

Template License Agreement

[APPROPRIATE RECITALS]

1. Definitions.

- 1.1 Licensed Patents** means University's U.S Patent Application[s], Serial Number _____, filed _____, [ADDITIONAL APPLICATIONS] ("Applications") and (a) all divisionals, continuations and continuation-in-part (excluding new matter and claims containing new matter) applications that claim priority to any of the Applications; (b) any foreign application corresponding to any Application or application identified in (a); and (c) each patent that issues or reissues from any Application or application identified in (a) and (b) including [fill in any issued patents].
- 1.2 Technology** means any information: (a) created prior to the Effective Date; (b) owned by [University]; (c) not infringing any pending or issued claim in the Licensed Patents; and (d) necessary to practice inventions claimed in patents and/or patent applications included in the Licensed Patents.
- 1.3 Licensed Product** means any product that if manufactured, used, sold, offered for sale, or imported would constitute, but for the license granted Licensee under this Agreement, direct infringement, induced infringement and/or contributory infringement of any pending or issued claim of the Licensed Patents.
- 1.4 Field of Use** means _____.
- 1.5 Territory** means [geographic scope of the license].
- 1.6 Net Sales** means the gross amount of all sales or leases of Licensed Products by Licensee, Affiliates, or sublicensees to any customer LESS:
- (a) discounts and rebates actually granted
 - (b) excise and sales taxes imposed on the License Products and actually paid;
 - (c) import, export and custom duties imposed on the License Products and actually paid; and
 - (d) freight, transit and insurance charges actually paid.
- 1.7 [ADDITIONAL TERMS]**

2. License Grant.

- 2.1 License Grant.** [University] hereby grants to Licensee a [exclusive][nonexclusive] license under the Licensed Patents to make, have made for it, use and sell Licensed Products [in the Field of Use] in the Territory during the Term of this Agreement, and the right to use

Technology to make and have made for it the Licensed Products [in the Field of Use] in the Territory during the Term of this Agreement.

2.2 Sublicensing. Licensee has the right to grant Sublicense Agreements under the Licensed Patents and to use Technology consistent with the terms of this Agreement subject to the following:

- (a) A Sublicense Agreement shall not exceed the scope and rights granted Licensee hereunder. Sublicensee must agree in writing to be bound by the applicable terms and conditions of the Agreement and shall indicate that Licensor is a third party beneficiary of the Sublicense Agreement.
- (b) Licensee shall deliver to Licensor a true, complete, and correct copy of each Sublicense Agreement granted by Licensee, Affiliate or Sublicensee, and any modification or termination thereof, within thirty (30) days following the applicable execution, modification, or termination of such Sublicense Agreement.
- (c) Licensee shall collect and guarantee payment of all payments due, directly or indirectly, to Licensor from Sublicensees and summarize and deliver all reports due, directly or indirectly, to Licensor from Sublicensees.
- (d) All rights and licenses of Sublicensees shall terminate upon termination of the Agreement.

2.3 Reservation of Rights. University reserves the right to (a) use technology covered by any pending or issued claim of the Licensed Patents and/or Technology (collectively, "Licensed Technology") for educational, research, patient care and other educationally-related purposes; (b) publish or otherwise disseminate results of scientific studies relating to the Licensed Technology; and (c) grant rights to, and transfer embodiments of, the Licensed Technology to other academic institutions or non-profit research institutions for the purposes identified in (a) and (b) above.

3. Fees and Royalties.

3.1 Upfront Fee. Licensee shall pay to [University] a noncreditable, nonrefundable upfront license royalty of \$_____ upon execution of the Agreement.

3.2 Maintenance Fees. Beginning _____ and each _____ thereafter, Licensee will pay [University] a nonrefundable maintenance fee of \$_____. [Maintenance Fees paid by Licensee are creditable against Earned Royalty payments.]

3.3 Minimum Royalty. Licensee shall pay Licensor \$_____ every [quarter/year/___] as a Minimum Royalty Payment. Licensee will pay Licensor on or before the [quarterly/annual] payment deadline an additional amount equal to the difference between the Minimum Royalty Payment and the actual royalties paid to Licensor if the actual royalties paid to Licensor are less than the Minimum Royalty Payment.

3.4 Earned Royalty. Licensee shall pay an earned royalty of ___% on Net Sales of Licensed Products by Licensee and/or its Affiliates.

3.5 Sublicensing Fee. Licensee will pay Licensor [__]% of all sublicense fees received by Licensee from sublicenses that are not earned royalties.

4. Payment.

4.1 Quarterly Royalty Reports. Beginning with the first sale of a Licensed Product, Licensee will submit to [University] a written report and an earned royalty payment within thirty [30] days after the end of each quarter (March 31, June 30, September 30, December 31). Licensee shall submit this report even if it makes no sales of the Licensed Product during the reporting period. This report shall include:

- (a) Quantity of sales of Licensed Products segregated by product;
- (b) Net Sales segregated by product;
- (c) Itemized deductions permitted by 1.6(a)-(d) segregated by product; and
- (d) The applicable royalty rate.

4.2 Records. Licensee shall keep, and shall require its Affiliates and Sublicensees to keep, accurate and correct records of all Licensed Products manufactured, used, and sold, and Sublicense fees received under this Agreement for at least [five (5)] years from end of the quarter the record documents.

4.3 Audit. University has, at its sole discretion, the right to audit Licensee's records to verify payments made by Licensee under the Agreement. University may use a designated representative to conduct an audit under this provision. University shall pay for any such audit provided that Licensee shall pay the audit costs if the audit reveals an underreporting of earned royalties due [University] of [5%] or more for the period being audited.

4.4 Payment. All payments to [University] will be made in U.S. dollars by check or wire transfer (Licensee to pay all wire transfer fees) payable to [_____]. Wire transfers shall be sent to [_____].

4.5 Late Payments. Amounts past due under this Agreement will accrue a late charge of [__%] per month from the due date until paid.

5. Milestones. Licensee agrees to use commercially reasonable and diligent efforts to develop, manufacture and sell Licensed Product[s] and develop markets for Licensed Product[s]. Licensee shall complete the Milestones set forth in Appendix [__] hereto on or before the deadlines set therein. [University] shall have sole discretion to determine if Licensee has satisfied a Milestone.

6. Reporting. Beginning [six (6) months after] [on the final day of the quarter including] the Effective Date and ending on the date of the first commercial sale of a Licensed Product in the Territory,

Licensee shall provide to [University] a report detailing Licensee's progress for the preceding [six (6) months] [quarter] to bring the Licensed Products to market including: (a) efforts to obtain necessary government approvals; (b) summary of work completed; (c) summary of work in progress; (d) summary of progress on milestones; (e) scheduled plan for next [six (6) months] [quarter]; (f) marketing plans for introduction of Licensed Products (if applicable); and (g) summary of resources, including resources (dollar value) spent during reporting period and resources (dollar value) available as of report date.

7. Term and Termination.

7.1 Term. Unless terminated earlier as provided herein, the term of the Agreement will commence on the Effective Date and continue until the latest date of expiration of an issued Licensed Patent.

7.2 Termination by Licensee. Licensee may terminate this Agreement by giving [University] written notice at least thirty (30) days in advance of the effective date of termination identified by Licensee.

7.3 Termination by [University]. University may terminate this Agreement if Licensee:

- (a) is delinquent in any report or payment;
- (b) is not using commercially reasonable and diligent efforts to commercialize Licensed Products;
- (c) fails to meet a Milestone set forth in Appendix [____]
- (d) is in breach of any provision; or
- (e) provides any false report.

7.4 Cure Period. Termination under Section 7.3 will take effect thirty (30) days after written notice by [University] unless Licensee cures the identified problem on or before the final day of that thirty (30) day period.

7.5 Bankruptcy. The agreement shall automatically terminate if Licensee files for bankruptcy.

7.6 Surviving Provisions. The following Paragraphs and Articles shall survive the termination of this Agreement:

- (a) Article ____ (Confidentiality)
- (b) Paragraph ____ (Indemnification)
- (c) _____

The following Paragraphs and Articles shall survive termination with respect to any

activities and payment obligations accruing prior to termination or expiration of the Agreement:

- (d) Article ____ (Royalty)
- (e) Paragraphs ____ (Audit, Reporting)
- (f) _____

8. Patent Matters.

8.1 Patent Prosecution.

- (a) Upon execution of this Agreement, Licensee shall reimburse [University] for all documented expenses [University] has incurred relating to the preparation, filing, prosecution and maintenance of the Licensed Patents. Thereafter, Licensee will reimburse [University] for all documented expenses [University] has incurred relating to the preparation, filing, prosecution and maintenance of the Licensed Patents for so long as, and in such countries as, the Agreement remains in effect. All payments due pursuant to Section 8.1(a) shall be made within thirty (30) days of receipt of [University's] invoice and are subject to Sections 4.4 and 4.5 above.
- (b) [University] shall diligently prosecute applications included in the Licensed Patents using outside counsel of its choice. [University] shall provide Licensee with copies of all relevant documentation relating to such prosecution and Licensee shall keep this documentation Confidential. Outside counsel shall take instructions only from [University].
- (c) Licensee may elect to cease paying patent prosecution costs for certain patent applications. In the event of such an election, [the rights granted Licensee in Section 2.1 shall become nonexclusive] [the patent application and patent issued therefrom shall no longer be included in the Licensed Patents and Licensee shall have no further rights thereto] [OTHER OPTIONS].

8.2 Marking. Prior to the issuance of any Licensed Patent, Licensee will mark all Licensed Products with the words "Patent Pending." Upon issuance of any Licensed Patent, Licensee will mark all Licensed Products with the number of any issued Licensed Patent in accordance with each country's patent marking laws including Title 35 of the U.S. Code.

8.3 Infringement Of The Licensed Patents.

- (a) Licensee will promptly inform [University] of any suspected infringement of a Licensed Patent by a third party.
- (b) In any suit for patent infringement of a Licensed Patent brought against a third party, the [University] and Licensee shall cooperate fully. At the request of the party bringing the suit, the other party will permit, with reasonable notice,

reasonable access to all relevant personnel, records, papers, information, samples, specimens, etc., during regular business hours.

(c) Licensee must obtain permission from [University] and the [Ohio Attorney General] to name [University] as a party in action for patent infringement of a Licensed Patent brought against a third party. That permission shall not be unreasonably withheld, provided that [University] shall have reasonable prior input with respect to choice of counsel on any matter where counsel represents [University], and such counsel agree to follow all required procedures of the Ohio Attorney General regarding retention of outside counsel for state entities.

(d), (e). Licensee's right to bring suit, Licensor's right to bring suit.

8.4 Challenging The Licensed Patents.

(a) In the event that Licensee or its Sublicensee(s), during the Term of this Agreement, contest the validity or unenforceability of any Licensed Patents or whether there is infringement of the Licensed Patents (collectively, "Patent Challenge"), Licensee agrees, and shall require its Sublicensees to agree, to pay to Licensor all royalties due under the Agreement during the period of the Patent Challenge. Such amounts shall be paid directly to [University] as specified in Section 4.4 and not into any escrow or other account.

(b) In the event that a Patent Challenge brought by Licensee is successful, Licensee shall have no right to recoup any royalties paid prior to the conclusion of the Patent Challenge. The parties agree that a Patent Challenge is concluded when a court of competent jurisdiction enters final judgment or when a national patent office enters a final determination (in the U.S., a determination that is appealable to the Board of Patent Appeals and Interferences).

(c) In the event of a Patent Challenge brought by Licensee, Licensee will pay the reasonable attorney fees and costs of [University] in such action if the challenged Licensed Patent(s) is/are not found invalid, unenforceable or not infringed by a United States District Court or national patent office including the U.S.P.T.O.

9. Government Laws and Regulations.

9.1 Government Approvals. Licensee is responsible, at Licensee's expense, for obtaining all necessary government approvals for the development, production, distribution, sale and use of any Licensed Product.

9.2 Government 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 at Licensee's expense.

9.3 Export Control. Licensee shall observe all applicable laws governing export of the Licensed Products including, but not limited to, the Export Administration Regulations, the International Traffic in Arms Regulations and the various economic sanctions regulations administered by the U.S. Department of Treasury (collectively, “Export Laws”). Licensee warrants and covenants that it will not, directly or indirectly, export nor re-export the Licensed Products (including any associated products, items, articles, computer software, media, services, technical data and other information) in violation of applicable U.S laws and regulation, including the Export Laws. Licensee will include a provision in its agreements with its sublicensees that is substantially similar to this Section 9.3.

9.4 Government Rights. This Agreement is subject to Title 35 Sections 200-204 of the United States Code. Among other things, these provisions may provide the United States Government with nonexclusive rights in the Licensed Patents. Licensee will ensure all obligations of these provisions are met.

10. Warranties and Disclaimers.

10.1 Licensor Representations and Warranties. Except for the rights, if any, of the Government as set forth in Section 9.4, [University] represents and warrants to Licensee that to the knowledge of [University’s] designated office for technology commercialization:

- (a) [University] is the owner of the entire right, title and interest in and to the Licensed Patents;
- (b) [University] has the sole right to file Applications within the definition of Licensed Patents;
- (c) [University] has the right to grant licenses hereunder, and
- (d) [University] has not knowingly granted and will not knowingly grant licenses or other rights to the Licensed Patents that are in conflict with the terms and conditions in the Agreement.

10.2 Licensor’s DISCLAIMER OF WARRANTIES. EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 11.1, LICENSEE UNDERSTANDS AND AGREES THAT [UNIVERSITY] MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, AS TO THE LICENSED PRODUCTS OR LICENSED SERVICES, OR AS TO THE OPERABILITY OR FITNESS FOR ANY USE OR PARTICULAR PURPOSE, MERCHANTABILITY, SAFETY, EFFICACY, APPROVABILITY BY REGULATORY AUTHORITIES, TIME AND COST OF DEVELOPMENT, PATENTABILITY, NONINFRINGEMENT, AND/OR BREADTH OF PATENT RIGHTS. [UNIVERSITY] MAKES NO REPRESENTATION AS TO WHETHER ANY CLAIM OR PATENT WITHIN

PATENT RIGHTS IS VALID, OR AS TO WHETHER THERE ARE ANY PATENTS NOW HELD, OR WHICH WILL BE HELD, BY OTHERS OR BY [UNIVERSITY] THAT MIGHT BE REQUIRED FOR USE OF PATENT RIGHTS IN FIELD OF USE. NOTHING IN THE AGREEMENT WILL BE CONSTRUED AS CONFERRING BY IMPLICATION, ESTOPPEL OR OTHERWISE ANY LICENSE OR RIGHTS TO ANY PATENTS OR TECHNOLOGY OF [UNIVERSITY] OTHER THAN THE PATENT RIGHTS, WHETHER SUCH PATENTS ARE DOMINANT OR SUBORDINATE TO THE PATENT RIGHTS, OR THE TECHNOLOGY RIGHTS SPECIFICALLY DESCRIBED HEREIN.

10.3 Licensee's Representations and Warranties. Licensee represents and warrants that it has full corporate power and authority to enter into this Agreement, this Agreement constitutes the binding legal obligation of the Licensee, and execution and performance of this Agreement by Licensee will not violate or conflict with any other agreement to which Licensee is a party or by which it is bound or with any law, rule or regulation applicable to Licensee.

11. Risk.

11.1 Indemnification. Licensee agrees to indemnify, hold harmless and defend University, and its trustees officers, employees, students and agents ("Indemnitees") against any and all claims, suits, losses, damage, costs, fees and expenses resulting from or arising out of (1) the exercise of any rights granted Licensee under Agreement; (2) the breach of this Agreement by Licensee; (3) the exercise of any rights granted under a sublicense pursuant to the Agreement; or (4) the breach of any sublicense granted pursuant to the Agreement. This indemnification shall include, without limitation, any product liability claim.

11.2 Insurance. Prior to any Licensed Product being used or sold (including for the purpose of obtaining Regulatory Approval), and prior to any Licensed Service being performed by Licensee, an Affiliate, or by a Sublicensee, Licensee shall, at its sole cost and expense, procure and maintain comprehensive general liability insurance, including product liability insurance, that (a) provides minimum limits of liability of at least \$[5,000,000] and (b) includes all Indemnitees as additional insureds. Upon request by Licensor, Licensee shall provide Licensor with written evidence of such insurance. Additionally, Licensee shall provide Licensor with written notice of at least sixty (60) days prior to Licensee cancelling, not renewing, or materially changing such insurance.

11.3 Limitation of Liability. IN NO EVENT SHALL [UNIVERSITY], INVENTORS, OFFICERS, EMPLOYEES, STUDENTS, TRUSTEES, AGENTS OR AFFILIATED ENTERPRISES, BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFITS OR REVENUE) ARISING OUT OF OR IN CONNECTION WITH THE AGREEMENT OR ITS SUBJECT MATTER, REGARDLESS OF WHETHER ANY SUCH PARTY KNOWS OR SHOULD KNOW OF THE POSSIBILITY OF SUCH DAMAGES.

12. Assignment. This Agreement may not be assigned by Licensee without the prior written consent of Licensor; provided that Licensee may assign this agreement to any purchaser or transferee of all or substantially all of Licensee's business upon prior written notice to [University].

13. Use of Name. Licensee will not use the name, trademarks or other marks of Licensor without the advance written consent of Licensor. Licensor may use Licensee's name and logo for annual reports, brochures, website and internal reports without prior consent.

14. Notice. All notices under this Agreement are deemed fully given when written, addressed and sent as follows:

(a) All notices to Licensee are mailed to:

(b) All general notices to [University] are mailed to:

(c) All payments are mailed to:

(d) All reports are e-mailed or mailed to:

15. General Provisions.

15.1 Choice of Law. The Agreement will be construed and enforced in accordance with laws of the State of Ohio, without regard to choice of law and conflicts of law principles.

15.2 Sovereign Immunity. Nothing in the Agreement shall be deemed or treated as any waiver of Licensor's sovereign immunity.

15.3 Court of Claims. Licensee acknowledges that any claim for breach of the Agreement asserted by Licensee against Licensor shall be brought in the Ohio Court of Claims and this is Licensee's sole and exclusive process for seeking a remedy for any and all alleged breaches of the Agreement by Licensor.

15.4 [OTHERS]