

LICENSE

FOR

INVENTIONS AND PATENT RIGHTS

(AN EXAMPLE FOR ILLUSTRATION ONLY)

**LICENSE AGREEMENT**

**BETWEEN**

**[LICENSEE]**

**AND**

**CORNELL UNIVERSITY**

**FOR**

**DOCKET NO. D- XXXX**

**DOCKET NO. D- XXXX**

**DOCKET NO. D- XXXX**

## TABLE OF CONTENTS

Recitals	1
Article 1: Definitions	x
Article 2: Grant	x
Article 3: Consideration	x
Article 4: Reports, Records and Payments	x
Article 5: Patent Matters	x
Article 6: Governmental Matters	x
Article 7: Termination of Agreement	x
Article 8: Limited Warranty and Indemnification	x
Article 9: Use of Names and Trademarks	x
Article 10: Miscellaneous Provisions	x



## LICENSE AGREEMENT

This agreement ("Agreement") is made by and between <COMPANY NAME>, a <STATE> corporation having an address at <ADDRESS> ("LICENSEE") and Cornell University ("Cornell") as represented by its Cornell Center for Technology Enterprise and Commercialization ("CCTEC") at 395 Pine Tree Road, Ithaca, NY 14850.

This Agreement is effective on \_\_\_\_\_ ("Effective Date").

### RECITALS

*WHEREAS*, the inventions disclosed in Disclosure Docket No. D-XXXX and titled "**DISCLOSURE TITLE**" ("Invention"), were made in the course of research at Cornell by Drs. \_\_\_\_\_ (hereinafter, the "Inventors") and are covered by Patent Rights as defined below;

*WHEREAS*, the research was sponsored in part by the Government of the United States of America and as a consequence this license is subject to overriding obligations to the Federal Government under 35 U.S.C. §§ 200-212 and applicable regulations;

*WHEREAS*, the development of the Invention was sponsored in part by <SPONSOR> and as a consequence this license is subject to overriding obligations to the same under the sponsorship agreement;

*WHEREAS*, the Inventors are employees of Cornell, and they are obligated to assign all of their right, title and interest in the Invention to the Cornell Research Foundation, Inc. ("CRF") or to Cornell and have done so;

*WHEREAS*, CRF has engaged CCTEC to manage Invention, in whole or in part, assigned to it and has fully authorized CCTEC to manage all rights subsisting therein and to enter into any agreement granting such rights to advance the missions of Cornell;

*WHEREAS*, CCTEC is the officially authorized unit at Cornell to manage Invention and to grant rights subsisting therein for Cornell and CRF;

*WHEREAS*, Cornell desires that the Invention be developed and utilized to the fullest possible extent so that its benefits can be enjoyed by the general public;

*WHEREAS*, LICENSEE desires to obtain certain rights from Cornell for commercial development, use, and sale of the Invention, and Cornell is willing to grant such rights; and

*WHEREAS*, LICENSEE understands that CRF and Cornell may publish or otherwise disseminate information concerning the Invention at any time and that LICENSEE is paying consideration hereunder for its early access to the Invention, the associated intellectual property rights, not continued secrecy therein.

*NOW, THEREFORE*, the parties agree:

## **ARTICLE 1. DEFINITIONS**

The terms, as defined herein, shall have the same meanings in both their singular and plural forms.

- 1.1 "Affiliate" means any corporation or other business entity which is bound in writing by LICENSEE to the terms set forth in this Agreement and in which LICENSEE owns or controls, directly or indirectly, at least fifty percent (50%) of the outstanding stock or other voting rights entitled to elect directors, or in which LICENSEE is owned or controlled directly or indirectly by at least fifty percent (50%) of the outstanding stock or other voting rights entitled to elect directors; but in any country where the local law does not permit foreign equity participation of at least fifty percent (50%), then an "Affiliate" includes any company in which LICENSEE owns or controls or is owned or controlled by, directly or indirectly, the maximum percentage of outstanding stock or voting rights permitted by local law.
- 1.2 "Sublicense" means an agreement into which LICENSEE enters with a third party that is not an Affiliate for the purpose of (i) granting certain rights; (ii) granting an option to certain rights; or (iii) forbearing the exercise of any rights, granted to LICENSEE under this Agreement after Effective Date. "Sublicensee" means a third party with whom LICENSEE enters into a Sublicense.
- 1.3 "Field" means [specific field of use for the license].
- 1.4 "Territory" means [geographical scope of the license].
- 1.5 "Term" means the period of time beginning on Effective Date and ending on the later of (i) the expiration date of the longest-lived patent in Patent Rights; or (ii) on a country-by-country basis, the twenty-first (21st) anniversary of the first commercial sale of a Licensed Product.
- 1.6 "Patent Rights" means CRF's and Cornell's right in any of the following: the US patent application (serial number \_\_\_\_\_, titled "\_\_\_\_\_") disclosing and claiming the Invention, filed by Inventors and assigned to CRF or Cornell; and continuing applications thereof including divisions, substitutions, and continuations-in-part (but only to extent the claims thereof are enabled by disclosure of the parent application); any patents issuing on said applications including reissues, reexaminations and extensions; and any corresponding foreign applications or patents.
- 1.7 "Technology" means the written technical information relating to the Invention that Cornell or the Inventors provide to LICENSEE prior to the Effective Date.

- 1.8 "Sponsor Rights" means all the applicable provisions of any license to the United States Government executed by CRF or Cornell and the overriding obligations to the Federal Government under 35 U.S.C. §§ 200-212 and applicable governmental implementing regulations and the overriding obligations to <SPONSOR> under the sponsorship agreement with the same.
- 1.9 "Licensed Method" means any method that uses Technology, or is claimed in Patent Rights the use of which would constitute, but for the license granted to LICENSEE under this Agreement, an infringement, an inducement to infringe or contributory infringement, of any pending or issued claim within Patent Rights.
- 1.10 "Licensed Product" means any service, composition or product that uses Technology, or is claimed in Patent Rights, or that is produced or enabled by Licensed Method, or the manufacture, use, sale, offer for sale, or importation of which would constitute, but for the license granted to LICENSEE under this Agreement, an infringement, an inducement to infringe or contributory infringement, of any pending or issued claim within the Patent Rights.
- 1.11 "Net Sales" means the total of the gross invoice prices of Licensed Products sold or leased by LICENSEE, Sublicensee, Affiliate, or any combination thereof, less the sum of the following actual and customary deductions where applicable and separately listed: cash, trade, or quantity discounts; sales, use, tariff, import/export duties or other excise taxes imposed on particular sales (except for value-added and income taxes imposed on the sales of Licensed Product in foreign countries); transportation charges; or credits to customers because of rejections or returns. For purposes of calculating Net Sales, transfers to a Sublicensee or an Affiliate of Licensed Product under this Agreement for (i) end use (but not resale) by the Sublicensee or Affiliate shall be treated as sales by LICENSEE at the list price of LICENSEE in an arm-length transaction, or (ii) resale by a Sublicensee or an Affiliate shall be treated as sales at the list price of the Sublicensee or Affiliate.
- 1.12 "Patent Costs" means all out-of-pocket expenses for the preparation, filing, prosecution, and maintenance of all United States and foreign patents included in Patent Rights. Patent Costs shall also include reasonable out-of-pocket expenses for patentability opinions, inventorship review and determination, preparation and prosecution of patent application, re-examination, re-issue, interference, opposition activities related to patents or applications in Patent Rights plus a 15% patent service fee for services to be provided by Cornell to LICENSEE relating to patent prosecution.

## ARTICLE 2. GRANTS

**2.1 License.** Subject to Article 5.1 ("patent costs reimbursement obligations") and to the limitations set forth in this Agreement and Sponsor's Rights, Cornell hereby grants to LICENSEE, and LICENSEE hereby accepts, a license under Patent Rights to make and have made, to use and have used, to sell and have sold, to offer for sale, and to import and have imported Licensed Products and to practice Licensed Methods and to use Technology, in the Field within the Territory and during the Term.

The license granted herein is exclusive for Patent Rights and is non-exclusive for Technology.

**2.2 Sublicense.**

(a) The license granted in Paragraph 2.1 includes the right of LICENSEE to grant Sublicense to third parties during the Term but only for as long as the license for Patent Rights is exclusive.

(b) With respect to Sublicense granted pursuant to Paragraph 2.2(a), LICENSEE shall:

(i) not receive, or agree to receive, anything of value in lieu of cash as consideration from a third party under a Sublicense granted pursuant to Paragraph 2.2(a) without the express written consent of Cornell;

(ii) to the extent applicable, include all of the rights of and obligations due to Cornell (and, if applicable, the Sponsor's Rights) and contained in this Agreement;

(iii) promptly provide Cornell with a copy of each Sublicense issued; and

(iv) collect and guarantee payment of all payments due, directly or indirectly, to Cornell from Sublicensees and summarize and deliver all reports due, directly or indirectly, to Cornell from Sublicensees.

(c) Unless a Sublicense receives written consent from Cornell prior to its issuance by LICENSEE to the Sublicensee and becomes effective, upon termination of this Agreement for any reason, Cornell, at its sole discretion, shall determine whether LICENSEE shall cancel or assign to Cornell said Sublicense.

**2.3 Reservation of Rights.** Cornell reserves the right to:

(a) use the Invention, Technology and Patent Rights for educational and research purposes;

(b) publish or otherwise disseminate any information about the Invention and Technology at any time; and



(c) allow other nonprofit institutions to use Invention, Technology and Patent Rights for educational and research purposes.

### ARTICLE 3. CONSIDERATION

3.1 **Fees and Royalties.** The parties hereto understand that the fees and royalties payable by LICENSEE to Cornell under this Agreement are partial consideration for the license granted herein to LICENSEE under Technology, and Patent Rights. LICENSEE shall pay Cornell:

(a) a **license issue fee** of \_\_\_ dollars (US\$\_\_\_\_\_), within thirty (30) days after the Effective Date;

(b) **license maintenance fees** of \_\_\_ dollars (US\$\_\_\_\_\_) per year and payable on the first anniversary of the Effective Date and annually thereafter on each anniversary; provided however, that LICENSEE's obligation to pay this fee shall end on the date when LICENSEE is commercially selling a Licensed Product;

(c) **milestone payments** in the amounts payable according to the following schedule or events:

<u>Amount</u>	<u>Date or Event</u>
(i)	
(ii)	
.	
.	
.	

(d) an **earned royalty** of \_\_\_ percent (\_\_\_%) on Net Sales of Licensed Products by LICENSEE and/or its Affiliate(s);

(e) fifty percent (50%) of all **Sublicense fees** received by LICENSEE from its Sublicensees that are not earned royalties;

(f) on each and every **Sublicense royalty** payment received by LICENSEE from its Sublicensees on sales of Licensed Product by Sublicensee, the higher of (i) fifty percent (50%) of the royalties received by LICENSEE; or the (ii) royalties based on the royalty rate in Paragraph 3.1(d) as applied to Net Sales of Sublicensee;

(g) beginning the calendar year of commercial sales of the first License Product by LICENSEE, its Sublicensee, or an Affiliate and if the total earned royalties

paid by LICENSEE under Paragraphs 3.1(d) and (f) to Cornell in any such year cumulatively amounts to less than \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (“**minimum annual royalty**”), LICENSEE shall pay to Cornell a minimum annual royalty on or before February 28 following the last quarter of such year the difference between amount noted above and the total earned royalty paid by LICENSEE for such year under Paragraphs 3.1(d) and (f); provided, however, that for the year of commercial sales of the first Licensed Product, the amount of minimum annual royalty payable shall be pro-rated for the number of months remaining in that calendar year.

All fees and royalty payments specified in Paragraphs 3.1(a) through 3.1(g) above shall be paid by LICENSEE pursuant to Paragraph 4.3 and shall be delivered by LICENSEE to Cornell as noted in Paragraph 10.1.

**3.2 Patent Costs.** LICENSEE shall reimburse Cornell all past (prior to the Effective Date) and future (on or after the Effective Date) Patent Costs within thirty (30) days following the date an itemized invoice is sent from Cornell to LICENSEE.

**3.3 Due Diligence.**

(a) LICENSEE shall, either directly or through its Affiliate(s) or Sublicensee(s):

(i) diligently proceed with the development, manufacture and sale of Licensed Products;

(ii) annually spend not less than \_\_\_\_\_ dollars (US\$\_\_\_\_\_) for the development of Licensed Products during the first \_\_ years of this Agreement. LICENSEE may, at its sole option, fund the research of any one of the Inventors and credit the amount of such funding actually paid to Cornell against its obligation under this paragraph;

. (more specific performance requirements negotiated and documented)

.  
.

(iiiiv) market Licensed Products in the United States within six (6) months of receiving regulatory approval to market such Licensed Products;

(ix) reasonably fill the market demand for Licensed Products following commencement of marketing at any time during the term of this Agreement; and

(x) obtain all necessary governmental approvals for the manufacture, use and sale of Licensed Products.

(b) If LICENSEE fails to perform any of its obligations specified in Paragraphs 3.3(a)(i)-(vi), then Cornell shall have the right and option to either terminate this

Agreement or change LICENSEE's exclusive license to a nonexclusive license. This right, if exercised by Cornell, supersedes the rights granted in Article 2.

**3.4 Research Support.** LICENSEE agrees to provide research support to Inventor to further develop Invention at Cornell in the amount of **XXXX dollars (US\$\_\_\_\_\_)** total costs per year for **XXX (X)** years under a Sponsored Research Agreement to be negotiated by LICENSEE with the Cornell Sponsored Research Services [or RAIS at Weill] and be effective before the first anniversary of this Agreement.

## **ARTICLE 4. REPORTS, RECORDS AND PAYMENTS**

### **4.1 Reports.**

#### **(a) Progress Reports.**

(i) Beginning six months after Effective Date and ending on the date of first commercial sale of a Licensed Product in the United States, LICENSEE shall report to Cornell progress covering LICENSEE's (and Affiliate's and Sublicensee's) activities for the preceding six months to develop and test all Licensed Products and obtain governmental approvals necessary for marketing the same. Such semi-annual reports shall be due within sixty days of the reporting period and include a summary of work completed, summary of work in progress, current schedule of anticipated events or milestones, market plans for introduction of Licensed Products, and summary of resources (dollar value) spent in the reporting period.

(ii) LICENSEE shall also report to Cornell, in its immediately subsequent progress report, the date of first commercial sale of a Licensed Product in each country.

**(b) Royalty Reports.** After the first commercial sale of a Licensed Product anywhere in the world, LICENSEE shall submit to Cornell quarterly royalty reports on or before each February 28, May 31, August 31 and November 30 of each year. Each royalty report shall cover LICENSEE's (and each Affiliate's and Sublicensee's) most recently completed calendar quarter and shall show:

(i) the gross sales, deductions as provided in Paragraph 1.11, and Net Sales during the most recently completed calendar quarter and the royalties, in US dollars, payable with respect thereto;

(ii) the number of each type of Licensed Product sold;

(iii) Sublicense fees and royalties received during the most recently completed calendar quarter in US dollars, payable with respect thereto;

(iv) the method used to calculate the royalties; and

(v) the exchange rates used.

If no sales of Licensed Products have been made and no Sublicense revenue has been received by LICENSEE during any reporting period, LICENSEE shall so report.

#### **4.2 Records & Audits.**

(a) 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. Such records shall be retained by LICENSEE for at least five (5) years following a given reporting period.

(b) All records shall be available during normal business hours for inspection at the expense of Cornell by Cornell's Internal Audit Department or by a Certified Public Accountant selected by Cornell and in compliance with the other terms of this Agreement for the sole purpose of verifying reports and payments or other compliance issues. Such inspector shall not disclose to Cornell any information other than information relating to the accuracy of reports and payments made under this Agreement or other compliance issues. In the event that any such inspection shows an under reporting and underpayment in excess of five percent (5%) for any twelve-month (12-month) period, then LICENSEE shall pay the cost of the audit as well as any additional sum that would have been payable to Cornell had the LICENSEE reported correctly, plus an interest charge at a rate of ten percent (10%) per year. Such interest shall be calculated from the date the correct payment was due to Cornell up to the date when such payment is actually made by LICENSEE. For underpayment not in excess of five percent (5%) for any twelve-month (12-month) period, LICENSEE shall pay the difference within thirty (30) days without interest charge or inspection cost.

#### **4.3 Payments.**

(a) All fees, reimbursements and royalties due Cornell shall be paid in United States dollars and all checks shall be made payable to "The Cornell Research Foundation, Incorporated", referencing Cornell's taxpayer identification number, <Lewis to provide>, and sent to Cornell according to Paragraph 10.1 (Correspondence). When Licensed Products are sold in currencies other than United States dollars, LICENSEE shall first determine the earned royalty in the currency of the country in which Licensed Products were sold and then convert the amount into equivalent United States funds, using the exchange rate quoted in the Wall Street Journal on the last business day of the applicable reporting period.

(b) Royalty Payments.

(i) Royalties shall accrue when Licensed Products are invoiced, or if not invoiced, when delivered to a third party or Affiliate.

(ii) LICENSEE shall pay earned royalties quarterly on or before February 28, May 31, August 31 and November 30 of each calendar year. Each such payment shall be for earned royalties accrued within LICENSEE's most recently completed calendar quarter.

(iii) Royalties earned on sales occurring or under Sublicense granted pursuant to this Agreement in any country outside the United States shall not be reduced by LICENSEE for any taxes, fees, or other charges imposed by the government of such country on the payment of royalty income, except that all payments made by LICENSEE in fulfillment of Cornell's tax liability in any particular country may be credited against earned royalties or fees due Cornell for that country. LICENSEE shall pay all bank charges resulting from the transfer of such royalty payments.

(iv) If at any time legal restrictions prevent the prompt remittance of part or all royalties by LICENSEE with respect to any country where a Licensed Product is sold or a Sublicense is granted pursuant to this Agreement, LICENSEE shall convert the amount owed to Cornell into US currency and shall pay Cornell directly from its US sources of fund for as long as the legal restrictions apply.

(v) LICENSEE shall not collect royalties from, or cause to be paid on Licensed Products sold to the account of the US Government or any agency thereof as provided for in the license to the US Government.

(vi) In the event that any patent or patent claim within Patent Rights is held invalid in a final decision by a patent office from which no appeal or additional patent prosecution has been or can be taken, or by a court of competent jurisdiction and last resort and from which no appeal has or can be taken, all obligation to pay royalties based solely on that patent or claim or any claim patentably indistinct therefrom shall cease as of the date of such final decision. LICENSEE shall not, however, be relieved from paying any royalties that accrued before the date of such final decision, that are based on another patent or claim not involved in such final decision, or that are based on the use of Technology.

(c) Late Payments. In the event royalty, reimbursement and/or fee payments are not received by Cornell when due, LICENSEE shall pay to Cornell interest charges at a rate of ten percent (10%) per year. Such interest shall be calculated from the date payment was due until actually received by Cornell.

## **ARTICLE 5. PATENT MATTERS**

### **5.1 Patent Prosecution and Maintenance.**

(a) Provided that LICENSEE has reimbursed Cornell for Patent Costs pursuant to Paragraph 3.2, Cornell shall diligently prosecute and maintain the United States and, if available, foreign patents, and applications in Patent Rights using counsel of its choice.

Cornell shall provide LICENSEE with copies of all relevant documentation relating to such prosecution and LICENSEE shall keep this documentation confidential. The counsel shall take instructions only from Cornell, and all patents and patent applications in Patent Rights shall be assigned solely to Cornell.

(b) Cornell shall consider amending any patent application in Patent Rights to include claims reasonably requested by LICENSEE to protect the products contemplated to be sold as Licensed Products by LICENSEE under this Agreement.

(c) LICENSEE may elect to terminate its reimbursement obligations with respect to any patent application or patent in Patent Rights upon three (3) months' written notice to Cornell. Cornell shall use reasonable efforts to curtail further Patent Costs for such application or patent when such notice of termination is received from LICENSEE. Cornell, in its sole discretion and at its sole expense, may continue prosecution and maintenance of said application or patent, and LICENSEE shall have no further license with respect thereto. Non-payment of any portion of Patent Costs with respect to any application or patent may be deemed by Cornell as an election by LICENSEE to terminate its reimbursement obligations with respect to such application or patent. Cornell is not obligated to file, prosecute, or maintain Patent Rights outside of the territory at any time or to file, prosecute, or maintain Patent Rights to which Licensee has terminated its License hereunder.

## **5.2 Patent Infringement.**

(a) If LICENSEE learns of any substantial infringement of Patent Rights, LICENSEE shall so inform Cornell and provide Cornell with reasonable evidence of the infringement. Neither party shall notify a third party of the infringement of Patent Rights without the consent of the other party. Both parties shall use reasonable efforts and cooperation to terminate infringement without litigation.

(b) LICENSEE may request Cornell to take legal action against such third party for the infringement of Patent Rights in the Field and within the Territory. 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 abated ninety (90) days following LICENSEE's request, Cornell shall elect to or not to commence suit on its own account. Cornell 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 at its own expense, if and only if Cornell elects not to commence suit and the infringement occurred in a jurisdiction where LICENSEE has an exclusive license under this Agreement for the infringing activity. If LICENSEE elects to bring suit, Cornell may join that suit at its own expense.

(c) Recoveries from actions brought pursuant to Paragraph 5.2(b) shall belong to the party bringing suit. Legal actions brought jointly by Cornell or CRF and LICENSEE and fully participated in by both shall be at the joint expense of the parties

and all recoveries shall be shared jointly by them in proportion to the share of expense paid by each party.

(d) Each party shall cooperate with the other in litigation proceedings at the expense of the party bringing suit. Litigation shall be controlled by the party bringing the suit, except that CRF and/or Cornell may be represented by counsel of its choice in any suit brought by LICENSEE.

**5.3 Patent Marking.** LICENSEE shall mark all Licensed Products made, used or sold under the terms of this Agreement, or their containers, in accordance with the applicable patent marking laws.

## **ARTICLE 6. GOVERNMENTAL MATTERS**

**6.1 Governmental 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. LICENSEE shall notify Cornell if it becomes aware that this Agreement is subject to a United States or foreign government reporting or approval requirement. LICENSEE shall make all necessary filings and pay all costs including fees, penalties, and all other out-of-pocket costs associated with such reporting or approval process.

**6.2 Export Control Laws.** LICENSEE shall observe all applicable United States and foreign laws with respect to the transfer of Licensed Products and related technical data to foreign countries, including, without limitation, the International Traffic in Arms Regulations and the Export Administration Regulations.

**6.3 Preference for United States Industry.** If LICENSEE sells a Licensed Product or Combination Product in the US, LICENSEE shall manufacture said product substantially in the US.

## **ARTICLE 7. TERMINATION OF THE AGREEMENT**

### **7.1 Termination by Cornell.**

(a) If LICENSEE fails to perform or violates any term of this Agreement, then Cornell may give written notice of default ("Notice of Default") to LICENSEE. If LICENSEE fails to cure the default within thirty (30) days of the Notice of Default, Cornell may terminate this Agreement and the license granted herein by a second written notice ("Notice of Termination") to LICENSEE. If a Notice of Termination is sent to LICENSEE, this Agreement shall automatically terminate on the effective date of that

notice. Termination shall not relieve LICENSEE of its obligation to pay any fees owed at the time of termination and shall not impair any accrued right of Cornell.

(b) This Agreement will terminate immediately, without the obligation to provide written notices as set forth in Paragraph 7.1(a), if LICENSEE files a claim including in any way the assertion that any portion of CRF's or Cornell's Patent Rights is invalid or unenforceable where the filing is by the LICENSEE, a third party on behalf of the LICENSEE, or a third party at the written urging of the LICENSEE.

## **7.2 Termination by LICENSEE.**

(a) LICENSEE shall have the right at any time and for any reason to terminate this Agreement upon a ninety (90)-day written notice to Cornell. Said notice shall state LICENSEE's reason for terminating this Agreement.

(b) Any termination under Paragraph 7.2(a) shall not relieve LICENSEE of any obligation or liability accrued under this Agreement prior to termination or rescind any payment made to Cornell or action by LICENSEE prior to the time termination becomes effective. Termination shall not affect in any manner any rights of Cornell arising under this Agreement prior to termination.

**7.3 Survival on Termination.** The following Paragraphs and Articles shall survive the termination of this Agreement:

- (a) Article 4 (REPORTS, RECORDS AND PAYMENTS);
- (b) Paragraph 7.4 (Disposition of Licensed Products on Hand);
- (c) Paragraph 8.2 (Indemnification);
- (d) Article 9 (USE OF NAMES AND TRADEMARKS);
- (e) Paragraph 10.2 hereof (Secrecy); and
- (f) Paragraph 10.5 (Failure to Perform).

**7.4 Disposition of Licensed Products on Hand.** Upon termination of this Agreement, LICENSEE may dispose of all previously made or partially made Licensed Product within a period of one hundred and twenty (120) days of the effective date of such termination provided that the sale of such Licensed Product by LICENSEE, its Sublicensees, or Affiliates shall be subject to the terms of this Agreement, including but not limited to the rendering of reports and payment of royalties required under this Agreement.

**7.5 Grant Back to Cornell.** If LICENSEE files any patent applications or has patents issued based on work made possible by the exercise of this Agreement prior to



termination ("Enabled Patent Rights"), upon termination of this Agreement for any reason and by either party prior to the natural expiration of the Term LICENSEE shall notify Cornell of the Enabled Patent Rights and shall further grant to Cornell a fully paid-up, irrevocable, non-exclusive license to the Enabled Patent Rights with the right to grant sublicenses to third parties.

## **ARTICLE 8. LIMITED WARRANTY AND INDEMNIFICATION**

### **8.1 Limited Warranty.**

(a) Cornell warrants that it has the lawful right to grant this license.

(b) The license granted herein is provided "AS IS" and without WARRANTY OF MERCHANTABILITY or WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE or any other warranty, express or implied. Cornell makes no representation or warranty that the Licensed Product, Licensed Method or the use of Patent Rights or Technology will not infringe any other patent or other proprietary rights.

(c) In no event shall CRF or Cornell be liable for any incidental, special or consequential damages resulting from exercise of the license granted herein or the use of the Invention, Licensed Product, Licensed Method or Technology.

(d) Nothing in this Agreement shall be construed as:

(i) a warranty or representation by CRF or Cornell as to the validity or scope of any Patent Rights;

(ii) a warranty or representation that anything made, used, sold or otherwise disposed of under any license granted in this Agreement is or shall be free from infringement of patents of third parties;

(iii) an obligation to bring or prosecute actions or suits against third parties for patent infringement except as provided in Paragraph 5.2 hereof;

(iv) conferring by implication, estoppel or otherwise any license or rights under any patents of CRF or Cornell other than Patent Rights as defined in this Agreement, regardless of whether those patents are dominant or subordinate to Patent Rights; or

(v) an obligation to furnish any know-how not provided in Patent Rights and Technology; or

(vi) an obligation to update Technology.

### **8.2 Indemnification.**

(a) LICENSEE shall indemnify, hold harmless and defend CRF, Cornell, its officers, employees, and agents; the sponsors of the research that led to the Invention; and the Inventors of the patents and patent applications in Patent Rights and their employers against any and all claims, suits, losses, damage, costs, fees, and expenses resulting from or arising out of exercise of this license or any Sublicense. This indemnification shall include, but not be limited to, any product liability.

(b) LICENSEE, at its sole cost and expense, shall insure its activities in connection with the work under this Agreement and obtain, keep in force and maintain insurance or an equivalent program of self insurance as follows:

(i) comprehensive or commercial general liability insurance (contractual liability included) with limits of at least: (A) each occurrence, one million dollars (US\$1,000,000); (B) products/completed operations aggregate, five million dollars (US\$5,000,000); (C) personal and advertising injury, one million dollars (US\$1,000,000); and (D) general aggregate (commercial form only), five million dollars (US\$5,000,000); and

(ii) the coverage and limits referred to above shall not in any way limit the liability of LICENSEE.

(c) LICENSEE shall, within ninety (90) days of Effective Date, furnish Cornell with certificates of insurance showing compliance with all requirements. Such certificates shall: (i) provide for thirty (30) day advance written notice to Cornell of any modification; (ii) indicate that Cornell has been endorsed as an additionally insured party under the coverage referred to above; and (iii) include a provision that the coverage shall be primary and shall not participate with nor shall be excess over any valid and collectable insurance or program of self-insurance carried or maintained by Cornell.

(d) Cornell shall notify LICENSEE in writing of any claim or suit brought against Cornell or CRF in respect of which CRF or Cornell intends to invoke the provisions of this Article. LICENSEE shall keep Cornell informed on a current basis of its defense of any claims under this Article.

## **ARTICLE 9. USE OF NAMES AND TRADEMARKS**

9.1 Nothing contained in this Agreement confers any right to use in advertising, publicity, or other promotional activities any name, trade name, trademark, or other designation of either party hereto (including contraction, abbreviation or simulation of any of the foregoing). Unless required by law, the use by LICENSEE of the name, "Cornell University" or "Cornell Research Foundation" is prohibited, without the express written consent of Cornell.

9.2 Cornell may disclose to the Inventors the terms and conditions of this Agreement upon their request. If such disclosure is made, Cornell shall request the Inventors not disclose such terms and conditions to others.

9.3 Cornell may acknowledge the existence of this Agreement and the extent of the grant in Article 2 to third parties, but Cornell shall not disclose the financial terms of this Agreement to third parties, except where Cornell is required by law or the order of a court of competent jurisdiction to do so.

9.4 LICENSEE may acknowledge or make press releases regarding the existence of this Agreement and the extent of the grant in Article 2 but LICENSEE should not disclose the financial terms of this Agreement except where LICENSEE is required by law or the order of a court of competent jurisdiction to do so. To the extent LICENSEE makes any forward-looking statement in its press releases, LICENSEE shall receive prior consent of Cornell which shall not be unreasonably withheld.

## ARTICLE 10. MISCELLANEOUS PROVISIONS

10.1 **Correspondence.** Any notice or payment required to be given to either party under this Agreement shall be deemed to have been properly given and effective:

(a) on the date of delivery if delivered in person, or

(b) five (5) days after mailing if mailed by first-class or certified mail, postage paid, to the respective addresses given below, or to such other address as is designated by written notice given to the other party.

If sent to LICENSEE:

[Name and address of licensee]

Attention: \_\_\_\_\_

Phone:

Fax:

If sent to Cornell by mail:

Cornell Center for Technology Enterprise and Commercialization

PO Box 6899

Ithaca, NY 14851-6899

Attention: President

For wire payments to Cornell:

All payments due Cornell and made by wire transfers shall include an additional wire transfer fee of twenty-five dollar (US\$25) to the amount due. Wire transfers shall be made using the following information:

Receiving bank name:	Tompkins Trust Co.
Bank account no.:	01101007353
Bank routing (ABA) no.:	021302648
Bank account name:	Cornell Research Foundation
Bank ACH format code:	NA
Bank address:	P.O. 460, Ithaca, NY 14850
Additional information:	Reference D-XXX Agreement No.: XXX Department contact: Lewis Goodwin

A fax copy of the transaction receipt should be sent to Associate Director for Finance and Operations at: 607-xxxxxxx. LICENSEE is responsible for all bank charges of wire transfer funds. The bank charges should not be deducted from total amount due to Cornell.

## 10.2 **Secrecy.**

(a) "Confidential Information" shall mean information, including Technology, relating to the Invention and disclosed by Cornell to LICENSEE during the term of this Agreement, which if disclosed in writing shall be marked "Confidential", or if first disclosed otherwise, shall within thirty (30) days of such disclosure be reduced to writing by Cornell and sent to LICENSEE:

(b) Licensee shall:

(i) use the Confidential Information for the sole purpose of performing under the terms of this Agreement;

(ii) safeguard Confidential Information against disclosure to others with the same degree of care as it exercises with its own data of a similar nature;

(iii) not disclose Confidential Information to others (except to its employees, agents or consultants who are bound to LICENSEE by a like obligation of confidentiality) without the express written permission of Cornell, except that LICENSEE shall not be prevented from using or disclosing any of the Confidential Information that:

(A) LICENSEE can demonstrate by written records was previously known to it;

- (B) is now, or becomes in the future, public knowledge other than through acts or omissions of LICENSEE;
- (C) is lawfully obtained by LICENSEE from sources independent of Cornell; or
- (D) is required to be disclosed by law or a court of competent jurisdiction; and

(c) The secrecy obligations of LICENSEE with respect to Confidential Information shall continue for a period ending five (5) years from the termination date of this Agreement.

10.3 **Assignability.** This Agreement may be assigned by Cornell, but is personal to LICENSEE and assignable by LICENSEE only with the written consent of Cornell.

10.4 **No Waiver.** No waiver by either party of any breach or default of any covenant or agreement set forth in this Agreement shall be deemed a waiver as to any subsequent and/or similar breach or default.

10.5 **Failure to Perform.** In the event of a failure of performance due under 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.

10.6 **Governing Laws.** THIS AGREEMENT SHALL BE INTERPRETED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, but the scope and validity of any patent or patent application shall be governed by the applicable laws of the country of the patent or patent application.

10.7 **Force Majeure.** A party to this Agreement may be excused from any performance required herein if such performance is rendered impossible or unfeasible due to any catastrophe or other major event beyond its reasonable control, including, without limitation, war, riot, and insurrection; laws, proclamations, edicts, ordinances, or regulations; strikes, lockouts, or other serious labor disputes; and floods, fires, explosions, or other natural disasters. When such events have abated, the non-performing party's obligations herein shall resume.

10.8 **Headings.** The headings of the several sections 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.

10.9 **Entire Agreement.** This Agreement embodies the entire understanding of the parties and supersedes all previous communications, representations or

understandings, either oral or written, between the parties relating to the subject matter hereof.

10.10 **Amendments.** No amendment or modification of this Agreement shall be valid or binding on the parties unless made in writing and signed on behalf of each party.

10.11 **Severability.** In the event that any of the provisions contained in this Agreement is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provisions had never been contained in it.

*IN WITNESS WHEREOF*, both Cornell and LICENSEE have executed this Agreement, in duplicate originals, by their respective and duly authorized officers on the day and year written.

**[COMPANY NAME]:**

**CORNELL UNIVERSITY:**

By: \_\_\_\_\_  
(Signature of an authorized officer)

By: \_\_\_\_\_  
(Signature of an authorized officer)

Name: \_\_\_\_\_

Alan S. Paau, M.B.A, Ph.D.

Title: \_\_\_\_\_

Vice Provost for Technology Transfer  
and Economic Development

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

ATTEST:

By: \_\_\_\_\_  
(Signature of a witness)

By: \_\_\_\_\_  
(Signature of a witness)

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_