

SPONSORED RESEARCH AGREEMENT

Between

CASE WESTERN RESERVE UNIVERSITY

And

\_\_\_\_\_

This Agreement (the "Agreement"), effective as of the \_\_\_th day of \_\_\_\_\_, 20\_\_\_, is between \_\_\_\_\_, a corporation domiciled in the State of \_\_\_\_\_ having a principal place of business at \_\_\_\_\_ (the "Company"), and Case Western Reserve University, an Ohio nonprofit corporation having its principal office at 10900 Euclid Avenue, Cleveland, Ohio (the "University").

The University makes its capabilities available to commercial entities for research which complements and does not conflict with the University's educational activities. In this spirit, the University is prepared to undertake on behalf of the Company a program of research in \_\_\_\_\_ to be directed by \_\_\_\_\_ (the "Principal Investigator"). To accomplish this, the University and the Company have agreed as follows.

ARTICLE I: RESEARCH

- 1.1 **Staff and Facilities.** The University will provide staff and facilities to conduct the program of research described in Appendix I ("Research Program"). The University will arrange for the Principal Investigator to direct the performance of the Research Program. Should the Principal Investigator become unable to continue supervising the Research Program, the University will so inform the Company and the parties will attempt to identify a replacement reasonably acceptable to both. If they are unable to reach agreement, either party may terminate this Agreement upon written notice to the other.
- 1.2 **Expenditure of Payments.** The University will use reasonable efforts to ensure that the Company's payments to the University are expended in accordance with Appendix II ("Budget"). Any amounts remaining after completion of the Research Program may be expended at the discretion of the Principal Investigator.
- 1.3 **Accounting.** At the written request of the Company and not more frequently than annually, the University will provide the Company with an itemized accounting of expenditures for the Research Program. The University will use reasonable efforts to ensure that the accounting is correct and complete.
- 1.4 **Reports.** The University will use reasonable efforts to cause the Principal Investigator to provide the Company with written reports of the progress of the Research Program, in such detail as the Company may reasonably request, with each accounting of expenditures (i.e., not more frequently than annually).

1.5 **Site Visitations.** Upon reasonable notice, representatives of the Company may visit the University for purposes of meeting and talking with personnel engaged in the Research Program and reviewing records of the Research Program.

1.6 **Remedies.** The sole remedy for breach of any of the sections of this Article will be termination of the Company's obligation to make further payments to the University.

1.7 **Period of Performance.** The work to be performed under this agreement shall commence on approximately the \_\_\_th day of \_\_\_\_\_, 200\_\_ and shall continue until approximately the \_\_\_th day of \_\_\_\_\_, 200\_\_.

## ARTICLE II: PAYMENT

The Company will pay the University the sum of dollars (\$) in accordance with the Schedule set forth in Appendix III ("Schedule of Payment").

## ARTICLE III: INTELLECTUAL PROPERTY, PATENTS, AND LICENSING

Patent and invention rights will be in accordance with the following:

3.1. **Background Intellectual Property;** Should one or more parties possess rights in background intellectual property, that is, intellectual property not otherwise subject to this Agreement, which would be useful or essential to the practice or commercialization of the results of this Agreement, consideration should be given to negotiating license rights which will allow the use of this intellectual property in the practice and commercialization of the results of this Agreement, to the extent that the parties are legally able to do so..

3.2. **Project Intellectual Property;** "Project Intellectual Property" means the legal rights relating to inventions, patent applications, patents, copyrights, trademarks, mask works, trade secrets, and any other legally protectable information, including computer software, first made or generated during the performance of this Agreement. The rights of the parties to inventions made by their employees or agents in the performance of this Agreement shall be as follows. Unless otherwise agreed in writing, Project Intellectual Property shall be owned by the party whose employee(s) or agent(s) make or generate the Project Intellectual Property. Jointly made or generated Project Intellectual Property shall be jointly owned by the Parties unless otherwise agreed in writing.

The Company shall have the first option to perfect the rights in jointly made or generated Project Intellectual Property unless otherwise agreed in writing, and shall have an option to negotiate for an exclusive commercial license to the jointly owned Project intellectual property. This option must be exercised within ten (10) months from the date of first written disclosure of the jointly owned Project Intellectual Property to the parties; any commercial license will be issued upon CWRU's standard terms and conditions. The joint owners may also consult and agree whether or not to file a patent application, which party will file, and where a patent application is to be filed; such joint applications will be at the expense of the Company.

3.3 **Patents;** The Parties agree to disclose to each other, in writing, each and every Invention that may be patentable or otherwise protectable under the United States patent laws in Title 35, U.S.C. and that is made or generated during the performance of this agreement. The Parties acknowledge that they will disclose Inventions to each other

within two months after their respective inventor(s) first disclose the invention in writing to the person(s) responsible for patent matters of the disclosing Party. All written disclosures of such inventions shall contain sufficient detail of the invention, identification of any statutory bars, and shall be marked confidential, in accordance with 35 U.S.C. Section 205.

Upon request by the Company, the University will cause patent applications on Project Intellectual Property of the University to be filed in the University's name. Such applications will be made at the Company's expense by attorneys reasonably acceptable to both parties. If the University does not file a patent application requested by the Company, the Company's sole redress will be to file the application in the University's name at the Company's expense, which it is hereby authorized to do.

Should the University determine that it is appropriate to file patent applications on Project Intellectual Property of the University or jointly owned Project Intellectual Property that have not been requested by the Company, the University will notify the Company of its determination (the notice must include a summary of the information on which the University based its determination). If the Company does not request the University to file the patent applications within ninety (90) days following receipt of the notice, the University has discretion to file applications in its name and at its expense. In the event any patents issue in respect of such patent applications they will not be deemed to be included in any license

Promptly upon receipt of an invoice, the Company will pay patent costs directly to patent counsel or to the University for those patent applications on Project Intellectual Property that have been filed at the Company's request by the University.

In a timely manner, the University will keep the Company informed of the status of patent applications and patents.

**3.4 Licenses and Option to Project Intellectual Property of the University;** Each party hereto may use Project Intellectual Property of the other non-exclusively and without compensation in connection with research or development activities covered by this Agreement. In addition, the University shall grant to the Company a non-exclusive, royalty free license to use the Project Intellectual Property of the University for internal, non-commercial research purposes only.

The Company will have an option to negotiate for an exclusive license to the Project Intellectual Property of the University, subject to any rights of the Government therein, for commercial purposes. This option must be exercised within ten (10) months from the date of first written disclosure of the Project Intellectual Property to the Company.. Any commercial license to the Project Intellectual Property of the University will be issued upon CWRU's standard terms and conditions.

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

## ARTICLE IV: PUBLICATION AND CONFIDENTIALITY

**4.1 Confidentiality.** The University and the Company agree to advise their respective employees that it is necessary to hold in confidence all technical information and know-how (collectively "Knowledge") received from the other party in connection with the Research Program for a period of three (3) years from the date of written disclosure. All Knowledge deemed confidential will be marked "Confidential" by the disclosing party. Oral disclosures will not be considered confidential unless so designated at the time of disclosure and confirmed in writing within thirty (30) days thereafter. The University and the Company will use reasonable efforts to prevent disclosure of such Knowledge during the three (3) year period, except for disclosures by publications as provided in Section 5.2 below. Knowledge that becomes the subject matter of a license will be governed by the terms of the license agreement. This Section will not apply, however, to Knowledge which:

- A. is now in or will enter the public domain as the result of its disclosure in a publication, the issuance of a patent, or otherwise without the legal fault of the receiving party;
- B. the receiving party can prove was in its possession in written form at the time of the disclosure by the other party;
- C. comes into the hands of the receiving party by means of a third party who is entitled to make such disclosure and who has no obligation of confidentiality toward the disclosing party; or
- D. must be disclosed pursuant to a court order or as otherwise required by law.

**4.2 Publication.** The University will advise the Principal Investigator that if the Principal Investigator proposes to publish any results or conclusions from the Research Program, he or she must allow the Company to review any proposed publication thirty (30) days prior to submitting it for publication. If within said period, the Company identifies proprietary information of Company which it desires to protect and notifies the University in writing that it wishes publication of identified portions to be delayed, the University will use its best efforts to cause publication to be delayed for up to an additional sixty (60) days in order that a patent application may be prepared and filed. If, within the thirty (30) day review period, Company identifies Knowledge disclosed by Company and marked Confidential, University will delete such Knowledge from any publication proposed during the confidentiality period.

## ARTICLE V: COMPANY INFORMATION

Upon completion of the Research Program, any and all materials, devices, samples, software and documentation provided to the University by the Company will be returned to the Company, unless the parties otherwise agree.

## ARTICLE VI: DISCLAIMER OF WARRANTIES

THE INFORMATION, MATERIALS AND SERVICES PROVIDED BY THE UNIVERSITY UNDER THIS AGREEMENT ARE FURNISHED WITHOUT WARRANTIES OF ANY KIND, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

## ARTICLE VII: INDEMNIFICATION

The Company will defend, indemnify and hold the University harmless from any claim, suit, loss, cost, damage, liability or expense arising out of the Company's use of any information or results from the Research Program. Such defense will be conducted by attorneys reasonably acceptable to both parties. This obligation shall survive termination of the Agreement.

## ARTICLE VIII: BREACH AND TERMINATION

**8.1 Term.** This Agreement will terminate upon completion of the Research Program. However, either party may terminate the Agreement for any reason with 30 day written notice. In the event of such early termination, Company will reimburse the University for all expenses incurred up to the date of termination including all non-cancelable obligations.

**8.2 Disposal of Funds.** In the event of termination of this Agreement prior to completion of the Research Program, the University will return any funds received pursuant to Article II to the Company, except for funds that (i) have been expended or (ii) that will be required to fulfill commitments made by the University in connection with the Research Program.

**8.3 Force Majeure.** Each of the parties will be excused from performance of this Agreement only to the extent that performance is prevented by conditions beyond the reasonable control of the party affected. The parties will, however, use their best efforts to avoid or cure such conditions. The party claiming such conditions as an excuse for delaying performance will give prompt written notice of the conditions, and its intent to delay performance, to the other party and will resume its performance as soon as performance is possible.

**8.4 Breach.** If either party at any time commits any material breach of the Agreement, and fails to remedy it within thirty (30) days after receiving written notice of the breach, the aggrieved party, at its option, may cancel this Agreement by notifying the other in writing. This remedy is in addition to any other remedies to which it may be entitled. Any failure to cancel this Agreement for any breach will not constitute a waiver by the aggrieved party of its rights to cancel this Agreement for any other breach whether of similar or dissimilar nature. Except in the case of an intentional breach, the University's liability will be limited to the amount of actual direct damages or the amount the company paid to the University under Article II, whichever is less.

## ARTICLE IX: USE OF NAME

The Company will not use the name of the University, related schools or departments in any publication or marketing materials without the prior written consent of the University.

ARTICLE X: NOTICES

All notices to the University under this Agreement will be in writing and sent by facsimile or by U.S. Mail to the addresses below:

If to the University:

Assoc. Vice President for Research  
Case Western Reserve University  
10900 Euclid Avenue  
Cleveland, Ohio 44106-7015

If to the Company:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ARTICLE XI: MISCELLANEOUS

11.1 **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Ohio.

11.2 **Headings.** The captions or headings in this Agreement do not form part of the Agreement, but are included solely for convenience.

11.3 **Waiver, Amendment.** No waiver, amendment or modification of this Agreement will be effective unless in writing and signed by both parties.

11.4 **Assignment.** Neither party may assign this Agreement or any of its obligations hereunder without the prior written consent of the other party; however, this Agreement will be binding on any successors or permitted assigns of either party.

11.5 **Entire Agreement.** This Agreement embodies the entire agreement of the parties. It supersedes all prior written and verbal agreements between the parties with respect to the subject matter.

11.6 **Severability.** If any term or condition of this Agreement is contrary to applicable law, such term or condition will not apply and will not invalidate any other part of this Agreement. However, if its deletion materially and adversely changes the position of either of the parties, the affected party may terminate the Agreement by giving thirty (30) days written notice.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the first date indicated above.

CASE WESTERN RESERVE UNIVERSITY COMPANY

By: \_\_\_\_\_  
Associate Vice President for Research  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title:  
Date: \_\_\_\_\_

I, the undersigned Principal Investigator, have read and understood this Agreement and agree to comply with its terms.

Signature: \_\_\_\_\_

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

Rev. 6/03