

## INTERINSTITUTIONAL AGREEMENT

This agreement ("Agreement") is effective this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ between CARNEGIE MELLON UNIVERSITY ("Carnegie Mellon"), a Pennsylvania non-profit corporation having a principal place of business at 5000 Forbes Avenue, Pittsburgh, PA 15213 and UNIVERSITY ("XXX"), a \_\_\_\_\_, having a principal place of business at \_\_\_\_\_ . Carnegie Mellon and XXX intending to be legally bound hereby, agree as follows:

### **1. BACKGROUND**

- 1.1 In the course of research at Carnegie Mellon and XXX \_\_\_\_\_, of XXX, and \_\_\_\_\_ of Carnegie Mellon ("Inventors") conceived "\_\_\_\_\_" ("Invention"), as described in Carnegie Mellon Docket \_\_\_\_\_.
- 1.2 Carnegie Mellon and XXX want their respective undivided interests in the Invention administered by Carnegie Mellon, and XXX will not license its undivided interests in the Invention for commercial purposes during the term of this Agreement.

### **2. DEFINITIONS**

- 2.1 "Net Revenues" mean gross proceeds received by Lead Institution (as defined below) from the licensing of the Invention under this Agreement, less Expenses.
- 2.2 "Expenses" mean all reasonable, actual out-of-pocket costs incurred by Lead Institution under this Agreement for the preparation, filing, prosecution, and licensing of United States and foreign patent applications involving the Invention, for litigation involving the Invention (except those litigation costs covered by Article 6), and for the maintenance of resulting patents. Expenses shall be reasonable and fair, and shall be properly disclosed. Expenses shall not include any salaries, administrative, and other indirect costs. Unless otherwise agreed, neither party to this agreement shall be obligated to support Expenses cumulatively exceeding \$25,000 (Twenty Five Thousand US Dollars) or Expenses for "national stage prosecution" of foreign patent applications.
- 2.3 "Lead Institution" shall mean Carnegie Mellon.
- 2.4 "Partner Institution" shall mean XXX.

2.5 "Recoverable Costs" mean \_\_\_\_\_ percent (\_\_\_%) of Expenses.

### **3. PATENT PROSECUTION AND PROTECTION**

- 3.1 Lead Institution is responsible for filing, prosecuting, and maintaining patent application(s) for the Invention and will promptly provide to Partner Institution all serial numbers and filing dates, together with copies of all such applications, including copies of all Patent Office actions, responses, all other Patent Office communications, and issued patents.
- 3.2 After consulting with Partner Institution, Lead Institution may file corresponding foreign patent applications. If any foreign patent applications are filed, Lead Institution will promptly provide to Partner Institution all serial numbers and filing dates. Lead Institution will also provide to Partner Institution copies of foreign patent applications and Patent Office actions, responses, all other Patent Office communications, and issued patents.
- 3.3 Lead Institution will not abandon the prosecution of any patent application (except for purposes of filing continuation or continuation-in-part applications) or the maintenance of any patent contemplated by this Agreement without forty five (45) days prior written notice to Partner Institution.
- 3.4 Partner Institution inventors will assign to Partner Institution and Lead Institution inventors will assign to Lead Institution their respective rights, title and interests in and to the Invention. Lead Institution will record assignments of patent rights in the United States Patent and Trademark Office and other relevant patent offices and will provide Partner Institution with a photocopy of the assignment records.
- 3.5 If Lead Institution anticipates the possibility of any extraordinary expenditures arising from the preparation, filing, prosecution, licensing, or defense of any patent application, Lead Institution will provide Partner Institution with full particulars and will discuss with Partner Institution a mutually acceptable course of action before incurring these expenditures.
- 3.6 Lead Institution will submit to Partner Institution written statements of itemized Expenses. If Partner Institution fails to reimburse Lead Institution for Recoverable Costs within thirty (30) days of receipt of any written statement, Lead Institution may give written notice of default to Partner Institution under Article 8 of this Agreement. If Partner Institution fails to correct this default within forty five (45) days after receiving

default notice, Lead Institution may construe this default as termination on the part of Partner Institution under Article 11 of this Agreement solely with respect to those patents and patent applications to which the default of payment pertains. If, however, Partner Institution has identified discrepancies in billing by Lead Institution, Partner Institution may delay payment for the contested item pending a resolution.

#### **4. LICENSING**

- 4.1 Lead Institution will diligently seek licensee(s) for the commercial development of the Invention and will administer the Invention for the mutual benefit of the parties and in the best public interest. Lead Institution has the authority to sign all license agreements once Partner Institution has approved each license agreement. Partner Institution will either approve the license agreement or contact Lead Institution to discuss revisions to the license agreement within twenty (20) days of receiving the relevant license agreement from Lead Institution or else will be deemed to have approved such license agreement. All such license agreements shall include requirements for the licensee to obtain liability insurance, and to provide indemnification to the Lead Institution and Partner Institution.
- 4.2 Lead Institution and Partner Institution will have the right to continue to practice the Invention and use the Invention for their own bona fide research, including sponsored research and collaborations. Lead Institution and Partner Institution will have the right to publish any information included in Invention. Any exclusive or field exclusive license agreement entered into for said Invention shall except from this exclusivity the rights retained by this Section 4.2.
- 4.3 Lead Institution will provide to Partner Institution copies of each license agreement entered into involving the Invention within thirty (30) days of the date the same has been entered into.
- 4.4 After reimbursing Recoverable Costs to the Partner Institution, Lead Institution will distribute to Partner Institution its Net Revenues concurrently with distributions it makes under Lead Institution's relevant policies, but in any case not later than March 31 for the preceding calendar year, on the following basis:
  - (a) \_\_\_\_\_ percent (\_\_\_%) of the Net Revenues to Lead Institution; and
  - (b) \_\_\_\_\_ percent (\_\_\_%) of the Net Revenues to Partner Institution.

- 4.5 Each party will be solely responsible for calculating and distributing to its respective Inventor(s) of the Invention any share of Net Revenues according to its respective policies.

## **5. RECORDS AND REPORTS**

- 5.1 Lead Institution will keep complete and accurate accounts of all Expenses and of all proceeds received by it from each licensee(s) of the Invention and will permit Partner Institution to allow it or its designated representative, such as a certified public accounting firm, to examine its books and records in order to verify the payments due or owing under this Agreement.
- 5.2 Upon request by Partner Institution, Lead Institution will submit to Partner Institution within forty-five (45) days from the request a report giving status of patent prosecution, commercial development, and licensing activity for the Invention.

## **6. PATENT INFRINGEMENT**

- 6.1 If Lead Institution or Partner Institution learn of the infringement of any patent covered by this Agreement, the party who learns of the infringement will notify the other party in writing and will provide the other party with evidence of the infringement. Lead Institution, in cooperation with Partner Institution, will use its best efforts to terminate such infringement without litigation and/or the parties will confer regarding possible courses of action.
- 6.2 Lead Institution is not obligated to bring any infringement action and Partner Institution is not obligated to participate in any infringement action. If litigation is taken by a party -- with or without the participation of the other party and with or without the participation of exclusive licensee(s) -- any recovery resulting from a settlement or judgment on such an infringement action will be divided based on the percentage involvement of the participants. If the terms of a license agreement entered into pursuant to Article 4 conflict with this clause, the terms of the license agreement will prevail.

## **7. GOVERNING LAWS, SETTLING DISPUTES**

- 7.1 This Agreement is governed by and interpreted according to the laws of the Commonwealth of Pennsylvania.

- 7.2 Any controversy or any disputed claim by either party against the other arising under or related to this Agreement shall be settled by arbitration in accordance with the Licensing Agreement Arbitration Rules of the American Arbitration Association.
- 7.3 Any arbitration under Paragraph 7.2 will be held at Pittsburgh, Pennsylvania, or such other place as mutually agreed upon in writing between the parties, and judgment upon the award rendered by the arbitration may be entered by any court having jurisdiction.

**8. NOTICES**

Any notice will be deemed as given properly if delivered, in writing, in person or mailed by first-class certified mail or through an express mail service which provides for tracking and confirmation of receipt to the following addresses, or another address if designated in writing:

To Carnegie Mellon: Center for Technology Transfer  
and Enterprise Creation  
Carnegie Mellon University  
4165 Forbes Avenue, Suite 302  
Pittsburgh, PA 15213-3890

Attention: Associate VP

To XXX:

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

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

**9. WAIVER**

No waiver by either party of any breach or default of any terms in this Agreement shall be deemed a waiver of any subsequent breach or default.

## **10. ASSIGNABILITY**

This Agreement may not be assigned by either party without the prior written consent of the other party.

## **11. TERM AND TERMINATION**

- 11.1 Either party may terminate this Agreement upon thirty (30) days written notice to the other party but not less than forty five (45) days before any pending Patent Office actions necessary to preserve patent rights.
- 11.2 The termination of this Agreement will not affect any of the rights granted to any licensee that is a party to a license agreement entered into pursuant to Article 4 prior to termination, the parties' rights and obligations relating to sharing of Expenses incurred prior to termination and the sharing of Net Revenues for license agreements entered into pursuant to Article 4, whether such Net Revenues are received before or after termination.
- 11.3 After termination, each party will have the right to license their respective rights in the Invention without accounting to the other party, subject to any rights previously granted in license agreements entered into pursuant to Article 4 prior to termination.

## **12. COMPLETE AGREEMENT**

Carnegie Mellon and XXX agree that this Agreement constitutes the entire agreement between them, and that all prior agreements, both written and oral related to the subject matter of this Agreement are superseded and of no effect.

(The balance of this page is intentionally left blank)

Carnegie Mellon and XXX have entered into this Agreement by their duly authorized officers or representatives.

CARNEGIE MELLON UNIVERSITY

Signature \_\_\_\_\_

Name Robert A. Wooldridge

Title Associate VP, Center for Technology

Transfer and Enterprise Creation

Date \_\_\_\_\_

XXX

Signature \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_