COVERAGE

The University's patent and copyright policies contained herein apply to all University employees and students conducting research and development that furthers the University's mission and is for the public good. "Work[s] made for hire," as that term is defined by the U.S. Copyright laws of 1976, are the sole and exclusive property of the University, and employees have no patent, copyright, royalty or any other interest in such work(s). The patent and copyright policies of the University, as amended from time to time, shall be deemed to be a part of the conditions of employment of every University employee.

V. DEFINITIONS

- a. **Personal Time:** For purposes of this Regulation, an individual's "personal time" shall mean time other than that devoted to normal or assigned functions relating to teaching, research, extension, or service on University premises, or other functions in which University facilities are utilized.
- b. **Research:** For purposes of this Regulation, "research" is the studious inquiry or examination conducted with the avowed purpose of creating and adding to the knowledge in a field and thereby advancing theory and principles; expansion of ideas, theories, and principles and the interpretation of developed information and the provision of further insights; or improvement and/or facilitation of the application and utilization of knowledge within an applied professional field.
- c. **University Facilities:** Any facility, including equipment and material, available to the individual as a direct result of the individual's affiliation with the University, and which would not be available to a non-affiliated individual on the same basis.

VI. PATENT OWNERSHIP

With the exception of inventions or discoveries made on an individual's personal time, every invention or discovery or part thereof which results from research or other activities carried out at the University, or which is developed with the aid of the University's facilities or employees, or with funds administered by the University, is the property of the University of Wyoming, and, as a condition of employment, and in keeping with the Student Code of Conduct, is hereby assigned by the inventor to the University in accordance with these policies. Income earned as a consequence of patenting and/or licensing such inventions or discoveries shall be distributed in accordance with Section VII, Income from Patents and/or Licenses.

Inventions or discoveries made or conceived by University employees or students which are created or developed entirely on personal time, and which do not involve the use of University resources, facilities or materials, shall be the exclusive property of the employee or student.

All inventions or discoveries made or conceived of by University employees or students shall be disclosed in accordance with Section XII hereof, and the individual responsible for such invention or discovery shall adequately demonstrate the relative extent to which the inventor's personal time and resources and the University's resources, facilities, and materials were utilized. In each instance in which it is adequately demonstrated that such invention or discovery was made exclusively on personal time, utilizing no University resources, facilities or materials, the University shall acknowledge in writing that the invention is the sole property of the inventor.

If an individual so desires, however, inventions or discoveries made exclusively on personal time, utilizing no University resources, facilities, or materials, may be assigned to the University for patent evaluation, registration, administration or protection.

After consultation with the inventor, the University may, in its sole discretion and upon such terms as it deems appropriate, cause any rights which it may have to a discovery or invention to be released and transferred to the inventor. Such action may be expected if the University believes that a discovery or invention is one that is non-patentable or that does not warrant further evaluation as to patentability, or if a discovery or invention is returned to the University after negative evaluation by its patent evaluation agent(s), if any. In event of an assignment or release, the University shall retain a royalty-free perpetual non-exclusive license for the use of any such invention or discovery.

VII. INCOME FROM PATENTS AND/OR LICENSES

Whenever the rights in and to an invention or discovery or a work of authorship as described in Sections XV and XVI hereof are owned by the University, and the University patents, copyrights, sells, licenses or otherwise provides for use of such inventions, discoveries or works by an outside user, then any net income or royalties received by the University shall be distributed sixty percent (60%) to the inventor/author and forty percent (40%) to the University.

Of that amount retained by the University, one-half shall be paid to the department or college in which the invention or discovery originated, and one-half shall be paid into a University research and development fund, the purpose of which shall be to stimulate and encourage creative enterprise by University and students. Expenditures from this fund shall be authorized by the Vice President for Research and Economic Development after consultation with the Research Advisory Committee.

VIII. SPECIFIC CONDITIONS GOVERNING SPONSORED RESEARCH

- a. Government Sponsored Research.** Patents on inventions arising from research financed by the United States Government are controlled by the terms of the

supporting grants and contracts, and applicable Federal laws and regulations. Except as provided by Federal law or by government-supported grants or contracts, when no patent rights are claimed or when patent rights are waived by the United States Government, patents arising from government-sponsored research are controlled by patent and copyright policies set forth herein.

- b. Non-Government Sponsored Research.** The University must ensure that its facilities and the results of the research of its employees and students are applied in a manner which best serves the interests of the public. Likewise, the legitimate interests of a private sponsor who provides financial or other support to research carried out by or through the University must be considered. The University will normally reserve ownership of patents on inventions arising out of research supported in whole or in part by grants or contracts with nongovernmental organizations or firms. Contracts or agreements which are entered into between the University and nongovernmental organizations or agencies should contain clauses setting forth such a reservation, unless deviations therefrom are requested by the sponsor and approved by the Research Advisory Committee. In the interest of fair treatment to the sponsor and in consideration for such sponsor's investment, special provisions regarding patent rights may be negotiated by the University, provided that the University retains the perpetual, non-exclusive right to use the invention for its own research, educational, and service purposes, without payment of royalty fees. In such cases, in the interest of discharging the University's obligation to the public in the application of its facilities and its employees' and students' time and talent, the University will require the sponsor to use due diligence in the commercial use of the invention, and the University will retain the right to publish the results of the research involved after a period of time reasonably necessary to protect the rights of the parties and to allow for the filing of a patent application.

IX. PUBLICATION

A major function of the University is the advancement and dissemination of knowledge. Any practice which unnecessarily restricts the publication of results of scholarly scientific work is to be avoided. It is recognized, however, that the full development of useful inventions or discoveries may be dependent upon the securing of patent protection which will enable the commercial utilization of the discoveries or inventions. Accordingly, under certain circumstances it may be necessary to delay for a minimum period the publication of results of research.

If a sponsor proposes to support a research effort, and the rights to any patentable invention resulting therefrom will belong to said sponsor, the research agreement with respect to publication shall include language to accomplish the following: First, the sponsor must agree that the results of the research may be published by the investigators. Second, to not jeopardize patent applications, the University and the investigators may agree that any proposed publication will be submitted to the sponsor with a written notice of intent to submit for

publication. The notice will advise the sponsor that if, within a period of no more than ninety (90) days from the date of such notice, the sponsor fails to request a delay, the investigators and University shall be free to proceed immediately with the publication. If, however, the sponsor provides timely notice to the University that a delay is desired, the submission of the manuscript to a publisher or other public disclosure shall be withheld for the period requested, but in no event shall the total period of delay be longer than one (1) year following the date of the notice of intent to submit for publication. Such a period will permit the sponsor to have the necessary patent applications prepared and filed, and does not unduly restrict the dissemination of scientific knowledge.

X. AVOIDANCE OF CONFLICTS

Conflicts involving patentable inventions and discoveries may arise when University employees or students enter into personal consulting agreements with outside firms and organizations. The agreements which business firms generally wish to have executed by those who are to serve in a consulting capacity frequently contain provisions requiring the licensing or assignment of the consultant's inventions and patents to that business firm. Such provisions may apply to areas in which the individual's University work lies, and thus may come into conflict with the terms and conditions of this policy.

Prior to signing any consulting agreement which deals with patent rights, trade secrets, or the like, if any University time, facilities, materials or other resources are to be involved in the carrying out of such consulting work, University employees or students must submit the proposed agreement to the Research Advisory Committee and obtain a waiver of University rights, or otherwise modify the agreement to conform with these policies.

XI. DUTY TO DISCLOSE DISCOVERIES AND INVENTIONS

All individuals whose discoveries and inventions are covered by these policies have a duty to promptly disclose the same to the Research Advisory Committee through the Vice President for Research and Economic Development. The duty of disclosure arises as soon as the individual has reason to believe, based on his or her own knowledge or upon information supplied by others, that the discovery or invention may be patentable. Certainty about patentability is not required before a disclosure is made. Individuals shall execute such declarations, assignments, or other documents as may be necessary in the course of patent evaluation, registration, administration, or enforcement in order to ensure that title in such inventions shall be held by the University, or by such other parties as may be appropriate under the circumstances.

XII. RESEARCH ADVISORY COMMITTEE

The Research Advisory Committee shall review and recommend to the Vice President for Research and Economic Development or the Vice President's designee the procedures for the implementation of these policies; shall resolve questions of invention ownership that may

arise between the University and its faculty, staff, or students; shall recommend to the Vice President for Research and Economic Development the expenditure of the University research and development fund; and shall make such recommendations as are deemed appropriate to encourage disclosure and to assure prompt and expeditious handling, evaluation, and prosecution of patent opportunities.

XIII. PATENT MANAGEMENT

The President, or the President's designee, is authorized to negotiate with reputable agencies or firms to secure arrangements for patent management, including competent evaluation of invention disclosures, expeditious filing of applications on patents, and licensing and administration of patents.

XIV. COPYRIGHT OWNERSHIP

Except as provided in Sections IV, XV and XVI of this Regulation, all rights to copyrightable material shall be the property of the creator. The University may execute a written agreement waiving its rights, if any, in and to such material. The distribution of royalties, if any, is a matter of arrangement between the creator and his or her publishers or licensees.

XV. COMPUTER SOFTWARE

All copyrights in and to computer software, including but not limited to programs, operating systems, procedures, and associated manuals, which result from research activities carried out at the University, and which are developed with the aid of or for use with University hardware shall be the sole property of the University of Wyoming. The terms and conditions of Sections I through XII of this Regulation, including but not limited to Section VII which describes the distribution of income, shall apply to computer software of the type described herein. Section VII does not apply to works for hire.

XVI. VIDEOTAPED PRODUCTIONS

All copyrights in and to videotaped courses of instruction or other audio-visual productions which result from research or other activities carried out at the University, and which are produced with the aid of the University's facilities or staff or with funds administered by the University, shall be the sole property of the University. Any individual contemplating the development and production of a videotaped course of instruction or other audio-visual production must secure the prior approval of the Vice President for Academic Affairs, or designee. All of the foregoing terms and conditions of this Regulation, with the exception of Section VII, shall apply to videotaped courses of instruction of the type described herein. The means of remuneration, and the distribution of income earned from the development of such a course or production, shall be agreed upon in writing prior to the development or production of same. Remuneration and distribution of income do not apply to works for hire.

XVII. SERVICE MARK, TRADE-MARK AND TRADE-NAME OWNERSHIP

Service marks, trade-marks and trade-names with respect to products resulting from or arising out of research or other activities carried out at the University or developed with the aid of its resources, facilities or staff, shall be the property of the University. Without express authorization from the President or the President's designee, no steps shall be taken to secure such trade-marks, trade-names or service marks by usage or registration. The University reserves the right to register such marks as it deems appropriate, and to license the use of such marks, provided that the income from such licensing shall be used to support the research and educational programs of the University as defined herein.

XVIII. EXCEPTIONS

Exceptions to any of the above policies may be authorized by the President or the President's designee following a favorable review and recommendation from the Research Advisory Committee. Before recommending such an exception, the Committee should determine that, on the basis of the evidence available, such exception is consistent with the University's responsibilities to the public interest.

Source:

University 641, Revision 3; adopted 7/17/08 Board of Trustees meeting
Revisions adopted 5/10/13 Board of Trustees meeting
Revisions adopted 9/12/14 Board of Trustees meeting

WYOMING RESEARCH PRODUCTS CENTER
INVENTION DISCLOSURE FORM – UW Inventors*

**Note: For Use by University of Wyoming Inventors*

For additional instructions, see pages 4-5

1. TITLE OF INVENTION

2. DESCRIPTION OF INVENTION: In describing the technology, please provide when possible information covering the following points:

- (a) the general purpose;
- (b) a technical description (images, figures, in-depth descriptions should be appended);
- (c) the advantages and improvements over the existing methods, devices or materials

Please Use Text Box for Describing Technology and/or Attach Additional Pages

3. INVENTOR(S) (If more than 3 inventors, please download Additional Inventors Form)

FIRST INVENTOR

Name:		Title:			
Dept:	Work Phone:		Work Fax:		
Email:			Home Phone:		
Home Address:		City:	State:	Zip:	

SECOND INVENTOR

Name:		Title:			
Dept:	Work Phone:		Work Fax:		
Email:			Home Phone:		
Home Address:		City:	State:	Zip:	

THIRD INVENTOR

Name:		Title:			
Dept:	Work Phone:		Work Fax:		
Email:			Home Phone:		
Home Address:		City:	State:	Zip:	

4. SPONSORSHIP

Was this invention developed with the use of any research, grant, or contract funds? YES NO

<i>If yes, please explain:</i> (Include contract or grant numbers; also, if applicable, include the principal investigator of project.)

5. DATE OF INVENTION & PUBLIC DISCLOSURE

	DATE(S) (Please verify that your dates are accurate as prior disclosure may affect the possibility of securing intellectual property rights.)	REFERENCES / COMMENTS (Please include the names of any periodical, journal, or scientific publication(s). Also include any clarifying comments)
A. Date invention was conceived.		
B. First publication date. (Include publication(s) disclosing the invention, sufficient enough to enable one skilled in the art to understand, make or use the invention)		
C. First public oral disclosure or use of invention. (Include oral disclosures of invention or public use by self or another, sufficient enough to enable one skilled in the art to understand, make or use it.)		
D. Sale of invention. (Include any sales or offers to sell the invention)		
E. Plans to publish or disclose invention. (If invention is unpublished or undisclosed, include the anticipated publication or oral disclosure date and any submissions made for potential publication.)		

6. GRADUATE STUDENT INVOLVEMENT

Is the invention the subject of graduate student research, thesis, and/or dissertation(s)? YES NO

If yes, please provide the anticipated publication date and the date of oral defense:

7. PROPRIETARY MATERIALS/FACILITIES

Were any proprietary materials (i.e. cell lines, reagents, data) or other information from others outside UW used in making the discovery, or were any facilities other than those of UW used in the discovery? YES NO

If yes, please provide the name(s) of the provider and list the materials, and/or list the facilities used:

8. REDUCTION TO PRACTICE

Has the invention been reduced to practice? YES NO

If yes, please provide the date of first reduction to practice:

9. PREFERRED OUTCOME(S)

In submitting this Invention Disclosure (in compliance with University Regulations), please explain your preferred outcomes for this invention. Examples of preferred outcomes may include one or more of the following: request University to consider filing a patent application, review the invention for potential patenting/market potential, document and file the Invention Disclosure only (and do not pursue patent or other protection), other.

Are you interested in commercializing this invention by forming a start-up or spin-out company?

YES NO

If the University decides not to proceed with patent or other protection of this invention:

I would like the University to retain the invention for potential future licensing

OR

I would like the University to consider returning the invention to the inventor(s)

Are you interested in participating in the marketing of this invention? YES NO

(i.e. informational videos, press releases, invention presentations, interviews, trade shows)

10. MARKETING OPPORTUNITIES

List potential commercial applications for invention, companies potentially interested in commercializing this invention (provide name and phone number if possible), and major suppliers for products & services that could or will compete with this invention.

11. BY SIGNING THIS TECHNOLOGY DISCLOSURE, EMPLOYEES OF THE UNIVERSITY OF WYOMING UNDERSTAND THEY ARE SUBJECT TO THE UNIVERSITY'S POLICIES, INCLUDING, BUT NOT LIMITED TO, THE UNIVERSITY'S INTELLECTUAL PROPERTY, UNIREG 641, AND CONFLICT OF INTEREST POLICIES.

THE UNIVERSITY OF WYOMING, ITS EMPLOYEES, TRUSTEES, OFFICERS, STUDENTS, INTERNS AND CONSULTANTS EXTEND NO WARRANTIES AND ACCEPT NO LIABILITY BY PROVIDING INTELLECTUAL PROPERTY SERVICES TO INVENTORS. THE UNIVERSITY PRESERVES ITS CONTRACTUAL SOVEREIGN IMMUNITY.

12. DECLARATION

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true.

<i>Inventor's Name:</i>	<i>Signature:</i>	<i>Date:</i>
<i>Inventor's Name:</i>	<i>Signature:</i>	<i>Date:</i>
<i>Inventor's Name:</i>	<i>Signature:</i>	<i>Date:</i>

13. WITNESS

THIS INVENTION HAS BEEN DISCLOSED AND UNDERSTOOD BY:

Signature of Non-Inventor Witness _____ **Date** _____

Name and Title of Witness _____

Submit To: Wyoming Research Products Center, Dent. 3672, 1000 E. University Ave., Laramie, WY 82071

WYOMING RESEARCH PRODUCTS CENTER

INSTRUCTIONS FOR THE INVENTION DISCLOSURE FORM

THE FOLLOWING INSTRUCTIONS APPLY TO THE CORRESPONDING NUMBERED SECTIONS ON THE UW TECHNOLOGY DISCLOSURE FORM

1. Enter a brief descriptive title to aid in identify the technology.
2. In describing the technology, please provide when possible information covering the following points:
 - a. the general purpose;
 - b. a technical description;
 - c. the advantages and improvements over the existing methods, devices or materials

3. Include the names of any co-inventors. Co-inventors include any individual who has conceived or contributed to an essential element of the invention, either independently or jointly with others, during the evolution of the technology or reduction to practice.
4. Give the applicable research, contract or grant number(s) and the principal investigator(s) on the project if the invention was made in connection with any sponsored research.
5. In the United States, a patent application must be filed no later than one year after the public has access to a printed publication disclosing the invention in detail. In other countries, filing must take place before either oral or printed publication is made available to the public; however, where there has been a U.S. filing before any oral or printed publication, generally a one year grace period is granted for foreign filing.

Complete all parts of section 5 in view of the following:

- a. Conception involves the formulation, in the mind of the inventor, of the complete means for solving a problem.
 - b. The term “first publication” means the first time any member of the general public (if UW inventor, those outside the UW community), without restriction of confidentiality, would have been able to gain access to your written or printed enabling description of the invention.
 - c. The term “first public oral disclosure” is similar to the description for “first publication”, but only as to oral presentation(s) to the general public (if UW inventor, those outside the UW community).
 - d. The term “sale of invention” means the first time that the invention is offered for sale or sold to anyone.
 - e. The anticipated date of publication should be entered here, as well as the date any documentation was submitted for review for possible publication.
6. Reduction to practice involves actual and complete use of the invention for its intended purpose. It usually involves physical construction of the invention and testing the physical embodiment to determine whether it performs as contemplated, but this is not always necessary if the invention can be fully described.
 7. It is recommended that all lab books and/or other records of your technology be witnessed by a person who has read and understood your disclosure. If the principal/co-principal investigator is not an inventor/author, he/she is often the best witness.

WYOMING RESEARCH PRODUCTS CENTER SOFTWARE DISCLOSURE FORM – UW Authors*

**Note: For Use by University of Wyoming Authors/Inventors*

For additional instructions, see page 6

1. TITLE OF THE SOFTWARE:

2. GENERAL DESCRIPTION OF THE SOFTWARE:

In describing the software, please provide when possible information covering the following points:

- (a) the problem the software solves and its general purpose;
- (b) other available software with the same or similar purpose and/or name (if yes, please list);
- (c) the differences, advantages, and improvements of the software over the existing methods;
- (d) the limitations or disadvantages of the software; and,
- (e) whether you believe the software or any portion of the software is patentable.

Please attach a CD-ROM (including source code and screen shots of graphical elements) of the software, any related documentation (user manual, flow charts, diagrams, etc.), as well as any published materials you may have which describe the functionality of the software.

Please Use Text Box for Describing Technology and/or Attach Additional Pages

3. TECHNICAL SPECIFICATIONS.

a) Please describe the hardware configuration necessary to run the software if applicable:

b) What operating system(s) are required?

c) What programming language(s) was used?

d) Does the software contain graphical elements such as a graphical user interface? Yes No

e) Does the software contain any documentation? Yes No

f) Are there any third party programs/utilities required to run the software? Yes No

g) Please describe the level of development of the software:

h) Please describe the expected level of required user support:

i) Do you plan on providing the above support?

4. BACKGROUND AND OTHER INFORMATION

a) Does the software include, incorporate, enhance, or derive from:

i) code from a third party? Yes No

ii) code which is open source, freeware, or shareware? Yes No

iii) code developed via collaboration with another institution or brought to UW from another company or university?
Yes No

iv) code with unknown ownership or authorship? Yes No

If yes for any of the above, please provide details below and attach any relevant licenses and contact information

b) If the code is a derivative work, please provide the name of the work and whether the author has given permission for derivative works (if the author has given permission, attach or state the source of the authorization)

5. PROPRIETARY MATERIALS

Were any proprietary materials (i.e. data, graphics, etc.) or other information from others outside of UW used in creation of the software? Yes No

If yes, please provide the name(s) of the provider and list the materials:

6. DATE OF INVENTION, PUBLIC DISCLOSURE & USE

	DATE(S) <small>(Please verify that your dates are accurate as prior disclosure may affect the possibility of securing intellectual property rights.)</small>	REFERENCES / COMMENTS <small>(Please include the names of any periodical, journal, or scientific publication(s). Also include any clarifying comments.)</small>
a) <i>Date the software was first conceived.</i>		
b) <i>Date the software was first reduced to practice (made operational).</i>		
c) <i>Date first written description of the software was made.</i>		
d) <i>First publication date.</i> <small>(Include publication(s) disclosing the software, sufficient enough to enable one skilled in the art to understand, make or use the invention.)</small>		
e) <i>First public oral disclosure or use of the software.</i> <small>(Include oral disclosures of software or public use by self or another, sufficient enough to enable one skilled in the art to understand, make or use it.)</small>		
f) <i>Sale of the software.</i> <small>(Include any sales or offers to sell the software.)</small>		
g) <i>Date the software was publicly distributed.</i>		
h) <i>Date the software source code was provided to others.</i>		
i) <i>Plans to publish or disclose the software.</i> <small>(If software is unpublished or undisclosed, include the anticipated publication or oral disclosure date and any submissions made for potential publication.)</small>		

7. GRADUATE STUDENT INVOLVEMENT

Is the software the subject of graduate student research, thesis, and/or dissertation(s)? Yes No

If yes, please provide the anticipated publication date and the date of oral defense:

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8. SPONSORSHIP

Was this software developed with the use of any research, grant or contract funds? Yes No

If yes, please explain:

(Include contract or grant numbers; and, if applicable, include the principal investigator of the project)

--

9. AUTHORS(S) *(If more than 3 authors, please download Additional Authors Form)*

FIRST AUTHOR	<i>Name:</i>			
	<i>Office Phone:</i>		<i>Fax:</i>	
	<i>Address:</i>	<i>City:</i>	<i>State:</i>	<i>Zip:</i>
	<i>Citizenship:</i>		<i>Department:</i>	
	<i>Email:</i>		<i>Alternate Phone:</i>	

SECOND AUTHOR	<i>Name:</i>			
	<i>Office Phone:</i>		<i>Fax:</i>	
	<i>Address:</i>	<i>City:</i>	<i>State:</i>	<i>Zip:</i>
	<i>Citizenship:</i>		<i>Department:</i>	
	<i>Email:</i>		<i>Alternate Phone:</i>	

THIRD AUTHOR	<i>Name:</i>			
	<i>Phone:</i>		<i>Fax:</i>	
	<i>Address:</i>	<i>City:</i>	<i>State:</i>	<i>Zip:</i>
	<i>Citizenship:</i>		<i>Department:</i>	
	<i>Email:</i>		<i>Alternate Phone:</i>	

10. COMMERCIALIZATION

a) Please list the economic potential or commercial applications you believe exist for this software:

--

b) Please list companies and/or investors that you believe would be interested in this software or that you have approached:

--

c) Please list any companies and/or investors that have approached you regarding the software:

--

d) Are you interested in commercializing this invention or software by forming a start-up or spin-out company?
 YES NO

11. PREFERRED OUTCOME(S)

In submitting this Software Disclosure (in compliance with University Regulations), please explain your preferred outcomes for this software or invention. Examples of preferred outcomes may include one or more of the following: request University to consider filing a patent application or copyright registration, review the software or invention for potential patenting/market potential, document and file the Software Disclosure only (and do not pursue patent, copyright registration or other protection), other.

12. BY SIGNING THIS TECHNOLOGY DISCLOSURE, EMPLOYEES OF THE UNIVERSITY OF WYOMING UNDERSTAND THEY ARE SUBJECT TO THE UNIVERSITY’S POLICIES, INCLUDING, BUT NOT LIMITED TO, THE UNIVERSITY’S INTELLECTUAL PROPERTY, UNIREG 641, AND CONFLICT OF INTEREST POLICIES. THE UNIVERSITY OF WYOMING, ITS EMPLOYEES, TRUSTEES, OFFICERS, STUDENTS, INTERNS AND CONSULTANTS EXTEND NO WARRANTIES AND ACCEPT NO LIABILITY BY PROVIDING INTELLECTUAL PROPERTY SERVICES TO INVENTORS. THE UNIVERSITY PRESERVES ITS CONTRACTUAL SOVEREIGN IMMUNITY.

13. DECLARATION

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true.

<i>Author’s Name:</i>	<i>Signature:</i>	<i>Date:</i>
<i>Author’s Name:</i>	<i>Signature:</i>	<i>Date:</i>
<i>Author’s Name:</i>	<i>Signature:</i>	<i>Date:</i>

14. WITNESS

THIS SOFTWARE HAS BEEN DISCLOSED AND UNDERSTOOD BY:

Signature of Non-Author Witness _____ **Date** _____

Name and Title of Witness _____

Submit To: Wyoming Research Products Center, Dept. 3672, 1000 E. University Ave., Laramie, WY 82071

WYOMING RESEARCH PRODUCTS CENTER

INSTRUCTIONS FOR THE SOFTWARE DISCLOSURE FORM

THE FOLLOWING INSTRUCTIONS APPLY TO THE CORRESPONDING NUMBERED SECTIONS ON THE UNIVERSITY OF WYOMING R.P.C SOFTWARE DISCLOSURE FORM

1. Enter a brief descriptive title to aid in identifying the software.
2. In describing the software, please provide when possible information covering the following points:
 - a. the problem the software solves and its general purpose;
 - b. other available software with the same or similar purpose and/or name (if yes, please list);
 - c. the differences, advantages, and improvements of the software over the existing methods; and,
 - d. the limitations or disadvantages of the software.
6. In the United States, a patent application must be filed no later than one year after the public has access to a printed publication disclosing the invention in detail. In other countries, filing must take place before either oral or printed publication is made available to the public; however, where there has been a U.S. filing before any oral or printed publication, generally a one year grace period is granted for foreign filing. Complete section 6 in view of the following:
 - i. Conception involves the formulation, in the mind of the inventor, of the complete means for solving a problem.
 - ii. The term “first publication” means the first time any member of the general public, without restriction of confidentiality, would have been able to gain access to a written or printed enabling description of the invention.
 - iii. The term “first public oral disclosure” is similar to the description for “first publication”, but applies only to oral presentation(s) to the general public
 - iv. The term “sale of invention” means the first time that the software was sold or offered for sale
 - v. If the invention is to be published or disclosed, the anticipated date of publication should be entered here, as well as the date any documentation was submitted for review for possible publication.
 - vi. Reduction to practice involves actual and complete use of the software for its intended purpose. It usually involves physical construction of the software and testing the physical

embodiment to determine whether it performs as contemplated. A physical embodiment may not be necessary if the software can be sufficiently and fully described.

9. Include the names of any co-authors. Co-authors include any individual who has conceived or contributed to an essential element of the software, either independently or jointly with others, during the evolution and creation of the software.

10 Key Licensing Provisions to Consider and Negotiate

Even the simplest intellectual property license agreement can involve a countless number of provisions and clauses. Complete license agreements are very complex and can be subject to lengthy negotiations. There is no such thing as a “template” license agreement and this article is not intended to be a complete list of the issues that may arise. However, here are some key provisions that an intellectual property owner should look for.

1. Exclusivity

An inventor or a patent owner who wishes to license the rights to his or her intellectual property (a “licensor”) may wish to grant to another (a manufacturer, company, developer, etc.—the “licensee”) an exclusive or non-exclusive license. An exclusive license agreement may grant all rights and permissions to one single entity, while a non-exclusive license may allow for multiple agreements with different licensees.

- Should the agreement be exclusive so that only one company is allowed to utilize the patent rights in any and all fields of use? Or should the agreement be non-exclusive so that the licensee can enter any number of license agreements?
- Should the agreement be exclusive for a specific field of use? For example, one company may be granted a license agreement or the rights to an exercise machine patent to develop and market products only in the medical treatment field of use, while another company may be granted the exclusive rights to develop the same patented device but only in a sports-related field of use, or in some other specific area or field.
- Should the agreement be exclusive only for a defined territory or a defined length of time? Should the license be exclusive until and unless a certain event happens?

2. Sublicensing

A license agreement may give the right to grant sublicenses. For example, a manufacturer who licensed a patent from an inventor may wish to further sublicense the right to the patent to a marketer, who will be responsible for selling the product.

- Should the inventor retain all the rights to control his intellectual property, or should a licensee be allowed to grant sublicenses? Should an inventor allow a licensee only a limited right to grant sublicenses (for example, requiring any proposed sublicense to be approved by the licensor in writing).

3. Reservation of Rights to Practice the Invention

An inventor may not wish to relinquish his or her own right to improve upon and continue development of his or her own invention. He or she may want to make sure a license agreement

reserves their right to practice or research their invention, free from obligations or fees. Most inventions are things that can ultimately be improved upon and the inventor may want to ensure that their right to do is unquestioned by a licensee.

4. Confidentiality

Both a licensee and a licensor may want to agree to keep certain information shared between them confidential. For example, a licensee may ask that inventor keep know-how and other proprietary information confidential so that it may be protected by trade secret (rather than patent) or so that others don't find out to keep a competitive edge. A licensor may ask that the terms of the license agreement remain secret so that any other potential licensees do not know about the royalty rates negotiated.

- Should the confidentiality clauses of a license agreement last even after the agreement is terminated, or should they only last for a limited period of time?
- Should there be exceptions to the confidentiality obligations for information that is developed independently, already known to one party from another source, or becomes public through no fault of the licensee or licensor?

5. Term and Termination

A license agreement may last for the life of a patent, or it may last for a duration defined as a set number of years. A license agreement may end because a patent term runs out or because the license is terminated by one or both of the parties. A license may provide for termination for many reasons.

- Should an inventor be allowed to terminate a license agreement if the licensee is acquired by a competitor he or she does not approve?
- Should a licensor be allowed to terminate a license agreement if the licensee fails to pay royalties owed? Or if the licensee fails to diligently develop and market any products?
- Should a licensee have defined period of time in which to cure a breach of the agreement in order to avoid termination?

6. Royalties

The fees, payments, and royalties sections of a license agreement may be the most important negotiated terms. Usually, a licensor wishes to license a patent or piece of intellectual property in return for money, in the form of royalties and fees. A licensee usually wishes to license a patent to make money from marketing and selling a new idea. There are many different kinds of royalties, for example: percentage of sales, upfront fees, research-funding royalties, milestone payments, and minimum royalties.

- Will a licensee pay a one-time upfront or “signing” royalty (alone, or in addition to other kinds of royalties as well)? Does the licensee pay this upon signing of the license agreement? Will a licensor accept stocks or an equity position in lieu of cash for an upfront fee?
- Will an inventor require that a company licensing his or her patent pay minimum royalties? This ensures that the licensor receives at least a certain amount of income, regardless of sales, even if the licensee fails to diligently develop, market, and sell the licensed product.
- Will the royalties based on sales (earned royalties) include a percentage of revenue received from sublicenses? Will the earned royalties be based on net revenues or gross receipts?
- How often are royalty payments to be made to licensor? Quarterly, semi-annually, or annually?

7. Record Keeping

There is need for accurate record keeping in a license agreement, especially where one party owes the other money. Accurate records must be kept in order to calculate royalties.

- Should sublicensees be required to keep complete and accurate accounting books as well?
- Should a licensor have the right to audit the licensee’s books and financial records to verify payment of royalties? How often and who should pay for the audit?
- Should the licensor be required to give the licensee notice before it requests an audit and does the licensee have any say about how the audit shall be conducted (only during regular business hours or where the records are located)?
- Is information received from the audit considered confidential information?

8. Patent Prosecution

Both patent owners and licensees have an interest in making sure a licensed patent is prosecuted and maintained properly. A patent owner, in particular, wants to make sure his or her patent is properly filed and written so that it will be issued and can be enforced.

- Will only the inventor/patent owner make decisions regarding the patenting process? Who will make sure an issued patent is maintained?

9. Infringement

Both patent owners and licensees want to make sure that their licensed patents do not get infringed, but if an infringement happens, how to proceed may be outlined in the license agreement. Perhaps the licensee will bring suit against a possible infringer because it has the most experience and/or the deepest pockets. Or perhaps an inventor will be the one to bring suit because he or she is the patent owner.

- If one party fails to sue an infringer within a reasonable time period, can the other party bring the suit instead?
- Who will pay for the infringement suit fees and expenses?
- If an infringement suit reaches a settlement, do both the licensee and the licensor have to agree on its terms?

10. Diligence

Although a licensee usually ultimately wants to hurry to get products ready to sell, it may be beneficial for a licensor to ensure that his or her licensed product does not “sit on the shelf” for too long during the limited patent life.

- Should the licensor require that the licensee provide periodic progress reports?
- Should a licensee be required to meet certain defined progress milestones in the research, testing, production, and marketing efforts?

There are a multitude of other provisions and clauses that might be negotiated and included in a patent license agreement. Some of these provisions deal with such things like indemnification, representations and warranties, export controls, use of each other’s names, arbitration, patent marking, notice, governing law and jurisdiction, taxes, etc.

We strongly encourage you to discuss this matter in depth with a qualified attorney who can review the particulars and give you a final assessment. Only an attorney can issue a formal opinion.

Please keep in mind that the information provided is general in nature, is mere advisement, is not meant to substitute for the counsel provided by a licensed practitioner, and is by no means conclusive on any issue.

THE RESEARCH PRODUCTS CENTER, THE WYOMING BUSINESS COUNCIL AND THE UNIVERSITY OF WYOMING, THEIR EMPLOYEES, TRUSTEES, OFFICERS, STUDENTS, INTERNS, AND CONSULTANTS EXTEND NO WARRANTIES AND ACCEPT NO LIABILITY BY PROVIDING INTELLECTUAL PROPERTY SERVICES TO INVENTORS. THESE ENTITIES PRESERVE THEIR CONTRACTUAL SOVEREIGN IMMUNITY, AS WELL. The information included in this letter as well as in any enclosures are private and may be

subject to restrictions on redistribution, therefore please do not distribute them to others on paper or electronically.

Generating articles like this is only one of the many services we provide for Wyoming entrepreneurs and inventors. If you need any other types of intellectual property assistance, please don't hesitate to contact us by phone, 307-766-5594, or e-mail, WyomingInvents@uwyo.edu.



LICENSING PATENTS FROM OKLAHOMA STATE UNIVERSITY BY STARTUPS

The Technology Development Center (TDC) is a participant and Oklahoma State University's primary driver of the technology development process and is dedicated to encouraging startup companies in commercializing OSU technologies. This assistance can be in the form of support in seeking government and private financing, assembling a management team and publicizing startups' efforts. The TDC also supports licensees' participation in the various organizations dedicated to assisting startups in Oklahoma.

In establishing licensing relationships, TDC represents the interests of OSU and those of the individual OSU inventors. In accordance with the policy of the Board of Regents of Oklahoma State University, individual inventors who have used OSU resources in the development of the new technology assign their ownership interest in the invention to the university and are entitled to share in the proceeds received by the OSU.

TDC's primary objective in patenting and licensing OSU-developed technologies is to serve the public interest by finding practical application for these technologies. To accomplish this objective, we seek to create mutually beneficial license relationships with industry and entrepreneurs. We understand that for our technologies to thrive, our licensees must be successful.

Startups formed to commercialize particular technologies have unique needs and requirements. For this reason, we have developed this explanation of the licensing process and terminology for startups.

No one deal structure fits all licensing relationships, and for a licensing relationship to be successful, the license agreement must be aligned with the business of the licensee. It is important for us to have a flexible approach in structuring transactions.

We strive to simplify the licensing process so that license agreements are completed quickly and our licensees can focus on the important work of bringing the technology to market.

Accordingly, the following information has been developed to assist in understanding the terms and conditions surrounding a patent license agreement. This information will provide a basic understanding of the structure of the agreement and contains some specifics with regard to startup licenses.



Patent License Agreement – Terms and Conditions.

Licensor	The license grant is made by the Board of Regents of the Oklahoma Agricultural and Mechanical College System. Oklahoma State University is one of the component institutions of this system and enters into the license on behalf of the Board of Regents.
Licensed Patents	<p>The patent license will enumerate the specific patents or patent applications that are being licensed.</p> <p><i>The rights conveyed in a license do not convey any rights in the future work of the inventor, not guarantee the inventor will be made available to assist in the further development of the licensed patents for your particular application, except under specifically defined parameters that will be contained in the license agreement.</i></p>
Licensed Territory	<p>The patent license will specify the territories in which a licensee may practice the patents.</p> <p><i>In some cases, the territory will be worldwide. In other cases, the licensee’s rights will be limited to a country or list of countries.</i></p>
Licensed Field	<p>The patent license will specify the fields in which a licensee may practice the patents (e.g., semiconductor fabrication, oncology, petroleum exploration, etc.)</p> <p><i>If a licensee desires a license for all fields of use, there will generally be diligence requirements for each different field to insure that the licensee has the capability to perform in each field.</i></p>
Exclusive or Non-exclusive	<p>A licensee will either receive exclusive or non-exclusive rights to the technology. Exclusive means that the licensee will be the sole licensee. Non-exclusive means that OSU may license to multiple licensees.</p> <p><i>In either case, OSU retains a non-exclusive, royalty-free, continuing, irrevocable, worldwide right to publish its general scientific findings related to the licensed patents and use of the licensed patents for educational and research purposes only. These provisions reinforce OSU’s educational mission and encourage the</i></p>



	<i>development of inventions and other intellectual creations for the best interest of the public.</i>
License Economics:	<p>A patent license will contain some combination of the following payments. Each patent license is structured on an individual basis, taking into account the nature of the technology, the business plan for commercializing the technology including expected cash flows and risks, and its current and anticipated financial resources.</p> <p>The license economics are based on the value of the technology. Third party figures, if they exist, are generally used as a starting point. The licensee is encouraged to participate in the determination of the economics as a collaborative process that results in a fair deal for both the licensee and OSU.</p> <p>The following financial structure is reviewed for each patent license and all or some of the payments listed below will be a part of each license.</p>
Upfront license issue fee	<p>This fee is intended to demonstrate the licensee’s investment and commitment to commercialization of the technology.</p> <p><i>In order to allow startup companies to focus their capital resources on activities that promote the commercialization of the technology, OSU may defer or waive payment of this fee in favor of issuance of equity to OSU.</i></p>
Annual Maintenance Fee	<p>This fee is intended to demonstrate the licensee’s continued commitment to the commercialization of the technology.</p> <p><i>This fee may be offset by other financial provisions in the license agreement and may be deferred until certain mutually agreed milestones are reached by the licensee.</i></p>



<p>Running Royalty Payments</p>	<p>The royalty paid to OSU is usually a percentage of gross or net sales of products or services resulting from the licensed patents.</p> <p><i>The royalty percentage is based on a number of factors that include the type of patent, the markets in which the products will be sold, and the margins expected from product sales. Royalty payments must be submitted to OSU, along with a sales and royalty report, on a quarterly, semi-annual, or annual basis.</i></p>
<p>Minimum Royalty</p>	<p>Minimum royalty requirements are structured to be deducted from the operation cash flows of the licensee based on the business plan for commercialization of the technology. They represent the minimum expected cash payment to OSU from the licensee and represent the licensee’s continuing obligations to diligently commercialize the licensed patents.</p> <p><i>If sales of products do not result in the payment of the minimum royalty, the licensee is required to pay the difference.</i></p>
<p>Patent Expenses</p>	<p>OSU requires exclusive licensees to pay all patent expenses related to the patents it licenses. Non-exclusive licensees are required to pay a pro-rata share of the patent expenses. These expenses are due within 30 days of invoicing by OSU to the licensee.</p> <p>The license agreement specifies how patent expenses will be paid. Deferred payment or payment upon attainment of certain mutually agreed milestones to support startups may be negotiated.</p> <p><i>Startup companies must make provisions to pay past and ongoing patent prosecution expenses for the patent they license. The payment of these expenses may be deferred in order to facilitate company operations, however, it is essential for the ongoing commercialization efforts of OSU that these expenses be reimbursed so that OSU can continue to invest in the protection of other inventions.</i></p>



<p>Sublicensing</p>	<p>Exclusive licensees may be given the right to grant sublicenses in the licensed field. OSU requires that all sublicensees be subject to substantially similar terms and conditions of the licensee’s agreement with OSU and that the licensee remains liable for sublicensee’s acts or omissions.</p> <p>In consideration for granting the licensee the ability to sublicense patent rights, OSU shares in the consideration paid to the licensee by a sublicensee for the grant of sublicense rights through the payment of sublicense fees.</p> <p><i>Sublicense fees apply to consideration for the grant of the sublicensee and not to the sale of products by the sublicensee.</i></p>
<p>Due Diligence</p>	
<p>Milestones</p>	<p>OSU generally requires its licensees to meet technical and/or commercial milestones to ensure diligent efforts are being applied to commercialize the licensed technology. Payments may be required when certain milestones are achieved.</p> <p><i>Since OSU has a mandate that its inventions be developed in the interests of the public, these milestones are an important part of the license agreement and OSU uses these milestones to gauge the progress of the licensee. If milestones are missed but the licensee is still actively pursuing commercialization, it may be appropriate to restructure the license to best serve the public interest and the interests of the licensee and OSU.</i></p> <p><i>Technical milestones may include regulatory approvals required for product development, such as clinical trials. Prototype development and first commercial sale may be other milestones.</i></p> <p><i>Milestones are especially critical for startup company development and will usually refer to funding goals that must be achieved in order for the startup to be successful.</i></p>



Equity	<p>OSU may accept an equity interest in startup companies in lieu of certain cash payments such as upfront or milestone payments.</p> <p><i>OSU's equity position must be treated in the same manner as other investments in the licensee (e.g. Series A Preferred Stock). All rights and privileges that apply to other stockholders and their stock must apply to OSU.</i></p>
Royalty Reports	<p>Licensee must submit a sales and royalty report to OSU at certain specified intervals that are negotiated. This may be quarterly, semi-annual, or annual periods. These reports will be accompanied by any royalty payment that is due to OSU as explained above.</p>
Progress Report and Commercialization Plan	<p>OSU requires an annual progress report and commercialization plan to be submitted by the licensee. This is to insure visibility into the commercialization efforts of the licensee and allows for discussion of ways in which OSU may be of assistance. These reports normally stop upon the commencement of products sales.</p>
Countries for Foreign Patent Filing	<p>If the countries for foreign filing are known at the time the license is entered into, those countries will be identified in the license. If not, the foreign countries will be mutually determined at a later time.</p> <p><i>Filing for patent protection in foreign countries can be very expensive. As a matter of policy, OSU does not fund patent protection in foreign countries because of this expense. The licensee must take this into account when considering fund raising and budgeting.</i></p>
Deadline for First Sale	<p>The purpose of this deadline is to ensure the licensee's continued diligence in the commercialization of the technology. If the licensee does not meet this deadline, the license may be terminated by OSU. The date for this deadline is determined by negotiation and based on realistic estimates and assumptions.</p>
Patent Ownership	<p>OSU's policy is to retain ownership rights to its inventions and to protect its interests in such inventions. Accordingly, OSU does not assign ownership of patents to third parties, except in extremely rare situations.</p>



Patent Prosecution	<p>OSU manages the prosecution of all patents that it owns in coordination with outside counsel that have been approved by University Counsel and the Oklahoma Attorney General.</p> <p><i>In an exclusive license relationship, the licensee will normally participate in the prosecution of the patent application that has been licensed to insure commercialization objectives are taken into account, but OSU retains final authority in all decisions.</i></p>
Termination	<p>The licensee may terminate the license agreement for convenience upon 180 days notice to OSU, subject to the licensee being in current compliance with the agreement. Licensee may also terminate on 30 days notice in the event of a breach by OSU and failure of OSU to cure that breach within the 30-day period.</p> <p>OSU may terminate the license, or any portion of the license, licensed field of use, licensed territory, in any of the following circumstances: failure by the licensee to sell products by the deadline specified in the license agreement; licensee is more than 30 days late in payment obligations; any other breach by the licensee that is not cured within 30 days of notice; or OSU delivers notice of any breach 3 or more times in a calendar year, even if the licensee has cured such breaches.</p> <p><i>It is the policy of OSU that intellectual property be developed primarily to serve the public interest. If a licensee does not meet its obligations under the terms of the license agreement, OSU has the option to terminate all or a portion of the agreement in order to provide opportunities for others to produce such useful products and services for the public benefit.</i></p>
Confidentiality	<p>Both parties to the license agreement (the licensee and OSU) agree to keep each other's confidential information protected and secure and will only use that information in connection with the license. This obligation will survive for 5 years after termination of the license agreement.</p>



Infringement	A licensee has the right, but not the obligation to enforce any patent licensed exclusively. OSU may join any action initiated by the licensee. In the event licensee decides not to enforce the patent rights, OSU may enter into enforce actions on its own. Sharing of proceeds from such actions is negotiated by the parties.
Export Control	OSU requires all of its licensees to comply with all applicable export control laws and regulations.
Representations	<p>As an agency of the state of Oklahoma, OSU is limited in the permissible representations it may provide to a licensee. Generally, OSU represents its belief that it is the owner of the patent rights, that it has the sole right to grant licenses, and that it has not knowingly granted other licenses that would restrict the licensee’s rights.</p> <p>Licensee represents that it: (1) understands that the patent right may have been developed with funding from the US government and that the government may have certain rights to the technology; (2) it has adequate expertise to have conducted and has conducted sufficient due diligence with respect to the license; and (3) it accepts all risks inherent in the license.</p>
Indemnification by Licensee	Licensee will indemnify OSU for all claims arising from the exercise of the license.
Indemnification by OSU	As an agency of the State of Oklahoma, OSU cannot provide indemnification to any licensee.
Insurance	Licensee must maintain commercial general liability insurance to cover claims that may arise from Licensee’s commercialization activities. Generally, one million dollars of liability insurance will cover this requirement.
Assignment	The license cannot be assigned to a third party without OSU’s prior written consent.
Governmental Markings	OSU requires its patent licensees to comply with federal patent law requirements with regard to marking of patented products.



Technology Development Center

Use of Name	Licensee may not use the name of OSU as a brand or trademark for or related to Licensee's products or services without the prior written consent of OSU.
Governing Law	As an agency of the State of Oklahoma, OSU's license agreements are governed by Oklahoma state law.

Company & University of Wyoming
Term Sheet BASICS – FOR INFORMATIONAL PURPOSES ONLY

Technologies/Inventions/Software	(University IP to be licensed)
Licensed Field	(to be defined, should be defined rather than “all fields of use”)
Grant of License	Exclusive or Non-Exclusive
Territory	Worldwide in countries where UW has IP rights
Right to Sublicense	Allowed, with UW’s written consent
Royalties	Between 2% and 5% of net sales of the patent, patent-pending or copyrighted product/service
Upfront Patent/Copyright License fees	To be negotiated If the company is a UW spin-out or start-up, UW may consider stock consideration in lieu of upfront fees
Stock Consideration	Between 3% and 6% of total ownership in the company to UW
Sublicensing Income	Between 10% and 50% of sublicensing income
Payments	quarterly or semi-annual
Minimum Annual Royalties	To be negotiated
Diligence	Best efforts, with milestones
Progress Reports	Semi-annual or annual
Term	Until expiration of IP rights
Patent Prosecution Expenses	UW responsible for US costs Company responsible for foreign costs, at its election

March 6, 2007

**In the Public Interest:
Nine Points to Consider in Licensing University Technology**

Licensing approaches, even for comparable technologies, can vary considerably from case to case and from institution to institution based on circumstances particular to each specific invention, business opportunity, licensee and university. In spite of this uniqueness, universities share certain core values that can and should be maintained to the fullest extent possible in all technology transfer agreements.

In the summer of 2006, Stanford University's then Dean of Research Arthur Bienenstock convened a small meeting of research officers, licensing directors and a representative from the Association of American Medical Colleges to brainstorm about important societal, policy, legislative and other issues in university technology transfer. Representatives of the participating institutions, listed below, have tried to capture in this document certain shared perspectives that emerged from that meeting. Recognizing that each license is subject to unique influences that render 'cookie-cutter' solutions insufficient, it is our aim in releasing this paper to encourage our colleagues in the academic technology transfer profession to analyze each licensing opportunity individually in a manner that reflects the business needs and values of their institution, but at the same time, to the extent appropriate, also to bear in mind the concepts articulated herein when crafting agreements with industry. We recognize that many of these points are already being practiced. In the end, we hope to foster thoughtful approaches and encourage creative solutions to complex problems that may arise when universities license technologies in the public interest and for society's benefit.

California Institute of Technology
Cornell University
Harvard University
Massachusetts Institute of Technology
Stanford University
University of California
University of Illinois, Chicago
University of Illinois, Urbana-Champaign
University of Washington
Wisconsin Alumni Research Foundation
Yale University
and
Association of American Medical Colleges (AAMC)

Point 1

Universities should reserve the right to practice licensed inventions and to allow other non-profit and governmental organizations to do so

In the spirit of preserving the ability of all universities to perform research, ensuring that researchers are able to publish the results of their research in dissertations and peer-reviewed journals and that other scholars are able to verify published results without concern for patents, universities should consider reserving rights in all fields of use, even if the invention is licensed exclusively to a commercial entity, for themselves and other non-profit and governmental organizations:

- to practice inventions and to use associated information and data for research and educational purposes, including research sponsored by commercial entities; and
- to transfer tangible research materials (e.g., biological materials and chemical compounds) and intangible materials (e.g., computer software, databases and know-how) to others in the non-profit and governmental sectors.

Clear articulation of the scope of reserved rights is critical. Recent examples of such “retained rights” clauses are included in the Appendix for reference.

Point 2

Exclusive licenses should be structured in a manner that encourages technology development and use

When significant investment of time and resources in a technology are needed in order to achieve its broad implementation, an exclusive license often is necessary and appropriate. However, it is important that technology transfer offices be aware of the potential impact that the exclusive license might have on further research, unanticipated uses, future commercialization efforts and markets. Universities need to be mindful of the impact of granting overly broad exclusive rights and should strive to grant just those rights necessary to encourage development of the technology.

Special consideration should be given to the impact of an exclusive license on uses of a technology that may not be appreciated at the time of initial licensing. A license grant that encompasses all fields of use for the life of the licensed patent(s) may have negative consequences if the subject technology is found to have unanticipated utility. This possibility is particularly troublesome if the licensee is not able or willing to develop the technology in fields outside of its core business. Universities are encouraged to use approaches that balance a licensee’s legitimate commercial needs against the university’s goal (based on its educational and charitable mission and the public interest) of ensuring broad practical application of the fruits of its research programs. There are many alternatives to strict exclusive licensing, several of which are described in the Appendix.

March 6, 2007

In situations where an exclusive license is warranted, it is important that licensees commit to diligently develop the technology to protect against a licensee that is unable or unwilling to move an innovation forward. In long-term exclusive licenses, diligent development should be well-defined and regularly monitored during the exclusive term of the agreement and should promote the development and broad dissemination of the licensed technology. Ideally, objective, time-limited performance milestones are set, with termination or non-exclusivity (subject to limited, but reasonable, cure provisions) as the penalty for breach of the diligence obligation. Examples of diligence requirements (also known as performance milestones) are described in the Appendix.

Another means of ensuring diligent development, often used in conjunction with milestones, is to require exclusive licensees to grant sublicenses to third parties to address unmet market or public health needs (“mandatory sublicensing”) and/or to diligently commercialize new applications of the licensed rights. Such a requirement could also be implemented through a reserved right of the licensor to grant direct licenses within the scope of the exclusive grant to third parties based on unmet need. In such situations, it is important to ensure that the parties have a common understanding of what constitutes a new application or unmet need for the purpose of implementing such a provision. An example of mandatory sublicensing language is provided in the Appendix.

Absent the need for a significant investment - such as to optimize a technology for wide use - broad, non-exclusive licensing of tools such as genomic and proteomic inventions can help maximize the benefits derived from those technologies, in part by removing obstacles to further innovation. Unlike most research tools or manufacturing methods, diagnostic tests often must go through the regulatory approval process, and so may warrant exclusive licensing when the costs of test development, approval or diffusion require substantial investment of capital. Nevertheless, licensing of diagnostic tests based on broadly applicable genomics or proteomics methods should strive to preserve sufficient flexibility to permit testing for multiple indications (i.e., not an exclusive licensee’s single disease of interest) perhaps through multiple field-restricted or non-exclusive licenses. Exclusive licensing of a single gene for a diagnostic may be counterproductive in a multi-gene pathology where only a panel of genes can yield an adequate diagnosis, unless the licensee has access to the other genes of the panel. Such licenses can also be limited in other ways. For example, a university might license a genomics method exclusively for a company to optimize and sell licensed products for diagnostic use. The drafting of the exclusive grant could make it clear that the license is exclusive for the sale, but not use, of such products; in doing so, the university ensures that it is free to license non-exclusively to others the right (or may simply not assert its rights) to use the patented technology, which they may do either using products purchased from the exclusive licensee or those that they make in-house for their own use.

In general, when no alternative testing strategy is available for a given indication, consideration should be given to means of ensuring reasonable access for patients and shielding individual healthcare providers from the risk of suit for patent infringement. As with any medical technology, licenses should not hinder clinical research, professional

March 6, 2007

education and training, use by public health authorities, independent validation of test results or quality verification and/or control.

Point 3
Strive to minimize the licensing of “future improvements”

Although licensees often seek guaranteed access to future improvements on licensed inventions, the obligation of such future inventions may effectively enslave a faculty member’s research program to the company, thereby exerting a chilling effect on their ability to receive corporate and other research funding and to engage in productive collaborations with scientists employed by companies other than the licensee – perhaps even to collaborate with other academic scientists. In particular, if such future rights reach to inventions made elsewhere in the university, researchers who did not benefit from the licensing of the original invention may have their opportunities restricted as well, and may be disadvantaged economically relative to the original inventors if the licensing office has pre-committed their inventions to a licensee.

For these reasons, exclusive licensees should not automatically receive rights to “improvement” or “follow-on” inventions. Instead, as a matter of course, licensed rights should be limited to existing patent applications and patents, and only to those claims in any continuing patent applications that are (i) fully supported by information in an identified, existing patent application or patent and (ii) entitled to the priority date of that application or patent.

In the rare case where a licensee is granted rights to improvement patents, it is critical to limit the scope of the grant so that it does not impact uninvolved researchers and does not extend indefinitely into the future. It is important to further restrict the grant of improvements to inventions that are owned and controlled by the licensor institution - i.e., (i) not made by the inventor at another institution, should they move on or (ii) co-owned with, or controlled by, another party. One refinement to this strategy would be to limit the license to inventions that are dominated by the original licensed patents, as these could not be meaningfully licensed to a third party, at least within the first licensee’s exclusive field. As was discussed earlier, appropriate field restrictions enable the licensing not only of the background technology, but also of improvements, to third parties for use outside the initial licensee’s core business. In all cases, a license to improvements should be subject to appropriate diligent development requirements.

It should be recognized, however, that not all “improvements” have commercial potential (for example, they may not confer sufficient additional benefit over the existing technology to merit the expense of the development of new or modified products), in which case a licensee might not wish to develop them. In general, it may be best simply not to patent such improvements.

Point 4
**Universities should anticipate and help to manage
technology transfer related conflicts of interest**

Technology transfer offices should be particularly conscious and sensitive about their roles in the identification, review and management of conflicts of interest, both at the investigator and institutional levels. Licensing to a start-up founded by faculty, student or other university inventors raises the potential for conflicts of interest; these conflicts should be properly reviewed and managed by academic and administrative officers and committees outside of the technology transfer office. A technology licensing professional ideally works in an open and collegial manner with those directly responsible for oversight of conflicts of interest so as to ensure that potential conflicts arising from licensing arrangements are reviewed and managed in a way that reflects well on their university and its community. Ideally, the university has an administrative channel and reporting point whereby potential conflicts can be non-punitively reported and discussed, and through which consistent decisions are made in a timely manner.

Point 5
Ensure broad access to research tools

Consistent with the NIH Guidelines on Research Tools, principles set forth by various charitable foundations that sponsor academic research programs and by the mission of the typical university to advance scientific research, universities are expected to make research tools as broadly available as possible. Such an approach is in keeping with the policies of numerous peer-reviewed scientific journals, on which the scientific enterprise depends as much as it does on the receipt of funding: in order to publish research results, scientists must agree to make unique resources (e.g., novel antibodies, cell lines, animal models, chemical compounds) available to others for verification of their published data and conclusions.

Through a blend of field-exclusive and non-exclusive licenses, research tools may be licensed appropriately, depending on the resources needed to develop each particular invention, the licensee's needs and the public good. As suggested with respect to genomics and proteomics method patents in Point 2 above, a university might license a research reagent, kit or device exclusively to a company to optimize and sell licensed products and services for research, diagnostic or other end uses. The drafting of such an exclusive grant should make clear that the license is exclusive for the sale, but not use, of such products and services; in doing so, the university ensures that it is free to license non-exclusively to others the right to use the patented technology, which they may do either using products purchased from the exclusive licensee or those that they make in-house for their own use.

Point 6
Enforcement action should be carefully considered

In considering enforcement of their intellectual property, it is important that universities be mindful of their primary mission to use patents to promote technology development for the benefit of society. All efforts should be made to reach a resolution that benefits both sides and promotes the continuing expansion and adoption of new technologies. Litigation is seldom the preferred option for resolving disputes.

However, after serious consideration, if a university still decides to initiate an infringement lawsuit, it should be with a clear, mission-oriented rationale for doing so—one that can be clearly articulated both to its internal constituencies and to the public. Ideally, the university’s decision to litigate is based on factors that closely track the reasons for which universities obtain and license patents in the first place, as set out elsewhere in this paper. Examples might include:

- Contractual or ethical obligation to protect the rights of existing licensees to enjoy the benefits conferred by their licenses; and
- Blatant disregard on the part of the infringer for the university’s legitimate rights in availing itself of patent protection, as evidenced by refusal on the part of the infringer to negotiate with or otherwise entertain a reasonable offer of license terms.

Under all circumstances, it reflects poorly on universities to be involved in “nuisance suits.” Exclusive licensees should be encouraged to approach patent enforcement in a manner that is consistent with the philosophy described in this Point 6.

Point 7
Be mindful of export regulations

University technology transfer offices should have a heightened sensitivity about export laws and regulations and how these bodies of law could affect university licensing practices. Licensing “proprietary information” or “confidential information” can affect the “fundamental research exclusion” (enunciated by the various export regulations) enjoyed by most university research, so the use of appropriate language is particularly important. Diligence in ensuring that technology license transactions comply with federal export control laws helps to safeguard the continued ability of technology transfer offices to serve the public interest.

Point 8

Be mindful of the implications of working with patent aggregators

As is true of patents generally, the majority of university-owned patents are unlicensed. With increasing frequency, university technology transfer offices are approached by parties who wish to acquire rights in such ‘overstock’ in order to commercialize it through further licenses. These patent aggregators typically work under one of two models: the ‘added value’ model and the so-called ‘patent troll’ model.

Under the added value model, the primary licensee assembles a portfolio of patents related to a particular technology. In doing so, they are able to offer secondary licensees a complete package that affords them freedom to operate under patents perhaps obtained from multiple sources. As universities do not normally have the resources to identify and in-license relevant patents of importance, they cannot offer others all of the rights that may control practice (and, consequently, commercialization) of university inventions. By consolidating rights in patents that cover foundational technologies and later improvements, patent aggregators serve an important translational function in the successful development of new technologies and so exert a positive force toward commercialization. For example, aggregation of patents by venture capital groups regularly results in the establishment of corporate entities that focus on the development of new technologies, including those that arise from university research programs. To ensure that the potential benefits of patent aggregation actually are realized, however, license agreements, both primary and secondary, should contain terms (for example, time-limited diligence requirements) that are consistent with the university’s overarching goal of delivering useful products to the public.

In contrast to patent aggregators who add value through technology-appropriate bundling of intellectual property rights, there are also aggregators (the ‘patent trolls’) who acquire rights that cut broadly across one or more technological fields with no real intention of commercializing the technologies. In the extreme case, this kind of aggregator approaches companies with a large bundle of patent rights with the expectation that they license the entire package on the theory that any company that operates in the relevant field(s) must be infringing at least one of the hundreds, or even thousands, of included patents. Daunted by the prospect of committing the human and financial resources needed to perform due diligence sufficient to establish their freedom to operate under each of the bundled patents, many companies in this situation will conclude that they must pay for a license that they may not need. Unlike the original patent owner, who has created the technology and so is reasonably entitled to some economic benefit in recognition for its innovative contribution, the commercial licensee who advances the technology prior to sublicensing, or the added value aggregator who helps overcome legal barriers to product development, the kind of aggregator described in this paragraph typically extracts payments in the absence of any enhancement to the licensed

March 6, 2007

technology.¹ Without delving more deeply into the very real issues of patent misuse and bad-faith dealing by such aggregators, suffice it to say that universities would better serve the public interest by ensuring appropriate use of their technology by requiring their licensees to operate under a business model that encourages commercialization and does not rely primarily on threats of infringement litigation to generate revenue.

Point 9

Consider including provisions that address unmet needs, such as those of neglected patient populations or geographic areas, giving particular attention to improved therapeutics, diagnostics and agricultural technologies for the developing world

Universities have a social compact with society. As educational and research institutions, it is our responsibility to generate and transmit knowledge, both to our students and the wider society. We have a specific and central role in helping to advance knowledge in many fields and to manage the deployment of resulting innovations for the public benefit. In no field is the importance of doing so clearer than it is in medicine.

Around the world millions of people are suffering and dying from preventable or curable diseases. The failure to prevent or treat disease has many causes. We have a responsibility to try to alleviate it, including finding a way to share the fruits of what we learn globally, at sustainable and affordable prices, for the benefit of the world's poor. There is an increased awareness that responsible licensing includes consideration of the needs of people in developing countries and members of other underserved populations.

The details involved in any agreement provisions attempting to address this issue are complex and will require expert planning and careful negotiation. The application will vary in different contexts. The principle, however, is simple. Universities should strive to construct licensing arrangements in ways that ensure that these underprivileged populations have low- or no-cost access to adequate quantities of these medical innovations.

We recognize that licensing initiatives cannot solve the problem by themselves. Licensing techniques alone, without significant added funding, can, at most, enhance access to medicines for which there is demand in wealthier countries. Diseases that afflict only the global poor have long suffered from lack of investment in research and development: the prospects of profit do not exist to draw commercial development, and public funding for diseases suffered by those who live far away from nations that can afford it is difficult to obtain and sustain. Through thoughtful management and licensing of intellectual property, however, drugs, therapies, and agricultural technologies developed at universities can at least help to alleviate suffering from disease or hunger in historically marginalized population groups.

¹ A somewhat related issue is that of technology 'flipping', wherein a non-aggregator licensee of a university patent engages in sublicensing without having first advanced the technology, thereby increasing product development costs, potentially jeopardizing eventual product release and availability. This problem can be addressed most effectively by building positive incentives into the license agreement for the licensee to advance the licensed technology itself – e.g., design instrumentation, perform hit-to-lead optimization, file an IND. Such an incentive might be to decrease the percentage of sublicense revenues due to the university as the licensee meets specific milestones.

March 6, 2007

Summary

As often is the case, guidance as to implementation of practices that will advance the mission of university technology transfer lags behind our collective awareness of both the needs that exist and our obligations to foster an environment in which they can effectively be met. While we may generally agree on the commonality of the above challenges, a multiplicity of approaches are possible to address the dual goals of nurturing future research and using the innovations of university research to provide the broadest possible benefit to the public. The participating universities put forth these considerations in an aspirational sense and we encourage all of our colleagues to stretch the boundaries of conventional technology transfer practice and share with the greater technology transfer community the insights that they gain in doing so.

1. DEFINITIONS

1.1 “Affiliate” means any corporation or other entity that directly or indirectly controls, is controlled by, or is under common control with Licensee. For the purposes of this Section 1.1, “control” shall mean (a) in the case of a corporate entity, direct or indirect ownership of fifty percent (50%) or more of the stock or shares having the right to vote for the election of directors of such corporate entity and (b) in the case of an entity that is not a corporate entity, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such entity, whether through the ownership of voting securities, by contract, or otherwise.

1.2 “Agreement” or “License Agreement” shall mean this Agreement, including any and all Exhibits attached to this Agreement.

1.3 “Data” means all information owned or controlled by UW and acquired by Licensee, its Affiliates or its sublicensees directly or indirectly from or through UW, its units, its employees, the Inventors, or its consultants relating to the Invention, Licensed Products, Licensed Methods, or this Agreement, including but not limited to, all patent prosecution documents and all information received from Inventors as well as all UW Technology.

1.4 “Licensed Field” means...(define)

1.5 “Licensed Method” means any process, method, or use that is covered, in whole or in part, by UW Patent Rights or which use or practice would constitute, but for the license granted to Licensee pursuant to this Agreement, an infringement of any issued or pending claim within UW Patent Rights.

1.6 “Licensed Product(s)” means any substance, material, kit, composition, or other product, or any service, process, or procedure that (i) either is covered by UW Patent Rights or whose discovery, development, registration, manufacture, use, or sale would constitute, but for the license granted to Licensee pursuant to this Agreement, an infringement of any claim within UW Patent Rights or (ii) is discovered, developed, made, sold, registered, or practiced using UW Technology or Licensed Method or which may be used to practice the Licensed Method, in whole or in part.

1.7 “Net Sales” means the total of the gross consideration received for Licensed Products or Licensed Methods made, used, leased, transferred, distributed, sold, or otherwise disposed of by Licensee, its Affiliates, and its sublicensees (as the case may be) in the Territory [pay net sales everywhere or just where UW has IP rights??], less the sum of the following actual and customary deductions (net of rebates or allowances of such deductions received) included on the invoice and actually paid: cash, trade, or quantity discounts; sales or use taxes imposed upon particular sales; import/export duties; and transportation charges. In the event Licensee or any of its Affiliates or sublicensees makes a transfer of a Licensed Product or Licensed Method to a third party for other than monetary consideration or for less than fair market value, such a transfer shall be considered a sale hereunder to be calculated at a fair market value for accounting and royalty purposes. A Licensed Product or Licensed Method shall be deemed made, used, leased, transferred, sold, or otherwise disposed of at the time Licensee or any of its Affiliates or sublicensees bills, invoices, ships, or receives payment for such Licensed Product or Licensed Method, whichever occurs first.

1.8 “Territory” means all countries of the world [OR in which UW has intellectual property rights licensed hereunder, subject to any exclusion(s) provided in this Agreement].

1.9 “UW Patent Rights” means any Invention disclosed and claimed in United States Provisional Patent Application Number **00/000,000, United States (Utility/Design/Plant) Application 0,000,000**, United States patent(s) pending or issuing thereon, and International PCT Application PCT/US**00/00000** and foreign patent(s) and foreign patent application(s) corresponding to all of the foregoing, owned by UW, including any reissues, extensions (including governmental equivalents thereto), substitutions, continuations,(but limited to continuations-in-part which do not contain new subject matter entitled to the priority date of the parent application) and divisions thereof.

1.10 “UW Technology” means all non-patentable and tangible information, know-how, and physical objects to the extent reasonably necessary or useful to practice the Invention in the Licensed Field (other than UW Patent Rights), owned or controlled by UW, which UW has the right to disclose and license to third parties.

2. GRANT OF LICENSE

2.1 Subject to the limitations and reservations of rights in this Agreement, UW grants, and Licensee accepts, an exclusive license under UW Patent Rights in the Licensed Field to: (a) develop, make, have made, use, distribute, lease, and sell Licensed Products and, (b) practice Licensed Methods, on a royalty-bearing basis in the Territory during the term of this Agreement.

2.2 If the Invention was funded by the United States Government, the license granted hereunder shall be subject to the overriding obligations to the United States Government set forth in United States Code Title 35 Chapter 38 and applicable governmental implementing regulations and to the royalty free non-exclusive licenses thereunder to which the United States Government is entitled, as well as to any other applicable governmental restrictions, if any. Licensee shall take all action necessary to enable UW to satisfy its obligations under any federal law relating to the UW Patent Rights and Inventions, including any right of the United States government to a noncommercial use license.

2.3 Nothing in this Agreement will be deemed to limit the right of UW to publish or publically display any and all technical Data resulting from any research performed by UW relating to the Invention or the UW Patent Rights. UW retains a royalty-free right to make, use, and research the Invention, Licensed Products, Data and UW Technology and to practice the Licensed Method and UW Patent Rights and associated Data and to allow other educational and non-profit institutions to do so for educational and research purposes only.

2.4 To the extent UW has provided UW Technology to Licensee, it is understood that at the time of disclosure to the Licensee some of the UW Technology may have been made available to the public without restrictions.

2.5 Nothing in this Agreement shall be construed to grant to Licensee rights in any technologies developed by UW other than those explicitly specified in this Agreement under UW Patent Rights, by implication, estoppel, or otherwise.

3. SUBLICENSES

3.1 Licensee shall have the right to grant one or more sublicenses to third parties under any or all of the licenses granted in Article 2, upon UW's written permission, provided that Licensee has current exclusive rights thereto under this Agreement at the time it exercises a right of sublicense. Each sublicense agreement shall be consistent with the obligations, terms and conditions that obligate, bind or affect Licensee and that are due to UW (and to the United States Government) that are contained in this Agreement, to the extent relevant given the nature of the rights granted by Licensee to any given sublicensee.

3.2 In the event that a sublicensee grants a further sublicense under any or all of the licenses granted in Article 2, any fee or other consideration paid to the sublicensee in consideration of such sub-sublicense will be subject to the provisions of this Agreement, including but not limited to Section 4.3 (Sublicensing Income) and treated as sublicensing income as if the sub-sublicensee were a

sublicensee. All sub-sublicensees shall be treated as sublicensees under this Agreement and all sub-sublicense agreements shall be consistent with the obligations, terms and conditions that obligate, bind or affect Licensee and that are due to UW (and the United States Government) that are contained in this Agreement, to the extent relevant given the nature of the rights granted.

3.3 Within thirty (30) calendar days after execution thereof, Licensee shall provide UW with a copy of each sublicense issued hereunder, and shall thereafter collect and guarantee payment of all royalties and other obligations due UW relating to the sublicenses and summarize and deliver all reports due UW relating to the sublicenses.

3.4 Upon termination of this Agreement for any reason, UW, at its sole discretion, shall determine whether any or all sublicenses shall be canceled or assigned to UW.

4. CONSIDERATION FOR LICENSE

4.1 Royalties. Except as otherwise required by law, Licensee shall pay to UW a running royalty of _____ (____%) of Net Sales during the term of this Agreement. Sales among Licensee and its Affiliates for ultimate third party use shall be disregarded for purposes of computing royalties; royalties shall be payable only upon sales or transfers between unrelated third parties and shall be based on arm's length consideration.

4.2 Stock Consideration. Within thirty (30) calendar days after the Effective Date, Licensee will issue to UW, at no cost to UW, _____% of its _____ Stock. Licensee represents and warrants that when the Stock is delivered to UW (i) it shall constitute no less than _____ percent (____%) of the total authorized shares of all classes of stock of Licensee, fully diluted, (ii) that it shall be free from any claims, security interests or liens and (iii) that Licensee shall have full right and authority to deliver the stock to UW. UW shall have no less rights in and with respect to such Stock than the founders of Licensee have or obtain with respect to their stock, including without limitation, any anti-dilution, events of disposition, registration, notice, or indemnification rights.

4.3 Sublicensing Income. In consideration of rights granted by UW to Licensee under this Agreement, Licensee shall pay to UW the following after the execution of a sublicense hereunder or after transferring any or all of the rights licensed to Licensee hereunder:

(a) Within thirty (30) calendar days after execution of a sublicense or after transfer of any or all rights licensed to Licensee hereunder, a fee _____ of any up-front payment made to Licensee in consideration of the sublicense or transfer;

(b) Within thirty (30) calendar days after execution of a sublicense or after transfer of any or all rights licensed to Licensee hereunder, a fee constituting a cash payment equal to _____percent (%) of any-non cash consideration received by Licensee from the sublicense or transfer, such consideration to include, without limitation, equity in other companies or equity investments in Licensee. The value of an equity investment will be calculated as the average market value of the class of stock involved for five (5) consecutive days preceding the execution of the sublicense agreement on the principle national securities exchange on which the stock is admitted to trading or listed, or if not listed or admitted to trading on any such exchange, the representative average closing bid price of the class of stock involved as reported by the National Association of Securities Dealers, Inc. Automated Quotations System (“NASDAQ”), or other similar organization if NASDAQ is no longer reporting such information, or, if the stock is not reported on NASDAQ, the average share bid price for the stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or if not so available, the fair market price as determined by an independent third party accounting firm mutually selected by UW and Licensee. In cases where the sublicense agreement or transfer calls for payment to Licensee of a premium over the market value, UW will also share _____percent (%) of the premium paid to Licensee; and,

(c) _____ percent (%) of any other consideration received from any sublicense in connection with Licensed Products or Licensed Methods. When other sublicense consideration under this Section 4.3(c) constitutes royalties received from any sublicense, Licensee shall pay to UW those royalties on a quarterly basis as for other royalties in accord with Section 5 below. No amounts shall be due and payable to UW pursuant to this section on account of payments made to Licensee solely for bona fide research and development (but which shall not include option or other similar fees or consideration for access to or rights to UW Patent Rights or UW Technology).

5. PAYMENTS

5.1 Royalties payable to UW shall be paid to UW quarterly on or before the following dates of each calendar year:

February 28
August 31

May 31
November 30

Each such payment will be for unpaid royalties or other amounts due that accrued within the most recently completed calendar quarter. If originating outside of the United States, payments shall be made by wire transfer to an account identified by UW.

5.2 Licensee shall pay to UW minimum annual royalties equal to the amounts set forth on the following schedule:

Anniversary Date of Effective Date	1 (First Anniversary Date)	2	3	4 and thereafter
Minimum Annual Royalty				

for the term of this Agreement beginning on the first anniversary of the Effective Date. The amounts due to UW from Licensee as earned royalties in each annual period shall be creditable against the minimum annual royalties due for that annual period.

5.3 All amounts due UW shall be payable in United States Dollars in Laramie, Wyoming. When Licensed Products are sold or Licensed Methods are used for monies other than United States Dollars, the earned royalties and other consideration will first be determined in the foreign currency of the country in which such Licensed Products are sold or Licensed Methods are used and then converted into equivalent United States Dollars. The exchange rate will be the United States Dollar buying rate quoted in the Wall Street Journal on the last day of the reporting period.

5.4 Licensee shall be responsible for any and all taxes, fees, or other charges imposed by the government of any country outside the United States on the remittance of royalty income for sales occurring in any such country. Licensee shall also be responsible for all bank transfer charges.

5.5 If at any time legal restrictions prevent the acquisition or prompt remittance of United States Dollars by Licensee with respect to any country where a Licensed Product or Licensed Method is sold or used, Licensee shall pay royalties and other consideration due to UW from Licensee's other sources of United States Dollars.

5.6 In the event that any patent or any claim thereof included within the UW Patent Rights shall be held invalid in a final decision by a court of competent jurisdiction and last resort in any country and from which no appeal has or can be taken, all obligation to pay royalties based on such patent or claim or any claim patentably indistinct therefrom shall cease as of the date of such final decision with respect to such country. Licensee shall not, however, be relieved from paying any royalties that accrued before such decision, or that are based on the same patent or claim in other countries or jurisdictions not involved in such decision, or that are based on another patent(s) or claim(s) not involved in such decision.

6. DILIGENCE

6.1 Licensee, upon execution of this Agreement and throughout the term of this Agreement, shall use its best efforts to develop, test, obtain any required governmental approvals, manufacture, market and sell Licensed Products and Licensed Methods in all countries of the Territory and shall earnestly and diligently endeavor to market the same within a reasonable time after execution of this Agreement and in quantities sufficient to meet the market demands therefore. Licensee shall be entitled to exercise prudent and reasonable business judgment in meeting the diligence obligations of this Article 6.

6.2 If Licensee fails to meet the diligence obligations in this Article 6, UW shall have the right and option upon sixty (60) calendar days written notice to terminate this Agreement/to convert the grant or license contained in this Agreement from exclusive to non-exclusive with respect to any or all of the Territories where Licensee has failed to perform or to which the failure relates. Should Licensee fail to fulfill the diligence requirements within such sixty (60) day period, the notice shall be effective at the end of such period. This right, if exercised by UW, supersedes the rights granted in Article 2 (Grant of License).

6.3 At all times during the term of this license, Licensee shall maintain the financial capability to comply with this Article.

7. PROGRESS AND ROYALTY REPORTS

7.1 Beginning six (6) months after the Effective Date, and semi-annually thereafter, Licensee shall submit to UW a progress report covering Licensee's activities related to the development, testing, and commercialization of all Licensed Products and Licensed Methods and the obtaining of the governmental approvals necessary for marketing. The progress reports shall cover each Licensed Product and Licensed Method in each country of the Territory.

7.2 The progress reports submitted under section 7.1 shall include sufficient information to enable UW to determine Licensee's progress in fulfilling its obligations under Article 6, including, but not limited to, the following topics:

- summary of work completed
- key scientific discoveries
- summary of work in progress, including product development and testing and progress in obtaining government approvals
- current schedule of anticipated events or milestones
- market plans for introduction of Licensed Products and Licensed Methods in countries of the Territory in which Licensed Products and Licensed Methods have not been introduced
- summary of resources (dollar value) spent in the reporting period for research, development, and marketing of Licensed Products and Licensed Methods
- activities in obtaining sublicensees and activities of sublicensees
- summary of activities involving all third parties, including the United States Government, foreign governments, United States and foreign corporate entities, and their foreign and United States affiliates and subsidiaries.
- financial statements as of the end of the previous calendar quarter

7.3 Licensee shall have a continuing responsibility to keep UW informed of the large or small entity status (as defined by the United States Patent and Trademark Office) of itself and its sublicensees.

7.4 Licensee shall promptly report to UW the date of first commercial use or sale of each Licensed Product or Licensed Method in each country, as well as include such information to UW in its immediately subsequent progress and royalty report due under this Section 7.

7.5 After the first commercial use or sale of a Licensed Product or Licensed Method anywhere in the world, Licensee will make **quarterly** royalty reports to UW on or before each **February 28, May 31, August 31 and November 30** of each year. Each such royalty report will cover Licensee's most recently completed calendar quarter and will show (a) the units, gross sales, and Net Sales of each type of Licensed Product sold and Licensed Method used on which royalties are due, including a clear indication of how Net Sales were calculated; (b) the royalties and fees, in United States dollars, payable hereunder, including a breakdown (where more than one patent is licensed hereunder) of how royalty income is allocated among the patents; (c) the method used to calculate the royalty; (d) the exchange rates used, if any; and (d) any other information relating to the foregoing reasonably requested by UW.

7.6 If no sales or commercial uses of Licensed Products or Licensed Methods have been made during any reporting period, a statement to this effect shall be made by Licensee.

8. BOOKS AND RECORDS

8.1 During the term of this Agreement, Licensee shall keep and require its Affiliates and sublicensees to keep true and accurate books and records in accordance with generally acceptable accounting principles showing all transactions and information relating to this Agreement. Such books and records shall be preserved for at least seven (7) years from the date of the entry to which they pertain.

8.2 UW shall have the right, at reasonable times upon reasonable notice, to engage a UW representative or agent to examine the books and records of Licensee, Affiliates and sublicensees. The fees and expenses of performing such an examination shall be borne by UW. However, if an error in royalties of more than five percent (5%) of the total royalties due for any year is discovered, or if as a result of the examination it is determined that Licensee is in breach of its other obligations under this Agreement, then the fees and expenses of these representatives shall be borne by Licensee, and Licensee shall promptly reimburse UW for reasonably documented audit expenses as well as all overdue royalty and late interest payments.

9. TERM OF THE AGREEMENT

9.1 Unless otherwise extended in writing by mutual agreement of the Parties, or unless terminated by operation of law or by acts of the Parties in accordance with the provisions of this Agreement, this Agreement will remain valid and in force from the

Effective Date until _____ years from the date of the first sale or commercial use of a Licensed Product or Licensed Method in any country, or from the Effective Date until the expiration date of the last of the valid claims of the last to expire patent licensed under this Agreement, whichever is greater.

9.2 Any expiration or termination of this Agreement shall not affect the rights and obligations set forth in the following Articles:

Article 4	Consideration for License
Article 8	Books and Records
Article 12	Disposition of Licensed Products on Hand Upon Termination
Article 13	Use of Names, Trademarks and Confidential Information
Article 18	Indemnification and Insurance
Article 25	Failure to Perform
Article 29	Export Control Laws
Article 30	Confidentiality

10. TERMINATION FOR CAUSE BY EITHER PARTY

10.1 If one Party should breach or fail to perform any provision of this Agreement, then the other Party may give written notice of such default (Notice of Default) to the breaching Party. If the breaching Party should fail to cure such default within sixty (60) calendar days of notice thereof, the non-breaching Party shall have the right to terminate this Agreement and the licenses herein by a second written notice (Notice of Termination) to the breaching Party. If a Notice of Termination is sent to breaching Party, this Agreement shall automatically terminate on the effective date of such notice. Termination shall not relieve breaching Party of its obligation to pay all amounts due to the non-breaching Party as of the effective date of termination and shall not impair any accrued rights of the non-breaching Party.

10.2 UW shall have the right to terminate this Agreement forthwith by giving written notice of termination to Licensee at any time upon or after the filing by Licensee of a petition in bankruptcy or insolvency, or upon or after any adjudication that Licensee is bankrupt or insolvent, or upon or after the filing by Licensee of any petition or answer seeking judicial reorganization, readjustment

or arrangement of the business of Licensee under any law relating to bankruptcy or insolvency, or upon or after the appointment of a receiver for all or substantially all of the property of Licensee, or upon or after the making of any assignment or attempted assignment for the benefit of creditors, or upon or after the institution of any proceeding or passage of any resolution for the liquidation or winding up of Licensee's business or for termination of its corporate life. Termination shall not relieve Licensee of its obligation to pay all amounts due to UW as of the effective date of termination and shall not impair any accrued rights of UW.

11. VOLUNTARY TERMINATION BY LICENSEE

11.1 Licensee shall have the right at any time to terminate this Agreement in its entirety by giving sixty (60) calendar days advance notice thereof in writing to UW. At the conclusion of this notice period, UW may dispose of the UW Patent Rights, UW Technology, and/or Data as it sees fit, without any further obligation to Licensee.

11.2 Any termination pursuant to the above paragraph shall not relieve Licensee of any obligation or liability accrued hereunder prior to such termination or rescind anything done by Licensee or any payments made to UW hereunder prior to the time such termination becomes effective, and such termination shall not affect in any manner any rights of UW arising under this Agreement prior to such termination.

12. DISPOSITION OF LICENSED PRODUCTS AND INFORMATION ON HAND UPON TERMINATION

Upon termination of this Agreement by either party:

(a) Licensee shall have the privilege of disposing of all previously made or partially made Licensed Products (Licensee may complete partially made Licensed Products), but no more, within a period of one hundred and eighty (180) calendar days after the initial notice of termination given pursuant to Article 10 or 11, provided, however, that the disposition of such Licensed Products shall be subject to the terms of this Agreement including, but not limited to, the payment of royalties at the rate and at the time provided herein and the rendering of reports thereon,

(b) Licensee shall promptly return, and shall cause its Affiliates and sublicensees to return, to UW all property belonging to UW, including without limitation UW Technology, if any, that has been provided to Licensee or its Affiliates or sublicensees hereunder, and all copies and facsimiles thereof and derivatives therefrom (except that Licensee may retain one copy of written material for record purposes only, provided such material is not used by Licensee for any other purpose and is not disclosed to others), and

(c) Licensee shall provide UW, as reasonably requested by UW, with copies of all information, know-how, trade secrets and inventions developed using the Licensed Method, Licensed Product, UW Patent Rights or UW Technology prior to termination, whether or not patented, of Licensee which are useful in marketing Licensed Products or Licensed Methods, and UW shall have the nonexclusive, worldwide right, with right of sublicense, to use such information, to the extent Licensee is free to license it, in connection with its research and in connection with the relicensing of UW Patent Rights and UW Technology.

13. USE OF NAMES, TRADEMARKS, AND CONFIDENTIAL INFORMATION

Licensee, Affiliates, and sublicensees shall not use the name, trade name, trademark, or other designation of UW or any of its units, nor any adaptation thereof (including contraction, abbreviation, or simulation of any of the foregoing) in any commercial or promotional activity, product or service, marketing, advertising or sales brochures without prior written consent obtained from UW. Unless required by law or consented to in advance in writing by an authorized representative of UW, the use by Licensee, Affiliates, and sublicensees of the name, “University of Wyoming” or any unit of UW is expressly prohibited.

14. LIMITED WARRANTY

14.1 Each Party warrants to the other that it has the legal right to enter into this Agreement. UW represents, in good faith and to the best of its knowledge, that it has the lawful right to grant the licenses conveyed with this Agreement.

14.2 NOTWITHSTANDING THE FOREGOING, UW DOES NOT WARRANT THE VALIDITY OF ANY UW PATENT RIGHTS OR INVENTIONS. UW DOES NOT WARRANT THE CONTENT CONTAINED IN UW PATENT RIGHTS OR INVENTIONS OR THAT THEY WILL BE ERROR FREE OR THAT ANY DEFECTS WILL BE CORRECTED. UW MAKES NO REPRESENTATION WHATSOEVER WITH REGARD TO THE SCOPE OR COMMERCIAL POTENTIAL OR PROFITABILITY OR INCOME OF OR FROM UW PATENT RIGHTS OR INVENTIONS OR THAT SUCH UW PATENT RIGHTS OR

INVENTIONS MAY BE EXPLOITED BY LICENSEE WITHOUT INFRINGING ANY RIGHTS OF ANY OTHER PARTY. UW MAKES NO COVENANT EITHER TO DEFEND ANY INFRINGEMENT CHARGE BY A THIRD PARTY OR TO INSTITUTE ACTION AGAINST INFRINGERS OF UW PATENT RIGHTS OR INVENTIONS. UW DOES NOT WARRANT THAT UW PATENT RIGHTS OR INVENTIONS WILL MEET LICENSEE'S OR ANY OF LICENSEE'S CUSTOMER'S SPECIFIC REQUIREMENTS. THIS LICENSE AND THE ASSOCIATED INVENTION(S) ARE PROVIDED WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. UW MAKES NO REPRESENTATION OR WARRANTY THAT THE LICENSED PRODUCTS OR LICENSED METHODS WILL NOT INFRINGE ANY PATENT OR OTHER PROPRIETARY RIGHT. UW EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES WITH RESPECT TO THE CAPABILITIES, SAFETY, UTILITY, OR COMMERCIAL APPLICATION OF LICENSED PATENTS, UW PATENT RIGHTS, AND INVENTIONS.

14.3 IN NO EVENT WILL UW BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST PROFITS, RESULTING FROM EXERCISE OF THIS LICENSE OR MANUFACTURE, SALE, OR USE OF THE INVENTION OR LICENSED PRODUCTS OR LICENSED METHODS OR UW PATENT RIGHTS OR UW TECHNOLOGY LICENSED HEREUNDER.

14.4 Nothing in this Agreement shall be construed as:

(a) an obligation to bring or prosecute actions or suits against third parties except as provided in Article 17; or

(b) conferring by implication, estoppel or otherwise any license or rights under any patents or other intellectual property of UW other than UW Patent Rights and UW Technology, regardless of whether such patents are dominant or subordinate to UW Patent Rights; or

(c) an obligation to furnish any know-how not provided in UW intellectual property licensed hereunder.

15. PATENT PROSECUTION AND MAINTENANCE

15.1 UW shall prosecute and maintain the United States patent applications and patents comprising UW Patent Rights using counsel of its choice. UW's counsel shall take instructions only from UW. UW shall provide Licensee with copies of all relevant documentation so that Licensee may be informed and apprised of the continuing prosecution. Licensee agrees to keep this documentation confidential.

15.2 UW shall give due consideration to amending any patent application comprising UW Patent Rights to include claims reasonably requested by Licensee to protect the Licensed Products and/or Licensed Methods contemplated to be sold under this Agreement.

15.3 All past, present, and future costs of preparing, filing, prosecuting and maintaining all _____ patent applications and/or patents comprising UW Patent Rights shall be borne by UW.

15.4 UW shall, at the request of Licensee, file, prosecute, and maintain patent applications and patents covered by UW Patent Rights in foreign countries if available. Licensee consents to the filing of all PCT and foreign patent applications that have already been filed as of the Effective Date. Licensee shall notify UW within ninety (90) calendar days of the filing of the corresponding international PCT application of its decision to obtain all other foreign patents. This notice shall be in writing and shall identify the countries desired. The absence of such a notice from Licensee shall be considered by UW to be an election not to request foreign rights. All past, present, and future costs of preparing, filing, prosecuting, defending, and maintaining all foreign patent applications and/or patents comprising UW Patent Rights shall be borne by Licensee and shall be payable by Licensee within thirty (30) calendar days after Licensee's receipt of invoice(s) for such costs. UW shall begin billing Licensee for reimbursement of any foreign patent costs on the third (3rd) anniversary of the Effective Date.

15.5 UW's obligation to underwrite and to pay United States patent prosecution costs for patents comprising UW Patent Rights shall continue for so long as this Agreement remains in effect provided, however, that UW may terminate its obligations with respect to any given patent application or patent upon three (3) months' prior written notice to Licensee. Licensee's obligations to underwrite and to pay foreign patent prosecution costs shall continue for so long as this Agreement remains in effect provided, however, that Licensee may terminate its obligations with respect to any given foreign patent application or foreign patent upon three (3) months' prior written notice to UW. UW shall use reasonable efforts to curtail future foreign patent costs when such a notice is received from Licensee. Licensee shall promptly pay foreign patent costs which cannot be so curtailed. Commencing on the effective

date of such notice, UW may continue prosecution and/or maintenance of such foreign application(s) or patent(s) at its sole discretion and expense, and Licensee shall have no further right or licenses thereunder.

15.6 UW shall have the right to file patent applications at its own expense in any country or countries in which Licensee has not elected to secure patent rights or in which Licensee's patent rights hereunder have terminated, and such applications and resultant patents shall not be subject to this Agreement and may be freely licensed by UW to third parties in its sole discretion.

16. PATENT MARKING

Licensee shall mark all Licensed Products and/or Licensed Methods made, used, sold or otherwise disposed of under the terms of this Agreement, and/or their containers and/or manuals, in accordance with the applicable patent marking laws.

17. PATENT INFRINGEMENT

17.1 Licensee acknowledges that UW Patent Rights are of great value to UW, and therefore, Licensee shall not permit any entity, individual, or firm to have access to UW Patent Rights, except as authorized in this Agreement and Licensee, Affiliates and sublicensees shall not foster or encourage any infringement of UW Patent Rights by any third party. Licensee shall promptly inform UW of any suspected infringement of UW Patent Rights.

17.2 In the event that Licensee learns of the substantial infringement of any patent licensed under this Agreement, Licensee shall notify UW, within fourteen (14) calendar days, in writing, of such infringement. Both Parties to this Agreement agree that during the period and in a jurisdiction where Licensee has exclusive rights under this Agreement, neither will notify a third party of the infringement of any of UW Patent Rights without first obtaining consent of the other Party, which consent shall not be unreasonably denied. Both Parties shall use their best efforts in cooperation with each other to terminate such infringement without litigation.

17.3 Licensee may request that UW take legal action against the infringement of UW Patent Rights. Such request shall be made in writing and shall include reasonable evidence of such infringement and damages to Licensee. If the infringing activity has

not been abated within ninety (90) calendar days following the effective date of such request, UW shall have the right to commence suit on its own account or refuse to commence such suit. UW shall give notice of its election in writing to Licensee by the end of the one-hundredth (100th) day after receiving notice of such request from Licensee. Licensee may thereafter bring suit for patent infringement if and only if UW refuses to commence suit and if the infringement occurred during the period and in a jurisdiction where Licensee had exclusive rights under this Agreement. However, in the event Licensee elects to bring suit in accordance with this paragraph, UW may thereafter join such suit at its own expense.

17.4 Such legal action as is decided upon shall be at the expense of the Party on account of whom suit is brought and all recoveries recovered thereby shall belong to such Party, provided, however, that recoveries from legal actions brought jointly by UW and Licensee shall be shared equally by them, after paying the reasonable legal expenses of both Parties.

17.5 Each Party agrees to cooperate with the other in litigation proceedings instituted hereunder but at the expense of the Party on account of whom suit is brought for out-of-pocket expenses. Such litigation shall be controlled by the Party bringing the suit. Each Party may be represented by counsel of its choice at its own expense.

18. INDEMNIFICATION AND INSURANCE

18.1 Licensee shall indemnify, hold harmless and defend UW, its trustees, officers, employees, students, agents and the Inventors against any and all claims, demands, actions, suits, losses, liabilities, damages, costs, fees and expenses (including reasonable attorneys' fees) resulting from or arising, directly or indirectly, out of the exercise of the rights granted under this license or any sublicense. This indemnification shall include, but is not limited to, any and all claims alleging products liability.

18.2 Throughout the term of this Agreement, and to the extent applicable from and after the date of first commercial sale or use of a Licensed Product or Licensed Method, Licensee shall maintain commercially issued policies of insurance, or programs of self-insurance with financial reserves sufficient to support its obligations under this Agreement, which provide coverage and limits as required by statute or as necessary to prudently insure the activities and operations of Licensee. The commercial general liability insurance policy, or liability self-insurance program, shall include the interests of UW as an additional insured and provide coverage limits of not less than \$2,000,000 combined single limits as respects premises, operations, contractual liability and liability arising out of products and/or completed operations. Licensee shall provide UW with certificates of insurance for commercially insured policies, or a letter from Licensee's independent auditors stating its opinion as to the adequacy of any self-insurance program. It is expressly

agreed that the insurance or self-insurance are minimum requirements which shall not in any way limit the liability of Licensee and shall be primary coverage. Any insurance or self-insurance program maintained by UW shall be excess and noncontributory.

18.3 UW shall promptly notify Licensee in writing of any claim or suit brought against UW in respect of which UW intends to invoke the provisions of Article 18. Licensee shall keep UW informed on a current basis of its defense of any claims pursuant to Article 18.

18.4 In the event an infringement action is brought by a third party against Licensee or Licensee's Affiliates, sublicensees or distributors, on account of the manufacture, use or sale of the Licensed Products or Licensed Methods in the Territory, Licensee shall promptly notify UW of such action. UW may have the option to manage the defense against any such action, in its sole discretion, in its own name and/or in the name of Licensee.

19. NOTICES

Any notice, payment or report required to be given to either party shall be deemed to have been properly given and to be effective (a) on the date of delivery if delivered in person, (b) five (5) business days after mailing if mailed by first-class certified mail, postage paid and deposited in the United States mail, to the respective addresses given below, or to such other address as it shall designate by written notice given to the other Party, or (c) on the date of delivery if delivered by express delivery service such as Federal Express or DHL.

In the case of Licensee: **Company**
 Address
 City, State Zip
 Attn: Point of Contact

In the case of UW: Wyoming Research Products Center
 University of Wyoming
 Education Annex Rm. 152
 Dept. 3672

Laramie, WY 82071-3672
Attention: Director

20. USE OF UW RESOURCES

Licensee shall enter a separate rental, lease, or other agreement with UW if Licensee desires to use UW facilities, accommodations, spaces, equipment, personnel, or other UW resources for business or commercial purposes.

21. CONFLICTS OF INTEREST

21.1 Conflicts of interest for UW employees which arise, or may arise, as a result of this Agreement or the creation of a spin-out company shall be declared and addressed through UW's policy on conflict of interest.

21.2 UW specifically reserves the right to examine and veto appointments of UW employees to Licensee's Board of Directors (or other company official positions) in its sole judgment if it determines a conflict of interest may result from such appointment(s). UW reserves the right to require any UW employee to waive his or her share of the proceeds or income from the sale of equity consideration received by UW under this Agreement.

22. ASSIGNABILITY

This Agreement is binding upon and shall inure to the benefit of UW, its successors and assigns, but shall be personal to Licensee and assignable by Licensee only with the written consent of UW, which consent shall not be unreasonably withheld.

23. LATE PAYMENTS

In the event any amounts due UW, including but not limited to royalty payments, fees, and patent cost reimbursements, are not received when due, Licensee shall pay to UW interest charges at a rate of eighteen (18) percent per annum or the highest rate

permitted by law, if less than eighteen percent. Such interest shall be calculated from the date payment was due until actually received by UW. The payment of such interest shall not foreclose UW from exercising any other rights it may have with regard to late payments.

24. WAIVER

The failure to enforce any provisions of this Agreement by a Party shall not be deemed a waiver of any breach or default hereunder by the other Party. No express waiver by either Party hereto of any breach or default of any of the covenants or agreements herein set forth shall be deemed a waiver as to any subsequent and/or similar breach or default.

25. FAILURE TO PERFORM

In the event of a failure of performance due under the terms of this Agreement and if it becomes necessary for either Party to undertake legal action against the other on account thereof, then the prevailing Party shall be entitled to reasonable attorney's fees in addition to costs and necessary disbursements. Any delays in or failure of performance of any Party to this Agreement shall not constitute default hereunder, or give rise to any claim for damages, if and to the extent caused by occurrences beyond the control of the Party affected, including, but not limited to, acts of God, strikes or other work stoppages, civil disturbances, fires, floods, explosions, riots, war, rebellion, sabotage, acts of governmental authority or failure of governmental authority to issue licenses or approvals which may be required.

26. GOVERNING LAWS

26.1 The laws of the State of Wyoming shall govern all legal matters relating to this agreement, but the scope and validity of any patent or patent application shall be governed by the applicable laws of the country of such patent or patent application. **THE UNIVERSITY OF WYOMING DOES NOT WAIVE ITS SOVEREIGN IMMUNITY OR ITS GOVERNMENTAL IMMUNITY BY ENTERING INTO THIS AGREEMENT AND FULLY RETAINS ALL IMMUNITIES AND DEFENSES PROVIDED BY LAW WITH REGARD TO ANY ACTION BASED ON THIS AGREEMENT.** Any actions or claims against

UW under this Agreement must be in accordance with and are controlled by the Wyoming governmental Claims Act, W.S. 1-39-101 et. seq. - (1977) as amended.

26.2 Licensee shall comply with all laws and regulations relating to the manufacture, processing, producing, use, selling, or distributing of Licensed Products or Licensed Methods. Licensee shall not take any action which would cause UW to violate any laws or regulations.

27. PREFERENCE FOR UNITED STATES INDUSTRY

If the U.S. Government sponsored the Invention in whole or in part, Licensee agrees that any products sold in the United States embodying this Invention or produced through the use thereof will be manufactured substantially in the United States.

28. FOREIGN GOVERNMENT APPROVAL OR REGISTRATION

If this Agreement or any associated transaction is required by the law of any nation to be either approved or registered with any governmental agency, Licensee shall assume all legal obligations to do so and the costs in connection therewith.

29. EXPORT CONTROL LAWS

29.1 Licensee shall be solely responsible for obtaining all licenses, permits, or authorizations as required from time to time by the United States and any other government for any such export or re-export. Licensee acknowledges that if the Licensed Products or Licensed Methods are to be exported, they may be subject to the U.S. Commerce Department or State Department Export Regulations and the transfer of certain technical data and commodities may require a license from the cognizant agency of the United States Government and/or written assurances by Licensee that Licensee shall not export data or commodities to certain foreign countries without prior approval of such agency. Licensee accepts full responsibility for and agrees to fully comply with such regulations, including obtaining export licenses and re-export permission, and agrees to defend and hold UW harmless from all claims, damages, fines, or charges that may arise due to Licensee's failure to so comply.

29.2 Licensee hereby agrees that it shall not sell any Licensed Products or Licensed Methods except in compliance with all applicable laws, including the export laws of any United States government agency and regulations thereunder, and will not sell any such Licensed Products or Licensed Methods to any persons or any entities with regard to which there exists grounds to suspect or believe they are violating such laws.

29.3 Licensee understands that the obligations of this Article 29 are United States legal requirements and agrees that they shall survive any term or termination of this Agreement.

30. CONFIDENTIALITY

30.1 Licensee (i) shall not use any Data or unpublished UW Patent Rights, except for the sole purpose of performing this Agreement, (ii) shall safeguard the same against disclosure to others with the same degree of care as it exercises with its own Data of a similar nature, and (iii) shall not disclose or permit the disclosure of Data or unpublished UW Patent Rights to others (except to its employees, agents or consultants who are bound to Licensee and UW by a like obligation of confidentiality) without the express written permission of UW, except that Licensee shall not be prevented from using or disclosing any Data:

(a) which Licensee can demonstrate by written records was previously known to _____ it; or

(b) which is now, or becomes in the future, information generally available to the public in the form supplied, other than through acts or omissions of Licensee; or

(c) which is lawfully obtained by Licensee from sources independent of UW who were entitled to provide such information to Licensee; or

(d) which is required by law to be disclosed.

The obligations of Licensee under this Section 30.1 shall remain in effect for five (5) years from the date of termination or expiration of this Agreement.

30.2 The Parties acknowledge that UW is subject to the provisions of the Wyoming Public Records Act (W.S. §16-4-201). Unless required by law, UW shall not disclose the terms of this Agreement, but may disclose other non-proprietary information about the Agreement or Licensee, for example, UW may disclose the existence of the Agreement.

31. MISCELLANEOUS

31.1 The headings of the several articles are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

31.2 This Agreement will not be binding upon the Parties until it has been signed on behalf of each Party by a duly authorized representative.

31.3 No amendment or modification hereof shall be valid or binding upon the Parties unless made in writing and signed on behalf of each Party by a duly authorized representative.

31.4 This Agreement embodies the entire understanding of the Parties and shall supersede all previous and contemporaneous communications, representations or understandings, either oral or written, between the Parties relating to the subject matter hereof.

31.5 In case any of the provisions contained in this Agreement shall be held to be invalid, illegal or unenforceable in any respect, (i) such invalidity, illegality or unenforceability shall not affect any other provisions hereof, (ii) the particular provision, to the extent permitted by law, shall be reasonably construed and equitably reformed to be valid and enforceable and (iii) this Agreement shall be construed as if such invalid or illegal or unenforceable provisions had never been contained herein.

31.6 Licensee and its Affiliates shall not originate any publicity, news release or other public announcement, written or oral, relating to this Agreement or the existence of an arrangement between the Parties, except as required by law, without the prior written approval of UW, which approval shall not be unreasonably withheld. UW shall be permitted to originate publicity, news releases or other public announcements, written or oral, relating to this Agreement or the existence of an arrangement between the Parties, upon prior approval of Licensee, which approval shall not be unreasonably withheld. UW shall be permitted to use the name and logo of Licensee and its Affiliates for the purpose of identifying Licensee and its Affiliates as spin-out companies of UW.

31.7 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

31.8 Nothing herein shall be deemed to constitute one Party as the agent or representative of the other Party or both Parties as joint venturers or partners. The Parties are related merely as Licensor and Licensee.

31.9 Insert any additional clauses

IN WITNESS WHEREOF, both UW and Licensee have executed this Agreement, in duplicate originals, by their duly authorized representatives on the day and year hereinafter written.

Licensee

UW

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

UNIVERSITY OF WYOMING FACILITIES USE AGREEMENT

This Agreement is entered into by and between the University of Wyoming (hereinafter “University”) and _____ (hereinafter “User”) for good and valuable consideration and under the terms and conditions listed below and in any attached Addenda which are hereby made a part of this Agreement.

1. Rooms _____, consisting of _____ sq. ft., in the _____ Building on the Campus of the University of Wyoming, Laramie, Wyoming (hereinafter “Facility”) has been reserved by User under the Reservation Form utilized by the Facility for that purpose.
2. The User is renting Facility from the University for the purpose(s) as outlined on the attached Addenda, and for no other purpose, in an “as is” condition unless other arrangements have been made with University and for rental amounts as included in the Addenda.
3. In the event that the University facilities are rendered unsuitable for the conduct of activities or events by reason of Force Majeure, University may cancel this Agreement and shall not be responsible for any damages sustained by User. “Force Majeure” shall mean fire, earthquake, flood, strikes, work stoppages, or other labor disturbances, riots or civil commotion, litigation, war or other act of any foreign nation, power, or government or governmental agency or authority, or any other cause like or unlike the above mentioned which is beyond the control or authority of the University. Should this Agreement be cancelled under such conditions, User shall be obligated to pay the fees only for those services, activities, and events which shall have occurred prior to cancellation. User agrees to waive any claim against the University for damages or compensation resulting from Force Majeure. If User’s scheduled facility use time has not commenced at the time of cancellation, University agrees to reschedule the event at a mutually agreeable time, but will have no obligation or liability whatsoever, to the User as a result of said cancellation.
4. This Agreement, together with any Addenda attached hereto, constitutes the entire Agreement and understanding between the University and User and cancels, terminates, and supersedes any prior agreement or understanding related to this Agreement. There are no other representations, promises, agreements, warranties, covenants, or understandings. None of the provisions of this Agreement may be waived or modified excepts as expressly stated in writing and signed by University and User. However, failure of either party to require the performance of any term in this Agreement or the waiver by either party of any breach shall not prevent subsequent enforcement of such term nor be deemed a waiver of any subsequent breach. When necessary for appropriate meaning, a plural shall be deemed to be the

singular and a singular shall be deemed to be the plural, and the use of the term “User” will signify participants in User’s event where appropriate.

5. The facility shall at all times be under the control of the University and University personnel, agents, police and the fire department employees shall have the right to enter the facility at any time. User shall comply with all laws, ordinances, rules and regulations of the Government of the United States, the State of Wyoming, the University of Wyoming, and county and municipal authorities with respect to the use and occupancy of the facility by User. University reserves the right to withdraw, remove or expel any person or persons associated with or participating in the event who violates said laws, ordinances, rules or regulations.
6. University Regulation 178, 4(i) states that “Internal and external users authorized to use University facilities are required, except as otherwise authorized by the Vice President for Administration, to utilize University services and equipment when using University facilities; the University may impose reasonable restrictions on the use of such services and equipment when such restrictions are necessary in order to avoid interruption of the University’s primary functions.”
7. University reserves the right to require User to provide security under special event circumstances. If User needs security services, by their own determination or by requirement of the University, contact must be made with the University of Wyoming Police Department and any extra expense incurred in providing the necessary security services shall be solely the responsibility of the User.
8. User representative is authorized to make arrangements and financial commitments with University on behalf of the User.
9. User understands and acknowledges University is not responsible nor is University liable for any and all loss or damage to personal property, and/or personal injury of User or guest participants of User.
10. User shall indemnify, defend, and hold the University of Wyoming, its Trustees, officers, employees, representatives, agents, volunteers, and the State of Wyoming harmless from any and all liability, causes of action, claims, debts, expenses, or demands of any kind and nature whatsoever, including reasonable attorney fees which may arise, whether past, present, or future, known or unknown, on account of, or in connection with, or contributed to, in whole or in part, by reasons of any act, omission, wrongful act, error, fault, mistake, or negligence of User, its employees, representatives, agents, volunteers, guest participants or subcontractors in connection with or incident to the performance of this Agreement.
11. When damage or loss occurs, beyond normal wear, to facilities, equipment or furnishings, owned by the University and used by the User or guest participants of User, User shall be responsible for the cost of repair or replacement.

12. User shall, at its sole cost and expense, insure its activities in connection with this Agreement. User shall maintain the following insurance during the term if this Agreement:
- a. Commercial general liability insurance including property damage, bodily injury, contractual liability, errors and omissions, and products completed operations, with minimum occurrence limits of not less than \$1,000,000 and minimum aggregate limits of \$2,000,000.
 - b. Automobile liability insurance covering all owned, non-owned and hired autos with minimum limits of \$500,000 combined single limit.
 - c. Workers' compensation coverage as required by law and employer's stop gap liability coverage.

Policies other than workers' compensation and employer's stop gap liability must name the University, its trustees, officers, and employees as additional insureds. Certificates will be delivered, prior to commencement of the contract, to the Director of Risk Management, Dept. 4300, 1000 E. University, Laramie, WY 82071.

Workers' Compensation and Employer's Liability Coverage: The insurer(s) shall agree to waive all rights of subrogation against the University of Wyoming for losses arising from work performed at the University.

All Coverages (i.e., general liability, errors and omissions, automobile liability, workers' compensation and employer's liability) must include:

- d. Cancellation. Each policy shall be endorsed to state the coverage shall not be canceled, suspended, voided, allowed to expire or be reduced in coverage or limits, by either party, except after thirty (30) days, prior written notice by certified mail, return receipt requested, has been given to the University of Wyoming.
- e. Jurisdiction. The insurance shall be construed under the laws of the State of Wyoming. The exclusive forum for the resolution of disputes arising out of such insurance shall be a court of competent jurisdiction of the State of Wyoming.
- f. Acceptability of Insurers. Insurance shall be placed with insurers Licensed to do business in Wyoming and having an A.M. Best Company rating of no less than AVIII.

Verification of Coverage. Prior to commencement of the Agreement, the University shall be provided with certificates of insurance and original endorsements evidencing required coverage. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received by the University before the contract commences. The University reserves the right to require complete, certified copies of all required insurance policies at any time. If at any time during the term of this contract or any extension thereof, any required policies of insurance should expire, or

are canceled, the University of Wyoming must be provided a certificate of insurance indicating renewal or an acceptable replacement of the expiring policy prior the expiration.

13. User shall be responsible for and pay any and all taxes arising from or as a result of User's use of the Facility.
14. University does not waive its sovereign and/or governmental immunity by entering into this Agreement and fully retains all immunities and defenses provided by law with regard to any action based on this Agreement.
15. University's policy is one of equal opportunity for all persons in all facets of University's operations. Equal opportunity is offered to all officers, faculty and staff members, and applicants for employment on the basis of their demonstrated ability and competence and without regard to such matters as race, color, religion, sex, national origin, disability, age, veteran status, sexual orientation and political belief. Both parties shall fully adhere to all applicable local, state and federal law regarding equal employment opportunity.
16. The parties hereto agree that (i) the laws of Wyoming shall govern this Agreement, (ii) any questions arising hereunder shall be construed according to such laws, and (iii) this Agreement has been negotiated and executed in the State of Wyoming and is enforceable in the courts of Wyoming. Any actions or claims against University under this Agreement must be in accordance with and are controlled by the Wyoming Governmental Claims Act, W.S. §1-39-101 et seq. (1977) as amended.

The following signatures with dates formally constitute understanding and acceptance of the Agreements herein set down between User and University.

University of Wyoming

User

Date: _____

Date: _____

**UNIVERSITY OF WYOMING
FACILITIES USE AGREEMENT**

ADDENDA

Use of Premises and Purpose:

Equipment Rental-

Term and Scheduling:

The term of this agreement is from _____, 2013 to _____, 2013 (2014) unless sooner terminated as provided above.

Use of the Facility shall be scheduled and arranged in advance with _____ under the direction _____ in the Department of _____. User's use of the Facility shall not interfere with University classes or research, and scheduled at the University's sole discretion.

Rental Amounts and Payment:

Facility Use Rates-

Lab space \$50/day; Office space \$10/day

Equipment Access Rates-

User shall remit payment to University upon receipt of a (monthly/quarterly) invoice from University detailing User's use of the facility and the equipment, at the rates specified above, and as scheduled in advance with the University.

Addresses:

User:

University:
University of Wyoming
Real Estate Operations
Dept. 3314, 201 Old Main
1000 E. University Ave.
Laramie, WY 82071